



Notification of Contraventions of General Condition 24 under section 94 of the Communications Act 2003

Notice served on Save Money On Calls.net Limited
("Save Money on Calls") by the Office of Communications

**This is the non-confidential
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Notification to Save Money On Calls of contraventions of General Condition 24 under section 94 of the Communications Act 2003

Section 94 of the Communications Act 2003

- 1.1 Section 94 of the Communications Act 2003 (the “Act”) allows the Office of Communications (“Ofcom”) to issue a notification to a person where Ofcom has reasonable grounds for believing that that person is contravening or has contravened a condition set under section 45 of the Act.

General Condition 24

- 1.2 Section 45(1) of the Act gives Ofcom the power to set conditions, including general conditions, binding on the person to whom they are applied.
- 1.3 The schedule to a notification issued by the Director General of Telecommunications on 22 July 2003 under section 48(1) of the Act, which took effect from 25 July 2003, sets out the General Conditions of Entitlement (the “General Conditions” or “GCs”) which apply to the Communications Providers (“CPs”) defined in each General Condition. The General Conditions have, from time to time, been amended¹.
- 1.4 Ofcom introduced new sales and marketing rules as well as rules concerning the use of Cancel Other in a new General Condition 24 (“GC24”)² which came into force on 18 March 2010 (see Annex 1 for the full text of GC24).
- 1.5 GC24 applies to all CPs who sell fixed line telephone services to Domestic and Small Business Customers³ (the “Customers”) (see GC24.1).
- 1.6 Cancel Other is a consumer protection mechanism designed to ensure that customers are not transferred between CPs (“switched”) – without their express knowledge and/or consent.
- 1.7 GC24.14 requires that⁴:

“The Losing Communications Provider shall only be permitted to use Cancel Other in the following circumstances:

¹ Up to date versions of the General Conditions are located on the Ofcom website at:

<http://stakeholders.ofcom.org.uk/telecoms/ga-scheme/general-conditions/>

² http://stakeholders.ofcom.org.uk/binaries/consultations/protecting_consumers_misselling/statement/s_tatement.pdf

³ “Domestic and Small Business Customer” has the meaning set out in section 52 (6) of the Act:

“In this section “domestic and small business customer”, in relation to a public communications provider, means a customer of that provider who is neither –

(a) himself a communications provider; nor

(b) a person who is such a customer in respect of an undertaking carried on by him for which more than ten individuals work (whether as employees or volunteers or otherwise)”.

⁴ <http://stakeholders.ofcom.org.uk/binaries/telecoms/policy/narrowband/statement.pdf>

- i) *where Slamming has occurred;*
- ii) *at the Customer's request, where the Gaining Communications Provider has failed to cancel the request after being directed by the Customer to do so ("Failure to Cancel");*
- iii) *where the telephone line is, or will be, ceased during the Transfer Period ("Line Cease");*
- iv) *for other specified reasons not related to a Customer's request to cancel a transfer, and agreed by the relevant industry forum and approved by Ofcom; and*
- v) *in such circumstances as defined by Ofcom."*

1.8 GC24.15 requires that:

"Before using Cancel Other in cases of Slamming and/or Failure to Cancel, the Losing Communications Provider shall take reasonable steps to establish that Slamming and/or Failure to Cancel has actually taken place."

1.9 GC24.16 requires that:

"After using Cancel Other, the Losing Communications Provider shall confirm the cancellation of the order by Durable Medium to the Customer, unless this is not possible or appropriate, including where the customer is deceased."

GC 24.19 defines "Durable Medium" as:

"... any instrument which enables the Customer to store information addressed personally to him in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored."

1.10 GC24.18 requires that:

"Where the Losing Communications Provider communicates with the Customer in order to comply with this General Condition, it must not make any marketing statements or representations in the communication which may induce the Customer to terminate their contract with the Gaining Communications Provider and/or remain in a contract with the Losing Communications Provider."

1.11 Sections 94 to 96 of the Act provide for the enforcement of conditions and give Ofcom powers to take action, including the imposition of penalties, against persons who contravene, or have contravened, a condition set under section 45 of the Act.

Subject of this Notification

1.12 This Notification is addressed to Save Money On Calls whose registered company number is 06993130.

Determination made by Ofcom

- 1.13 Ofcom hereby determines that there are reasonable grounds for believing that from 18 March 2010 to 1 November 2010 (the “relevant period”), Save Money On Calls contravened GC24 and specifically the provisions relating to the use of Cancel Other under GC24.14, GC24.15, GC24.16 and GC24.18 by:
- i) failing to take reasonable steps to establish that Slamming and/or Failure to Cancel had actually taken place as required by GC24.15 before using Cancel Other in cases of Slamming and/or Failure to Cancel;
 - ii) using Cancel Other for reasons other than those specified as permissible in GC24.14;
 - iii) after using Cancel Other, failing to confirm the cancellation of the order by Durable Medium to the Customer as required by GC24.16; and
 - iv) where Save Money On Calls was the Losing Communications Provider (“Losing CP”), attempting to induce a Customer via marketing statements or representations to terminate their contract with the Gaining Communications Provider (“Gaining CP”) and/or remain in a contract with Save Money On Calls, contrary to GC24.18.
- 1.14 The reasons for Ofcom’s determination are set out in the remainder of this document (hereby referred to as the “Explanatory Statement”).

Action required by Save Money On Calls

- 1.15 Save Money On Calls has until 5.00pm on **30 May 2011** (the “Deadline”):
- i) to comply with the requirements of GC24; and
 - ii) to remedy the consequences of the contraventions of GC24.
- 1.16 The steps Save Money On Calls can take to comply with the requirements of GC24 may include, but are not limited to:
- i) ensuring that when Cancel Other is used in respect of Slamming and/or Failure to Cancel, reasonable steps are taken to establish that Slamming and/or Failure to Cancel has actually taken place. Ofcom would expect Save Money On Calls to retain auditable records of the steps they have taken, and the evidence they have collected, prior to using Cancel Other, to satisfy themselves that Slamming and/or Failure to Cancel has actually occurred;
 - ii) ensuring that Cancel Other is only used in the permitted specified circumstances provided in GC24.14. Save Money On Calls should refer to guidance published with GC24, and in particular paragraphs A6.37-44 for assistance in how to achieve this requirement (paragraphs A2.1-8 in Annex 2);
 - iii) ensuring that after using Cancel Other, Save Money On Calls confirms the cancellation of the order by Durable Medium to the Customer. If this is not possible or appropriate, then Save Money On Calls should ensure that the reason why a confirmation has not been sent is recorded. Ofcom would expect Save Money On Calls to send letters or other forms of confirmation by Durable Medium to Customers when confirming the cancellation of the order; and

- iv) ensuring that when communicating with the Customer in order to comply with GC24, Save Money On Calls does not induce a Customer via marketing statements or representations to terminate their contract with the Gaining CP and/or remain in a contract with the Save Money on Calls as Losing CP. This would include, but is not limited to, amending or removing sections from standard and specific correspondence sent by Save Money On Calls to Customers attempting to cancel a service with Save Money On Calls (see paragraphs 6.48 and 6.50).
- 1.17 The steps Save Money On Calls can take to remedy any consequences arising from its contraventions may include, but are not limited to, allowing Customers to transfer to the CP of their choice, without charge (subject to contractual provisions) where previous orders have been cancelled by Save Money On Calls use of Cancel Other for reasons other than those permitted under GC24.14.
- 1.18 In the alternative, Save Money On Calls may, prior to the Deadline, make representations to Ofcom about how it proposes to remedy fully the consequences arising from its contraventions of GC24 by a specified date to be agreed with Ofcom. Ofcom is not bound to accept any proposal by Save Money On Calls as complying with the requirement to remedy fully any consequences of its contraventions of GC24 by the Deadline but will give any representation made due consideration.
- 1.19 If, by the Deadline, Save Money On Calls does not comply with GC24 and/or fails to remedy fully the consequences of its breach of GC24 as set out in the Notification and Explanatory Statement, Ofcom may issue an enforcement notification under section 95 of the Act and/or may impose a penalty on Save Money On Calls under section 96 of the Act.

Representations in response to this Notification

- 1.20 Save Money On Calls has until the Deadline to make representations to Ofcom about the matters set out in this Notification and the accompanying Explanatory Statement in relation to GC24. These representations should include an explanation of how Save Money On Calls is complying with GC24 and has remedied, or (to the extent steps remain to be taken before the Deadline) proposes to remedy, the consequences of the notified contraventions.

Interpretation

- 1.21 Words or expressions used in this Notification have the same meaning as in the General Conditions or the Act except as otherwise stated in this Notification.

Lynn Parker
Director, Consumer Protection
21 April 2011

Section 2

Executive Summary

- 2.1 Ofcom introduced new sales and marketing rules as well as rules concerning the use of Cancel Other in a new General Condition 24 (“GC24”) which came into force on 18 March 2010. Cancel Other is a consumer protection mechanism designed to ensure that Customers are not transferred between CPs – without their express knowledge and/or consent.
- 2.2 Section 94 of the Act allows Ofcom to issue a notification to a person where Ofcom has reasonable grounds for believing that that person is contravening and/or has contravened a condition set under section 45 of the Act.
- 2.3 On 18 March 2010, Ofcom opened an own initiative investigation (the “Programme”) to monitor industry-wide compliance with GC24⁵ including the Cancel Other requirements.
- 2.4 As part of the Programme, on 1 November 2010, following the monitoring of consumer complaints to Ofcom’s Advisory Team (the “OAT”), Ofcom decided to conduct an investigation on Save Money On Calls’ compliance with GC24 (the “Investigation”) and issued an information request under section 135 of the Act to Save Money On Calls (the “Information Request”).
- 2.5 As a result of the Investigation, Ofcom obtained evidence from Save Money On Calls that provides Ofcom with reasonable grounds to believe that during the relevant period Save Money On Calls has contravened GC24.
- 2.6 Specifically, Ofcom believes that Save Money On Calls has contravened GC24 in the following ways:
 - i) failing to take reasonable steps to establish that Slamming and/or Failure to Cancel had actually taken place as required by GC24.15 before using Cancel Other in cases of Slamming and/or Failure to Cancel;
 - ii) using Cancel Other for reasons other than those specified as permissible in GC24.14;
 - iii) after using Cancel Other, failing to confirm the cancellation of the order by Durable Medium to the Customer as required by GC24.16; and
 - iv) where Save Money On Calls was the Losing CP, attempting to induce a Customer via marketing statements or representations to terminate their contract with the Gaining CP and/or remain in a contract with Save Money On Calls, contrary to GC24.18.
- 2.7 Accordingly, Save Money On Calls has until 5.00pm on **30 May 2011** (the “Deadline”):
 - i) to make representations to Ofcom about the matters set out in the Notification and the Explanatory Statement;

⁵ See http://stakeholders.ofcom.org.uk/enforcement/competition-bulletins/open-cases/all-open-cases/cw_01045/

- ii) to comply with the requirements of GC24; and
 - iii) to remedy the consequences of the contraventions.
- 2.8 Representations to Ofcom about the matters set out in this Notification and the accompanying Explanatory Statement should include an explanation of how Save Money On Calls is complying with GC24 and has remedied, or (to the extent steps remain to be taken before the Deadline) proposes to remedy, the consequences of the notified contraventions.
- 2.9 The steps Save Money On Calls can take to comply with the requirements of GC24 may include, but are not limited to:
- i) ensuring that when Cancel Other is used in respect of Slamming and/or Failure to Cancel, reasonable steps are taken to establish that Slamming and/or Failure to Cancel has actually taken place. Ofcom would expect Save Money On Calls to retain auditable records of the steps they have taken, and the evidence they have collected, prior to using Cancel Other, to satisfy themselves that Slamming and/or Failure to Cancel has actually occurred;
 - ii) ensuring that Cancel Other is only used in the permitted specified circumstances in GC24.14. Save Money On Calls should refer to guidance published with GC24, and in particular paragraphs A6.37-44 for assistance in how to achieve this requirement (paragraphs A2.1-8 in Annex 2);
 - iii) ensuring that after using Cancel Other, Save Money On Calls confirms the cancellation of the order by Durable Medium to the Customer. If this is not possible or appropriate, then Save Money On Calls should ensure that the reason why a confirmation has not been sent is recorded. Ofcom would expect Save Money On Calls to send letters or other forms of confirmation by Durable Medium to Customers when confirming the cancellation of the order; and
 - iv) ensuring that when communicating with the Customer in order to comply with GC24, Save Money On Calls does not induce a Customer via marketing statements or representations to terminate their contract with the Gaining CP and/or remain in a contract with the Save Money on Calls as the Losing CP. This would include, but is not limited to, amending or removing sections from standard and specific correspondence sent by Save Money On Calls to Customers attempting to cancel a service with Save Money On Calls (see paragraphs 6.45 and 6.47).
- 2.10 The steps Save Money On Calls can take to remedy any consequences arising from its contraventions may include, but are not limited to, allowing Customers to transfer to the CP of their choice, without charge (subject to contractual provisions) where previous orders have been cancelled by Save Money On Calls use of Cancel Other for reasons other than those permitted under GC24.14.
- 2.11 In the alternative, Save Money On Calls may, prior to the Deadline, make representations to Ofcom about how it proposes to remedy fully the consequences arising from its contraventions of GC24 by a specified date to be agreed with Ofcom. Ofcom is not bound to accept any proposal by Save Money On Calls as complying with the requirement to remedy fully any consequences of its contraventions of GC24 by the Deadline but will give any representation made due consideration.

- 2.12 If, by the Deadline, Save Money On Calls does not comply with GC24 and/or fails to remedy fully the consequences of its breach of GC24 as set out in the Notification and Explanatory Statement, Ofcom may issue an enforcement notification under section 95 of the Act and/or may impose a penalty on Save Money On Calls under section 96 of the Act.

Section 3

Background

Legal and Regulatory Framework

- 3.1 Section 45 of the Act gives Ofcom the power to set conditions binding CPs (which section 405(1) of the Act defines to mean persons who provide an electronic communications network or electronic communications service).
- 3.2 On 22 July 2003, the Director General of Telecommunications issued a notification under section 48(1) of the Act setting, pursuant to section 45 of the Act, the General Conditions.
- 3.3 The General Conditions took effect from 25 July 2003 and each apply to those CPs defined in each General Condition, and have from time to time been amended. We set out below the General Conditions that Ofcom relies on in relation to this Notification.
- 3.4 Section 94 of the Act allows Ofcom to issue a notification to a person where Ofcom has reasonable grounds for believing that a person is contravening and/or has contravened a condition set under section 45 of the Act.

General Condition 24

- 3.5 Following the consultation 'Protecting Consumers from Mis-selling of Fixed-Line Telecommunications Services', Ofcom published a statement on 18 December 2009 introducing new sales and marketing rules along with rules concerning the use of Cancel Other. These rules were included in the new GC24 which came into force on 18 March 2010 (GC24 is provided in its entirety in Annex 1). GC24 applies to all CPs who sell fixed-line telephone services to Customers.

Cancel Other

- 3.6 Under GC24, providers are prohibited from using Cancel Other to cancel orders for purposes other than for those reasons expressly specified by GC24. Cancel Other is an industry term for a consumer protection mechanism designed to ensure that Customers are not switched without their express knowledge and/or consent.
- 3.7 The effect of using Cancel Other is that the Gaining CP's order is cancelled and does not complete. This will mean that the customer remains with their current CP, the Losing CP.
- 3.8 GC24.14 requires that:

"The Losing Communications Provider shall only be permitted to use Cancel Other in the following circumstances:

 - i) *where Slamming has occurred;*
 - ii) *at the Customer's request, where the Gaining Communications Provider has failed to cancel the request after being directed by the Customer to do so ("Failure to Cancel");*

- iii) *where the telephone line is or will be, ceased during the Transfer Period (“Line Cease”);*
- iv) *for other specified reasons not related to a Customer’s request to cancel a transfer, and agreed by the relevant industry forum and approved by Ofcom; and*
- v) *in such circumstances as defined by Ofcom.”*

3.9 GC24.15 requires that:

“Before using Cancel Other in cases of Slamming and/or Failure to Cancel, the Losing Communications Provider shall take reasonable steps to establish that Slamming and/or Failure to Cancel has actually taken place.”

3.10 GC24.16 requires that:

“After using Cancel Other, the Losing Communications Provider shall confirm the cancellation of the order by Durable Medium to the Customer, unless this is not possible or appropriate, including where the customer is deceased.”

GC 24.19 defines “Durable Medium” as:

“... any instrument which enables the Customer to store information addressed personally to him in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored.”

3.11 GC24.18 requires that:

“Where the Losing Communications Provider communicates with the Customer in order to comply with this General Condition, it must not make any marketing statements or representations in the communication which may induce the Customer to terminate their contract with the Gaining Communications Provider and/or remain in a contract with the Losing Communications Provider.”

The Programme

3.12 On 18 March 2010, Ofcom opened the Programme to monitor industry-wide compliance with GC24 including the Cancel Other requirements. Ofcom opens individual investigations and/or takes direct enforcement action under this Programme where required.

3.13 As noted above, Cancel Other is a consumer protection mechanism designed to ensure that Customers are not switched without their express knowledge and/or consent. CPs can however abuse this mechanism by using it for reasons other than an anti-Slamming measure. For example, complaints received by the OAT have indicated that CPs have used Cancel Other to block customers switching between CPs or to prevent customers from cancelling their service whilst monies are owed on an account.

3.14 Competitive communications markets are more likely to work well for consumers when it is quick and easy to switch between providers. It is however equally important that consumers are protected from inappropriate and unacceptable

behaviour by CPs which may undermine confidence in the market as well as causing individual harm. An example of such unacceptable behaviour is the mis-selling of Telecommunications services. The term 'mis-selling' covers a range of sales and marketing activities, and includes Slamming, that is where a consumer is simply switched from one CP to another without his knowledge and consent.

- 3.15 Ofcom is committed to reducing instances of mis-selling of Telecommunications services as a strategic priority. One key aspect of this priority is preventing abuse of the Cancel Other process, a functionality that allows Losing CPs to cancel orders (during the transfer period) where Slamming has been alleged by a Customer. Cancel Other is an important consumer protection mechanism, but where it is abused by CPs, and used to retain Customers against their wishes, rather than to protect them from Slamming, this gives rise to consumer harm, the result being inconvenience, stress or anxiety for those consumers as well as financial detriment where they may be denied the ability of moving to a cheaper service.
- 3.16 This is also contrary to our policy objectives and aims and, in particular, that Customers should have a good experience of switching.

Section 4

The Investigation

Background

- 4.1 As part of the Programme, Ofcom identified 11 complaints received by the OAT during the relevant period from consumers alleging that Save Money On Calls had misused Cancel Other. Details of these complaints as recorded by the OAT, with personal details redacted to protect the identity of the complainants, are provided in Annex 5.
- 4.2 In light of these complaints Ofcom decided to conduct the Investigation into Save Money On Calls' use of Cancel Other.
- 4.3 Save Money On Calls was incorporated on 18 August 2009, and is a private limited company whose nature of business is telecommunications. Its company registration number is 06993130.
- 4.4 According to the Save Money On Calls website⁶ it specialises in fixed-line communications for business customers. It offers products including routing outbound calls, line installs, line rental and non-geographic numbers.

Information gathering

Section 135 Information Request

- 4.5 As part of the Investigation, on 26 October 2010, Ofcom issued a draft Information Request under section 135 of the Act to Save Money On Calls requiring it to provide details of its processes and systems relevant to its use of Cancel Other. The draft was issued via an email sent to Gary Winterton of Save Money On Calls.
- 4.6 A draft was issued to allow Save Money On Calls an opportunity to provide comments on the information requested prior to a finalised version being issued. Comments on the draft were required by 29 October 2010. Save Money On Calls was provisionally required to respond to a final Information Request by 12 November 2010.
- 4.7 In an email to Ofcom on 26 October 2010, Neil Gardiner from Save Money On Calls noted that key staff absences during the first half of November 2010 would make meeting the provisional deadline difficult. Mr Gardiner subsequently requested an extension to 6 December 2010. After considering this request and the small number of employees currently employed by Save Money On Calls, Ofcom granted an extension to 1 December 2010. This was reflected in a final Information Request sent to Save Money On Calls on 1 November 2010 (see Annex 3).
- 4.8 The purpose of the Information Request was to enable Ofcom to use the information to assess Save Money On Calls' compliance with the Cancel Other elements of GC24 (namely, GC24.14, GC24.15, GC24.16 and GC24.18). It requested certain specified documents and information relating to Save Money On Calls, including:

⁶ <http://www.savemoneyoncalls.net/default.aspx>

- a) Confirming whether Save Money On Calls provides a Fixed-Line Telecommunications Service to Customers;
- b) Full details of Save Money On Calls procedures following receipt of a transfer notice known as a Losing Received Notification (“LRN”)⁷;
- c) An example of letters, or communications in other Durable Medium if applicable, that Save Money On Calls has sent to customers following receipt of a LRN;
- d) An example of call scripts used for making calls to Customers where Save Money On Calls phones Customers in addition to sending them a letter;
- e) Full details of the steps that Save Money On Calls takes:
 - i) to establish that Slamming and/or Failure to Cancel has taken place, before using Cancel Other; and
 - ii) after it has received an LRN for a line on which it has previously used Cancel Other;
- f) In instances where Save Money On Calls uses Cancel Other:
 - i) the method to confirm to the Customer that the transfer order has been cancelled; and
 - ii) any written correspondence used to confirm the cancellation to the Customer;
- g) Copies of all training material used by Save Money On Calls, in relation to the use of Cancel Other. We asked that this include, but was not limited to, copies of any training logs/schedules, manuals, briefings, guidelines or other instructions for staff involved in the use of Cancel Other.

Save Money On Calls response to the Section 135 Information Request

- 4.9 Save Money On Calls provided a response to the final Information Request on 23 November 2010. Its response (the “Response”) included:
- a) confirmation that Save Money On Calls provided Fixed-Line Telecommunications Services to Customers;
 - b) procedures flow chart in respect of receipt of an LRN;
 - c) standard correspondence that has been sent to Customers following receipt of a LRN;
 - d) Save Money On Calls’ leaving script. This is used when (a) upon receipt of an LRN, an attempt is made to contact the customer by telephone and (b) where a Gaining CP submits a LRN on behalf of a Customer, an attempt is made to contact the Customer by telephone; and

⁷ When a customer instructs a gaining CP to place an order to transfer their fixed-line telephone service from one CP to the gaining CP, the losing CP is made aware of the customer’s intention to transfer through a notification from the Openreach Service Provider Gateway (the “SPG”). The SPG and the BT Wholesale Gateway is an online ordering tool that enables CPs to place and track their orders. This notification of the customer’s intention to transfer is referred to as the LRN.

- e) notification that the method by which Save Money On Calls confirms to the Customer that a transfer order has been cancelled is in the majority of cases done verbally. Where Save Money On Calls is unable to contact the Customer via the telephone, the standard letter referred to in 4.9(c) is sent to the Customer with a request that they contact Save Money On Calls and advising that the transfer order will be cancelled by Save Money On Calls on a certain date if no response from the Customer is forthcoming within a specified date range.
- 4.10 No training material was provided. In a phone conversation with Ofcom on 26 October 2010, Mr Gardiner confirmed that due to the small size of its operations, the company did not provide training material to staff to use in relation to Cancel Other. Mr Gardiner stated that standard procedures, script and letters were utilised in each instance of Cancel Other.

Section 5

Application of GC24 to Save Money On Calls

- 5.1 This section sets out Ofcom's reasoning and findings with respect to whether Save Money On Calls falls within the scope of GC24.

GC24

- 5.2 GC24.1 states that:

“A Communications Provider who provides a Fixed-Line Telecommunications Service to Domestic and Small Business Customers (‘the Customer’) must comply with this General Condition with respect to such Customers”

- 5.3 GC24.2 notes that:

“This General Condition is only applicable where the Customer is transferring a Fixed-Line Telecommunications Service between Communication Providers.”

- 5.4 Therefore, in issuing a Notification under section 94 to Save Money On Calls in relation to contraventions of GC24, Ofcom must have reasonable grounds for believing that Save Money On Calls:

- a) is a CP (as defined in GC24.1);
- b) provides a Fixed-Line Telecommunications Service to Domestic and Small Business Customers; and
- c) has had Customers transferring a Fixed-Line Telecommunications Service from Save Money On Calls to another CP.

- 5.5 Ofcom notes that Save Money On Calls does not dispute that it is subject to GC24. It is clear that it is, in any event, as follows.

Communications Provider

- 5.6 “Communications Provider” is defined in GC24.19 (d), which states:

“‘Communications Provider’ means the provider of an Electronic Communications Network and/or Electronic Communications Service, both as defined in section 32 of the Act.”

- 5.7 “Electronic Communications Network” (“ECN”) is defined in Part 1 of the General Conditions, again following Section 32 of the Act, and means:

“(a) a transmission system for the conveyance, by use of electrical, magnetic or electro-magnetic energy, of Signals of any description; and

(b) such of the following as are used, by the person providing the system and in association with it, for the conveyance of the Signals –

- i. *apparatus comprised in the system;*
- ii. *apparatus used for the switching or routing of the Signals; and*
- iii. *software and stored data.”*

5.8 An “Electronic Communications Service” (“ECS”) is defined in Part 1 of the General Conditions, following Section 32 of the Act, which states:

““Electronic Communications Service” means a service consisting in, or having as its principal feature, the conveyance by means of an Electronic Communications Network of Signals, except in so far as it is a Content Service”

5.9 “Signal” is defined in Part 1 of the General Conditions, once more following Section 32 of the Act, and includes –

“(i) anything comprising speech, music, sounds, visual images or communications or data of any description; and

(ii) signals serving for the impartation of anything between persons, between a person and a thing or between things, or for the actuation or control of any apparatus”.

5.10 Save Money On Calls purchases wholesale telephone access line and call services. Taken together, these two services are referred to as wholesale line rental (“WLR”). Save Money On Calls uses those services to enable it to offer retail line rental and call services to customers; that is, it re-sells the services purchased.

5.11 WLR is a facility by which BT Wholesale provides other CPs with the ability to offer monthly line rental and associated services (such as fault repair) over the BT network. In the case of Save Money On Calls, a wholesale provider, Nine Telecom Ltd, purchases WLR from BT Wholesale and then provides, or resells, these services to Save Money On Calls, who, in turn, provides them directly to (end-user) customers⁸.

5.12 Therefore, by purchasing WLR, Save Money On Calls is able to provide an integrated telephony service comprising calls and access to compete with BT’s own retail business and billed on a single monthly bill.

5.13 Save Money On Calls, therefore, provides a service which consists of the conveyance of signals (i.e. speech) by way of BT’s ECN. This falls within the definition of ECS contained in Part 1 of the General Conditions.

5.14 In summary, Save Money On Calls provides an ECS and therefore it falls within the definition of Communications Provider for the purposes of GC24.1.

Fixed line communications services

5.15 In addition to falling within the definition of Communications Provider for the purposes of General Condition 24.1, Save Money On Calls must also provide “Fixed-line Telecommunications Services to Domestic and Small Business Customer”.

⁸ This information was provided to Ofcom via an email from Gary Winterton of Save Money On Calls on 25 March 2011.

- 5.16 “Fixed-line Telecommunications Services” is defined in GC24.19 which states:
- ““Fixed-line Telecommunications Services” means Narrowband call and/or line rental services provided to Domestic and Small Business Customers”*
- 5.17 “Narrowband” is defined in GC24.19 which states:
- ““Narrowband” means services provided over a traditional Public Telephone Network, excluding services provided over a Cable Network”*
- 5.18 “Cable Network” is defined in GC24.19 which states:
- ““Cable Network” means a hybrid fibre-coax Electronic Communications Network that uses a combination of optical fibres and coaxial cable”*
- 5.19 “Public Telephone Network” (“PSTN”) is defined in Part 1 of the General Conditions which states:
- ““Public Telephone Network” means an Electronic Communications Network which is used to provide Publicly Available Telephone Services; it supports the transfer between Network Termination Points of speech communications, and also other forms of communication, such as facsimile and data”*
- 5.20 The relevant part of the definition of “Publicly Available Telephone Services” (“PATs”) is contained in Part 1 of the General Conditions which states:
- ““Publicly Available Telephone Services” means a service available to the public for originating and receiving national and international calls and access to Emergency Organisations through a number or numbers in a national or international telephone numbering plan [...]”*
- 5.21 The relevant part of the definition of “Network Termination Point” (“NTP”) is contained in Part 1 of the General Conditions, which states:
- ““Network Termination Point” means the physical point at which a Subscriber is provided with access to a Public Electronic Communications Network...”*
- 5.22 Finally, “Subscriber” is defined in Part 1 of the General Conditions as:
- ““Subscriber” means any person who is party to a contract with a provider of Public Electronic Communications Services for the supply of such service.”*
- 5.23 Therefore, to fall within the definition of providing Fixed-line Telecommunications Services, Save Money On Calls must provide a Narrowband call and/or line rental service. The definition of Narrowband excludes cable networks and is defined to mean services provided over a PSTN.
- 5.24 As discussed above, Save Money On Calls provides its services over BT’s network via its wholesale provider Nine Telecom Ltd. This is provided over copper cabling and is therefore not a cable network. However, to fall within the definition of a PSTN, BT’s ECN must be used to provide PATs and must allow the transfer of, at least, speech between NTPs.
- 5.25 Dealing with the issue of PATs first, the relevant part of the definition of PATs will be satisfied by BT’s ECN as BT’s ECN does allow the making of and receiving of all

types of telephone calls as well as making emergency calls. These calls can be made between the telephones of customers of telephony providers (Subscribers), which satisfies the relevant part of the definition of NTP.

- 5.26 Therefore, BT's ECN falls within the definition of a PSTN and as Save Money On Calls provides its call and/or line rental services over this network and not a cable network, it is providing a Narrowband call and/or line rental service to its customers.
- 5.27 In summary, by providing Narrowband call and/or line rental services, Save Money On Calls falls within the definition of providing fixed-line Telecommunications Services.

Domestic and Small Business Customer

- 5.28 "Domestic and Small Business Customer" is defined in section 52(6) of the Act and means, in relation to a Communications Provider, a Customer of that Provider who is neither –

"(i) himself a communications provider, nor

(ii) a person who is such a Customer in respect of an undertaking carried on by him for which more than ten individuals work (whether as employees or volunteers or otherwise)"

- 5.29 "Customers" is defined in Part 1 of the General Conditions, which states:

"Customers", in relation to a Communications Provider, means the following (including any of them whose use or potential use of the network or service is for the purposes of, or in connection with, a business):

(a) The persons to whom the network or service is provided in the course of any business carried on as such by the Communications Provider;

(b) The persons to whom the Communications Provider is seeking to secure that the network or service is so provided;

(c) The persons who wish to be so provided with the network or service, or who are likely to seek to become persons to whom the network or service is so provided;"

- 5.30 Save Money On Calls provides its services to persons in the course of its business. Therefore, its customers fall into the definition of "Customer" for the purpose of Part 1 of the General Conditions.
- 5.31 Therefore Save Money On Calls is a CP who provides Fixed-Line Telecommunications Services.
- 5.32 In summary, Save Money On Calls is a CP who provides a Fixed-Line Telecommunications Service to Domestic and Small Business Customers and therefore it falls within the definition of CP for the purposes of GC24.1.

Customer transferring its Fixed-Line Telecommunications Service

- 5.33 Save Money On Calls provided correspondence that demonstrates it has had Customers transfer, and/or attempt to transfer, the services it provides to other CPs.

- 5.34 Moreover consumer complaints to the OAT also demonstrate that Customers have transferred, and/or attempted to transfer, the services Save Money On Calls provides to other CPs.
- 5.35 In summary, Save Money On Calls has had Customers transferring its Fixed-Line Telecommunications Service from Save Money On Calls to another CP and therefore it falls within the scope of application of GC24 for the purposes of GC24.2.

Section 6

Evidence of specific contraventions

- 6.1 This section sets out why Ofcom considers that there are reasonable grounds for believing that Save Money On Calls has contravened the Cancel Other provisions of GC24 (specifically GC24.14, GC24.15, GC24.16 and GC24.18).
- 6.2 Ofcom's findings are based on evidence obtained from information, including a review of written material, provided by Save Money On Calls in its response to the Information Request.
- 6.3 Ofcom has also conducted an analysis of complaints made against Save Money on Calls to the OAT in the relevant period (see Annex 5 for details of the complaints). The purpose of this analysis is to contextualise the Response and the impact Save Money On Calls use of Cancel Other has had on its Customers.
- 6.4 As set out in Section 5, Ofcom considers that Save Money On Calls:
- a) is a Communications Provider (as defined in GC24.1);
 - b) provides Fixed-Line Telecommunication Services; and
 - c) has had Customers transferring Fixed-Line Telecommunications Service from Save Money On Calls to another CP.
- 6.5 The following sections set out the specific elements of each of GC24.15, GC24.14, GC24.16 and GC24.18 and the evidence that supports the finding of contraventions of them during the relevant period.

Contraventions of GC24.15

- 6.6 GC 24.15 requires that:

“Before using Cancel Other in cases of Slamming and/or Failure to Cancel, the Losing Communications Provider shall take reasonable steps to establish that Slamming and/or Failure to Cancel has actually taken place.”

Evidence obtained from Save Money On Calls

- 6.7 To consider whether Save Money On Calls took reasonable steps to establish that Slamming and/or Failure to Cancel had actually taken place before using Cancel Other during the relevant period, Ofcom required Save Money On Calls to provide in the Information Request:
- i) full details of Save Money On Calls procedures following receipt of a transfer notice known as a Losing Received Notification (LRN); and
 - ii) full details of the steps Save Money On Calls takes to establish that Slamming or Failure to Cancel has taken place before using Cancel Other and full details of the steps that Save Money On Calls takes after it has received an LRN for a line on which it has previously used Cancel Other.

- 6.8 In the Response, Save Money On Calls provided two pieces of standard correspondence sent to Customers following the receipt of an LRN.
- 6.9 The first piece of correspondence provided to Ofcom was a letter titled, 'Application to move your Telephone Service: PLEASE READ CAREFULLY'. Save Money On Calls noted that this letter was sent to Customers after unsuccessfully attempting to contact them via a telephone call. This correspondence states:
- "We have unsuccessfully attempted to contact you by phone. Therefore, in order to protect your interests whilst the custodian of your line, we will place a stop on the transfer at the above date, if we have not heard from you by [redacted] 2010."*
- 6.10 The second piece of correspondence provided was a facsimile sent to a Customer by Save Money On Calls after unsuccessfully attempting to contact them via a telephone call. This correspondence states:
- "In order to protect you interests and avoid a breach of contract arising, we have placed a stop on your lines leaving [redacted] (2010). I would be grateful if you would advise your new provider to resubmit their application to take the lines on [redacted] (2010)."*
- 6.11 Save Money On Calls did not provide any further details of the steps that it took:
- i) to establish that Slamming or Failure to Cancel had taken place before using Cancel Other; and
 - ii) after it has received an LRN for a line on which it had previously used Cancel Other.
- 6.12 Based on the above information provided in the Response, Save Money On Calls' process for using Cancel Other was as follows:
- i) Save Money on Calls will always presume that Slamming and/or Failure to Cancel has occurred when presented with an LRN in respect of a Customer;
 - ii) Save Money On Calls will then attempt to contact the Customer who has submitted an LRN by phone to confirm whether it intended to transfer their Fixed-Line Telecommunications Service away from Save Money On Calls; and
 - iii) where Save Money On Calls is unable to contact the Customer by phone, Save Money On Calls will contact the Customer in writing to indicate either that the order has been cancelled or to allow a grace period before Cancel Other is used.
- 6.13 Save Money On Calls' process therefore was to presume that Slamming and/or Failure had taken place unless the Customer confirmed otherwise and rebutted the presumption.
- 6.14 The purpose of the provisions in GC24 relating to Cancel Other and specifically GC24.15 is to prevent the misuse of the Cancel Other process by Losing CPs. This occurs where Cancel Other is used primarily to prevent customers from moving to another provider (switching) rather than to protect from Slamming.
- 6.15 This is clarified in paragraph A6.42 of the Guidance (see A2.6 in Annex 2) which states:

“Ofcom considers that the Losing Communications Provider should only use Cancel Other if the customer would otherwise be transferred to the Gaining Communications Provider against their wishes⁹.”

- 6.16 Ofcom considers that requiring every Customer to confirm that the order should proceed equates to frustrating the switching process. Therefore Save Money on Calls’ process (as outlined to Ofcom in its Response) for establishing whether Slamming and/or Failure to Cancel had occurred, did not involve taking reasonable steps to establish whether Slamming and/or Failure to Cancel had occurred before using Cancel Other.
- 6.17 Moreover the effect of Save Money On Calls actions ultimately frustrated the Gaining CP led process by ensuring that contact between a Customer and the Losing CP was a necessary precursor to the transfer of a Fixed-Line Telecommunication Service.
- 6.18 By failing to take reasonable steps to ensure Slamming and/or Failure to Cancel had actually occurred before using Cancel Other, Save Money on Calls has contravened GC24.15.

Analysis of OAT Complaints

- 6.19 Analysis of OAT complaints data over the relevant period also indicates that Save Money On Calls may have failed in individual cases to follow the process detailed in its Response, as set out in paragraph 6.9 and 6.10 and suggests that no attempt was made on behalf of Save Money On Calls to contact Customers who had submitted an LRN.
- 6.20 None of the complainants indicate that Save Money On Calls contacted them by phone or in writing to establish whether Slamming and or Failure to Cancel had occurred.
- 6.21 Some complainants noted that they have had no contact from Save Money On Calls and have been informed of the use of Cancel Other by the Gaining CP:

“This is a misuse of ‘Cancel Other’ since we have not even been contacted by Save Money On Calls and did in fact give authorisation for the transfer to take place (section A5.2(vi))”; and

“Consumer has called as he wishes to transfer his broadband and phone line from Save Money On Calls. He states that [redacted] has told him that Save Money On Calls keep blocking the transfer from going ahead (section A5.2(xi)).”

- 6.22 These complaints in particular suggest that Save Money On Calls did not in fact follow the process it stated to Ofcom it follows before using Cancel Other.

Conclusion

- 6.23 For the reasons described in sections 6.7-18, Ofcom considers that Save Money On Calls’ did not take reasonable steps to establish Slamming and/or Failure to Cancel actually took place prior to using Cancel Other in the relevant period and was therefore in contravention of GC24.15.

⁹ See A2.6 (first bullet point).

Contraventions of GC24.14

6.24 GC24.14 requires that, in relation to the use of Cancel Other:

“The Losing Communications Provider shall only be permitted to use Cancel Other in the following circumstances:

- i) where Slamming has occurred;*
- ii) at the Customer’s request, where the Gaining Communications Provider has failed to cancel the request after being directed by the Customer to do so (“Failure to Cancel”);*
- iii) where the telephone line is or will be, ceased during the Transfer Period (“Line Cease”);*
- iv) for other specified reasons not related to a Customer’s request to cancel a transfer, and agreed by the relevant industry forum and approved by Ofcom; and*
- v) in such circumstances as defined by Ofcom.”*

Evidence obtained from Save Money On Calls

- 6.25 In sections 6.7 to 6.18, Ofcom has set out its reasonable grounds for believing that Save Money On Calls had not taken reasonable steps to establish that Slamming and/or Failure to Cancel had actually occurred.
- 6.26 The most common permitted uses of Cancel Other are in the cases of Slamming and Failure to Cancel. Cancel Other can also be applied to Line Cease but this is only in a narrow set of circumstances as a necessary step when a Losing CP places an order to cease a line¹⁰. Ofcom has not approved or set out any other circumstances where Cancel Other is permissible.
- 6.27 By not being taking reasonable steps to ensure that Slamming and/or Failure to Cancel had actually taken place prior to using Cancel Other, Ofcom infers that Save Money On Calls is likely to have used Cancel Other in circumstances other than Slamming and/or Failure to Cancel.

Analysis of OAT complaints

- 6.28 In the relevant period the OAT received 11 consumer complaints alleging that Save Money On Calls misused Cancel Other (see Annex 5). In each of those complaints, the consumer alleged it was a Customer of Save Money On Calls and when it sought to switch to another provider, Save Money On Calls cancelled the transfer to the Gaining CP through the use of Cancel Other. In each case, the Customer claimed it had authorised the transfer to the Gaining CP and had neither been Slammed nor had requested that Save Money on Calls use Cancel Other to prevent the transfer.
- 6.29 Specifically the substance of these complaints suggest that:

- a) Customers sent notifications directly to Save Money On Calls stating that they wish to switch providers, including by recorded delivery (see section A5.2(i));

¹⁰ See second bullet point of A2.6.

- b) Save Money On Calls has used Cancel Other on the same Customer repeatedly (see sections A5.2(i), A5.2(v) and A5.2(xi)). One complaint alleges that Cancel Other was used over 25 times to prevent him from switching to another provider (see section A5.2(ii)); and
 - c) Save Money On Calls continued to use Cancel other in spite of an Otelo ruling that Save Money On Calls should not be blocking the transfer to the Gaining CP (see section A5.2(xi))¹¹.
- 6.30 In addition, two complainants allege that Save Money On Calls used Cancel Other to prevent the Customer from leaving until it had paid an Early Termination Charge (ETC) (see sections A5.2(ii), and A5.2(viii)).
- 6.31 Paragraph A6.44 of the Guidance (see A2.8 in Annex 2) clearly states that:
- “Cancel Other should not be used by the Losing CP [...] to frustrate the transfer process, particularly in situations where, for example, the Customer has not yet paid their bill [...] or termination of charges apply. These charges should be included in the final bill, and settled in accordance with standard payment terms.”*
- 6.32 Using Cancel Other in this way may have generated consumer harm. One complainant states that:
- ‘This is preventing us from enjoying the savings offered by our chosen provider and we continue to be charged for calls by Save Money On Calls despite not wishing to continue to be supplied by them’ (see section A5.2(x)).
- 6.33 Whilst unsubstantiated, the clear allegations made in complaints to the OAT enable Ofcom to infer that Save Money On Calls is likely to have used Cancel Other in circumstances other than Slamming and/or Failure to Cancel.

Conclusion

- 6.34 For the reasons described in sections 6.25-27, Ofcom considers that by not taking reasonable steps to ensure that Slamming and/or Failure to Cancel has taken place (in circumstances when other aspects of GC24.14 do not apply), by inference, there are reasonable grounds to believe that Save Money On Calls used Cancel Other in circumstances other than those permitted in GC24.14 during the relevant period and was therefore in contravention of GC24.14.

Contraventions of GC24.16

- 6.35 GC 24.16 requires that:

“After using Cancel Other, the Losing Communications Provider shall confirm the cancellation of the order by Durable Medium to the Customer, unless this is not possible or appropriate, including where the customer is deceased.”

¹¹ Otelo is an independent telecommunications ombudsman which decides what action should be taken when a consumer and a company the consumer has complained about cannot agree a resolution. Otelo’s decisions are binding on its members. Save Money On Calls is a member of Otelo and as such is bound by its decisions in respect of complaints made against it

6.36 GC 24.19 states that:

“Durable Medium” means any instrument which enables the Customer to store information addressed personally to him in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored.

6.37 GC24.16 is an important consumer protection measure as it allows a Customer to check that the cancellation of a request to transfer a Fixed-Line Telecommunications Service by the use of Cancel Other is in accordance with what is allowed under GC24.14.

Evidence obtained from Save Money On Calls

6.38 To consider whether Save Money On Calls was complying with this requirement, Ofcom required Save Money On Calls to provide in its response to the Information Request:

- i) an example of letters, or communications in other Durable Medium if applicable, that Save Money On Calls has sent to Customers following receipt of an LRN;
- ii) an example of call scripts used for making calls to Customers where Save Money On Calls phones Customers in addition to sending them a letter;
- iii) in instances where Save Money On Calls uses Cancel Other, the method to confirm to the Customer that the transfer has been cancelled; and
- iv) in instances where Save Money On Calls uses Cancel Other, any written correspondence used to confirm the cancellation of the order.

6.39 In its Response, Save Money On Calls provided the information requested in 6.38 and noted in a cover letter sent with its response that:

“The method in which we confirm to the customer that the transfer order has been cancelled is in the majority of cases in verbal form. Where Save Money On Calls has been unable to contact the customer directly by telephone, the standard letter referred to at 2b/1 above (see Annex 4), is sent to the customer requesting that they contact us, and advising that the transfer order will be cancelled on a certain date in order to protect their interests if we have not heard from them.”

6.40 This indicates that Save Money On Calls did not in every instance confirm the cancellation of the order by Durable Medium after it used Cancel Other in the relevant period. This is in contravention of GC24.16.

Analysis of OAT complaints data

6.41 Analysis of OAT complaints data also indicates that Save Money On Calls may have failed in individual cases to confirm the cancellation of the order by Durable Medium.

6.42 None of the complainants indicate that Save Money On Calls confirmed the cancellation of the order with them.

- 6.43 Some complainants confirmed that they have had no contact from Save Money On Calls and have been informed of the use of Cancel Other by the Gaining CP:

“This is a misuse of ‘Cancel Other’ since we have not even been contacted by Save Money On Calls and did in fact give authorisation for the transfer to take place (section A5.2(vi))”; and

“Consumer has called as he wishes to transfer his broadband and phone line from Save Money On Calls. He states that [X] has told him that Save Money On Calls keep blocking the transfer from going ahead (section A5.2(xi)).”

Conclusion

- 6.44 For the reasons described in sections 6.38-40, Ofcom has reasonable grounds to believe that Save Money On Calls had failed to confirm the cancellation of the order by Durable Medium after it had used Cancel Other during the relevant period and was therefore in contravention of GC24.16.

Contraventions of GC24.18

- 6.45 GC24.18 requires that:

“Where the Losing Communications Provider communicates with the Customer in order to comply with this General Condition, it must not make any marketing statements or representations in the communication which may induce the Customer to terminate their contract with the Gaining Communications Provider and/or remain in a contract with the Losing Communications Provider.”

- 6.46 Under GC 24.7 (Post-sales information), the Losing CP must communicate with the Customer as follows:

“Where the Customer enters into a contract for a Fixed-Line Telecommunications Service, the Gaining Communications Provider and the Losing Communications Provider must each send the Customer a letter in accordance with the industry agreed process, stating that the Customer is transferring their Fixed-Line Telecommunications Service, in paper or another Durable Medium, which clearly sets out, as appropriate:

- (i) the date of the letter*
- (ii) the Calling Line Identification of all Electronic Communications Services which are affected;*
- (iii) the list of services affected/ unaffected;*
- (iv) the proposed switchover date;*
- (v) relevant contact details; and*
- (vi) the right to terminate the contract, the means by which the right to terminate from the point of sale to the completion of the Transfer Period can be exercised and the date by which the right to terminate must be exercised.”*

- 6.47 This letter as described in GC24.7 is intended to ensure the Customer is fully aware of the forthcoming transfer of their fixed-line telephone service, but importantly GC24.18 requires that the letter must be restricted to neutral/factual information and must not contain any 'save' or marketing content.

Evidence obtained from Save Money On Calls

- 6.48 In its Response, Save Money On Calls provided a letter titled, 'Application to move your Telephone Service: PLEASE READ CAREFULLY' dated [X]. This 'standard correspondence' (as described by Save Money On Calls) states:

"Please contact me (i.e. a representative of Save Money On Calls) or one of our dedicated Customer Services team urgently on 0870 752 0060 in order to confirm your requirements. If there are any issues regarding your account or the service we are providing we will be pleased to discuss them with you."

- 6.49 Ofcom considers that these two sentences go beyond what is permitted in the mandatory letter from a Losing CP and are evidence of 'save activity'. Ofcom considers that the purpose of including the request for Customers to contact Save Money On Calls to discuss "any issues regarding your account or the service" is designed to create an opportunity to induce the Customer to remain in a contract with the Save Money on Calls and/or terminate their contract with the Gaining CP.

- 6.50 In its Response, Save Money On Calls provided a standard letter addressed to an individual Customer, [X], dated [X]. This letter states:

"(referring to a previous, recent phone call) I understand from my conversation with [X] that this application is as a result of your Internet Service. Please be advised that you do not have to move your line away from us in order for any internet suppliers' service to be provided upon it.

- 6.51 In Ofcom's opinion this statement is a clear infringement of the requirement to limit the content within the mandated Losing CP letter to neutral/factual information only¹². By advising the Customer that they did not have to move their line from Save Money On Calls in order to take any Internet Service Providers (ISP) service, Ofcom also believes that this is a clear case of save activity. It is Ofcom's opinion that this statement was designed to induce the Customer to terminate their contract with the Gaining CP and remain with the Save Money on Calls as the Losing CP.

Analysis of OAT complaints data

- 6.52 Analysis of complaints made to the OAT against Save Money On Calls in the relevant period suggests that Customers may have received letters inducing the Customer to remain in a contract with the Losing Communications Provider.
- 6.53 Specifically complainants allege receiving letters stating that Save Money On Calls would not release the Customer's phone line unless a termination fee was paid:

¹²Further guidance on this point can be found in *Carrier Pre-Selection: Industry End-to-End Process Description* (see 3.2.9 – Notification to Customer of CPS service switchover, p43) http://stakeholders.ofcom.org.uk/binaries/telecoms/groups/pre/cps_e2e_process.pdf

“Consumer has now received a letter which basically states that Save Money On Calls will refuse to release her phone lines unless she agrees to pay the termination fee (which she is disputing)” (section A5.2(ii)); and

“Save Money On Calls are saying there will be a termination fee but will not release the line until the consumer pays this amount” (section A5.2(viii)).

Conclusion

- 6.54 For the reasons described in sections 6.48-51, Ofcom has reasonable grounds to believe that Save Money On Calls made marketing statements or representations in its communications which may have induced a Customer to terminate their contract with the Gaining CP and/or remain in a contract with the Losing CP during the relevant period and was therefore in contravention of GC24.18.

Section 7

Conclusions and action required by Save Money On Calls

Contraventions of General Condition 24

- 7.1 On the basis of the evidence and reasoning contained in the Explanatory Statement, Ofcom hereby determines that there are reasonable grounds for believing that during the relevant period, Save Money On Calls has contravened GC24.
- 7.2 Specifically, Ofcom believes that Save Money On Calls has contravened GC 24 during the relevant period by:
- i) failing to take reasonable steps to establish that Slamming and/or Failure to Cancel has actually taken place before using Cancel Other in cases of Slamming and/or Failure to Cancel. The Response indicates that Save Money On Calls presumed that Slamming and/or Failure to Cancel had occurred every time it received an LRN in breach of GC24.15;
 - ii) using Cancel Other for reasons other than those specified as permissible in GC24.14 in breach of GC24.14;
 - iii) after using Cancel Other, failing to confirm the cancellation of the order by Durable Medium to the Customer. The Response demonstrates that Save Money On Calls did not in every instance it after it used Cancel Other confirm the cancellation of the order by Durable Medium in breach of GC24.16; and
 - iv) where Save Money On Calls was the Losing CP, attempting to induce a Customer via marketing statements or representations to terminate their contract with the Gaining CP and/or remain in a contract with Save Money On Calls. The Response indicates that when Save Money On Calls contacted Customers in accordance with GC24.7 it actively marketed Customers and made representations which may have induced the Customer to breach their contract with the Gaining CP or remain with Save Money On Calls in breach of GC25.18.

Action required by Save Money On Calls

- 7.3 Save Money On Calls has until 5.00pm on **30 May 2011** (the “Deadline”):
- i) to comply with the requirements of GC24 as set out below; and
 - ii) to remedy the consequences of the contraventions of GC24 as set out below.
- 7.4 Ofcom expects that the steps Save Money On Calls takes to comply with the requirements of GC24 may include, but are not limited to:
- i) ensuring that when Cancel Other is used in respect of Slamming and/or Failure to Cancel, reasonable steps are taken to establish that Slamming and/or Failure to Cancel has actually taken place. Ofcom would expect Save Money On Calls to retain auditable records of the steps they have taken, and the evidence they have

collected, prior to using Cancel Other, to satisfy themselves that Slamming and/or Failure to Cancel has actually occurred;

- ii) ensuring that Cancel Other is only used in the permitted specified circumstances in GC24.14. Save Money On Calls should refer to guidance published with GC24, and in particular paragraphs A6.37-44 for assistance in how to achieve this requirement (paragraphs A2.1-8 in Annex 2);
- iii) ensuring that after using Cancel Other, Save Money On Calls confirms the cancellation of the order by Durable Medium to the Customer. If this is not possible or appropriate, then Save Money On Calls should ensure that the reason why a confirmation has not been sent is recorded. Ofcom would expect Save Money On Calls to send letters or other forms of confirmation by Durable Medium to Customers when confirming the cancellation of the order; and
- iv) ensuring that when communicating with the Customer in order to comply with GC24, Save Money On Calls does not induce a Customer via marketing statements or representations to terminate their contract with the Gaining CP and/or remain in a contract with the Save Money on Calls as the Losing CP. This would include, but is not limited to, amending or removing sections from standard and specific correspondence currently sent by Save Money On Calls to Customers attempting to cancel a service with Save Money On Calls (see paragraphs 6.48 and 6.50).

7.5 The steps Save Money On Calls takes to remedy any consequences arising from its contraventions may include, but are not limited to allowing, Customers to transfer to the CP of their choice, without charge (subject to contractual provisions) where previous orders have been cancelled by Save Money On Calls use of Cancel Other for reasons other than those permitted under GC24.14.

7.6 In the alternative, Save Money On Calls may, prior to the Deadline, make representations to Ofcom about how it proposes to remedy fully the consequences arising from its contraventions of GC24 by a specified date to be agreed with Ofcom. Ofcom is not bound to accept any proposal by Save Money On Calls as complying with the requirement to remedy fully any consequences of its contraventions of GC24 by the Deadline but will give any representation made due consideration.

Representations in response to this Notification

7.7 Save Money On Calls has until the Deadline to make representations to Ofcom about the matters set out in this Notification and the accompanying Explanatory Statement in relation to GC24. These representations should include an explanation of how Save Money On Calls is complying with GC24 and has remedied, or (to the extent steps remain to be taken before the Deadline) proposes to remedy, the consequences of the notified contraventions.

Failure to comply

7.8 If, by the Deadline, Save Money On Calls does not comply with GC24 and/or fails to remedy fully the consequences of its breach of GC24 as set out in the Notification and explained in the body of this document, Ofcom may issue an enforcement notification under section 95 of the Act and/or may impose a penalty on Save Money On Calls under section 96 of the Act.

Annex 1

General Condition 24 on Sales and Marketing of Fixed-Line Telephony Services

Scope

- 24.1 A Communications Provider who provides a Fixed-Line Telecommunications Service to Domestic and Small Business Customers ('the Customer') must comply with this General Condition with respect to such Customers.
- 24.2 This General Condition is only applicable where the Customer is transferring a Fixed-Line Telecommunications Service between Communication Providers.

Mis-selling prohibition

- 24.3 When selling or marketing Fixed-Line Telecommunications Services, the Gaining Communications Provider must not:
- (a) engage in dishonest, misleading or deceptive conduct;
 - (b) engage in aggressive conduct;
 - (c) contact the Customer in an inappropriate manner; or
 - (d) engage in Slamming.

Responsibility

- 24.4 Where the Communications Provider engages representatives, such as any sales agency, to act on its behalf in the sale and marketing of Fixed-Line Telecommunications Services, the Communications Provider shall procure that such representatives comply with the requirements of this General Condition.

Publication of relevant obligations

- 24.5 The Communications Provider must:
- a) publish a copy of this General Condition, or a link to a copy of this General Condition, published on Ofcom's website, in an easily accessible and reasonably prominent manner on its website or, where there is no such website, by making it available in its registered office during normal office hours for inspection free of charge by members of the general public; and
 - b) provide a copy of this General Condition to a Customer free of charge upon reasonable request.

Information at Point of sale

- 24.6 The Gaining Communications Provider must take all reasonable steps to ensure that before entering into a contract for a Fixed-Line Telecommunications Service the Customer who is transferring the line:
- a) is authorised to do so;

- b) intends to enter into the contract; and
- c) is provided with the information set out below in a clear, comprehensible, prominent and accurate manner, in paper or another Durable Medium which is available or accessible to the Customer or, where the Customer enters into the contract during a sales call, by telephone:
 - (i) the identity of the legal entity the Customer is contracting with and its telephone, website and/or e-mail contact details;
 - (ii) a description of the Fixed-Line Telecommunications Service requested; the key charges, including minimum contract charges, and any early termination charges, if applicable; payment terms; the existence of any termination right, termination procedures and the Customer's right to cancel at no cost from the point of sale to the completion of the Transfer Period; the arrangements for provision of the service, including the order process and, as accurately as possible, the likely date of provision of the service and any minimum period of contract.

Post-sales information

- 24.7 Where the Customer enters into a contract for a Fixed-Line Telecommunications Service, the Gaining Communications Provider and the Losing Communications Provider must each send the Customer a letter, in accordance with the industry-agreed process, stating that the Customer is transferring their Fixed-Line Telecommunications Service, in paper or another Durable Medium, which clearly sets out, as appropriate:
- (i) the date of the letter;
 - (ii) the Calling Line Identification of all Electronic Communications Services which are affected;
 - (iii) the list of services affected/unaffected;
 - (iv) the proposed switchover date;
 - (v) relevant contact details; and
 - (vi) the right to terminate the contract, the means by which the right to terminate from the point of sale to the completion of the Transfer Period can be exercised and the date by which the right to terminate must be exercised.
- 24.8 The letter must be sent by normal post, unless the Customer has explicitly agreed to receive correspondence electronically, such as through verbal consent in a call or through electronic confirmation when ordering online.

Customer's termination rights

- 24.9 When the Customer enters into a contract to transfer a Fixed Line Telecommunications Service the Gaining Communications Provider must allow the Customer to terminate the contract from the point of sale to the completion of the Transfer Period without charge or any other form of compensation being required to be given by the Customer to the Gaining Communications Provider.
- 24.10 The Gaining Communications Provider must have procedures in place to enable the Customer to exercise their right to terminate their contract pursuant to General Condition 24.9 without unreasonable effort. These procedures must include the

ability to contact the Gaining Communications Provider to terminate the contract by any of the following contact methods:

- (i) telephone;
- (ii) e-mail; and
- (iii) post.

Records retention

24.11 The Gaining Communications Provider must use reasonable endeavours to create and keep all records regarding the sale of its Fixed-Line Telecommunications Service, for a period of not less than six months. Such records must include the date and approximate time of the contact with the Customer, the means through which the Contract was entered into, the place where the Contract was entered into, where relevant, and be such as to allow subsequent identification of the salesperson(s) involved and to assist in dealing with any complaint or query.

Training

24.12 The Communications Provider must ensure that all its staff or any representatives of any sales agency engaged by it, involved in direct contact with Customers for the purpose of sales and marketing activity and/or Cancel Other are appropriately trained to comply with this General Condition.

Monitoring

24.13 The Communications Provider must monitor, including conducting regular audits, its compliance with this General Condition, including compliance on its behalf by any representatives or sales agency engaged by it, and take appropriate steps to prevent the recurrence of any problem(s) identified.

Cancel Other process

24.14 The Losing Communications Provider shall only be permitted to use Cancel Other in the following circumstances:

- (a) where Slamming has occurred;
- (b) at the Customer's request, where the Gaining Communications Provider has failed to cancel the request after being directed by the Customer to do so ("Failure to Cancel");
- (c) where the telephone line is or will be, ceased during the Transfer Period ("Line Cease");
- (d) for other specified reasons not related to a Customer's request to cancel a transfer, and agreed by the relevant industry forum and approved by Ofcom; and
- (e) in such other circumstances as defined by Ofcom.

24.15 Before using Cancel Other in cases of Slamming and/or Failure to Cancel, the Losing Communications Provider shall take reasonable steps to establish that Slamming and/or Failure to Cancel has actually taken place.

- 24.16 After using Cancel Other, the Losing Communications Provider shall confirm the cancellation of the order by Durable Medium to the Customer, unless this is not possible or appropriate, including where the Customer is deceased.
- 24.17 The Losing Communications Provider shall record its reasons for using Cancel Other in each case, selecting the appropriate reason code from a list corresponding to permitted use of Cancel Other and consistent with GC24.19(m)(i) to (iv), as agreed by the industry, and approved by Ofcom.
- 24.18 Where the Losing Communications Provider communicates with the Customer in order to comply with this General Condition, it must not make any marketing statements or representations in the communication which may induce the Customer to terminate their contract with the Gaining Communications Provider and/or remain in a contract with the Losing Communications Provider.

Definitions

24.19 For the purpose of this Condition:

- a) **“Cable Network”** means a hybrid fibre-coax Electronic Communications Network that uses a combination of optical fibres and coaxial cable;
- b) **“Cancel Other”** means the industry term for a functionality that enables the Losing Communications Provider to cancel wholesale orders (during the Transfer Period) placed by the Gaining Communications Provider which can only be used in the circumstances set out in 24.14;
- c) **“Communications Provider”** means the provider of an Electronic Communications Network and/or Electronic Communications Service, both as defined in section 32 of the Act;
- d) **“CPS”** means Carrier Pre-Selection, a facility which allows a Customer of a Publicly Available Telephone Service to select a provider designated in advance to apply on every occasion where no other providers have been pre-selected for the use of a telephone number;
- e) **“Domestic and Small Business Customer”** has the meaning set out in section 52 (6) of the Act;
- f) **“Durable Medium”** means any instrument which enables the Customer to store information addressed personally to him in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored;
- g) **“Failure to Cancel”** means where the Gaining Communications Provider has not cancelled a transfer, after a request from the Customer during the Transfer Period;
- h) **“Fixed-Line Telecommunications Services”** means Narrowband call and/or line rental services provided to Domestic and Small Business Customer;
- i) **“Gaining Communications Provider”** means the Communications Provider to whom the Customer is transferring;

- j) “**LLU**” means Local Loop Unbundling, the process by which a dominant provider’s local loops are physically disconnected from its network and connected to a competing provider’s network.
- k) “**Losing Communications Provider**” means the Communications Provider from whom the Customer is transferring;
- l) “**Narrowband**” means services provided over a traditional Public Telephone Network, excluding services provided over a Cable Network;
- m) “**Slamming**” means where a request for CPS, WLR and/or LLU has been made without the Customer’s express knowledge and/or consent; that is in the following circumstances:
 - (i) where the Customer has never been contacted by the Gaining Communications Provider;
 - (ii) where the Customer has been contacted by the Gaining Communications Provider, but has not given the Gaining Communications Provider authorisation to transfer some or all of their telephone calls and/or line rental to the Gaining Communications Provider;
 - (iii) where the Customer has agreed to purchase a product or service from the Gaining Communications Provider and the Gaining Communications Provider has submitted a request for a different product or service which the Customer has not agreed to purchase; or
 - (iv) where the Customer has agreed to transfer some or all of their telephone calls and/or line rental to the Gaining Communications Provider having understood, as a result of a deliberate attempt by the Gaining Communications Provider to mislead, that they are making an agreement with a different Communications Provider.
- n) “**Transfer Period**” means the period of 10 Working Days from before a Customer’s order can be activated;
- o) “**WLR**” means Wholesale Line Rental, a facility which BT provides other CPs with the ability to offer monthly line rental and associated services (such as fault repair) on the BT line; and
- p) “**Working Days**” means the hours between 09.00 – 17.00 on Monday to Friday with the exception of bank holidays.

Annex 2

Guidelines in respect of General Condition 24 (Cancel Other provisions – A6.37-44 in original Guidance)¹³

Cancel Other

- A2.1 Cancel Other is a consumer protection mechanism designed to ensure that Customers are not switched – transferred between Communications Providers – without their express knowledge and/or consent. Therefore, Cancel Other should only be used in certain circumstances, in particular, where the Customer believes they are a victim of slamming.
- A2.2 To ensure compliance with GC24 Ofcom expects all Losing Communications Providers to apply Cancel Other only in the circumstances set out in GC24.14.
- A2.3 Ofcom considers that the primary purpose of Cancel Other is to protect Customers from Slamming, and the Losing Communications Provider must take reasonable steps to ensure that Slamming has actually taken place before cancelling the order.
- A2.4 The Losing Communications Provider is not permitted to use Cancel Other where a Customer has placed the order, but wants to change their mind, for e.g. because the information he has received from the service provider does not seem consistent with what they were told at the time of the sale, or because they felt pressured by the sales agent into placing an order. In such cases, the Losing Communications Provider should direct the Customer back to the Gaining Communications Provider to cancel the order.
- A2.5 In respect of 'Passing off', Ofcom considers that this constitutes Slamming because the Customer has no knowledge of, and has not consented to, a transfer to the Gaining Communications Provider which placed the order. In this case, they are likely to believe, for e.g., that they have ordered a new service or payment method from the Losing Communications Provider. Ofcom considers that this is qualitatively different from other types of mis-selling where the service provider correctly identifies itself, but gives misleading information about the products or services that it is providing.
- A2.6 Other permitted instances of Cancel Other by the Losing Communications Provider include the following:
- in cases of Failure to Cancel, i.e. where a Gaining Communications Provider has failed to cancel a transfer after the Customer has requested this. While the Gaining Communications Provider is required to cancel a transfer if the Customer asks it to do so during the transfer period, Ofcom considers that Customers also need a "safety net" mechanism that enables them to cancel a transfer when a Gaining Communications Provider has failed to do so.

Losing Communications Providers will therefore be permitted to use Cancel Other where a Gaining Communications Provider has failed to cancel a transfer

¹³ See <http://stakeholders.ofcom.org.uk/binaries/telecoms/policy/narrowband/statement.pdf> for full 'Guidelines to General Condition 24: Sales and Marketing of Fixed-Line Telecommunications Services'

when the Customer has requested this. However, Ofcom considers that this safety net should be implemented in such a way that it will only be used where a Gaining Communications Provider fails to cancel a transfer, and not simply because a Customer has contacted the Losing Communications Provider for peace of mind and asked it to ensure that the transfer has been cancelled.

Before it uses Cancel Other in cases of Failure to Cancel, the Losing Communications Provider must, therefore, take reasonable steps to ensure that Failure to Cancel has, in fact, taken place. Ofcom considers that the Losing Communications Provider should only use Cancel Other if the Customer would otherwise be transferred to the Gaining Communications Provider against their wishes. In practice, where the Losing Communications Provider submits a Cancel Other in response to a Customer's allegation that the Gaining Communications Provider has failed to cancel the transfer, this Cancel Other will not be actioned unless no instruction to cancel has been received from the Gaining Communications Provider by day 9 of the Transfer Period (or day 8 for WLR orders). If the Gaining Communications Provider submits a cancellation before day 9 (or day 8 for WLR orders), this cancellation order will take precedence and no Cancel Other will be recorded.

- In cases of Line Cease and other cases not related to slamming or failure to cancel. Unlike the category discussed above (slamming) the Losing Communications Provider's use of Cancel Other in cases of Line Cease does not follow a conversation with a Customer about an order. When the Losing Communications Provider places an order to cease a line, a consequence of this is that any pending orders relating to that line are cancelled automatically. Such cancellations are recorded as Cancel Other.

Ofcom considers that the Losing Communications Provider's ability to use Cancel Other where the line is going to be, or has been, ceased is a necessary administrative mechanism.

A2.7 To give Customers certainty and transparency, Ofcom proposes that Losing Communications Providers should be required to confirm the cancellation of the order wherever it uses Cancel Other, unless this is not possible.

A2.8 Cancel Other should not be used by the Losing Communications Provider in the following circumstances:

- to frustrate the transfer process, particularly in situations where, for example, the Customer has not yet paid their bill, the notice period has not been served or where disconnection or termination of charges apply. These charges should be included in the final bill, and settled in accordance with standard payment terms;
- in cases of internal miscommunication which is where a request for service has been or may have been made by a person other than the person named on the bill but who may have identified themselves as an authorised decision maker.

In many cases, where a Customer contacts a Losing Communications Provider following internal Customer miscommunication, it will appear to the Customer that slamming has occurred. However, Ofcom considers that this is not an appropriate use of Cancel Other given that the named account holder may not be the only authorised decision maker in a household or business, where decisions about fixed-line telecoms services are often made jointly. In such circumstances, Ofcom considers that where the named account holder disagrees with this decision, it is

up to those individuals, and not the Losing Communications Provider to resolve. Similarly, in the case of businesses, Ofcom considers that if an individual takes a decision they are not authorised to make, this is a matter for the organisation concerned, and should not be for the Losing Communications Provider to resolve. Where internal Customer miscommunication has occurred, the Customer can cancel the transfer by contacting the service provider within the Transfer Period, if the household or organisation has decided it does not want it.

Accordingly, Ofcom believes that it is therefore necessary for the Losing Communications Provider to investigate the possibility that such apparent slams are, in fact, the result of internal Customer miscommunication, by asking questions, for example whether anyone else in the household or organisation or business could have placed the order. Losing Communications Providers should therefore ensure that there are adequate procedures in place which enable individuals other than the named account holder to make decisions on an account, subject to a verification process which requires those individuals to provide information that would only be available to an authorised decision maker.

Annex 3

Information requested from Save Money On Calls

A3.1 A Communications Provider (“CP”) who provides a Fixed-Line Telecommunications Service¹⁴, to Domestic and Small Business Customers¹⁵ (“Customers”) must comply with General Condition 24¹⁶ with respect to Customers who are transferring a Fixed-Line Telecommunications Service between CPs.

Please confirm whether Save Money On Calls currently provides such services to such Customers. If you consider Save Money On Calls does not provide such services to such Customers please explain why.

A3.2 Where Save Money On Calls is a provider of Fixed-Line Telecommunications Service to Customers, please provide the information specified below. Where the material or processes have changed since 18 March 2010, please provide all versions of the materials or processes highlighting for each answer the period over which it was used:

- a) full details of Save Money On Calls’ procedures following receipt of a transfer notice known as a Losing Received Notification¹⁷ (“LRN”).
- b) an example of letters, or communications in other Durable Medium¹⁸ if applicable, that Save Money On Calls has sent to Customers following receipt of an LRN.
- c) an example of call scripts used for making calls to Customers where Save Money On Calls calls Customers in addition to sending them a letter.
- d) full details of the steps that Save Money On Calls takes:
 - i) to establish that Slamming¹⁹ or Failure to Cancel²⁰ has taken place, before using Cancel Other²¹.

¹⁴ Narrowband call and/or line rental services.

¹⁵ Section 52 (6) of the Communications Act 2003 states:

‘In this section “domestic and small business customer,” in relation to a public communications provider, means a customer of that provider who is neither —

(a) himself a communications provider; nor

(b) a person who is such a customer in respect of an undertaking carried on by him for which more than ten individuals work (whether as employees or volunteers).’

¹⁶ The following is a link to General Condition 24 and the accompanying guidance which provides further details: <http://stakeholders.ofcom.org.uk/binaries/telecoms/policy/narrowband/statement.pdf>. Relevant definitions of terms contained within this information request can be found at this link under GC24.19.

¹⁷ When a customer instructs a CP (i.e. the “gaining provider”) to place an order to transfer their fixed-line telephone service from one CP to the gaining provider, the losing provider is made aware of the customer’s intention to transfer through a notification from the Openreach Service Provider Gateway (the “SPG”). The SPG and the BT Wholesale Gateway is an online ordering tool that enables CPs to place and track their orders. This notification of the customer’s intention to transfer is referred to as Losing Receipt Notification (“LRN”).

¹⁸ “Durable Medium” means any instrument which enables the Customer to store information addressed personally to him in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored.

¹⁹ “Slamming” is an extreme form of mis-selling, where customers are simply switched from one company to another without their express knowledge or consent.

²⁰ “Failure to Cancel” is where the gaining provider has not cancelled a CP’s transfer, after a request from the Customer during the transfer period.

- ii) after it has received an LRN for a line on which it has previously used Cancel Other.
- e) In instances where Save Money On Calls uses Cancel Other:
 - iii) the method to confirm to the Customer that the transfer order has been cancelled.
 - iv) any written correspondence used to confirm the cancellation to the Customer.
- f) copies of all training material used by Save Money On Calls, in relation to the use of Cancel Other. This should include, but is not limited to, copies of any training logs/schedules, manuals, briefings, guidelines or other instructions for staff involved in the use of Cancel Other.

²¹ "Cancel Other" is a function that enables LCPs to cancel a request for transfer but only in certain circumstances, e.g. the customer is a victim of slamming. Please see further information on the use of "Cancel Other" by following the link at Footnote 1 above.

Annex 4

Save Money On Calls response to information requested

Annex 5

Transcripts of consumer complaints to the OAT

A5.1 During the relevant period the OAT received 11 consumer complaints alleging that Save Money On Calls misused Cancel Other to illegally retain Customers who had sought to transfer their Fixed-Line Telecommunications Service to another CP.

A5.2 Details of these complaints as recorded by the OAT, with personal details redacted to protect the identity of the complainants, are provided below:

i) Complaint received on 18 March 2010:

“Consumer stated that [X] has been trying to transfer his line from Save Money On Calls but Save Money On Calls has blocked the transfer on each occasion. Save Money On Calls has advised they have done this because they have not received written notification of cancellation. He has sent several letters recorded letters but they do not accept any of the letters.”

ii) Complaint received on 15 April 2010:

“[X] (consumer's contract specialist/broker) called in on behalf of his client, [X]. He states that [X] had been attempting to transfer her line away from [X] /Save Money On Calls for the last 18 months. He states that Save Money On Calls has blocked this attempts over 25 times. Consumer has now received a letter which basically states that Save Money On Calls will refuse to release her phone lines unless she agrees to pay the termination fee (which she is disputing). [X] has called for advice.”

iii) Complaint received on 21 April 2010:

“We instructed a new supplier to take over our telephone service on [X],[X] and [X]. Our current supplier, Save Money On Calls who we have never actually signed a contract with, but they took over from a company called [X], have slammed the application to transfer our service. They have mis-used the Cancel Other process and have claimed that we have never been contacted by the supplier. This is not true. The supplier concerned already supplies one of our other sites and we actually asked them to transfer the service from Save Money On Calls.”

iv) Complaint received on 28 April 2010:

“On 20th April 2010 I instructed a new supplier to take over my telephone service from Save Money On Calls. I have never signed a contract with Save Money On Calls, they simply began invoicing me in place of a Company called [X] who [X]. I can confirm that I most certainly DID authorise for my line [X] to be transferred to a new provider. However, I have been informed today that the application made by my chosen new provider has been 'slammed' by Save

Money On Calls by them using 'Cancel Other – No authorisation given' – this is blatantly not the case – I most certainly DID provide authorisation to transfer my line from Save Money On Calls.”

v) Complaint received on 11 May 2010:

“We currently receive telephone bills from a company called Save Money On Calls. Prior to November 2009, our bills came from a company called [X], whom we had been trying for several years to get away from. On 13th April 2010 we signed up with a new company and instructed them to take over the telephone service from Save Money On Calls. The application has been cancelled or 'slammed' by Save Money On Calls without our knowledge or authority. They have misused the 'cancel other' facility and are frustrating the process, in contraventions of Ofcom rules. This is precisely the same problem we had when trying to switch from [X]. I have instructed our chosen new provider to resubmit their application and would like to know what Ofcom can do to intervene and ensure that the transfer does in fact take place.”

vi) Complaint received on 14 May 2010:

“Until [X] our telephone service was provided by a company called [X]. Since then, our invoices have come from a company called Save Money On Calls Ltd. On 5th May 2010, we signed up with a company who offered us a significant saving and we instructed them to take over the telephone service on [X] and [X], which they have done. However, we have today been informed that our application has been 'slammed' by Save Money On Calls by them using the 'Cancel Other – no authorisation given to transfer'. This is a misuse of 'Cancel Other' since we have not even been contacted by Save Money On Calls and did in fact give authorisation for the transfer to take place. Essentially, they are frustrating the transfer process in precisely the same manner as [X] did and are holding us against our will. We do wish for the transfer to take place and we would like to know what Ofcom intends to do about this.”

vii) Complaint received on 17 May 2010:

“Until [X],[X] received telephone bills from [X]. Since then, our invoices have come from a company called Save Money On Calls Ltd. We have given notice to this company on 13th May 2010 that we wish to transfer to another supplier on 14th June 2010. Our chosen new provider submitted a transfer request on 13th May 2010 for the transfer to take place on 14th June 2010 for our telephone lines [X] and [X]. However, we have today been informed that Save Money On Calls have 'slammed' the application using 'Cancel Other – no authorisation given to transfer'. We have not advised Save Money On Calls that we did not give authorisation for the transfer to take place and they have therefore misused the 'cancel other' facility, in contraventions of Ofcom rules. We have instructed our chosen new provider to resubmit the application and we would like to know what Ofcom is going to do about Save Money On Calls frustrating the transfer process.”

viii) Complaint received on 17 May 2010:

“The consumer is unhappy with Save Money On Calls. The consumer used to be with [X] but then started receiving correspondence from Save Money On Calls. The consumer does not believe that there is a contract existent between them and wishes to switch supplier. Save Money On Calls are saying there will be a termination fee but will not release the line until the consumer pays this amount.”

ix) Complaint received on 21 May 2010:

“Our telephone service is provided by a company called Save Money On Calls. I agreed monthly terms with them and have provided notice in writing, receipt of which has been acknowledged, that I would be transferring my telephone supplier on [X] and [X] on 24th June 2010. Despite this, the new provider’s application has been cancelled by Save Money On Calls using 'Cancel Other – no authorisation given to transfer'. I believe this is a misuse of 'cancel other' and would like to know what Ofcom intends to do about it.”

x) Complaint received on 9 June 2010:

“On 13th May 2010 we gave instructions to a new provider to take over the charging of our telephone calls from Save Money On Calls using CPS (Carrier Pre Selection). An application was duly submitted as per our request, by our chosen new supplier, but Save Money On Calls have cancelled the transfer without our authority. This is preventing us from enjoying the savings offered by our chosen provider and we continue to be charged for calls by Save Money On Calls despite not wishing to continue being supplied by them. This is an abuse of the processes available to Save Money On Calls and I demand to know what Ofcom will be doing about it.”

xi) Complaint received on 28 July 2010:

“Consumer has called as he wishes to transfer his broadband and phone line from Save Money On Calls. He states that [X] has told him that Save Money On Calls keep blocking the transfer from going ahead. He states Otelos²² ruled that they should not do this but they have failed to enforce this. He has called for advice on how to resolve this.”

²² <http://www.otelo.org.uk/>