



Making switching easier and more reliable for consumers

Proposals to reform landline, broadband and pay TV switching between different platforms

Non-confidential version

Redactions are indicated by [§<]

Consultation

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About this document

It is important for consumers to be able to switch providers easily and reliably so that they can exercise their choice of provider and take advantage of competition in the communications sector.

This document sets out our provisional view on the difficulties consumers currently experience when they switch, or consider switching, one or more triple play services (landline, fixed broadband and pay TV) between the Openreach, KCOM, Virgin cable and Sky satellite platforms. It also sets out our provisional assessment of options for reform to reduce these difficulties and deterrents, making switching easier and more reliable for consumers. It takes into account evidence we have gathered from consumer research, complaints and stakeholders.

We invite comments on our proposals from all interested parties.

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Section 1

Summary

Introduction

- 1.1 It is important that switching processes do not make it unnecessarily difficult for consumers to make and exercise informed choices. The processes should be easy and reliable. That in turn encourages competition by incentivising providers to deliver better and more innovative services for consumers at lower prices.
- 1.2 Currently, consumers who wish to switch one or more of their triple play (landline, broadband and pay TV) services between different platforms must contact their losing provider to cancel their old service(s), and arrange the start of the new service(s) with the gaining provider.¹ We call this a 'cease and re-provide' (C&R) arrangement.
- 1.3 When asked whether the switching process was easy, 81% of cross-platform switchers initially said that it was. However, when prompted, 79% said that they had encountered some kind of difficulty,² and 58% said they experienced at least one process-related difficulty.³ These relate to: co-ordinating the switch to avoid a loss of service or double paying for services that overlap; and contacting the old provider / cancelling the old service(s). We also found that 79% of consumers who had considered switching but decided against it were put off by similar process-related worries.⁴
- 1.4 On the basis of consumer and other evidence, our provisional view is that existing cross-platform switching arrangements create a number of process-related difficulties for switchers, and can deter some consumers from switching. These difficulties and deterrents primarily relate to:
 - loss of service, particularly due to delays in services being installed or activated when switching, and the difficulties consumers experience (or are worried they will experience) co-ordinating the stop/start of the service(s);
 - double paying for services that overlap, particularly due to difficulties consumers experience co-ordinating the stop/start of the service(s) or to avoid a loss of service; and
 - difficulties contacting previous providers / cancelling old service(s), particularly due to restricted and at times lengthy methods of cancellation.

¹ We use the terms "platform" and "network" interchangeably in this consultation to refer to an electronic communications network, as defined in the Communications Act 2003.

² 42% said they had experienced at least one *major* difficulty and 76% reported experiencing at least one *minor* difficulty – see slide 29 of the BDRC published slide pack.

³ 20% major, 52% minor. Slide 29 of BDRC published slide pack.

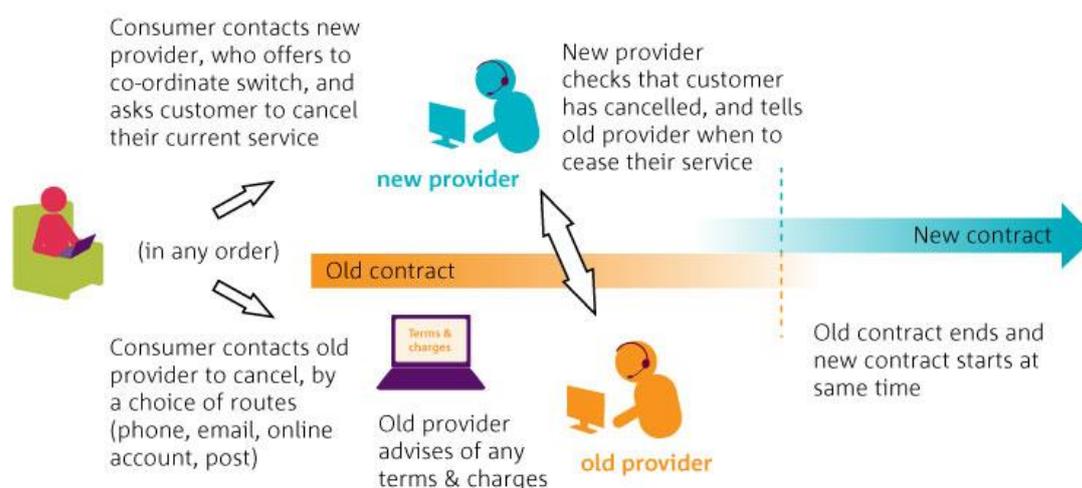
⁴ 45% major, 69% minor. Slide 81 of BDRC published slide pack.

- 1.5 We also found a general lack of understanding among consumers about how the switching process works and, in some cases, a lack of awareness of the implications of switching – particularly in relation to unexpected charges.

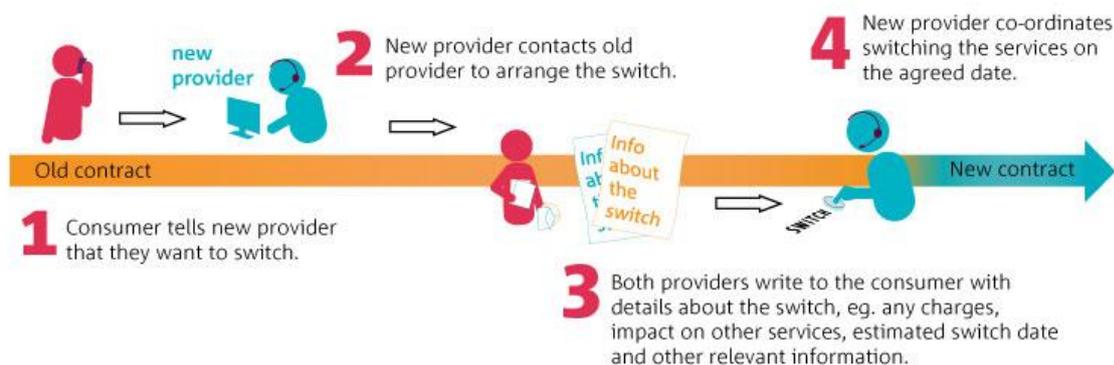
Options for improving cross-platform switching

- 1.6 Our provisional view is that this evidence justifies regulatory intervention to protect consumers by reducing the key difficulties and deterrents identified, and to create a better experience for switchers and would-be switchers. In doing so, it is important to ensure that barriers to switching are reduced, in order to help promote competition.
- 1.7 This document sets out two core options for improving cross-platform switching arrangements – these are summarised below:

Option 1: Enhanced cease and re-provide (EC&R). Under this option, consumers would still need to contact the old provider to cancel their existing service(s). However, consumers would have greater flexibility in *how* they do this, e.g. using an online account or through an Interactive Voice Response (IVR). The new provider would be required to offer to organise the switch on the consumer's behalf to ensure that the stop and start dates coincide. If the consumer agrees to this, it should reduce loss of service and double paying for services that overlap. This process is illustrated below.



Option 2: Gaining provider led (GPL) process. Under this option, the consumer would only need to contact the provider they want to join – they would not have to contact the old provider to cancel, as this would be done by the new provider. The new provider would then work to ensure that the stop and start dates coincide. This should reduce loss of service and double paying for services that overlap. This process is illustrated below.



1.8 In order for either of these options to work, the old and new providers would need to be able to share information with each other via some form of communications channel. We currently do not intend to specify exactly what this would look like so as to provide industry with some flexibility on any potential implementation.

1.9 Our assessment has included an analysis of the costs and benefits of these options. Our provisional view is that:

- both options would help reduce the consumer difficulties and deterrents identified, and achieve our aim of making the switching process easier and more reliable for consumers. Specific benefits to consumers include:
 - *Reduction in loss of service and double paying* – under both options the gaining provider can manage the switch for the consumer to ensure a co-ordinated switch.
 - *Easier switching process* – through easier ways to cancel; reducing the need for consumers to have to contact their losing provider; and easier ways of accessing information to help consumers make informed decisions and exercise choice.
 - *Benefits to consumers considering switching* – a clearer, easier and more reliable switching process should reduce some of the key process-related worries that deter would-be switchers.
 - *Increased competition* – a reduction in switching costs should lead to increased propensity of consumers to switch, more competition between providers, and ultimately better, innovative products at lower prices.⁵
- Option 2 (GPL) would be more effective and provide more benefits to consumers than Option 1 (EC&R), at a lower cost to providers. Specifically:
 - it would remove, whereas Option 1 (EC&R) would reduce, the need for consumers to contact their old provider to cancel their old service(s);

⁵ A switching cost is a cost that is incurred by the consumer when changing provider that would not have been incurred if they had stayed with their old provider, e.g. double paying for services at the same time when contracts overlap.

- it would reduce consumer confusion about the switching process – if switching services between different platforms on a standalone basis or as part of a bundle and switching within the Openreach and KCOM platforms are all GPL, it should be easier to explain to consumers what they need to do to switch and for consumers to understand and follow the process;⁶ and
 - it would reduce loss of service and double paying to a greater extent than Option 1 (EC&R) because we expect more consumers would be likely to use the process.
- 1.10 On the basis of this assessment, we propose that Option 2 (GPL) would achieve our policy objectives, in line with our duties, and produce benefits to consumers in excess of the costs to providers, such that it is an objectively justified and proportionate intervention.

Next steps

- 1.11 We seek views from all interested parties on the matters set out in this consultation by **21 October 2016**.
- 1.12 We will assess all the available evidence and take into account all consultation responses before deciding how to proceed. Alongside this consultation, we will continue dialogue with industry and other stakeholders on ways to improve the consumer experience of switching triple play services between platforms.
- 1.13 We expect to complete this work and publish a policy statement by summer 2017. If we decide to put any new regulatory provisions in place, we would consult separately on the form they would take.
- 1.14 We are also continuing our work on switching mobile services and have today published a consultation on proposals to address the impact of minimum notice periods (when switching these services). We expect to publish a statement on reforms to mobile switching processes around the end of 2016.

⁶ We also note that we are currently consulting on reforms to the mobile switching process, one of which is a GPL reform.

Section 2

Introduction and legal framework

Background

- 2.1 Ofcom's public policy objective is that the processes for switching providers of services should not create unnecessary difficulties or deterrents for consumers. Consumers should be able to make informed choices about the service(s) they wish to buy and exercise those choices through an easy and reliable process. This furthers their interests and helps to support effective competition, incentivising providers to deliver better and more innovative services for consumers at lower prices.
- 2.2 In June 2015, we completed implementation of a new switching process on the Openreach and KCOM platforms – consumers switching landline and broadband services between providers on these platforms now only need to contact their new (gaining) provider, who co-ordinates the switch with the old (losing) provider on their behalf. We also added consumer protection measures to enhance the process. We considered that these reforms would enable consumers on these networks to arrange a switch to another provider on the same platform more easily and quickly, and with more confidence.
- 2.3 In parallel, in July 2014 we published a Call for Inputs noting our intention to consider processes for switching triple play services between different platforms: the Openreach,⁷ Virgin cable and Sky satellite platforms.⁸ In this consultation, we refer to these, together with KCOM's network, as the "relevant platforms".
- 2.4 This document now sets out our provisional assessment of where the current arrangements for switching one or more services between the relevant platforms create difficulties or deterrents for consumers and could be made easier and more reliable. It identifies options for reform which we propose are appropriate and proportionate, and seeks stakeholders' views on these.

Scope of this consultation

- 2.5 This consultation focuses on consumers' experiences of switching one or more of the following services between platforms:
 - landline;
 - fixed broadband; and

⁷ This refers to the Openreach platform including copper and fibre to the cabinet (FTTC) services but excluding fibre to the premise (FTTP). FTTP is where fibre broadband is connected directly to homes/offices, while FTTC is where fibre broadband runs from the telephone exchange to street cabinets, before using standard copper telephone wires to connect to homes/offices.

⁸ Ofcom, [*Consumer switching: Next steps and call for inputs*](#), July 2014.

- pay TV.⁹
- 2.6 It is concerned with the processes that should apply where a consumer is switching one or more of these services between the relevant platforms. There are alternative networks over which these types of services may be provided. In general, take-up of these services on those networks is low.¹⁰ They tend to be in specific geographic locations, and often are the only superfast or ultrafast broadband network available in the area. Our provisional view is that the proposed reforms should be mandatory as far as switching between the relevant platforms is concerned. Providers who offer services over networks of a different description may adopt the proposed processes, but would not be required to do so.
- 2.7 While this consultation is concerned with the difficulties involved in the switching arrangements for relevant services, and the scope for improving them, Ofcom is also committed to identifying and addressing other barriers to switching. These include difficulties consumers experience engaging in the market and in assessing their options.¹¹
- 2.8 With that in mind, we have initiatives in place to help consumers navigate the market and assess their options, such as our work on accrediting price comparison websites and work to introduce a standard cost comparison measure. We also have a monitoring and enforcement programme covering consumer difficulties arising from current arrangements for cancelling and terminating communications service contracts.

Sources of evidence

- 2.9 In forming the provisional views set out in this document, we have taken into account a number of sources, including:
- bespoke qualitative and quantitative consumer research undertaken in 2015 and 2016 (detailed below);
 - the 2015 Ofcom Switching Tracker;¹²
 - the 2015 Ofcom Technology Tracker;¹³

⁹ Our proposals relate to residential consumers excluding: (i) consumers switching over-the-top services such as BT Sport, Netflix, Now TV etc; and (ii) consumers that are moving home at the same time as switching.

¹⁰ Ofcom's [2015 Connected Nations report](#) suggests that the availability of alternative networks across the whole of the UK is low – the five alternative networks that we assessed were available to approximately 1.3% (c.370k) of all premises. We expect take-up to be substantially lower than these figures, although this will vary depending on location and a number of other factors.

¹¹ See [Annex 7](#) in relation to consumer difficulties and deterrents beyond cross-platform switching arrangements.

¹² Our annual Switching Tracker runs in July-August and monitors switching levels and the extent to which consumers engage with communications markets. It surveys c. 3,000 consumers. Data is published in Ofcom's [Consumer Experience Report 2015](#) and data tables are available alongside the publication on the Ofcom website.

¹³ Our Technology Tracker runs twice a year and monitors take-up and use of communications services and devices. It surveys c. 6500 consumers each year. Data is published in Ofcom's

- 2015 Ofcom End of Contract Notification research;¹⁴
 - analysis of Ofcom complaints; and
 - input from stakeholders.
- 2.10 Our quantitative and qualitative 2015 research (the “BDRC research”) focused primarily on consumers’ experiences of switching dual play (landline and broadband in this instance), triple play and standalone pay TV services.¹⁵ It looked at those consumers switching providers within the Openreach platform (i.e. Openreach switchers) as well as those switching between the relevant platforms (i.e. cross-platform switchers). This document predominantly focuses on findings relating to the latter.¹⁶ The quantitative element of the BDRC research was designed to provide robust samples of relatively small sub-groups of switchers, such as dual and triple play cross-platform switchers. The full data tables, quantitative slide pack and qualitative research report are available on the Ofcom website.¹⁷
- 2.11 In spring/summer 2016, we also carried out specific research into consumers’ experience of losing service as a result of switching and more generally (the “loss of service research”), including the costs and time incurred by consumers to deal with that loss. The data tables and slide pack of key findings from this research are also available on the Ofcom website.¹⁸
- 2.12 We additionally appointed expert consultants, Cartesian Limited (“Cartesian”), to develop detailed process maps and cost estimates for a range of options to reduce difficulties and deterrents consumers say they have experienced with cross-platform switching arrangements. As part of its work, Cartesian and Ofcom sought co-operation from relevant providers. Its process maps, report on the cost estimates and supporting cost model are available on the Ofcom website.¹⁹

[Communications Market Report](#) and in Ofcom’s [Consumer Experience Report 2015](#) and data tables are on Ofcom’s website.

¹⁴ [2015 End of Contract Notification Presentation of Research Results](#).

¹⁵ The quantitative BDRC research (i.e. face to face omnibus and online panel) was run in October and November 2015, while the qualitative research was run in August and September 2015. In this consultation, where we refer to the quantitative BDRC research this typically relates to the online panel – we indicate where it refers to the omnibus instead.

¹⁶ We indicate where this is not the case.

¹⁷ See quantitative data tables [here](#); quantitative slide pack [here](#); and qualitative research [here](#).

¹⁸ See loss of service data tables [here](#); loss of service key findings slide pack [here](#).

¹⁹ See process maps [here](#), Cartesian cost report [here](#) and cost model [here](#).

Legal framework

2.13 Ofcom regulates the communications sector under the Communications Act 2003 (“the Act”), which implements the European common regulatory framework for electronic communications services (“the Framework”). The Framework comprises a number of specific Directives. Our public policy objectives in relation to switching are based on a number of provisions of the Act, taking account of the Framework. The measures we propose would be made using our powers in the Act.

Ofcom’s general duties

2.14 Section 3(1) of the Act states:

“It shall be the principal duty of Ofcom, in carrying out their functions:

- (a) to further the interests of citizens in relation to communication matters; and
- (b) to further the interests of consumers²⁰ in relevant markets, where appropriate by promoting competition.”

2.15 Section 3(2) then goes on to set out things which the duty in section 3(1) requires us to secure when carrying out our functions. These include securing the availability throughout the UK of a wide range of electronic communications services (section 3(2)(b)). We are also required to have regard to the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed, as well as any other principles appearing to Ofcom to represent best regulatory practice (section 3(3)).

2.16 Section 3(4), meanwhile, says we must have regard, in performing our duties, to a number of matters²¹ including:

- the desirability of promoting competition;
- the opinions of consumers in relevant markets and of members of the public generally; and
- the extent to which the furthering or securing of the matters mentioned in sections 3(1) and 3(2) is reasonably practicable.

2.17 In addition, section 3(5) requires that, when performing our duty to further the interests of consumers, Ofcom must have regard, in particular, to the interests of those consumers in respect of choice, price, quality of service and value for money.

Powers and duties in relation to General Conditions

2.18 The Act gives Ofcom a number of powers and functions (in performing which we must comply with the duties described above). These include powers to set General Conditions with which relevant communications providers must comply.

²⁰ Consumer is defined in Section 405(5) of the Act and includes people acting in their personal capacity or for the purposes of, or in connection with, a business.

²¹ As they appear to us to be relevant in the circumstances.

2.19 Section 45 of the Act says we may set General Conditions which contain provisions authorised or required by one or more of sections 51, 52, 57, 58 or 64. Section 47(2) governs the circumstances in which Ofcom can set or modify a General Condition. It states that a condition can be made or modified where doing so is:

- objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates;²²
- not such as to discriminate unduly against particular persons or against a particular description of persons;
- proportionate to what the condition or modification is intended to achieve; and
- transparent in relation to what it is intended to achieve.

2.20 Under Section 51(1)(a) the General Conditions we may make include conditions making such provision as we consider appropriate for the purpose of protecting the interests of end-users of public electronic communications services. Section 51(2) says this power includes setting conditions for that purpose which:

- relate to the supply, provision or making available of goods, services or facilities associated with the provision of public electronic communications services;
- give effect to EU obligations to provide protection for such end-users in relation to the supply, provision or making available of those goods, services or facilities;
- ensure that conditions and procedures for the termination of a contract do not act as a disincentive to an end-user changing communications provider; and/or
- require the provision, free of charge, of specified information, or information of a specified kind, to end-users.

European Community requirements for regulation

2.21 As set out in section 4 of the Act, when exercising certain functions²³ Ofcom must also act in accordance with the six European Community requirements described there. These include promoting competition in the provision of electronic communications networks and services, and the interests of all EU citizens, while being technologically neutral.

2.22 The requirements of section 4 are read in light of Article 8 of the Framework Directive²⁴ which sets out the policy objectives of the Framework. It says national regulatory authorities shall ensure that, when they carry out the regulatory tasks set

²² Section 47(3) says this does not apply to the setting of a condition. We are likely, however, to take it into account as part of our assessment of whether any condition is proportionate.

²³ Including those whose exercise we propose in this document.

²⁴ Directive 2002/20/EC of the European Parliament and of the Council (as amended by Directive 2009/140/EC), 7 March 2002. Available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:108:0033:0033:EN:PDF>

out in the Framework, they take all reasonable and proportionate measures aimed at achieving specific objectives.²⁵ Those objectives include:

- the promotion of competition in the provision of electronic communications services²⁶ by ensuring that:
 - users derive maximum benefit in terms of choice, price and quality; and
 - there is no distortion or restriction of competition in the electronic communications sector, including the transmission of content;²⁷
- to promote the interests of EU citizens by ensuring:
 - a high level of protection for consumers in their dealings with suppliers; and
 - promoting the provision of clear information (in particular, requiring transparency of tariffs and conditions for using publicly available electronic communications services).²⁸

2.23 Alongside the Framework Directive, the Authorisation Directive²⁹ provides for national regulatory authorities to set conditions of general authorisation for communications providers. Under Article 6 and paragraph 8 of the Annex these include conditions containing “.... consumer protection rules specific to the electronic communications sector, including³⁰ conditions in conformity with Directive 2002/22/EC (“Universal Service Directive”).”

2.24 In this context, relevant considerations are in Article 30 of the Universal Services Directive³¹ and Recital 47 to the 2009 Directive which amended it.³² The latter states:

“In order to take full advantage of the competitive environment, consumers should be able to make informed choices and to change providers when it is in their interests. It is essential to ensure that they can do so without being hindered by legal, technical or practical obstacles, including contractual conditions, procedures, charges and so on. This does not preclude the imposition of reasonable minimum contractual periods in consumer contracts..... Experience in certain Member States has shown that there is a risk of consumers being switched to another provider without having given their consent. While that is a matter that should primarily be addressed by law enforcement authorities, Member States should be able to impose such minimum proportionate measures regarding the switching process, including appropriate sanctions, as are necessary to minimise such risks,

²⁵ Set out in paragraphs 2, 3 and 4 of Article 8.

²⁶ As well as electronic communications networks and associated facilities and services.

²⁷ Articles 8(2)(a) and (b).

²⁸ Articles 8(4)(b) and (d).

²⁹ Directive 2002/20/EC of the European Parliament and of the Council (as amended by Directive 2009/140/EC), paragraph 8 of Annex A

³⁰ and therefore not limited to

³¹ Directive 2002/22/EC of the European Parliament and of the Council (as amended by Directive 2009/136/EC), 7 March 2002. Available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:108:0051:0051:EN:PDF>

³² Directive 2009/136/EC of the European Parliament and of the Council, available at <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32009L0136&from=EN>

and to ensure that consumers are protected throughout the switching process without making the switching process less attractive for them.”

- 2.25 Article 30 of the Universal Service Directive was amended in light of this Recital to include new provisions dealing with the porting of numbers and the switching of providers. It says national regulatory authorities should take into account, where necessary, measures ensuring that subscribers are protected throughout the switching process and are not switched to another provider against their will; and that Member States should ensure (without prejudice to any minimum contractual period) that conditions and procedures for contract termination do not act as a disincentive against changing service provider.

Electronic communications services

- 2.26 A number of provisions of both the Act and the Framework refer to the regulation of “electronic communications services.” The former defines these in section 32(2) as:

“... 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.”

- 2.27 Article 2(c) of the Framework Directive contains a similar definition:

“‘electronic communications service’ means a service normally provided for remuneration which consists wholly or mainly in the conveyance of signals on electronic communications networks, including telecommunications services and transmission services in networks used for broadcasting, but exclude services providing, or exercising editorial control over, content transmitted using electronic communications networks and services; it does not include information society services, as defined in Article 1 of Directive 98/34/EC, which do not consist wholly or mainly in the conveyance of signals on electronic communications networks.”

- 2.28 Services involving the transmission of signals for landline, fixed broadband and pay TV fall within these definitions. In the *UPC/Hilversum*³³ case, the Court of Justice of the European Union considered the application of the Framework Directive’s definition of an electronic communications service to pay TV services. The effect of the judgement is that the provision of such services falls within the definition in so far as they include the conveyance of signals on an electronic communications network. The court said that is so even if:

- those services are also provided with other services, such as content services, that fall outside the definition;
- the costs charged to consumers incorporate payments made in respect of programme content.³⁴

³³ Case C-518/11 *UPC Nederland BV v Gemeente Hilversum*, Judgment of 7 November 2013

³⁴ See in particular paragraphs 35 – 47 and 65 of the Court’s judgment

Application of the legal framework to switching processes

- 2.29 Taking account of our duties and powers, our policy objective is to protect the interests of consumers by ensuring that switching processes themselves do not create unnecessary difficulties or deterrents for consumers switching providers. Consumers should be able to make informed choices about the services they wish to buy and to exercise those choices through an easy and reliable process.
- 2.30 There are legitimate ties between the consumer and their provider. The consumer should generally expect, for example, to be bound by fair contract terms and the obligations they create. These give the provider appropriate protection in respect of the contractual bargain.
- 2.31 The switching process itself, however, should not be something that prevents or hinders an informed consumer changing provider.³⁵ Neither should it create unnecessary difficulties for those that switch, such that they would be put off from doing so again.
- 2.32 We consider that a switching process which does not create unnecessary difficulties or deterrents for consumers and is easy and reliable is, therefore, a legitimate policy aim consistent with our duties. It would variously:
- enable consumers to take full advantage of the competitive market by making informed choices and changing providers when it is in their interests without being hindered by legal, technical or practical obstacles;
 - protect consumers throughout the switching process;
 - ensure they derive maximum benefit in terms of choice, price, quality and value for money;
 - promote effective competition and help ensure the availability of good-quality services, both through incumbent providers offering good services in order to retain consumers and encouraging the development of competitive services by others seeking to win customers; and
 - accordingly, further the interests of citizens and consumers.

Impact Assessment

- 2.33 The analysis presented in this document constitutes an impact assessment as defined in section 7 of the Act. Impact assessments provide a valuable way of assessing different options for regulation and showing why the preferred option was chosen. They form part of best practice policy-making. This is reflected in section 7 of the Act, which means that generally we have to carry out impact assessments where our proposals would be likely to have a significant effect on businesses or the general public, or when there is a major change in Ofcom's activities. However, as a matter of policy Ofcom is committed to carrying out impact assessments in relation to the great majority of our policy decisions. For further information about our approach

³⁵ Where they act with knowledge of, and are subject to, due obligations (e.g. paying fair early contract termination charges).

to impact assessments, see the guidelines, “Better policy-making: Ofcom's approach to impact assessment”, which are on our website.³⁶

Equality Impact Assessment

- 2.34 Ofcom is also required to assess the potential impact of all our functions, policies, projects and practices on the equality of individuals to whom those policies will apply. Equality impact assessments assist us in making sure that we are meeting our principal duty of furthering the interests of citizens and consumers regardless of their background or identity.
- 2.35 We have given careful consideration to whether or not the proposals contained in this document will have a particular impact on race, age, disability, gender, pregnancy and maternity, religion or sex equality. We do not envisage however, that our proposals would have a detrimental impact on any particular group of people.

³⁶ http://stakeholders.ofcom.org.uk/binaries/consultations/better-policy-making/Better_Policy_Making.pdf

Section 3

Consumer experience of switching between platforms

Introduction

- 3.1 This section starts by explaining the steps a consumer needs to take if they want to switch their triple play services. We then set out the evidence of key difficulties consumers experience when they switch triple play services between platforms or that deter them from switching, based primarily on what consumers told us in our consumer research and complaints. We focus on three key areas of concern:
- loss of service;
 - double paying for services that overlap; and
 - difficulties contacting previous provider / cancelling the old service(s).
- 3.2 We also consider difficulties consumers face in understanding the steps they need to take to switch and the implications of switching (for example receiving an unexpected charge).

Current switching arrangements

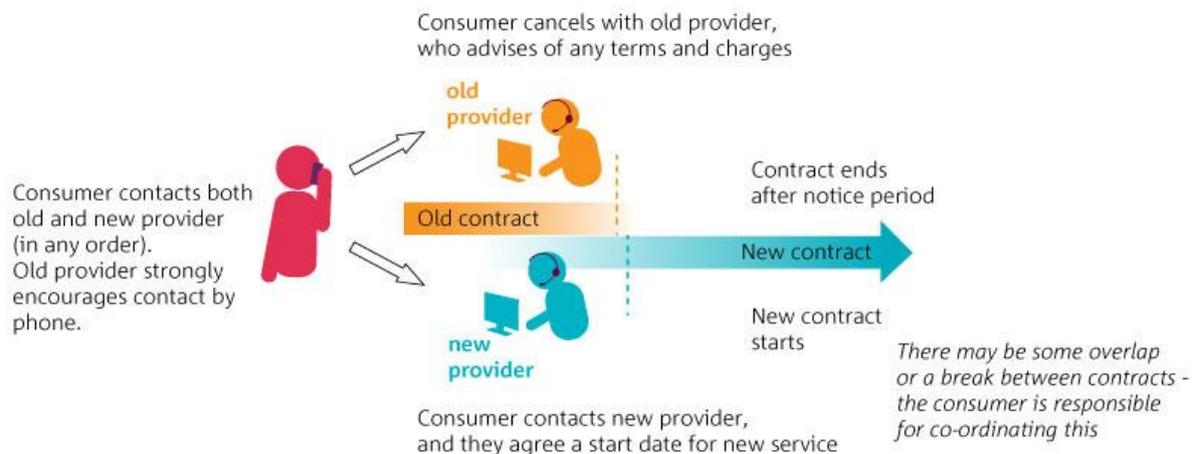
- 3.3 We estimate that approximately 884,000 cross-platform switches occur annually.³⁷ A full explanation of our sources and methodology is detailed in Annex 6.³⁸
- 3.4 Currently, the steps a consumer needs to take if they want to switch one or more triple play services depends on the platform used by the old and new providers.

³⁷ Including those switching to or from a standalone pay TV service. This is based on analysis of provider data for the period October 2014 – September 2015. While alternative network providers do not factor explicitly into our assessment, current availability estimates suggest that the number of switches to, from or between alternative network providers is likely to be substantially less than 370k, not least because those in areas provisioned by alternative networks may not have a wide choice of providers to switch to. See footnote 10 in Section 2.

³⁸ Annexes 6 to 8 are available on the Ofcom website [here](#).

Switching between different platforms

Figure 1: Consumer steps for switching between platforms

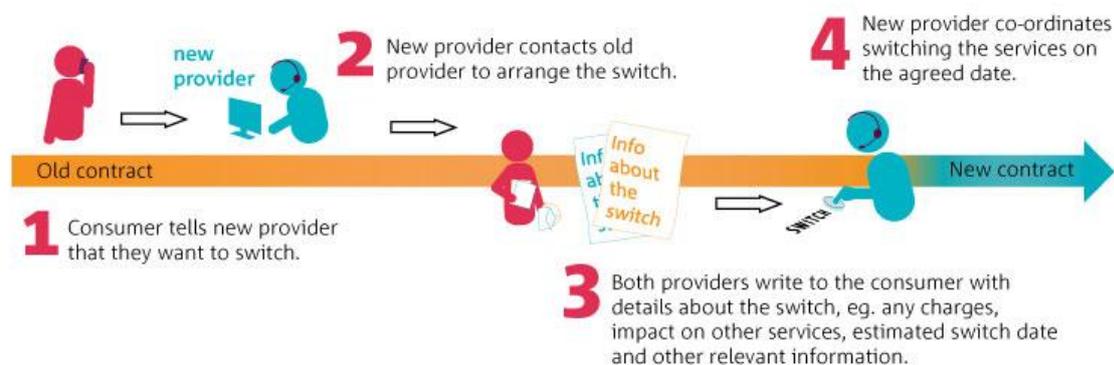


- 3.5 If the consumer wishes to switch to and/or from providers that use different platforms (e.g. moving from a provider using the Openreach platform to Virgin's cable platform), there is no regulated switching process to help them do this. Instead the consumer needs to contact the old provider to cancel their service(s) as well as contact the new provider to arrange the start of the new service(s). This is known as 'cease and re-provide' (C&R).
- 3.6 In most cases, the consumer has to cancel the old service(s) by phone although some providers do offer email, webchat or post options. The call or webchat with the old provider provides an opportunity to inform the consumer of any implications of switching, for example: early termination charges (ETCs), notice period(s) and how service levels might compare. Some providers may also confirm by letter or email that the contract is ending, including details of any charges associated with this. Where consumers try to cancel by email or post, some providers may also require the consumer to go through an additional verification call.
- 3.7 Providers usually include a requirement for consumers to give 30 or 31 days' notice if they want to cancel their contract.³⁹
- 3.8 Consumers may attempt to co-ordinate the start of their new service(s) with the end of their old service(s). Alternatively, they may have a break or overlap in their service(s).

³⁹ We note that some providers have notice periods that are shorter, for example, 10 working days.

Switching within the Openreach platform⁴⁰

Figure 2: Consumer steps for switching within the Openreach platform



3.9 If a consumer is switching within the Openreach or KCOM platform, the consumer contacts the new provider they want to switch to.⁴¹ The new provider contacts the old provider and arranges the transfer of the service(s). The consumer does not need to contact the old provider. This is a regulated gaining provider led (GPL) switching process (under General Condition 22) for landline and broadband services and is often referred to as the Notification of Transfer (NoT+) process.

3.10 The old and the new provider both send letters (by post or, with the consumer's agreement, electronically) informing the consumer about the switch. These letters are an important safeguard against slamming and inform consumers about the implications of switching (e.g. any ETCs) so they can make an informed decision about whether to go ahead with the switch or stay with their old provider.⁴²

3.11 The letter from the new provider includes details of:

- the estimated switch date;
- the service(s) that will be switched; and
- the right to cancel free of charge, how long the right applies and how to exercise it.

3.12 The letter from the old provider includes:

- the estimated switch date;
- information on the service(s) that will be affected and/or unaffected by the switch; and

⁴⁰ Or within the KCOM platform in Hull.

⁴¹ This is not obligatory for the consumer – they can choose to contact their losing provider first and go through C&R instead.

⁴² Slamming is where a provider takes over a consumer's line without their knowledge or express consent.

- an explanation:
 - that the switch will automatically happen on the estimated date and no contact with the old provider is necessary;
 - that a final bill will be sent after the switch completion that will include details of the amount of any ETCs that apply;
 - of why ETCs apply to the consumer and how these should be paid; and
 - of how the cost of any remaining service(s) will be affected if they are only switching some of their services
- 3.13 If a consumer receives these letters and decides to cancel the switch, they can contact the new provider to cancel their request. If the new provider has tried to slam the consumer, the consumer can also contact the old provider to stop the switch.
- 3.14 Where consumers are switching within the Openreach platform using NoT+, providers align the notice period with the switching process, i.e. the ten working day transfer period.

Switching bundles

- 3.15 **Figure 3** below summarises what process a consumer will go through depending on whether they are switching services on a standalone basis or as part of a bundle.
- Switching landline and broadband services standalone or as part of a dual play bundle within the Openreach platform is a GPL NoT+ process. Switching a triple play bundle from providers that offer pay TV over their broadband service (e.g. BT, TalkTalk) in effect follows GPL NoT+.
 - Switching a triple play bundle from Sky to providers on the Openreach platform follows a combination of GPL NoT+ for the landline and broadband service and, for the pay TV service, C&R.
 - Switches to and/or from Virgin follow C&R.

Figure 3: Summary of switching triple play services by platform

		Switch to a provider delivering services on:					
		Openreach		Cable		Sky satellite + Openreach	
Switch from a provider delivering services on:	Openreach	Landline	GPL	Landline	C&R	Landline	GPL
		Broadband	GPL	Broadband	C&R	Broadband	GPL
		Pay TV	N/A	Pay TV	C&R	Pay TV	C&R
		Dual play	GPL	Dual play	C&R	Dual play	GPL
		Triple play	GPL	Triple play	C&R	Triple play	GPL
	Cable	Landline	C&R			Landline	C&R
		Broadband	C&R			Broadband	C&R
		Pay TV	C&R			Pay TV	C&R
		Dual play	C&R			Dual play	C&R
Sky satellite + Openreach	Landline	GPL	Landline	C&R			
	Broadband	GPL	Broadband	C&R			
	Pay TV	C&R	Pay TV	C&R			
	Dual play	GPL	Dual play	C&R			
	Triple play	C&R+GPL	Triple play	C&R			

Key difficulties and deterrents

- 3.16 In this section, we set out the key difficulties experienced by consumers when switching providers between platforms or that deter consumers from switching.
- 3.17 In the quantitative BDRC research, the majority (81%) of consumers switching between platforms initially rated the process as either ‘very’ or ‘fairly’ easy, while 17% said it was difficult.⁴³ However, we are minded to consider these findings alongside consumers’ responses to prompted questions about their switching experiences.⁴⁴ In response to these, 79%⁴⁵ said that they had encountered some kind of difficulty and more than half (58%)⁴⁶ said they experienced at least one process related difficulty.⁴⁷
- 3.18 We also found that 79% of consumers who had considered switching but decided against it were put off by process-related worries.⁴⁸ These concerns included: being worried about being without a particular service (e.g. landline, broadband and/or pay TV) during the switch; difficulty cancelling the service; worrying about paying two

⁴³ Of cross-platform switchers. Slide 65 of BDRC published slidepack.

⁴⁴ As we were asking consumers to recall events up to two years’ previously, we used the standard research technique of helping them to recall those events by asking additional prompted questions. Consumers were given the option to state that something was not a difficulty at all. Further, only those respondents who had previously stated they had experienced particular issues were asked whether they had experienced any difficulties with this.

⁴⁵ 42% of cross-platform switchers said they had experienced at least one major difficulty and 76% reported experiencing at least one minor difficulty – see slide 29 of the BDRC published slide pack. On the basis that the process itself should not make switching difficult, we take account of evidence of both categories of difficulty. We use them to help us consider whether there are issues where we might intervene, and then go on, among other things, to make an assessment of the costs and benefits of possible intervention. In our impact assessment we take account of cross-platform switchers who experienced major, minor and no difficulties when switching.

⁴⁶ 20% major, 52% minor. Slide 29 of BDRC published slide pack.

⁴⁷ These include: arranging the switch so that they always had access to their services; arranging the switch so that they were not paying for their old and new services at the same time; cancelling their previous service; and getting the switch to happen on the date the consumer wanted.

⁴⁸ 45% major, 69% minor. Slide 81 of BDRC published slide pack.

providers at the same time; and concern about arranging the services to start/stop at the right time.

3.19 Our evidence overall suggests that process-related difficulties experienced by consumers under current cross-platform switching arrangements fall into two key categories – those associated with:

- **co-ordinating the switch to avoid a loss of service or double paying:**
 - “arranging the switch so that you always had access to your previous services” (29%);⁴⁹
 - “arranging the switch so that you were not paying for your old and new services at the same time” (34%);⁵⁰ and
 - “getting the switch to happen on the date that you wanted” (17%).⁵¹
- **contacting the old provider and/or cancelling the old service:**
 - “cancelling your previous service” (38%);⁵²
 - “previous provider trying to convince you to stay” (34%);⁵³ and
 - “contacting your previous provider” (23%).⁵⁴

3.20 More generally, as detailed later in this section, we also found that:

- consumers do not always understand processes well and this can put them off switching; and
- some consumers are not always aware of the implications of switching – for example, they may receive an unexpected charge.

3.21 Our research also revealed some additional consumer difficulties that are being considered and addressed separately by Ofcom. These are set out in Annex 7.

Loss of service

3.22 Our evidence suggests that a significant proportion of consumers suffer a loss of service when switching provider between platforms. According to the quantitative BDRC research, when asked outright, 17% of cross-platform switchers experienced

⁴⁹ 7% major, 23% minor. Slide 24 of BDRC published slide pack.

⁵⁰ 8% major, 26% minor. Slide 24 of BDRC published slide pack.

⁵¹ 4% major, 13% minor. Slide 24 of BDRC published slide pack.

⁵² 11% major, 27% minor. Slide 24 of BDRC published slide pack.

⁵³ 11% major, 23% minor. Slide 24 of BDRC published slide pack. Consumers were asked whether they had experienced their previous provider trying to persuade them to stay, and if so whether this was a major difficulty, a minor difficulty or not a difficulty at all. This is different to those consumers that may have experienced difficulties with getting a better deal with their previous provider as set out further down in this section.

⁵⁴ 7% major, 16% minor. Slide 24 of BDRC published slide pack.

an unwanted loss of one or more of their services. Figure 4 below breaks this down further by service lost.

Figure 4: Proportion of CPS⁵⁵ experiencing loss of service for each of the relevant triple play services and average number of days loss of service is experienced

	Any service	Landline	Broadband	Pay TV
% of unwanted LoS experienced	17%	10%	12%	6%
Average duration (in days)	n/a	8	9	n/a

Source: 2015 BDRC research, slide 39

3.23 While between 11%-14% of cross-platform switchers who report a loss of service experience this loss for up to half a day,⁵⁶ 31% experience this for more than one week,⁵⁷ and in extreme cases a loss of service of 5 weeks or more was reported by between 5%-7%.⁵⁸

3.24 Evidence of loss of service is particularly concerning given consumers' growing reliance on communications services. For instance, research published for Ofcom in 2014 examining which communications services UK consumers consider 'essential' in their day to day lives found that 61% of consumers rated voice services (mobile or landline) as essential, while over half (57%) regarded personal internet access as essential.⁵⁹ Furthermore, as referenced in Ofcom's 2016 Digital Communications Review, consumers participating in qualitative research⁶⁰ on quality of service reported that telecommunication services in particular are:

*"...now essential to their home and work lives. When things go wrong, the inconvenience they experience is acute. The disruption that loss of service causes can be on a par with a power cut or loss of water supply."*⁶¹

3.25 Our loss of service research considered the impact of service loss on all consumers (not just switchers) and suggests that losing broadband is more likely to have an impact than other triple play services. Without being prompted, 72% of those who lost their broadband service reported some impact, compared to 47% and 49% for landline and pay TV services respectively.⁶² For loss of broadband, the issues most

⁵⁵ Cross-platform switchers.

⁵⁶ 11% lost broadband for 0.5 days and 14% lost landline for 0.5 days. Slide 39 of BDRC published slide pack.

⁵⁷ 31% lost landline for 1 week or more, 31% lost broadband for 1 week or more.

⁵⁸ 5% for landline and 7% for broadband. Slide 39 of BDRC published pack.

⁵⁹ Jigsaw Research, *Affordability of Communications Services Essential for Participation: Quantitative Research*, July 2014 (p.10).

⁶⁰ Jigsaw Research, *Quality of service in telecoms: Residential consumer and SME experiences of quality of service in fixed line, broadband and mobile telecoms*, 2016 (p.2-3).

⁶¹ Ofcom *Making communications work for everyone: Initial conclusions from the Strategic Review of Digital Communications*, February 2016 (p.47).

⁶² A quarter (25%) of those who lost their fixed broadband service said it had no impact, compared to 40% for both landline and pay TV services. Slides 5-7 of loss of service published slide pack.

frequently cited were general inconvenience, including annoyance and anger (38%), followed by negative impact on work related activities (12%).

3.26 When consumers were prompted based on a list, some of the main issues across all services were:

- being unable to complete household tasks, e.g. internet shopping, online banking, booking tickets (41%);
- not being able to contact or be contacted by people (37%);
- increased anxiety and stress (37%);
- having to stay in to wait for an engineer (36%); and
- it took time to resolve loss of service, i.e. webchat / phone calls (34%).⁶³

3.27 Two fifths (43%) of those with an unwanted loss of broadband considered this 'very inconvenient', broadly similar to landline services (40%) and higher than for pay TV (20%). In total, 71% of those with an unwanted loss of broadband considered this loss to be inconvenient.⁶⁴

3.28 This research also indicates that, on average, consumers who lost service incurred direct financial losses of £18 and experienced four hours during which they were unable to work.⁶⁵ In addition, consumers had to spend around four hours trying to restore their service and, on average, made contact three times with their provider to resolve the issue.⁶⁶

3.29 As to the reasons for reported loss of service among switchers in particular, those cited by consumers in the quantitative BDRC research tended predominantly to relate to: delays with service activation/installation; difficulties co-ordinating; issues with equipment; and a fault with the line.

3.30 **Figure 5** below sets out in more detail the specific issues making up these categories.

⁶³ 12% of consumers said that losing service did not affect their household. Switchers with a loss of service were more likely to say that their household was not affected than non-switchers (17% vs. 8%). Slides 5-7 of loss of service published slide pack.

⁶⁴ Slide 14 of loss of service published slide pack.

⁶⁵ Slides 9 and 10 respectively, of loss of service published slide pack. One in five (19%) consumers said the service loss had a negative impact on work related activities (slide 8).

⁶⁶ Slides 11 and 13, respectively, of loss of service published slide pack. Switchers were less likely to "do anything" to rectify the loss – 27% said they did not do anything, compared to 4% among those with a non-switch related loss (slide 12).

Figure 5: Detailed reported reasons for unwanted loss of service, prompted⁶⁷

Category (net %)	Reason for unwanted loss of service	Proportion of CPS with Loss of Service
Delays with service activation/installation (42%):	Delay in service activation	22%
	Delay in broadband installation	12%
	Delay in landline installation	13%
	Delay in cable installation	8%
	Delay in satellite dish installation	2%
Difficulties co-ordinating (32%):	The new provider gave me a starting date that was after the end of my previous contract	17%
	To switch on a particular date, that I wanted	8%
	I cancelled my previous service before arranging my new one	3%
	Previous service was not cancelled correctly	6%
Issues with equipment (20%):	Problems/a fault with the equipment (e.g. satellite dish, cable box, broadband router)	12%
	Delay in delivery of the equipment	8%
	The wrong equipment was provided/needed something extra	3%
A fault with the line (18%):	A fault with the line	18%

Source: 2015 BDRC research, slide 40. Multi-code.

- 3.31 The qualitative research carried out by BDRC also highlighted that certain participants had difficulties co-ordinating the switch, including making appointments with new providers and avoiding loss of service. Some also experienced equipment related issues including faulty or wrong equipment (which also led to loss of service for some consumers).
- 3.32 Concerns about loss of service are also an issue for non-switchers and may affect whether or not they decide to switch. For instance, in the quantitative BDRC research almost half (47%) of consumers who decided not to switch cited worries about being without broadband during the switch as a factor in their decision.⁶⁸ The worry of losing service putting consumers off switching also came through in the qualitative BDRC research. One respondent, for example, said:

“It's being left without isn't it? Because they come in remove one device, and then come in and install the other one straight away. Say, 'Yes, we'll come in Monday

⁶⁷ Consumers were able to select multiple reasons for their loss in service hence the total for each category is not the sum of the individual responses.

⁶⁸ 25% major, 22% minor. Slide 78 of BDRC published slide pack.

we'll fit it'. So the one that's cancelled is turned off, you're like oh it's only a day or two, the next thing you know, the guy's not turned up, you've got to take a day off work, then they don't come and you're sat there then with no internet and it's just not a nice experience really. The crossover can be quite frustrating, it puts you off, well it does to me personally.” (Cardiff, decided not to switch mini-group)

Double paying

3.33 The quantitative BDRC research indicates that, when asked outright, one in five (22%) cross-platform switchers recall experiencing contract overlap and therefore paying both providers at the same time during the switch.⁶⁹ A number of respondents in the qualitative BDRC research also experienced contract overlap – for example, one said:

“It was a massive obstacle to maybe try and figure out as well without...changing without losing money or without paying too much money, do you know what I mean, going from [one provider to another] and not paying for two things at one time.” (London, mini-group, switcher)

3.34 According to the quantitative BDRC research, the average period of double paying when switching between platforms is 14 days.⁷⁰

3.35 As shown in Figure 6 below, the key drivers for consumers double paying appear to fall into the following categories:

- difficulties co-ordinating, e.g. being unaware of notice periods, having issues with available engineer appointments or cancellation (58%);
- ensuring continuity of service (28%); and
- getting a better service / deal immediately (29%).

⁶⁹ Slide 43 of BDRC published slide pack. 16% of cross-platform switchers said they had an overlap and *did not* want this (although we consider that any contract overlap causes harm to consumers – see Section 5). 21% of cross-platform switchers said they had a contract overlap of more than one day.

⁷⁰ Slide 47 of BDRC published slide pack.

Figure 6: Detailed reported reasons for double paying, prompted

Category (net %)	Reason for double paying	Proportion of double paying CPS
Difficulties co-ordinating (58%)	I had already signed up with my new provider and wasn't aware of the notice period with my previous provider	14%
	Due to the available engineer appointment dates	15%
	The previous service wasn't cancelled on the date requested	11%
	The new provider gave me a date that was before the end of my previous contract	15%
	Previous service not cancelled correctly	12%
	To switch on a particular date, that I wanted	6%
To ensure continuity of service (28%):	To ensure I always had a broadband service(s) during the switch	18%
	To ensure I always had a phone service(s) during the switch	11%
	To ensure I kept my landline number	7%
	To ensure I always had a Pay TV service(s) during the switch	10%
To get a better service / deal immediately (29%):	To switch to a better service immediately	14%
	To sign up with my new provider before a deal ran out	11%
	To get faster broadband as soon as possible	6%
	To get the channels I wanted as soon as possible	2%
	To get inclusive calls as soon as possible	1%
	To get a channel in time to view a specific event	1%

Source: 2015 BDRC research, slide 46. Multi-code.

- 3.36 Aside from ensuring continuity of service, the most cited specific reasons for double paying were: not being aware of the notice period with their old provider, the new provider giving the consumer a date that was before the end of their old contract, to switch to a better service immediately and issues with available engineer appointment dates.
- 3.37 The evidence in the BDRC quantitative research also suggests some confusion about notice periods which is likely to add to difficulties in co-ordinating switching dates and to the risk of double paying. Most consumers appeared to have been outside their minimum contract periods when they switched and there appears to be uncertainty about when consumers needed to give notice to end their old service(s):

- 82% of cross-platform switchers stated that they did not leave their contract early, i.e. before the end of their minimum contract period;⁷¹
- 17% of those who recalled having a single notice period for all services said they gave notice while they were in their minimum contract period, while one fifth (22%) said that they did not give any formal notice (they just told the provider the date when they wanted to leave);⁷²
- 20% of those with a single notice period gave notice at the end of their minimum contract and 33% did so after this had ended;⁷³ and
- three in ten (29%) cross-platform switchers could not recall/were not aware whether their services had a single notice period, whether different or no notice periods applied across their services.⁷⁴

3.38 The qualitative BDRC research indicated similar consumer confusion around notice periods, particularly in relation to when they began. There were reported instances of participants being told by providers that their notice period would need to run from the date of their next direct debit payment, or that they could only start their notice period from the very end of the minimum contract period (converting an 18 month minimum contract period into a 19 month minimum contract period). For instance, one participant noted:

“I’ll be paying an extra month which I don’t want to be paying for. So it was just kind of to-ing and fro-ing and it was really awkward. But I was adamant I wanted to get out of it, so I was persistent in trying to give my notice and do what I had to do.” (London, mini-group, switcher)

3.39 We also know that a number of providers – including BT, Sky and TalkTalk – advise consumers moving from Virgin that to avoid a loss of service they should first order their new service(s) and make sure it is up and running before cancelling their old service(s).⁷⁵ This would result in the consumer double paying for two services at the same time but this downside is not highlighted to the consumer. For example, BT advises prospective customers that:

“If you’re currently with Virgin Media, wait until your BT broadband is up and running before you tell Virgin Media that you want to switch. That’s the best way to avoid loss of service.”

3.40 Concerns about double paying are also an issue for non-switchers. In the BDRC quantitative research, 40% of consumers who decided not to switch cited worries about having to pay two providers at the same time as a factor in their decision.⁷⁶

⁷¹ Slide 20 of BDRC published slide pack, 18% of cross-platform switchers reported leaving their contract early.

⁷² Cross-platform switchers with one notice period for services switched. Slide 49 of BDRC published slide pack.

⁷³ See footnote 72.

⁷⁴ Slide 49 of BDRC published slide pack.

⁷⁵ Relevant advice webpages are available at: [BT](#), [Sky](#) and [TalkTalk](#).

⁷⁶ 16% major, 24% minor. Slide 79 of BDRC published slide pack.

Difficulties contacting previous provider / cancelling old service(s)

- 3.41 A number of pieces of evidence suggest consumers face difficulties contacting their old provider and cancelling their old service(s). These include difficulties experienced by those who have switched, covering things like the time it took to contact their provider and the means by which they were required to make contact, and perceived difficulties that deter those considering switching from actually doing so. These difficulties appear to us to derive from the need to contact the old provider, by phone in particular, as well as individual providers' processes and conduct.
- 3.42 The quantitative BDRC research suggests that 38% of consumers switching between platforms experienced difficulty with cancelling their old service(s),⁷⁷ while 23% reported difficulty contacting their old provider.⁷⁸
- 3.43 Reasons given by consumers for the types of issues experienced when contacting their old provider are set out in Figure 7 below.

Figure 7: Reasons for difficulties with contacting previous provider, prompted

Stated reasons	% of CPS stating difficulty contacting previous provider
Length of wait to speak to someone	56%
It took multiple calls to resolve a query	45%
Difficult getting to speak to the right person	42%
My instructions not being followed	23%
They provided me with the wrong information	20%
They were unable to help me	12%
They didn't respond to emails	12%

Source: 2015 BDRC research, slide 30. Multi-code,

- 3.44 This suggests that consumers are particularly concerned with the length of wait to speak to someone, and having to make multiple calls to resolve a query, as well as having difficulty getting to speak to the right person. For example, one cross-platform switcher who experienced difficulties cancelling their service noted that: *"The customer service was awful and it was nearly impossible to actually get hold of anyone"*, while another reported *"[h]aving to call a number of times and long waits when trying to call to cancel"*.⁷⁹

⁷⁷ 11% major, 27% minor. Slide 24 of BDRC published slide pack.

⁷⁸ 7% major, 16% minor. Slide 24 of BDRC published slide pack.

⁷⁹ Question C3AF: You mentioned you experienced difficulty cancelling your service. What was it about the experience that was difficult? Slide 35 of BDRC published slide pack.

- 3.45 There are also a number of pieces of evidence which, viewed as part of the overall evidence, suggest that the need to contact providers by phone, and the way providers use that process, add to the broader picture of difficulties some consumers face and mean that, for them, the switching process is not as easy as it could be. We see in information provided by industry and complaints made to Ofcom, for example, that certain providers require consumers to call to cancel their service(s), rather than allow cancellation by other means. For instance, one complaint to us noted:

“Eight times I’ve now asked them to reply by email to an email enquiry about possible cancellation of contract and still no joy. Told them about me being 77yrs old and hardly able to breathe let alone talk a while with someone employed to fob me off or sell me more but still they demand we chat. Yes. they have told me I MUST talk to them in order to cancel their appalling internet services. Can you help me please. I need to pay these charlatans every month” (Ofcom consumer complaint)

- 3.46 The quantitative BDRC research suggests that, while many cross-platform switchers stated a future preference to cancel over the phone (60%), a substantial proportion would prefer to cancel by other means – almost two-fifths (37%) said that their preferred way of contacting their provider to cancel in the future would be online.⁸⁰

- 3.47 The qualitative BDRC research, meanwhile, reported that some respondents thought providers made the experience of switching away longer and more difficult than necessary. One, for example, said:

“We had real difficulty with cancelling [provider]. We could not get to speak to anybody. It was a nightmare. I ended up having to email them and just stopping my standing order and going into my bank and cancelling my standing order because you literally could not get to speak to a person in [provider]. It was just - I think they try to avoid speaking to you so that you can’t actually cancel with them.” (Belfast, switcher)

- 3.48 While some providers nominally offer alternative methods of cancellation (e.g. by email or post), they may nevertheless require consumers to go through an additional verification call and will not process the cancellation until this additional step has been completed. Complaints made to Ofcom also indicate that in some instances providers will require consumers cancelling by other methods to provide extensive information on the grounds that doing so is necessary to meet account security requirements. One complainant noted:

“I sent a letter to [X] informing them that I wished to end my contract with them and they wrote back asking me to ring them so that they could run through some security checks. When I did so, they were very uncooperative and said I could not cancel my contract until December 2015. I am in the process of writing to them again.” (Ofcom consumer complaint)

- 3.49 Some complaints to us have also concerned the visibility and accessibility of other non-phone based cancellation methods. For example:

⁸⁰ “Online” includes the following methods of contact: Email, web-form, web-chat, by social networking site and via an app. Slide 16 of BDRC published slide pack.

“I tried to cancel my [redacted] TV package and switch phone and broadband provider. to cancel the TV you have to call them, after trying to contact them 5 times with long waits I tried the online chat. but it’s always busy. [...]. There is no email or message contact. There is no address to write to only a complaint address. I sent my complaint and cancellation notice via post. Nearly 2 weeks later I got an email saying they needed me to call as they wouldn’t accept my written notice to cancel. I called and they tried to get me to give the 30 days notice from the date I called. I argued with them for ages until I said ok that’s fine I will take this matter to Ofcom. They then spoke to a ‘manager’ and suddenly they took it from when I wrote the letter.” (Ofcom consumer complaint)

- 3.50 Other evidence, including information provided by certain providers, also indicates that a number of consumers will try and cancel their service(s) by cancelling their direct debit.⁸¹ Some complaints to Ofcom appear to suggest that consumers do this to avoid a conversation with their previous provider, or they may be doing this as a last resort following attempts to cancel through other means. One, for instance, said:

“On the [redacted] website there is an option to email them if you wish to cancel your contract. I used this but then received a bill. I phoned them [...] to check service had been cancelled, was kept on the line for around 10 minutes then put on hold when they [hung up] on me. I tried to call back but got a recording saying waiting time was in excess of 20 minutes so decided to leave it until a quieter time. I rang [...] using the telephone number advertised on their site to use if you wish to downgrade [...]. Again I was kept on the phone for 10 minutes, put on hold and [...] told I had to be put through to cancellations who were not answering. I said I would call direct. I got through to a recorded message saying there was a wait of 20 minutes [...]. I called the advertised number again to see if I could get someone who could do what was advertised on their website. I got the same response. I told them that I would cancel my direct debit as this seems the only way to leave them [...].” (Ofcom consumer complaint)⁸²

- 3.51 In terms of difficulties experienced by cross-platform switchers with their old provider trying to persuade them to stay, we note that consumer experience of this is mixed. Some consumers actively look to benefit from contacting their current provider where this leads to a better deal and mutual satisfaction. Our quantitative BDRC research suggests that for 67% of consumers who decided not to switch, negotiating/accepting a deal with their current provider was a key factor in their decision.⁸³
- 3.52 However, we do have concerns with these types of discussions when they are unwanted or imposed on consumers and which make the switching experience more difficult. The quantitative BDRC research suggests that a third (34%) of cross-platform switchers said they experienced difficulty with their old provider trying to persuade them to stay.⁸⁴ Additionally, we note from information submitted to us by

⁸¹ For instance, in its [response](#) to our 2014 Call for Inputs on consumer switching, Sky stated that “[i]n fact, not all customers leaving Sky contact us to cancel their subscription – [redacted] of customers leave Sky by simply cancelling their direct debit”. Additionally, during a meeting with [redacted] on [redacted] they noted that “a lot of people” cancel their services with [redacted] by cancelling their direct debits.

⁸² See also previous quote from BDRC’s qualitative research, at paragraph 3.47.

⁸³ 50% major; 17% minor. Slide 78 of the BDRC published slide pack.

⁸⁴ 11% major, 23% minor. Slide 24 of BDRC published slide pack. We note that consumers in the BDRC research were given the opportunity to say whether, if experienced, previous provider persuasion to stay was not a difficulty at all.

providers that consumers who call to cancel are routed to the provider's customer retention team. While some consumers wish to discuss their options before leaving, others who simply want to cancel can face difficulties from customer service agents whose interest is to retain the customer, rather than effect their desire for a switch. For instance, one cross-platform switcher in our quantitative BDRC research reported difficulty cancelling their previous service as their provider was "*very persistent on the phone with trying to keep me as a customer*".⁸⁵

- 3.53 In addition to the notable proportion of switchers experiencing difficulties with cancelling their service(s), 36% of consumers who decided not to switch reported "difficulty cancelling my service" as a factor in their decision.⁸⁶ This was reflected in some of the verbatim comments coming out of the quantitative BDRC research:
- "*I had to wait on the phone for almost an hour to speak to someone*"
 - "*They will not take no for an answer*"
 - "*Asked lots of questions about why I wanted to switch, was very time consuming and hassle.*"⁸⁷
- 3.54 Furthermore, in relation to the time taken to switch, over half of consumers who decided not to switch (57%) reported that "it's too time consuming to go through the process of switching from one provider to another" as a factor in their decision.⁸⁸ A further half (52%) of consumers who decided not to switch said that the "hassle of needing to contact more than one provider" was a factor in their decision to stay with their current provider.⁸⁹
- 3.55 Taken together, this evidence suggests that for some consumers contacting their old provider and cancelling their service(s) is a difficulty with current switching arrangements. These are also deterrents for some would-be switchers. Our provisional view is that these difficulties are part of a broader picture in which the need to contact providers by phone, and the way providers use that process, add to the unnecessary difficulties some consumers face when switching (and which may be best addressed in a reformed industry-wide switching process).

Confusion about multiple switching processes

- 3.56 The current arrangements for switching triple play services set out earlier in this section mean that consumers can face different switching arrangements (GPL NoT+ or C&R) or a mix of these (GPL NoT+ and C&R) in order to change provider.
- 3.57 A quarter (25%) of all switchers (i.e. both cross-platform and Openreach switchers) in the quantitative BDRC research reported a difficulty with understanding the steps required to switch.⁹⁰ One cross-platform switcher who found the switching experience more difficult than expected reported that they "*expected the new provider would sort*

⁸⁵ Slide 35 of BDRC published slide pack.

⁸⁶ 13% major factor, 24% minor. Slide 79 of BDRC published slide pack.

⁸⁷ Question C3AF: *You mentioned you experienced difficulty cancelling your service. What was it about the experience that was difficult?* Slide 84 of BDRC published slide pack.

⁸⁸ 20% major factor, 37% minor. Slide 79 of BDRC published slide pack.

⁸⁹ 17% major; 35% minor. Slide 79 of BDRC published slide pack.

⁹⁰ 3% major, 22% minor. Slide 22 of BDRC published slide pack.

it all out for me but they didn't and I hadn't realised I had to cancel the old [service] myself.⁹¹ Additionally, around a third of Openreach switchers said they cancelled their service(s) with their old provider – thereby going through more of a C&R type arrangement – despite not being required to do this.^{92, 93}

- 3.58 The qualitative BDRC research also suggests that many participants were unsure of what they had to do to switch, especially in relation to which providers they should contact (their current provider, the new provider or both) and who they should contact first. In particular, they found that not all respondents were aware that for cross-platform switches they needed to cancel with their old provider as well as sign up for new services with a new provider.
- 3.59 Not understanding which processes to follow may also result in consumers choosing not to switch. For instance, in the quantitative BDRC research a third (32%) of consumers who decided not to switch said “not knowing what to do to switch” was a factor in their decision.⁹⁴

Lack of consumer awareness of the implications of switching

- 3.60 The evidence also suggests that consumers are not always aware of the implications of their switch and that this can keep them from making an informed decision. Switching implications include:
- any charges consumers may have to pay to leave their old provider, e.g. ETCs, disconnection/cease charges, charges related to the minimum notice period, a charge for not returning equipment etc; or
 - any changes to the package they are currently on, including variations to discounts or add-ons etc.
- 3.61 For instance, in relation to unexpected charges associated with leaving providers the quantitative BDRC research suggests that 23% of cross-platform switchers reported receiving unexpected bills/charges from their old provider.⁹⁵
- 3.62 Consumers need to know when their contract ends in order to be aware of certain implications of switching – mainly, whether they are liable for an ETC. Our 2015 End of Contract Notification research found that while consumers are generally aware that ETCs exist,⁹⁶ only 35% of dual play bundle consumers, 27% of triple play bundle consumers and 23% of standalone pay TV consumers knew whether they were in a contract and how much longer it had to run.⁹⁷ This suggests that a substantial

⁹¹ QG16: *Why do you say [switching experience] was more difficult than expected?* Slide 70 of BDRC published slide pack.

⁹² Although we recognise that some of these consumers may have done so by choice rather than a lack of awareness of the process.

⁹³ Our research suggests that Openreach switchers who did not cancel their service with their old provider found it easier to switch than Openreach switchers who cancelled this way (87% vs. 78% respectively). Slide 65 of BDRC published slide pack.

⁹⁴ 9% major factor, 23% minor. Slide 80 of BDRC published slide pack.

⁹⁵ Slide 20 of BDRC published slide pack. This figure may reflect a number of different charges or billing issues, not just ETCs.

⁹⁶ Slide 37 of 2015 End of Contract Notification Presentation of Research Results.

⁹⁷ Slide 10 of 2015 End of Contract Notification Presentation of Research Results.

number of consumers are unaware of their contract end date and, by extension, whether they are liable for an ETC. As noted previously, our research also suggests that a number of switchers are unaware of or confused about notice periods, which can lead them to pay for two services at the same time.

Provisional conclusions

3.63 As set out in Section 2, we consider that the switching process in itself should not be unnecessarily difficult for consumers. Our provisional assessment is that, overall, the evidence described above shows that the process for switching between platforms does involve unnecessary difficulties for a significant minority of consumers. It also deters some from switching where they otherwise might do so.

3.64 These difficulties and deterrents are predominantly related to:

- loss of service, particularly due to delays in the service(s) being installed or activated when switching, and difficulties consumers experience (or are worried they will experience) co-ordinating the stop/start of the service(s);
- double paying for services that overlap, particularly due to difficulties consumers experience co-ordinating the stop/start of the service(s) or to avoid a loss of service; and
- difficulties contacting previous providers / cancelling old service(s), particularly due to restricted and at times lengthy methods of cancellation.

3.65 We found concern related to each of these areas among consumers who decided not to switch, as well as a general lack of understanding amid consumers about how the switching process operates. In certain instances, there was also a lack of awareness of the implications of switching – particularly in relation to unexpected charges and minimum notice periods.

3.66 In Section 4 we consider how current switching arrangements could be reformed to reduce the harm to consumers from the key difficulties and deterrents identified.

Consultation questions

Q1 Do you agree that current cross-platform switching arrangements lead to consumer issues with loss of service and double paying when switching, and issues with contacting losing provider / cancelling a previous service?

Q2 Do you agree that consumers would benefit from clearer switching processes and information about switching?

Q3 Do you have any other comments on the matters raised in Section 3?

Section 4

Options for reform

Introduction

- 4.1 In Section 3, we set out our provisional view of how current switching arrangements cause unnecessary difficulties for consumers switching between platforms and deter switching by consumers who might otherwise wish to do so. This section sets out possible reform options for reducing those difficulties and deterrents for would-be switchers and achieving our objectives of making the switching process easier and more reliable.
- 4.2 The two main options we propose are:
- Option 1: An enhanced cease and re-provide (EC&R) process; and
 - Option 2: A new gaining provider led (GPL) process.
- 4.3 We also consider possible ways for the old and the new provider to communicate with each other to support switching under either process (referred to as the ‘back-end’ communication channel). However, at this stage, our expectation is that any decision to put in place new switching provisions would not specify a particular back-end model, and would instead give providers some flexibility on the implementation of any new process.

Framework for assessment

- 4.4 In light of our provisional assessment in Section 3, we have sought to identify options for reform which:⁹⁸
- reduce confusion about the steps consumers need to take to switch;
 - make it easier for them to cancel their old service(s);
 - improve the availability of information about the implications of switching;
 - reduce loss of service due to delays in service(s) being installed or activated and difficulties consumers experience co-ordinating the starting and stopping of new and old services;
 - reduce double paying due to the same sort of co-ordination difficulties; and
 - ensure that the switching process itself enables consumers to make and benefit from informed choices about the service(s) they wish to buy with an easy and reliable process.

⁹⁸ We describe the difficulties and deterrents in this section in the order of the switching process – they are ordered differently in other sections of this consultation.

- 4.5 We also consider how to reduce any unintended consequences from any proposed reforms. For example, risks of consumers being switched without their express consent (referred to as ‘slamming’) or reductions in the information available to consumers to help them make informed switching decisions.
- 4.6 Our provisional view is that the consumer’s new provider should play a prominent role based on a principle that we describe as ‘make before you break’. The new provider should – one way or another – take over the co-ordination of the steps necessary to start the consumer’s new service(s) and liabilities, and end the old ones.
- 4.7 The switch should happen at the end of a transfer period which is long enough, but no longer than necessary, for:
- these steps;
 - the provision of appropriate information to the consumer;
 - the necessary administration of the end of the consumer’s old service(s) and contractual obligations, and the activation of their new service(s) and obligations; and
 - any appropriate protection against slamming to occur.
- 4.8 At that point, the consumer’s new service(s), and their obligations and liabilities to their new provider, would begin, and their old service(s), and their obligations and liabilities to their old provider, would stop.⁹⁹ In this way, the difficulties and deterrents relating to confusion, cancellation, switching implications, loss of service and double paying would be reduced.
- 4.9 Such a process would also benefit from consumers’ broad familiarity with switching processes for a range of services in which the new provider takes a lead role. In October 2015, the government consulted on switching principles. One of those was that “*the switching process should be led by the organisation with most interest in making the switching process work effectively – the gaining provider*”.¹⁰⁰ The processes for switching landline and broadband services provided over the Openreach and KCOM platforms, and for banking current accounts, gas and electricity services, all involve a GPL process, in which the consumer needs only to contact their new provider who manages the switch for them.
- 4.10 We have worked with Cartesian with a view to developing possible options for reform that might achieve our objectives. With them, we considered whether and how we might enhance the existing C&R arrangements for cross-platform switching or, alternatively, develop a new process.
- 4.11 We also considered whether there was anything we could learn from the switching process in place within the Openreach and KCOM platforms, in particular the elements that seek to reduce similar difficulties or deterrents to those we have identified for cross-platform switching. We found that the underlying issues were not always the same (e.g. the causes of loss of service) and that there were solutions

⁹⁹ Including in relation to contractual notice periods.

¹⁰⁰ The government consultation is available [here](#), and its response and action plan is [here](#).

that we could consider for cross-platform switching that may not be possible for switching within the same platform. For instance, a make before you break approach is possible for cross-platform switching as you can have the two platforms running at the same time.¹⁰¹

- 4.12 In April 2016, we met with a number of relevant providers to discuss the BDRC research and our provisional views on the key difficulties and deterrents consumers experience in current switching arrangements.¹⁰² In April 2016, we also shared with them initial process maps for reform. We held meetings in May and June 2016 to discuss these and our provisional views on how we considered they might reduce the key difficulties and deterrents we had identified.¹⁰³ We asked for their views on these options and any alternatives. They did not suggest any alternatives.
- 4.13 In light of that initial assessment, further work with Cartesian and further analysis, we have identified two possible processes to reduce the relevant difficulties and deterrents and achieve our objectives. Below we explain how we propose these might work and how they are designed to meet those aims. This is part of our overall assessment of their appropriateness and proportionality. We explore the appropriateness and proportionality of the options more fully in Section 5.

Option 1: Enhanced cease and re-provide ('EC&R') process

- 4.14 Under Option 1 (EC&R), the consumer would contact both their new provider to set in train the switch and their old provider to cancel their old service(s), which is the case under the current C&R arrangements. Under the enhanced process, the consumer would be given a choice of methods to contact their old provider to cancel, including via webchat, online accounts and using an Interactive Voice Response (IVR) option, rather than necessarily having to speak to a customer service agent.¹⁰⁴
- 4.15 The old provider would need to provide regular information on the implications of switching in the consumer's monthly bill to enable them to make an informed choice before proceeding with a switch. The provision of this information in consumer bills should help reduce concerns, noted in the research, that consumers are not always aware of the implications of their switch.
- 4.16 The new provider would offer to co-ordinate the start of the consumer's new service(s) and the stopping of the old one (rather than co-ordination of the switch being the default – this is likely to impact on the number of consumers that may use the process).¹⁰⁵ The new provider would inform the old provider about the start of the new service(s) so that the old service(s) can be stopped on the same date. Between

¹⁰¹ We discuss loss of service when consumers switch within the Openreach platform in Annex 7.

¹⁰² Specific difficulties and deterrents highlighted at that point were: loss of service; double paying; and difficulties contacting the old provider / cancelling services.

¹⁰³ Including: the idea of 'make before you break' to reduce loss of service, measures to reduce double paying, introducing alternative ways for consumers to cancel their old service or for the gaining provider to be able to do this on their behalf. The specifications circulated in April have since been updated and have been published alongside this consultation [here](#).

¹⁰⁴ IVR is a technology that allows a computer to interact with humans through the use of voice and touch tones input via a telephone keypad.

¹⁰⁵ If the consumer chose to co-ordinate the switch themselves, the current C&R arrangements would generally still apply but the consumer would still have access to the additional routes to cancel (e.g. webchat, online accounts or IVR) proposed under Option 1 (EC&R).

them, the old and new provider would be required to provide information to the consumer about matters such as the dates services will start and end and the implications of the switch.

- 4.17 The switch – the beginning of the new service(s) and of the consumer’s obligations and liabilities to the new provider, and the end of the old ones¹⁰⁶ – would occur at the end of the period in which this process occurs (the “transfer period”).¹⁰⁷ We envisage that for the necessary steps to occur the transfer period would be between two and ten working days.
- 4.18 During the transfer period, the new provider would be required to provide the consumer with any equipment necessary for the operation of the new service(s). Likewise to take the necessary steps for the new service(s), and the consumers’ new contractual liabilities, to start at the end of that period. The period should also take account, among other things, of the steps necessary for the old provider to disconnect or cancel the old service(s) and any necessary administration of the end of the old contract.
- 4.19 Our preliminary assessment is that the steps necessary, and time required, would be similar to those taken by providers using the NoT+ process under General Condition 22, where a ten working day transfer period is in place.¹⁰⁸ It is not clear to us, in light of our policy objectives and the evidence of unnecessary difficulties consumers face in co-ordinating switching dates and avoiding loss of service (or having to double pay), that a longer period of contractual notice to the losing provider would be justified.¹⁰⁹ Where a consumer switching is within a fixed minimum contract period, the old provider would be protected by an obligation for the consumer to pay a fair ETC.¹¹⁰ A longer contractual notice period should not undermine the switching process by sustaining difficulties in co-ordinating switch dates and the associated risks of loss of service or double paying.
- 4.20 This process would, in particular, help reduce difficulties some consumers face in contacting their old provider. It takes account that, as set out in Section 3, some switchers were particularly concerned about how long it takes to speak to their old provider and others had difficulty with the provider trying to persuade them to stay. Likewise, a significant proportion of would-be switchers said they were deterred from switching because it is too time consuming and/or because of the hassle of needing to contact more than one provider. While some consumers said they would still prefer to contact their old provider to cancel their service(s) by phone, others say that their preferred future contact method for doing this would be online.

¹⁰⁶ Other than to pay the old provider any fair ETCs and any charges for services already provided and, where required by their contract, to return any equipment belonging to the old provider.

¹⁰⁷ Subject to any cancellation rights the consumer may have in general consumer law.

¹⁰⁸ Our analysis is based on provider process maps supplied by Cartesian, provider responses to a formal information request and analysis of providers’ relevant terms and conditions that detail the length of time needed to stop their services if they are the party to initiate the stop.

¹⁰⁹ Or a financial liability in lieu. Switchers would no longer receive the service and providers do not appear to incur costs in administering the switch that they would not be able to recover other than by charging for notice beyond the switch date.

¹¹⁰ The consumer would also in any event have to pay any charges due for services already provided and, where required by their contract, to return any equipment belonging to the old provider.

- 4.21 Similarly, where the consumer agrees that the new provider should co-ordinate the start and stop of the new and old services, this should help reduce the difficulties of loss of service and double paying. The old service(s) will not be turned off until the new service(s) are up and running and the new provider communicates the stop date to the old provider.
- 4.22 An end-to-end overview of the proposed process is in **Figure 8** below. A more detailed explanation is set out in the Cartesian specification.¹¹¹ **Figure 10** is an overview of how, in our provisional view, the process is designed to reduce each of the relevant difficulties. We consider its effectiveness and proportionality in more detail in Section 5.

Figure 8: Summary of steps in the EC&R process

<p>Step 1.</p> <p>Consumer contacts both new and old providers</p> <p>(The process allows for the consumer to contact either provider first¹¹²)</p>	<p><u>Contacting the new provider</u></p> <ul style="list-style-type: none"> • The new provider would be required to ask if the consumer is switching service(s) from another provider. • The new provider would also be required to explain to the consumer that they can co-ordinate the start and stop of service(s) on their behalf if the consumer wishes. • If the consumer agrees (without being obliged to do so), the new provider would be required to: <ul style="list-style-type: none"> ○ contact the old provider to confirm what service(s) the consumer currently receives from the old provider; ○ keep a record of the consumer's consent to switch for 12 months; ○ advise the consumer that they need to cancel service(s) with the old provider within two working days, otherwise the new service(s) will be provided without any co-ordination and the consumer may end up paying for two services at the same time and/or could lose service; and ○ after the order is placed, send out a welcome notification in a durable format such as a letter or email. The notification would outline key information such as what new service(s) will be activated and when. <p><u>Contacting the old provider</u></p> <ul style="list-style-type: none"> • The consumer would be able to cancel their existing service(s) using their preferred contact method from a range of options, including speaking to a customer service agent, through to using an online account or via an IVR. • The old provider would be required to: <ul style="list-style-type: none"> ○ (in the event that the consumer had contacted the old provider before the new one) explain that the new provider
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¹¹¹ <http://stakeholders.ofcom.org.uk/binaries/consultations/making-switching-easier/cartesian/cart1.pdf>

¹¹² There are indications from the quantitative BDRG research that a majority of consumers contact their new provider first. Slide 55 of BDRG published slide pack

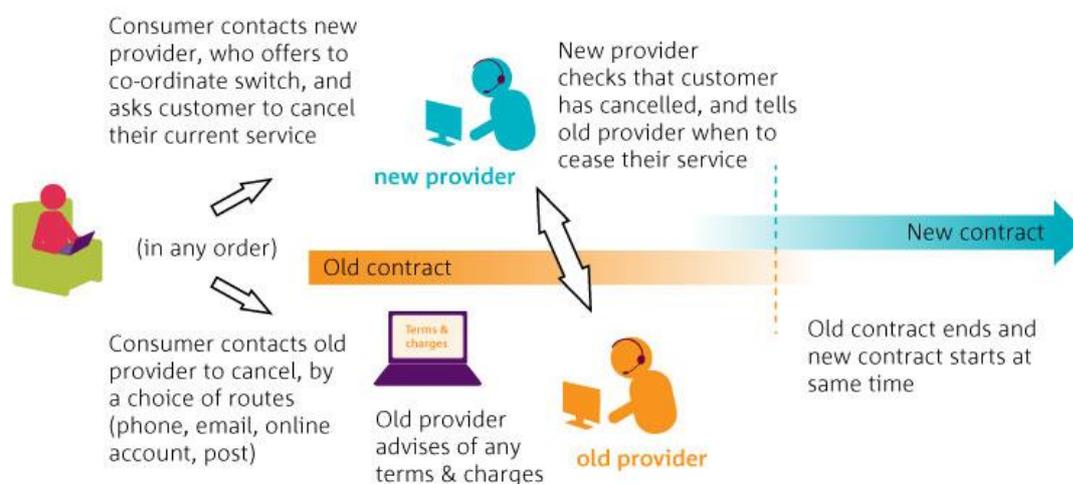
	<p>could co-ordinate the switching date;</p> <ul style="list-style-type: none"> ○ advise the consumer of the implications of switching, including fair ETCs due and any impact on other services;¹¹³ ○ send confirmation of the cancellation request immediately by email or text (as agreed with the consumer); and ○ (once it has received the switching date from the new provider under Step 2 below) send to the consumer, in a durable format, confirmation of the service(s) that are to be stopped and when, as well as information about the implications of switching, such as any fair ETCs due.
<p>Step 2.</p> <p>Provider co-ordination</p>	<ul style="list-style-type: none"> ● Where the consumer agrees, the new provider would be required to contact the old one to confirm the date of the switch – signalling when the old provider’s service(s) are expected to stop. The new provider would be required to do this after checking with the old provider that the consumer has cancelled their old service(s).¹¹⁴ ● In confirming the date of the switch, the new provider would not take into account the consumer’s contractual notice period with the old provider.
<p>Step 3.</p> <p>New provider supplies new service(s) to consumer and confirms stop date with the old provider</p>	<ul style="list-style-type: none"> ● The new provider would be required to provide the consumer in good time with any equipment required to use the new service(s), so that it is ready to use when the service(s) are activated. ● The new provider would arrange for the new service(s) to start on the planned date and, once they are up and running, would be required to contact the old provider to confirm that the old service(s), obligations and liabilities should stop. ● If the new provider is unable to provide the service(s) on the date planned, it would be required to contact the old provider to advise that the old service(s) should not be stopped until further notice. The new provider would be obliged to manage all of this and keep the consumer informed of any changes.

4.23 **Figure 9** below provides a simplified illustration of how the proposed EC&R process would work (where the consumer agrees that the new provider should co-ordinate the start and stop dates of the relevant services).

¹¹³ Old providers would be required to do this whatever the method the consumer uses to contact them to cancel. For example, this information would need to be presented to consumers before confirming they want to cancel online or included in the IVR message that a consumer receives before confirming cancellation.

¹¹⁴ During the two working days the consumer has to cancel, the expectation is that the new provider would periodically check with the old provider whether they had received the cancellation request from the consumer.

Figure 9: Option 1 – Proposed EC&R option



4.24 The following figure sets out how the EC&R option seeks to reduce the issues identified with the existing process.

Figure 10: Summary of how the EC&R option seeks to reduce key difficulties and deterrents experienced under current switching arrangements

Difficulty identified	Option 1: EC&R
Confusion about how to switch	<ul style="list-style-type: none"> • There would be a clear and defined switching process. • Providers would be required to provide consumers with clear and accurate information and advice on the process for switching (and, if necessary, Ofcom would work with providers and consumer stakeholders to develop and promote consistent forms of information to provide to switching consumers).
Difficulties contacting old provider/ cancelling old service(s)	<ul style="list-style-type: none"> • Consumers would have more options for cancelling their old service(s), including online accounts and IVR, without having to have a conversation with the old provider if they do not wish to do so. • Providers would be required to ensure that the different communication channels for cancelling services are given equal prominence in consumer communications (e.g. information on websites and in correspondence).
Implications of switching	<ul style="list-style-type: none"> • The information the old provider would be required to provide to the consumer about the implications of switching would help ensure they have easy access to the information they need to make informed decisions.
Loss of	<ul style="list-style-type: none"> • Where the consumer agrees to the new provider's co-

service	<p>ordination of the switching date, the consumer would be able to hand over responsibility for organising the stop/start of service(s) to the new provider.</p> <ul style="list-style-type: none"> • The new provider would be required to contact the old provider directly to organise and confirm the stop date for the old service(s), which would not occur until the new service(s) are up and running. This would help reduce service loss arising from consumers finding it difficult to co-ordinate start/stop dates and from delays in the installation or activation of new services.
Double paying	<ul style="list-style-type: none"> • The new provider would co-ordinate the start and stop of the new and old services, and of the consumer's liabilities in respect of those services, on the same date, once the necessary steps to affect the switch have occurred. • The consumer would only have to pay for the old service(s) up until the date of the switch – any double paying would be reduced to a single day (the switch date). The consumer's contractual notice period otherwise owed to the old provider would not undermine the switching process.¹¹⁵
Slamming	<ul style="list-style-type: none"> • The risk of slamming is low where consumers are switching services between platforms under C&R arrangements because they have to cancel their service(s) with their old provider.¹¹⁶ This would remain the case under this process.

Option 2: Gaining provider led ('GPL') process

- 4.25 Under Option 2 (GPL), the switch would be handled by the new provider, as currently happens under the process in General Condition 22 for switching landline and broadband services within the Openreach and KCOM platforms.
- 4.26 Again, in order to reduce concerns, noted in the research, that consumers are not always aware of the implications of their switch, providers would be required to include specific regular information on consumers' monthly bills. Bills would need to include information about ETCs and the minimum contract period end.
- 4.27 The proposed process would involve the consumer contacting their new provider, who would then be obliged to contact the old provider to cancel the consumer's old service(s). The new and old providers would be required to communicate information to the consumer about the switch: the new provider information about the service(s) being switched, the date of the switch and the ten working day transfer period within which the consumer may cancel it, and the old provider information about the implications of the switch and the planned date.

¹¹⁵ A similar position applies when consumers are switching within the Openreach platform.

¹¹⁶ For instance, in its [response](#) to our 2014 Call for Inputs on consumer switching, Sky stated at paragraph 3.25 that "...it would be difficult for a provider to cease one pay TV service and provision another without the consumer's knowledge or authority." Virgin made a similar comment in paragraph 3.91 of its response to the same consultation: "slamming does not happen when the consumer leads the switching process".

- 4.28 During the transfer period, the new provider would be required to provide the consumer with any equipment necessary for the operation of the new service(s). Likewise to take the necessary steps for the new service(s), and the consumers' new contractual liabilities, to start at the end of that period. Once the service(s) are up and running at that point, the new provider would be required to contact the old provider and confirm the stopping of the old service(s) and the ending of the consumer's obligations and liabilities to the old provider.¹¹⁷
- 4.29 Our provisional view is that the ten working day transfer period would be reasonable for the steps necessary to effect a co-ordinated switch, without there being a justification for the old provider to impose a longer contractual notice period. It would be the same as applies to the switching of services within the Openreach and KCOM platforms under General Condition 22. Given its operation in that context, we consider that it would ensure that there is sufficient time for:
- the provision to the consumer of information they require to protect them against slamming and to make informed switching choices;¹¹⁸
 - the old provider to take the necessary steps to stop the old service(s) and for any necessary administration of the end of the old contract; and
 - the new provider to provide any equipment necessary for the provision of the new service(s) and to install and activate those service(s).
- 4.30 We think the end-to-end process would be clear to consumers. That clarity, in our provisional view, would be enhanced by the fact the process would be very similar to that for switching landline and broadband services within the Openreach and KCOM platforms. The handling of the switch by the new provider would address the difficulty some consumers experience in contacting their old provider to cancel. It would also ensure that new services, obligations and liabilities start, and old ones stop, on the same date, reducing the difficulties caused to some consumers by loss of service and double paying. The information requirements during the transfer period would protect consumers against unforeseen implications of switching and slamming.¹¹⁹
- 4.31 An end-to-end overview of the proposed Option 2 (GPL) process is set out in Figures 11 and 12 below. A more detailed explanation is available in the Cartesian specification.¹²⁰

¹¹⁷ Other than to pay any charges for services already provided and, where required by their contract, to pay any fair ETCs and to return any equipment belonging to the old provider.

¹¹⁸ We propose different transfer periods would apply under Option 1 and 2. Under Option 1 (EC&R), the risk of slamming is low as consumers have to cancel their services with their old provider. We therefore do not propose any additional protections against slamming as part of Option 1.

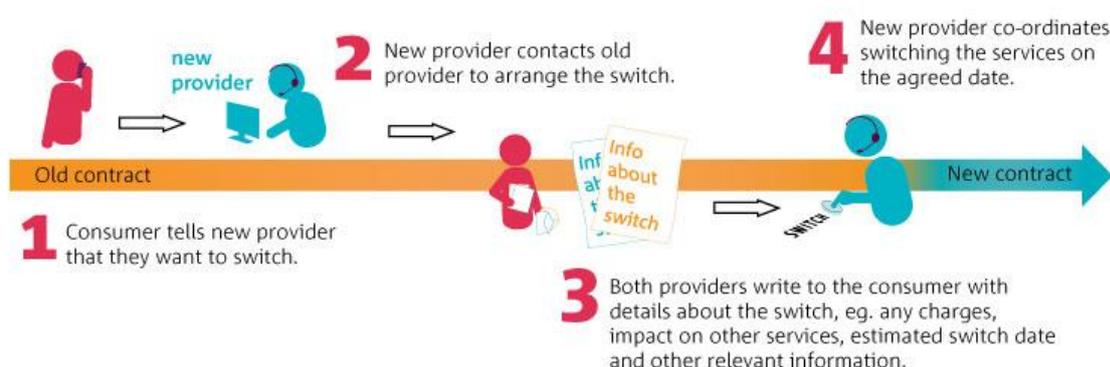
¹¹⁹ There was a significant reduction in consumer complaints about slamming following the introduction of anti-slamming protections for switches within the Openreach network and Ofcom enforcement of these rules. Complaint levels reached and remained at a low level and we closed our General Condition 22 monitoring and enforcement programme in March 2016. See [here](#).

¹²⁰ <http://stakeholders.ofcom.org.uk/binaries/consultations/making-switching-easier/cartesian/cart2.pdf>

Figure 11: Overview of Option 2 GPL process

<p>Step 1.</p> <p>Consumer contacts the new provider</p>	<ul style="list-style-type: none"> • The consumer would place an order for service(s) with the new provider. • The new provider would be required to: <ul style="list-style-type: none"> ○ ask the consumer if they are switching service(s) from another provider; ○ contact the old provider to confirm what service(s) the consumer currently receives; ○ explain that they may be subject to ETCs with their old provider, and signpost that these can be found on their monthly bill; and ○ keep a record of the consumer’s consent to switch for 12 months. • If the consumer mistakenly contacts their old provider first and cancels their service(s), this should not disrupt the consumer’s opportunity to use the Option 2 (GPL) process. The old provider would be required to inform the consumer that they can switch by contacting the new one, and the new provider would be able to override the old provider’s cancellation process.
<p>Step 2.</p> <p>Ten working day transfer period</p>	<ul style="list-style-type: none"> • After the order is placed, the new provider would be required to send the consumer a welcome notification in a durable format, such as a letter or an email. This would outline key information such as what service(s) will be activated and when. • Once contacted by the new provider, the old one would also be required to send a notification in a durable format, such as a letter or an email, outlining the implications of switching, including any obligation to pay fair ETCs and/or fair disconnection charges and any effects on any other service(s). • Both the old and new provider would be required to communicate the planned switch date to the consumer. • The new provider would also be required to provide the consumer, in good time, with any equipment required to use the new service(s), so that it is ready to use when the service(s) are activated. • These steps would occur during a ten working day transfer period in which the consumer can change their mind and cancel the new service(s) without liability for charges.
<p>Step 3.</p> <p>New provider supplies new service(s) to consumer and confirms stop date with the old provider</p>	<ul style="list-style-type: none"> • The new provider would arrange for the new service(s) to start on the planned date at the end of the transfer period and, once they are up and running, would be required to contact the old provider to confirm that the old service(s), obligations and liabilities should stop. • If the new provider is unable to provide the service(s) on the date planned, they would be required to contact the old provider to advise that the old service(s) should not be stopped until further notice. The new provider would be obliged to manage all of this process and keep the consumer informed of any changes.

Figure 12: Option 2 – Proposed GPL option



4.32 Figure 13, is an overview of how, in our provisional view, the proposed GPL process is designed to reduce each of the relevant difficulties with the current switching arrangements. We consider its effectiveness and proportionality in more detail in Section 5.

Figure 13: Summary of how the GPL option seeks to reduce the key difficulties and deterrents experienced under current switching arrangements

Difficulty identified	Option 2: GPL process
<p>Confusion about how to switch</p>	<ul style="list-style-type: none"> • There would be a clear and defined switching process, which would only require the consumer to contact the new provider. • This process would be similar to that for switching landline and broadband services within the Openreach and KCOM platforms, and would, in our provisional view, be easier to communicate to consumers and for them to understand. • Providers would be required to provide consumers with clear and accurate information and advice about the process for switching (and, if necessary, Ofcom would work with providers and consumer stakeholders to develop and promote consistent forms of information to provide to switching consumers).
<p>Difficulties contacting old provider/ cancelling old service(s)</p>	<ul style="list-style-type: none"> • The consumer would only need to contact the new provider to switch. • The new provider would be responsible for contacting the old one to cancel the old service(s) and co-ordinate the date for stopping them. Difficulties contacting the old provider to cancel would be removed.
<p>Implications of switching</p>	<ul style="list-style-type: none"> • The information the old provider would be required to send to the consumer explaining the implications of switching would: (a) help them to make an informed decision about proceeding; and (b) give them an opportunity to cancel without liability if they change their mind.

Loss of service	<ul style="list-style-type: none"> • The new provider would be required to take responsibility for: <ul style="list-style-type: none"> ○ organising the starting and stopping of service(s) on the same date; ○ for any delays/changes to the planned start date and to only send confirmation to the old provider that the consumer's old service(s) can be stopped once the new service(s) are up and running. • These requirements would help reduce service loss arising from delays in the installation or activation of new service(s).
Double paying	<ul style="list-style-type: none"> • The effect of the new provider co-ordinating the start and stopping of the new and old services, and of the consumer's obligations and liabilities, would be that the consumer would only have to pay for the old service(s) up until the date of the switch. Any double paying would be reduced to a single day (the date of the switch). Again, the consumer's contractual notice period otherwise owed to the old provider would not undermine the switching process.
Slamming	<ul style="list-style-type: none"> • The switch would not happen until the end of the transfer period, during which time the consumer will have been informed by the new and old providers of the pending switch, its implications and their opportunity to cancel it without liability. This ensures consumers can protect themselves from being switched against their will. • The new provider would be required to keep a record of the consumer's consent to the provision of the new service(s) for 12 months, for use in the event of a dispute.

Additional information provisions

4.33 It would be important, were we to adopt Options 1 or 2, to mitigate any unintended adverse consequences. One risk is that the new provider's more prominent role in the process would limit the consumer's opportunity to obtain information from the old provider about the implications of switching. The new provider is not necessarily in the best position to give the consumer this information.

4.34 Our proposals seek to reduce this risk. For example, under either option the old provider would need to send the consumer details of their ETCs in a durable format after they have cancelled. However, we have also considered other measures we might take. With that in mind, we also propose that, to support either option, providers should be required to include key information regularly on all bills (paper or online) such as any obligation to pay ETCs were the consumer to switch.¹²¹ We envisage that, under Option 2 (GPL), the new provider would also be required to alert switchers to the availability of this information.

4.35 This requirement would reduce concerns, noted by some consumers in the BDRC quantitative research, that they are unaware of the implications of switching. It would

¹²¹ The aim is to ensure that consumers have easy access to ETCs information. Our expectation at this stage is that we would not specify where this information should be presented on the bill.

help consumers actively consider switching at any point in their relationship with their old provider and to make more informed decisions about whether to do so.

- 4.36 We would welcome views on the proposed information provisions including the different ways in which consumers could receive and access information about the implications of switching.

Implementation timescales

- 4.37 Cartesian estimate that Options 1 and 2 would take approximately 18 months to implement.

Save activity

- 4.38 We have also considered our approach to reactive save activity in the context of switching triple play services. Broadly, that activity involves the old provider making counter-offers to customers it is aware, as a result of information it receives as part of the switching process, intend to switch.

- 4.39 We note that:

- some consumers appear to welcome, and may benefit from, the possibility of obtaining a better deal from their old provider;¹²² but
- for others, the need to contact their old provider, and the content of the conversations they have with them, makes the switching process difficult or deters them from switching.

- 4.40 Under both our proposed options for the reform of the switching process, the consumer would no longer be required to have a conversation with their old provider if they did not wish to do so. By removing the requirement to have that conversation, consumers can choose to avoid save attempts if they wish. Given this, and the evidence that some consumers may welcome reactive save activity, we have not included within the scope of our proposed reforms a prohibition on that activity.

- 4.41 Ofcom has previously had concerns about the effects of reactive save activity and made specific provision (in General Condition 22.15) prohibiting it in relation to switching services within the Openreach and KCOM platforms. This is currently under review as part of Ofcom's broader review of the General Conditions.

- 4.42 We also note in this context General Condition 1 which implements a fundamental feature of the Framework relating to network access and interconnection (of networks) between operators.¹²³ General Condition 1.1 places providers under an obligation to negotiate interconnection. General Condition 1.2 is a related provision which says that, where one provider obtains information in confidence from another, for the purpose of negotiating network access and interconnection, it should only use

¹²² As set out in Section 3, 67% of those in the quantitative BDRC research who decided not to switch cited negotiating/accepting a deal with their current provider as a factor in their decision.

¹²³ See Article 4 of Directive [2002/19/EC](#) of the European Parliament and of the Council of 7 March 2002 on access to, and interconnection of, electronic communications networks and associated facilities (Access Directive).

that information for that purpose. It should not pass the information to any other party or other parts of its organisation for whom the information could provide a competitive advantage.

- 4.43 General Condition 1.2 has been found by the UK courts to be sufficiently broad as to apply to certain switching scenarios where customer information is passed onto the old provider from the new provider. However, we note that it has limited application in the present context. For example, it would not apply were we to adopt Option 1 (EC&R), where the old provider would be obtaining information about the switch directly from the consumer; it would also likely not apply in some circumstances in which a consumer is switching between platforms, where no network access or interconnection is involved, under Option 2 (GPL).
- 4.44 Insofar as it does apply to reactive save activity generally, we do not plan to make the enforcement of General Condition 1.2 an administrative priority.¹²⁴ This reflects our priorities in light of the evidence referred to above and the way our proposed options for switching reform would operate to balance the interests of different consumers and providers.

The 'back-end' communications channel

- 4.45 Both Options 1 (EC&R) and 2 (GPL) would rely on the old and new providers being able to share information about the pending switch. A communications channel that supports the following functions would be required:
- **Asset validation activities.** The new provider would need to:
 - identify and contact the old provider, based on the information provided by the consumer; and
 - communicate with the old provider in real time to ensure that the services due to be stopped are the correct ones.
 - **Co-ordination of the start and stop date:** The new provider would be required to communicate to the old one:¹²⁵
 - the planned date for the start and stop of the relevant new and old services; and
 - confirmation of the date the new service(s) have started and the old ones can stop, or any delay. These are likely to be time sensitive and we expect they would need to be sent between the providers in real time.
- 4.46 We have considered whether our proposed intervention should extend to requiring the use of a particular back-end communications channel (whether an existing or new one). At this stage, we are not proposing to specify a particular approach as part

¹²⁴ Unless, for example, a provider engages in unreasonable save activity, such as continuing to contact consumers who have asked not to be contacted. We also note in that context that other provisions of the General Conditions relating to providers' processes and conduct, such as General Condition 9.3, would also be applicable.

¹²⁵ Providers would need to account for current arrangements between services when scheduling start and stop activities, e.g. number porting.

of any new switching provisions we might put in place. We propose that our focus should be on achieving our objectives in relation to the consumer facing process (as proposed under Options 1 and 2). Our provisional view is that industry would be best placed to determine the appropriate means by which any such process is implemented, including how the old and new providers communicate with each other.

- 4.47 Nonetheless, we have considered two possible ways providers might choose to implement an automated back-end communication channel, in order to inform our assessment of the costs, benefits and overall proportionality of any proposed intervention. These are:
- using the Openreach EMP as the channel for communicating the necessary back-end information under either Option 1 (EC&R) or 2 (GPL);¹²⁶ and
 - a new direct channel for providers to communicate the relevant back-end information to one another.
- 4.48 We have also given some consideration to an alternative manual approach for the back-end communications between the old and new provider for providers with low switching volumes.
- 4.49 A more detailed explanation of these possible approaches is set out in the Cartesian specifications.¹²⁷

Consultation questions

Q4 We would welcome views on the proposal for an EC&R process (Option 1), in particular:

- (a) whether is it effective in reducing the consumer difficulties and deterrents identified through our analysis;*
- (b) whether you agree co-ordination by the new provider should be opt-in for the consumer; and*
- (c) if the information on implications of switching provided at the cancellation stage is likely to be as effective as receiving it in durable form during the transfer period?*

Q5 We would welcome views on the proposal for the GPL process (Option 2), in particular:

- (a) whether is it effective in reducing the consumer difficulties and deterrents identified through our analysis; and*
- (b) if the ten working day transfer period is a sufficient length of time for a consumer to receive, understand, and act upon implications of switching information that is sent to them by the old provider?*

¹²⁶ The EMP (equivalence management platform) is the transactional platform that underpins all Openreach's interactions with providers. It is already used in the GPL NoT+ process for landline and broadband switching within the Openreach platform. We have considered how providers might choose to use it for the back-end communications that would be required under Options 1 and 2, but not other activities that are currently associated with the NoT+ process (such as organising the sending of notifications to consumers and the syncing of switch dates).

¹²⁷ For further information on the Openreach EMP channel for communicating see [here](#), the direct channel for providers see [here](#) and the manual channel see section 5.2 of the Cartesian Cost Assessment Report [here](#).

Q6 On both process options, we would welcome views on whether old providers are provided with sufficient time during the respective transfer periods to:

(a) stop existing services and administer the end of contracts; and

(b) if not, can you provide detail of what actions/steps are necessary to undertake such activities, and how long these would take?

Q7 Do you agree that the proposals should apply to all cross-platform services, whether provided in a bundle or on a standalone basis?

Q8 For both process options, we welcome any views on the estimated 18-month implementation period.

Q9 Do you have any other comments on the matters raised in Section 4?

Section 5

Option assessment

Introduction

- 5.1 In Section 4, we set out two possible reform options to protect consumers in their experience of switching between platforms – Option 1 (EC&R) and Option 2 (GPL).
- 5.2 This section sets out our provisional assessment of:
- the comparative effectiveness of Option 1 and 2 in reducing the difficulties and deterrents identified in Section 3 and meeting our objectives of making the switching process easier and more reliable compared to the status quo. This covers our assessment of the benefits to switchers, would-be switchers (i.e. considerers) and to competition. For switchers, this includes a quantitative assessment of the benefits;
 - the net costs of implementing the proposed reforms relative to the status quo, including: the set-up costs associated with establishing communications channels between providers; ongoing maintenance costs; as well as potential cost savings from consumers making fewer calls to providers; and
 - which of the proposed reforms we consider to be the most appropriate and proportionate.
- 5.3 We summarise the approach we have taken and the assessments we have made. A detailed explanation of our methodology for assessing the relevant quantitative benefits and the calculations is in Annex 8. Further details of the costs we have taken into account are in the report prepared by Cartesian.¹²⁸
- 5.4 Our provisional conclusions are that:
- both Options 1 and 2 would be effective in reducing the difficulties and deterrents and achieving our objectives, but on balance Option 2 (GPL) would produce greater benefits and would therefore be more effective;
 - Option 2 (GPL) would be the least onerous of the two options, taking into account our assessment of the costs of implementation; and
 - Option 2 (GPL) would therefore be the most appropriate and proportionate.

Benefit of reforms to switchers

- 5.5 Our provisional assessment is that both options would deliver benefits to switchers relative to the status quo by:
- reducing loss of service and double paying;

¹²⁸ Available [here](#).

- making the switching process easier;
- reducing confusion about the switching process; and
- improving availability of information about the implications of switching.

5.6 While our assessment of the benefits for switchers includes a quantitative assessment, it is important to recognise that this is, by its nature, limited to what can be quantified. It is, for example, difficult to quantify all the benefits of an easier switching process.¹²⁹ As a result, it is likely the quantitative assessment alone understates the scale of the benefits both Options would deliver. Consequently, our assessment of their comparative effectiveness is based on all the benefits taken as a whole, including regulatory judgments about those matters we have assessed qualitatively.

Reduction in loss of service

5.7 As set out in Section 3, when asked outright, 17% of cross-platform switchers in the quantitative BDRC research experienced some form of unwanted loss of service. The average duration was 8 days.¹³⁰

5.8 Our preliminary view is that, for those that use the process, both Options 1 and 2 could be similarly effective at reducing loss of service because both involve:

- the transfer of responsibility for co-ordinating the switch from the consumer to the new provider; and
- an obligation to ensure that the switcher's old service(s) would not be stopped by the old provider until the new provider had confirmed the new ones are up and running.

5.9 We have sought to quantify the benefits of both Options. We estimate the number of switches (884,000)¹³¹ and multiply by the proportion likely to use the proposed process; the percentage likely to experience a reduction in loss of service as a result of the proposed process; and the value of benefit from not experiencing a loss in service.

5.10 Under Options 1 and 2, the proportion of switchers that use the process is an important driver of the total benefits of reform. There is already a GPL process in place for switches within the Openreach network and based on our quantitative BDRC research we estimate that approximately 70% of Openreach switchers use the process.¹³² We think the extent to which Openreach switchers use this process

¹²⁹ For example, we cannot quantify the benefits of reduced stress and anxiety from not experiencing a loss of service or greater choice of cancellation methods under Option 1.

¹³⁰ Based on average loss across all services (slide 39 of BDRC published slide pack). This includes indicative analysis of loss of service in the pay TV market, derived from bespoke analysis using findings from both the BDRC research and the loss of service research. This suggested a loss in pay TV service duration of c. 7 days.

¹³¹ As set out in Annex 6.

¹³² In practice the proportion of Openreach switchers that switch via GPL may be higher than this. For example, because customers may have contacted their old provider 'to cancel' but still switched using the GPL NoT+ process. See paragraph 8.9 Annex 8.

provides a useful guide to the proportion that would use the process under Option 2 (GPL). On this basis we assume that 70% of switchers would be likely to use the Option 2 process.

- 5.11 We think it likely that fewer switchers would co-ordinate their switching date under Option 1 (EC&R) compared to under Option 2 (GPL). This is because it requires consumers to opt-in and there are certain actions a consumer needs to take, such as cancelling their service(s) with the old provider, to be eligible.¹³³
- 5.12 That said, a process similar to that proposed under Option 1 (EC&R) does not currently exist in the UK communications sector, so it is more difficult to predict how many switchers would choose to allow the new provider to co-ordinate the switch. To account for this uncertainty we use a range of values for our assumption for the proportion of switchers who would do so:
- It may be the case that Option 1 (EC&R) is nearly as effective as Option 2 (GPL) in terms of the proportion of switchers that make use of the co-ordination service. We therefore base the top of our range on the assumption that 65% of switchers make use of the option to have their switch co-ordinated by the new provider.
 - However, Option 1 (EC&R) may be used by a much lower proportion of switchers than Option 2 (GPL), so to reflect this we base the bottom of our range on a much lower figure of 45%.¹³⁴ We would welcome further evidence on this parameter and views on alternative ways we might set it.
- 5.13 As to the reduction in loss of service, under both Options providers would be required to keep the consumer's old service(s) running until the new provider has confirmed the new service(s) are ready. It seems reasonable to assume that providers would comply with these obligations. Providers should also be much more effective at co-ordinating the switching process than consumers.¹³⁵ We therefore expect that the measures would be effective in reducing loss of service for those using either process.
- 5.14 We nonetheless also take into account that there are factors that may mean the processes are not 100% effective, including:
- consumers experiencing difficulties using equipment despite it being received in good time and in working order;
 - a fault occurring after installation and after the old service(s) have been switched off, noting that a small proportion ([<]%) of new lines on Openreach for example experience early life failure (ELFs) within the first 90 days of installation; and
 - a margin for some human or system error and unforeseeable events.

¹³³ If the consumer calls the gaining provider first they must cancel the old service within two working days to benefit from the co-ordinated switching process. If they fail to do so they would continue through the current C&R arrangement.

¹³⁴ We use the midpoint of this range (55%) as our central estimate.

¹³⁵ With a dedicated communications channel for switches, providers would be better able to adjust start and stop dates to avoid a loss of service if there is a delay in service activation or installation.

- 5.15 Our provisional judgment is that a margin of 15% is reasonable to account for this, and consequently we assume that there would be an 85% reduction in loss of service for those that use the process.
- 5.16 Loss of service can result in a range of harmful effects on a consumer, some of which we can quantify. Based on responses to our loss of service research, we estimate that switchers would avoid approximately £83 of harm in total if they avoid a loss of service.¹³⁶ This is based on quantification of the impact of being denied their service; direct financial costs that result from the loss of service; time unable to work; and the time that must be spent restoring the service. We note that our estimate is likely to understate the harm because it does not include a value in respect of the stress or inconvenience associated with not having the service.¹³⁷
- 5.17 Using these figures, we estimate that the net benefits from a reduction in loss of service under Option 1 (EC&R) will range from £41.1m to £59.3m,¹³⁸ with a central estimate of £50.2m. Under Option 2 (GPL), we estimate the net benefit to be £63.9m.¹³⁹ This suggests that:
- while both options would be equally effective in reducing loss of service for a switcher using the process;
 - Option 2 (GPL) would deliver greater benefits overall because a greater proportion of switchers would be likely to use that process.

Reduction in double paying

- 5.18 Double paying occurs when a consumer experiences a period of contract overlap during switching in which they pay both their old and new provider at the same time. It seems to us a reasonable assumption that, in most cases, such contract overlap is not desired and represents a switching cost as it is a cost incurred in changing provider that would not be incurred by remaining with the current one.
- 5.19 The quantitative BDRC research indicates that 21% of cross-platform switchers double paid for more than one day, and for an average duration of 14 days. Based on an average daily expenditure of £1.52 this equates to approximately £22 of double paying.¹⁴⁰

¹³⁶ See Annex 8, paragraphs 8.23- 8.25.

¹³⁷ For example, 37% reported stress and anxiety as a consequence of loss of service in our loss of service research. Slide 8 loss of service research.

¹³⁸ All results presented as ten year net present value (NPV).

¹³⁹ Under Option 1 (EC&R) there is significant uncertainty around the proportion of switchers that will use the process as a process currently does not exist in telecoms. The estimates of 45%, 55% and 65% in the low, central and high scenario respectively drive the range of net benefits for loss of service, double paying and easier cancellations. However the same degree of uncertainty does not exist for Option 2 (GPL) due to the process existing under Openreach. Therefore we do not consider a range for the proportion of switchers using the GPL process. Consequently we do not present a range for the net benefits under Option 2.

¹⁴⁰ We collected information from providers on the monthly average expenditure by consumers on landline, broadband and pay TV products (including dual and triple play products). Based on this data and our cross platform switches estimates, set out in Annex 6, we calculated a weighted average daily price for a cross platform switcher of £1.52.

- 5.20 Our provisional view is that both Options 1 and 2 could be similarly effective at reducing double paying for switchers that use the process. Both would prevent the switcher from being charged by the old provider after the date on which they start receiving their service(s) from the new one. This should result in double paying for no more than one day (on the day of the switch) meaning switchers currently experiencing double paying could see a reduction in its duration of 13 days.¹⁴¹
- 5.21 To quantify the benefits, we multiply the number of switches,¹⁴² by the proportion of switchers that we estimate would use the process,¹⁴³ by the reduction in the duration of double paying and average daily expenditure.
- 5.22 We estimate net benefits from a reduction in double paying under Option 1 (EC&R) of between £14.4m and £20.8m, with a central estimate of £17.6m. Under Option 2 (GPL), we estimate net benefits of £22.4m. This again suggests that:
- while both options would be equally effective in reducing double paying for a switcher using the process;
 - Option 2 (GPL) would deliver greater benefits overall because a greater proportion of switchers would be likely to use that process.

Easier cancellations and reduced need to contact the old provider

- 5.23 Under the existing C&R process, consumers need to contact the old provider to cancel and, as set out in Section 3, this can be a difficult and time consuming task. Providers often use this as an opportunity to try and persuade the consumer to stay. While many consumers welcome the potential for a counter-offer, our research has revealed that a significant minority do not and that it can take them longer or require more effort than necessary to cancel and obtain information about the implications of switching. Other issues of concern identified included restricted and at times lengthy methods of cancellations.
- 5.24 Under Option 1 our reforms would require providers to:
- offer a range of easy cancellation methods, with greater choice for the consumer; and
 - provide easier access to information about the switching process and the implications of switching.
- 5.25 Our provisional view is that these reforms could be effective in reducing:
- unnecessary time taken to switch;
 - difficulties associated with contacting the old provider and cancelling; and
 - the need for consumers to contact their old provider (as a result of easier access to information).

¹⁴¹ Current duration of 14 days reduced to one day.

¹⁴² 884,000, set out in Annex 6.

¹⁴³ We use the same approach as set out in paragraph 5.10-5.12 above.

- 5.26 We have sought to quantify some of the benefit of this Option by estimating the time consumers would save as a result of its use. We estimate the proportion of switchers that might take up the alternative cancellation channels and multiply by the average time saved and the value of time.
- 5.27 The quantitative BDRC research indicated demand among switchers for alternative channels to contact the old provider without the need for interaction with a customer service agent. For example, 28% of cross platform switchers said that their preferred method of cancellation would be email or web form.¹⁴⁴ Additionally, as set out in Section 3, 55% of cross platform switchers experienced a difficulty when contacting their old provider, cancelling their service, or as a result of their previous provider trying to persuade them to stay.¹⁴⁵ On these bases, we make a conservative assumption that 25% of switchers may choose to cancel online or through IVR.
- 5.28 We think these methods of cancellation would likely be faster than the existing methods used. As they do not yet exist, it is difficult to predict the specific time saving they would deliver. To reflect this uncertainty, we have used a wide range based on a time saving from one quarter to three quarters of the average time taken to switch. This results in a time saving of between 4 and 12 minutes for each switcher that uses the IVR or online account. We would welcome views on the amount of time saved under these methods and on alternate methods for how this might be estimated.
- 5.29 Our assessment also takes into account our estimate of the impact of transferring responsibilities from the consumer to the new provider, which we consider could increase the time taken for the new provider to process an order, thus increasing the time it might take a consumer to sign up by between 1 and 2 minutes depending on whether the switcher decides to have their switch co-ordinated for them by their new provider. In our low scenario, this additional time outweighs the time savings outlined above and there is an overall increase in the time taken by switchers collectively.
- 5.30 The net change in time taken to switch is valued at £6.93 per hour.¹⁴⁶ On these bases, we provisionally estimate a net benefit in terms of time savings of -£0.5m - £0.9m with a central estimate of £0.2m.
- 5.31 We have considered that, for those consumers whose preferred cancellation channel is webchat, it is possible that the time taken to cancel may increase compared to cancellation by phone, as the duration of a webchat is typically longer than phone. However, taking that into account in our assessment may understate the benefits of webchat as consumers may find communicating that way more convenient (e.g. they can undertake other tasks at the same time). Accordingly, as our calculation aims to reflect the consumer benefit from moving to a preferred cancellation channel, we have not quantified any change in time taken for those consumers who are likely to switch from phone to webchat.
- 5.32 We also note that our quantification only includes benefits to switchers. It is, therefore, liable to underestimate the total benefits of our proposals. All consumers

¹⁴⁴ Slide 16 of BDRC published slide pack.

¹⁴⁵ Slide 22 of BDRC published slide pack. At least one major/minor difficulty when contacting their previous provider (23%), cancelling their service (35%) and/or as a result of their previous provider trying to persuade them to stay (30%). 55% net calculated via bespoke analysis.

¹⁴⁶ Value of consumers' non-working time used by the Department for Transport (DfT).

cancelling their services, not just switchers, could use and benefit from the easier, more convenient methods of cancellation.

5.33 Option 2 (GPL) appears to us likely to be more effective in addressing the difficulties associated with consumers contacting their old provider because our reforms would require providers to:

- as under Option 1 (EC&R), provide easier access to information about the switching process and the implications of switching; and
- cancel the consumer's service(s) with the old provider (removing the need for the consumer to contact them to do this).

5.34 To quantify the time saved under this Option, we estimate the number of switchers that will avoid contacting their old provider based on evidence of the proportion of GPL users on Openreach that contact their old provider. We multiply this by the average time saved and the value of time.¹⁴⁷

5.35 While Option 2 (GPL) removes the need for switchers to contact their old provider altogether, evidence from the behaviour of switchers on Openreach suggests that many still do. Our quantitative BDRC research suggests that around 60% of Openreach switchers contact their old provider¹⁴⁸. We therefore assume that around 40% would not make contact with their old provider under Option 2 (GPL).¹⁴⁹ We use the average time switchers currently spend cancelling their service(s) of about 16 minutes to calculate the amount of time that switchers save when under Option 2 (GPL).¹⁵⁰ Using these figures, we provisionally estimate a net benefit in terms of time savings of £4.0m.¹⁵¹

5.36 On the basis of the assessment of the quantitative and qualitative benefits, our provisional view is that both Options may reduce the relevant difficulties. However, Option 2 (GPL) would likely be more effective because it would remove altogether the need to contact the old provider to cancel.

Reduced confusion about switching process

5.37 In Section 3, we noted that a significant proportion of all switchers reported a difficulty with understanding the steps required to switch provider.

5.38 We think both our proposed Options would reduce confusion about the switching process. Under both, there would be a clear and defined process and the old and new providers would be required to inform the switcher how it works.

¹⁴⁷ £6.93 as set out in paragraph 5.30.

¹⁴⁸ To cancel their service(s) and/or for other reasons

¹⁴⁹ This assumption is conservative as we expect some of the elements of Option 2 (GPL), such as the provision of implications of switching information on bills, to reduce the need for switchers to call their provider.

¹⁵⁰ Based on information provided to us under section 135 of the Act by the largest four providers of triple play services, as set out in Annex 6.

¹⁵¹ Consistent with our estimate under Option 1 (EC&R), our estimate under Option 2 (GPL) takes into account our estimate of the impact of transferring responsibilities from the consumer to the new provider which we consider could increase the time taken for the new provider to process an order, thus increasing the time it might take a consumer to sign up.

- 5.39 We are, nevertheless, minded to consider that Option 2 (GPL) would likely be more effective. There are two main reasons.
- 5.40 First, some confusion may persist under Option 1 (EC&R) – consumers may be confused that, although the new provider co-ordinates the switch, they still need to contact the old provider to cancel. Option 2 (GPL) does not have this potential drawback.
- 5.41 Second, were Ofcom to adopt it, it would fit into a broader landscape of GPL processes for:
- cross-platform switching (whether services are provided on a standalone basis or in a bundle);
 - switching within the Openreach and KCOM platforms; and
 - switching in other sectors with which consumers are likely to be familiar, including current account banking, and gas and electricity services.
- 5.42 Option 2 (GPL) would also be consistent, were Ofcom to adopt it, with the preferred option (also GPL) for reforming the process for switching mobile services.¹⁵² That alignment could also mean that, if there was further take-up of quad play services (or other bundles involving mobile), a consumer may be able to go through a single type of process to switch all relevant services.
- 5.43 It seems to us a reasonable view that, where there are fewer processes consumers and providers need to follow, they are likely to find the process easier. Consumers are likely to be better able to understand and use the relevant process. Providers and consumer advice bodies are likely to be better able to advise consumers about the processes and, in the former's case, to develop systems to apply them.
- 5.44 It is difficult to quantify the benefits of the reduction in confusion derived from either proposed process. It nonetheless appears to us a fair assumption that:
- there would be benefit to consumers where they are able to easily understand the relevant processes and give effect to informed switching choices; and
 - we should take this into account in our overall assessment.

Better availability of implications of switching information

- 5.45 Again as set out in Section 3, consumers are not always aware of the implications of their switch and this can prevent them from making an informed decision. Uncertainty about the implications of switching may also deter some consumers from switching.
- 5.46 Accordingly, under Options 1 and 2 we propose that providers would be required to give their customers up to date information about their contract end date and the implications of switching on their bills. In addition to this, Options 1 and 2 would impose some specific requirements:

¹⁵² On which we are currently consulting. Ofcom's March 2016 mobile switching consultation is available [here](#).

- Option 1 (EC&R) would provide new channels (IVR and online) whereby switchers can cancel their old service(s). Option 1 would require that the old provider informs the switcher about the implications of switching at the point of cancellation regardless of the communications method chosen.
- Option 2 (GPL) would require the new provider to inform the switcher that there might be implications of switching and that information is available on their bill or from their old provider.
- Under Option 1 (EC&R) and 2 (GPL) the old provider would be required to send the consumer a letter or email setting out the implications of switching.

5.47 In this way, consumers would have regulatory guarantees of the information they need to make informed choices and to switch with confidence. These measures would also ensure that consumers have information they need to hand at the time that they need it. This is an important consumer benefit which is difficult to quantify, but which we propose we should take into account in our overall assessment of the proposed processes.

5.48 We propose that these requirements would also address the risk that may otherwise arise under Options 1 and 2. That is, reducing contact between the consumer and a customer service agent at the old provider would reduce the opportunities for consumers to obtain this information and to make informed switching choices. Our proposals seek to address any shortfall.

5.49 We also take into account that all consumers cancelling or switching services, not just cross-platform switchers, would benefit from the information we propose providers should include on bills.¹⁵³ This would add to the benefits of that aspect of our proposals.

Measures to protect against slamming

5.50 We recognise that a possible unintended adverse consequence of Option 2 (GPL) would be an increased risk of slamming, arising because the consumer would no longer need to cancel their old service(s) directly with their old provider. Option 1 (EC&R) should not create the same risk because the consumer would still be required to cancel their service(s) with the old provider.

5.51 To mitigate this risk with Option 2, we propose that the process should involve a ten working day transfer period in which:

- providers are required to take certain steps, such as the provision of letters telling the consumer about the switch and the implications of switching; and
- the consumer may cancel the switch without liability.

5.52 Our provisional judgment is that this would enable consumers to experience the benefits of the GPL process with appropriate protection from being switched against their will, but without undue delay.

¹⁵³ For example, those switching services provided on the Openreach and KCOM platforms.

5.53 In making that judgment, we take account that:

- a ten working day transfer period may mean it takes some consumers longer than at present to receive their new service(s); but
- there is evidence they place greater value on the process providing certainty and being error-free.

5.54 As to the first of those points, Openreach report eight working days¹⁵⁴ for the average number of days between the new provider placing an order and the first available Openreach engineer slot and around 14 working days¹⁵⁵ is the average number of working days to install with an engineer.¹⁵⁶ Dates for installation of Sky satellite TV services meanwhile are usually offered within six days of ordering.¹⁵⁷

5.55 As to the second, however, our previous research into consumer switching and bundling found that consumers preferred a guaranteed date for the switch over how quickly it will happen.¹⁵⁸ Similarly, when the Financial Conduct Authority assessed reducing the current account banking switching period from seven to five working days, it found:¹⁵⁹

- the time it takes to switch was not one of the factors consumers cited as either deterring them from switching nor more likely to make them switch;
- the speed of the switch was less important than the process being smooth and error-free; and
- the benefits of reducing the time period were therefore small.

Summary

5.56 Our provisional conclusions, based on the above assessments, are that:

- both Options 1 and 2 would be effective in reducing the key difficulties identified with current switching arrangements and would produce the benefits for switchers described;
- a greater proportion of switchers would be likely to use Option 2 (GPL) than Option 1 (EC&R);
- Option 2 (GPL) would, accordingly, deliver the greater quantified benefits to consumers - £90.3m benefits over ten years, compared to £55.0 - £81.1m benefits over the same time frame for Option 1 (EC&R);

¹⁵⁴ Annual average July 2015 - June 2016, available [here](#).

¹⁵⁵ Annual average July 2015 - June 2016, available [here](#).

¹⁵⁶ Around a third of service installations need an Openreach engineer to visit the home and we consider it likely that this proportion is much higher among cross-platform switchers.

¹⁵⁷ <http://www.sky.com/shop/tv/setup-installation/>

¹⁵⁸ Page 38, [here](#).

¹⁵⁹ FCA, [Making current account switching easier](#), March 2015 report.

- Option 2 (GPL) would also be more effective at reducing confusion about the switching process and difficulties associated with contacting the old provider because it would remove the need to contact the old provider to cancel; and
- Option 2 (GPL) would therefore be more effective and beneficial for switchers than Option 1 (EC&R) overall, notwithstanding the possible increase in the time it takes for some consumers to receive their new services.

Benefits of reforms to considerers

5.57 As explained in Section 3, the following factors deter some consumers from switching between platforms:

- concerns about loss of service;
- concerns about paying two providers at the same time;
- time taken to go through the switching process;
- difficulties contacting previous provider; and
- not understanding the switching process.

5.58 This raises important concerns. It suggests that aspects of the current arrangements for switching services are putting consumers off doing so. It is an important part of our policy objectives that the process for switching should not, in itself, deter consumers from changing provider. We summarise below some of the relevant evidence set out previously and then our provisional assessment on the way the proposed options would reduce the difficulties.

Perceived difficulties for considerers

5.59 As set in Section 3, concerns about loss of service and double paying are an issue for non-switchers.

5.60 In the quantitative BDRC research, almost half (47%) of consumers who decided not to switch cited worries about being without broadband during the switch as a factor in their decision.¹⁶⁰ Our estimate of the value of the benefit of avoiding loss of service described in paragraph 5.16 demonstrates there can be significant consequences where services are lost.

5.61 Similarly, 40% of consumers in the quantitative BDRC research who decided not to switch cited worries about having to pay two providers at the same time as a factor in their decision.¹⁶¹

5.62 Over half (57%) of consumers in the same research who decided not to switch reported “it’s too time consuming to go through the process of switching from one provider to another” as a factor in their decision.¹⁶² 52% said that the “hassle of

¹⁶⁰ 25% major, 22% minor. Slide 78 of BDRC published slide pack.

¹⁶¹ 16% major, 24% minor. Slide 79 of BDRC published slide pack.

¹⁶² 20% major, 37% minor. Slide 79 of BDRC published slide pack.

needing to contact more than one provider” was a factor in their decision to stay with their current provider.¹⁶³

- 5.63 Not understanding which process to follow may also result in consumers choosing not to switch. A third (32%) of consumers in the quantitative BDRC research who decided not to switch said “not knowing what to do to switch” was a factor in their decision.¹⁶⁴

Provisional assessment

- 5.64 We make similar assessments of the effectiveness of our proposed options in reducing considerers’ concerns as we make in respect of switchers. Both contain measures designed to ensure consumers’ old services are not stopped until new services are running and liabilities do not begin until their old ones stop. In these regards, both are likely to be similarly effective in reducing concerns about the risks of double paying and loss of service.
- 5.65 Both Options 1 and 2 would provide for consumers to be told by providers how the process works. Both would also, for similar reasons to those in paragraphs 5.23 -5.36 above, be effective in reducing the difficulties consumers perceive, and are deterred by, in relation to the time and difficulties involved in contacting providers. Our provisional view is that Option 2 (GPL) is likely to be more effective in this latter regard. It would remove the consumer’s need to contact their old provider to cancel. It is also likely for the reasons in 5.37 - 5.43 to be more effective at reducing consumers’ confusion about the process for switching.
- 5.66 Our provisional view, therefore, is that our proposed reforms would likely remove or reduce aspects of the current arrangements that may be deterring considerers from switching. On this basis, both options would likely benefit this group of consumers. We cannot quantify this benefit, however, because it is difficult to estimate the number of consumers that are being deterred and the value of the switch to them if it occurred. The quantitative assessment we have been able to make of the benefits of our proposals is, accordingly, likely to significantly underestimate the total benefits to all relevant groups of consumers.

Competition benefits

- 5.67 Switching costs arise when there is a cost incurred in changing provider that is not incurred by remaining with the current provider.¹⁶⁵
- 5.68 There are several types of switching costs – our emphasis is on those associated with different switching processes, i.e. those costs that vary from one process to another (e.g. some transaction costs, opportunity cost of time, psychological costs).
- 5.69 In our Strategic Review of Consumer Switching 2010 we stated:

“overall the academic literature’s position on switching costs is that “on balance switching costs seem more likely to increase prices” which would tend to reduce

¹⁶³ 17% major; 35% minor. Slide 79 of BDRC published slide pack.

¹⁶⁴ 9% major factor, 23% minor. Slide 80 of BDRC published slide pack.

¹⁶⁵ See NERA, April 2003, [Switching Costs](#), paragraph 1.1. Report commissioned by the Office of Fair Trading (‘OFT’) and the Department for Business, Enterprise and Regulatory Reform (‘NERA (2003)’).

*consumer welfare. Furthermore, “switching costs can segment an otherwise undifferentiated market as firms focus on their established customers and do not compete aggressively for their rivals’ existing customers letting, oligopolists extract positive profit.” This conclusion takes into account not only the theoretical literature, but also the empirical literature that often lends support to the view that switching costs dampen competition*¹⁶⁶

- 5.70 With switching costs, firms view consumers as being of higher value than they would without switching costs. This is because once consumers are acquired there is a high likelihood that they will make repeated purchases or, equivalently, a low likelihood that they will switch because of the effect of switching costs. The presence of switching costs ‘locks in’ consumers, creating a stream of future revenues. This incentivises firms to compete harder to acquire consumers in the first place. There has been some empirical research which has found that strong-lock in effects are implied as a result of switching costs.¹⁶⁷
- 5.71 Competition in consumer acquisition might lead to firms pricing low initially (e.g. introductory offers), sometimes aggressively at prices below cost as they compete for a consumer’s lifecycle purchase, only to set high prices later, i.e. to raise them once the consumer is locked in (the ‘low’ and ‘high’ prices compare to the prices that would prevail in the absence of switching costs).¹⁶⁸ While this can benefit engaged consumers, we remain of the view that the net effect of switching costs will be to soften overall competition between providers and deter consumers from switching.
- 5.72 Therefore, we consider reducing switching costs is likely to facilitate more intense competition between providers and an increase in the volume of switchers. This will benefit consumers in the form of lower prices, higher quality of service, choice and innovation.
- 5.73 It is also possible that Option 2 (GPL) could result in innovation among third party intermediaries (TPIs), e.g. price comparison websites (PCWs), and enable consumers to complete search and switch activities at the same time, as is the case in the retail energy market. This could add to the ease of switching for consumers and further increase competition among providers.

Summary

- 5.74 Our provisional view is that both of our proposed Options, by making the switching process easier and more reliable in the ways described, would reduce switching costs. On the basis that Option 2 (GPL) would remove the time and difficulty involved in consumers contacting their old provider, and be easier for consumers to understand, it is liable to lead to a larger reduction in these costs. Therefore, it is likely it would be better at improving competition and result in larger benefits to consumers.
- 5.75 We have not attempted to quantify the benefits flowing from an increase in competition. These benefits accrue to switchers and non-switchers and therefore

¹⁶⁶ Available [here](#).

¹⁶⁷ Csorba, Kezdi (2011), “Estimating the lock-in effects of switching costs from firm-level data”, IEHAS Discussion Papers 1108.

¹⁶⁸ See, e.g., Klemperer (1987b, 1995), Banerjee and Summers (1987), Caminal and Matutes (1990), Padilla (1992).

could be very significant. Excluding them from our quantitative assessment risks substantially underestimating the net benefit of each of our process reform options. For example, a 1% decrease in the average prices as a result of our proposals would result in over £1.2 billion benefit to consumers.¹⁶⁹ Therefore, the impacts could be significantly larger than the reduced difficulty switchers experience as they navigate the switching process.

Quantitative assessment of costs of implementation

5.76 We summarise below our provisional assessment of the potential incremental costs of implementing the proposed reform options. This is relevant to our assessment of whether:

- the Options do no more than is necessary in reducing the difficulties and deterrents identified; and
- Option 1 or 2 is least onerous.

5.77 In developing the industry costs and the cost model Cartesian and Ofcom sought consultation with industry. We asked providers to share their own cost estimates based on specifications similar to those published alongside this consultation.¹⁷⁰ However, no costs inputs were submitted by providers.

5.78 A more detailed description of the costs, and the approach taken to assessing them, is set out in Cartesian's report on cost estimates. Overall, the estimates we use suggest that Option 1 (EC&R) would cost £29.9m to £31.7m to implement over ten years and Option 2 (GPL) £23.9m to £25.7m.

5.79 For both Options 1 and 2, the following costs would be imposed on providers:

- Providers would have to fund the set-up costs for establishing a 'back-end' communications channel that would allow them to perform functions such as validating the service(s) a consumer currently has, co-ordinating the stop and start date and confirmation of disconnection of old service(s). As set out in Section 4, two possible automated channels have been considered to inform our assessment of these costs of implementation – use of an existing communications channel such as Openreach EMP¹⁷¹ or a new direct communications channel link.¹⁷²
- Separately, providers would need to invest in one-off set up costs to ensure that their own business systems have the required functionality to implement our proposals. This would also include an investment in billing systems under Options 1 and 2 and the ability to cancel online or by IVR under Option 1 (EC&R).

¹⁶⁹ 10 year NPV, based on approximately 27 million customers and an average monthly expenditure of around £45 based on information provided to us under section 135 of the Act.

¹⁷⁰ Along with an input spreadsheet for provision of cost estimates.

¹⁷¹ Back-end solutions exist to support landline and broadband switching within the Openreach platform. Under this scenario the existing Openreach EMP platform could be used.

¹⁷² In the event that the Openreach EMP was used as the communications link we would also expect some set up costs to be incurred by Openreach which is factored into the cost assessment.

- There would also be some costs associated with ongoing maintenance of these systems.

5.80 Providers may enjoy some cost savings under each option. This is because under both options fewer consumers would be likely to call them for information relating to the implications of switching or to cancel their services.¹⁷³ We recognise that providers may choose to make customer retention calls instead, which would limit the scope for cost savings. However, as this would be a voluntary decision for providers, we have not included such costs in our assessment. The net industry costs estimates are as follows:

Figure 14: Net industry cost of Options 1 and 2 (10 year NPV estimate)

	Option 1 (EC&R)			Option 2 (GPL)		
	Set up costs ¹⁷⁴	Maintenance costs and cost savings ¹⁷⁵ (annual)	Total (10 year NPV)	Set up costs	Maintenance costs and cost savings (annual)	Total (10 year NPV)
Openreach EMP	£11.4m	£1.7m	£29.9m	£10.6m	£1.2m	£23.9m
DCC	£12.3m	£1.8m	£31.7m	£11.4m	£1.3m	£25.7m

5.81 As suggested in Figure 14 above, if an existing communications channel, such as the Openreach EMP, were extended, this would likely be the cheaper of the two potential communications channels.

5.82 The higher cost estimates for Option 1 (EC&R) are driven by:

- the additional set-up costs providers would need to incur, compared to Option 2 (GPL), to meet the requirement to offer consumers a range of channels to cancel services;¹⁷⁶ and
- greater potential cost savings from fewer customer calls under Option 2 as a result of not having to contact the provider to cancel.

5.83 While the bulk of the costs would fall on BT, Sky, TalkTalk and Virgin, the obligations under Options 1 and 2 would also apply to other providers. We have taken provisional account of that as set out in the paragraphs below.

¹⁷³ Cartesian only quantify a reduction in calls resulting in cost savings as a result of fewer calls to cancel.

¹⁷⁴ Capex as set out in Cartesian report.

¹⁷⁵ Fixed opex + variable opex (total opex) as set out in the Cartesian report.

¹⁷⁶ Including online, by webchat and by IVR, and we note that the costs estimates do not take account of all costs some smaller providers may incur in providing a range of cancellation methods, so the set-up costs may be higher still.

- 5.84 First, the additional set-up costs under Option 1 (EC&R) relating to cancellation channels would involve some costs that would not vary by the number of consumers using them. This may result in a larger cost per customer for smaller providers. Option 2 (GPL) does not include the obligation to develop new methods of cancellation, and so would not have the same effect.
- 5.85 Second, the cost estimates provided by Cartesian are based on the assumption that all providers would build an automated communication channel. This would be capable of handling large volumes of switches efficiently. Again this is likely to involve some up-front costs that would not vary by the number of subscribers or switchers a provider has. This may also result in a higher cost per customer for smaller providers.
- 5.86 However, in practice small providers, who are likely to process much smaller volumes of switches, may find it more efficient to comply with the obligation to co-ordinate the switch on behalf of the switcher without needing to invest in an automated system.¹⁷⁷ The costs in [Figure 14](#) may therefore overstate both the total cost to industry of implementing our proposed reforms and the costs to individual providers who comply with their obligations without investing in an automated communication channel. We would welcome further evidence on the costs to providers if small providers used a 'manual' communication system.
- 5.87 We also note that the cost estimates are made on the basis of implementing a solution to enable switching of triple play services alone. If we were to adopt Option 2 (GPL) and our preferred option (also GPL) for reforming the process for switching mobile services, there may be cost synergies. For example, if the implementation timetable was aligned, or there was further take-up of quad play services (or other bundles involving mobile), there might be synergies in joining processes and training customer service agents. We would also welcome views on the extent to which, if at all, this is likely.

Provisional assessment and preferred option

Summary of option assessment

- 5.88 Our provisional view, in light of all the above, is that Option 2 (GPL) would be the most appropriate and proportionate means to achieve our objectives that the switching process:
- should not itself create unnecessary difficulties and deterrents to switch; and
 - should enable consumers to act on informed choices in an easy and reliable way.
- 5.89 We take that view based on our overall assessment that:

¹⁷⁷ See Cartesian report section 5. Small providers may avoid between £2m and 2.9m in 'back-end' costs (based on a 10 year NPC) by not implementing an 'automated' inter-provider communications system. However, were small providers to make use of a 'manual' back-end process this would involve some set up costs of its own and would result in some costs at other providers to accept and process manual requests.

- Option 2 (GPL) would be more effective in meeting our objectives and produce greater benefits; and
 - having considered our provisional assessments of the effectiveness and benefits against the estimates of the likely costs, Option 2 (GPL) would be the least onerous means of meeting those objectives.
- 5.90 We have considered the effectiveness and benefits of our proposed reforms on switchers, considerers and competition. We have taken account of the quantified benefits where we are able to do so and of the significant unquantified ones.
- 5.91 Our provisional assessment is that Option 2 (GPL) would be more effective and produce greater benefits for switchers and considerers than Option 1 (C&R) in these respects:
- it removes, whereas Option 1 reduces, the need for the consumer to contact their old provider to cancel their old service(s); reducing difficulties associated with contacting the previous provider;
 - it would be consistent with the processes for switching other communications services and services in other sectors with which consumers are likely to be familiar (e.g. energy, current accounts); reducing consumer confusion about the process; and
 - while it would reduce loss of service and double paying in the same way as Option 1 (C&R), it would do so to a greater extent because more consumers would be likely to use the process.
- 5.92 Option 2 (GPL) would also be supported by measures requiring consumers to be given information about the implications of switching (information on their bills). This, among other measures, would also mitigate the risks of unintended consequences that might otherwise arise because of the reduced contact with their old provider during the switching process.
- 5.93 Both options would produce benefits to competition by reducing switching costs. However, on the basis that Option 2 (GPL) would remove time and difficulty involved in consumers contacting their old provider, and be easier for consumers to understand, it is likely to lead to a larger reduction in these costs and greater benefits to competition.
- 5.94 We have taken into account that, in requiring a ten working day transfer period before a switch goes ahead, the Option 2 (GPL) process contains a potential drawback. For some consumers their switch may take slightly longer than at present. However, we consider any delay would be small and the consequence limited as there is evidence to suggest that consumers prefer a certainty over the switch date and a reliable process over speed. It would also allow appropriate time for steps to be taken within the process to ensure consumers can make informed choices and be protected against slamming. On those bases, it does not appear to us that the process would produce adverse effects which are disproportionate to the aims we are pursuing.
- 5.95 We have been able to quantify some of the benefits we think Options 1 and 2 would produce, while others are unquantified. We have assessed these against provisional costs estimates, as summarised in the table below.

Figure 15: Summary of quantified impacts of Options 1 and 2¹⁷⁸

Net Quantified Impact	Option 1 (EC&R)	Option 2 (GPL)
Reduction in loss of service	£41.1m - £59.3m	£63.9m
Reduction in double paying	£14.4m - £20.8m	£22.4m
Time savings	£-0.5m - £0.9m	£4.0m
Net Benefit (10 Yr NPV)	£55.0m - £81.1m	£90.3m
Set up costs	£11.4m - £12.3m	£10.6m - £11.4m
Maintenance costs and cost savings (annual)	£1.8m ¹⁷⁹	£1.2m - £1.3m
Net Costs (10 Yr NPV)	£29.9m - £31.7m	£23.9m - £25.7m
Total Net Impact	£23.3m - £51.2m	£64.6m - £66.3m

5.96 The above assessment is based on a number of estimates and assumptions. We have, for example, estimated the total number of cross-platform switches based on 2015-16 data and this is used for all years for which we estimate costs and benefits. We do not account for growth of the consumer base. Therefore, we have conducted a sensitivity analysis to ensure our provisional conclusions are robust to changes in switch numbers. We consider the impact if the number of switches were 20% higher or lower. We also consider sensitivity where the set-up costs may be higher or lower than currently estimated.

5.97 This analysis is presented in Figure 16 below. Our provisional view is that even in the scenarios presented below, including the more pessimistic ones, our positive net benefit assessment of Option 2 (GPL) is justified.

¹⁷⁸ The lower end of the cost range represents the scenario where Openreach EMP could be the communication channel and the higher represents the DCC scenario.

¹⁷⁹ Range of £1.77m - £1.85m.

Figure 16: Sensitivity analysis considering the net impact of a change in the number of switchers and change in set up costs

Net Impact (10 Yr NPV)		Option 1 (EC&R)	Option 2 (GPL)
Change in number of switchers (20% lower or 20% higher) ¹⁸⁰	Net benefits	£44.0m - £97.3m	£72.2m - £108.3m
	Net costs	£32.3m - £31.1m	£27.0m - £24.4m
	Net impact	£11.7m – 66.2m	£45.2m – £83.9m
Change in set up costs (20% lower or 20% higher capex)	Net benefits ¹⁸¹	£55.0m - £81.1m	£90.3m
	Net costs	£28.5m - £34.8m	£22.8m - £28.6m
	Net impact	£20.2m - £52.6m	£61.6m - £67.5m

5.98 On that quantified basis alone, we are minded to think Option 2 (GPL) would be more effective and produce greater benefits at lower cost. This position would likely be clearer still once the unquantified benefits are taken into account as summarised below.

Figure 17: Unquantified benefits to switchers, considerers and competition

Unquantified Benefits	Option 1 (EC&R)	Option 2 (GPL)	Rationale
Benefits to switchers	✓✓	✓✓✓	<ul style="list-style-type: none"> An easier, more convenient switching process primarily as a result of greater choice of cancellation channels under Option 1 (EC&R) and the removal of the need to contact the old provider to cancel under Option 2 (GPL). Removing the cancellation step altogether would likely be more effective at reducing the difficulties associated with cancellation. Reduced confusion under Option 2 (GPL) as the type of process for switching between platforms and within the Openreach and KCOM platforms (and in other sectors with which consumers are likely to be familiar, e.g. energy, current accounts), would be the

¹⁸⁰ The lower end of the benefits range for EC&R represents low scenario and low number of switchers, worst case scenario and the higher end represents high scenario and high number of switchers, best case scenario. The comparisons in the table above are based on the costs associated with DCC channel option, the higher estimate.

¹⁸¹ Net benefits as in Figure 15.

			<p>same. It would also be consistent with Ofcom’s preferred option, if we adopt it, for reforming mobile switching, and which may mean consumers could follow a single type of switching process were there further take-up of quad play services (or other bundles including mobile).</p> <ul style="list-style-type: none"> • There is a small negative impact under Option 2 (GPL) as measures to protect consumers from slamming may result in a delay in provisioning of services, compared to the status quo.
Benefits to considerers	✓✓	✓✓✓	<ul style="list-style-type: none"> • Both options would likely reduce the real and perceived risks of loss of service and double paying and may encourage more considerers to switch. • Option 2 (GPL) would likely be more effective at removing unnecessary time taken to switch and reducing difficulties associated with contacting the current provider and cancelling (that may be deterring considerers) as it would remove the need to do this. • For similar reasons as in relation to switchers, we expect Option 2 (GPL) would reduce confusion for considerers.
Benefits to competition	✓✓	✓✓✓	<ul style="list-style-type: none"> • Both options would reduce switching costs but Option 2 (GPL) would likely be more effective at doing so, for switchers and considerers, and therefore more effective at improving competition.

Provisional conclusion

5.99 Our policy objectives are that the processes for switching providers of services should not create unnecessary difficulties or deterrents for consumers. They should be able to make and act on informed choices about the services they want to buy through an easy and reliable process.

5.100 Having carefully considered the evidence, our provisional assessment is that, while many consumers find the arrangements for switching one or more triple play services between platforms easy, particular difficulties and deterrents for some consumers arise in relation to:

- co-ordinating switches (resulting in loss of service and double paying);
- contacting and cancelling services with their old provider; and
- understanding the process (particularly due to the multiple switching processes that currently apply) and the implications of switching.

- 5.101 We have considered two options for reforming the process that we think would reduce the difficulties and deterrents identified and achieve our objectives. Our assessment has included a cost benefit analysis of those options.
- 5.102 Our provisional view is that the second of those options, Option 2 (GPL), would meet those aims at a lower cost. We therefore propose that we should adopt it.
- 5.103 On the bases we have set out, we are minded to think that a General Condition which required providers to comply with the Option 2 (GPL) switching process would satisfy the requirements of the Act. It would be:
- objectively justifiable – it would reduce the difficulties and deterrents the evidence shows consumers currently experience and meet our policy objectives;
 - proportionate – it would, on the bases set out, do no more than is necessary to achieve, and be the least onerous means of achieving, those ends;
 - not unduly discriminatory – it would apply to all providers of networks and services of particular descriptions; and
 - transparent – it would set out a clear and defined process for switching, the reasons for which we have set out in this document.
- 5.104 The adoption of that option would also be consistent with the Act's other requirements. For the reasons set out, it would, for example, help to promote:
- citizens' interests by ensuring a high level of protection for consumers in their dealings with suppliers; and
 - competition in the provision of electronic communications services by ensuring users get maximum benefit in terms of choice, price and quality.

Consultation questions

Q10 Do you agree with the assessment of the consumer benefits of the proposals?

Q11 Do you agree with the assessment of the likely costs of the proposals as set out in the Cartesian report? If not, please state how and provide information and evidence relating to the costs.

Q12 Do you think that a manual communication channel for small providers would be more appropriate compared to an automated communication channel? What costs would be involved in setting up a 'manual' communication system?

Q13 Do you agree with our preference for Option 2 (GPL)?

Q14 Could there be synergies across costs between implementing a GPL proposal for triple play services and mobile phone services?

Q15 Do you consider that Option 2 (GPL) could enable consumers to go through the switching process through TPIs/ PCWs? Would this be beneficial to consumers?

Q16 Do you have any other comments on the matters raised in Section 5?

Annex 1

Responding to this consultation

How to respond

- A1.1 Ofcom invites written views and comments on the issues raised in this document, to be made **by 5pm on 21 October 2016**.
- A1.2 Ofcom strongly prefers to receive responses using the online web form at <http://stakeholders.ofcom.org.uk/consultations/making-switching-easier/howtorespond/>, as this helps us to process the responses quickly and efficiently. We would also be grateful if you could assist us by completing a response cover sheet (see Annex 3), to indicate whether or not there are confidentiality issues. This response coversheet is incorporated into the online web form questionnaire.
- A1.3 For larger consultation responses - particularly those with supporting charts, tables or other data - please email Consumer.Switching@ofcom.org.uk attaching your response in Microsoft Word format, together with a consultation response coversheet.
- A1.4 Responses may alternatively be posted or faxed to the address below, marked with the title of the consultation.
- Katerina Vlachavas
Ofcom
Riverside House
2A Southwark Bridge Road
London SE1 9HA
- A1.5 Note that we do not need a hard copy in addition to an electronic version. Ofcom will acknowledge receipt of responses if they are submitted using the online web form but not otherwise.
- A1.6 It would be helpful if your response could include direct answers to the questions asked in this document, which are listed together at Annex 4. It would also help if you can explain why you hold your views and how Ofcom's proposals would impact on you.

Further information

- A1.7 If you want to discuss the issues and questions raised in this consultation, or need advice on the appropriate form of response, please contact Katerina Vlachavas on 020 7981 3776.

Confidentiality

- A1.8 We believe it is important for everyone interested in an issue to see the views expressed by consultation respondents. We will therefore usually publish all responses on our website, www.ofcom.org.uk, ideally on receipt. If you think your response should be kept confidential, can you please specify what part or whether

all of your response should be kept confidential, and specify why. Please also place such parts in a separate annex.

- A1.9 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and will try to respect this. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.
- A1.10 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's approach on intellectual property rights is explained further on its website at <http://www.ofcom.org.uk/terms-of-use/>

Next steps

- A1.11 Following the end of the consultation period, Ofcom intends to publish a policy statement by summer 2017.
- A1.12 Please note that you can register to receive free mail Updates alerting you to the publications of relevant Ofcom documents. For more details please see: <http://www.ofcom.org.uk/email-updates/>

Ofcom's consultation processes

- A1.13 Ofcom seeks to ensure that responding to a consultation is easy as possible. For more information please see our consultation principles in Annex 2.
- A1.14 If you have any comments or suggestions on how Ofcom conducts its consultations, please call our consultation helpdesk on 020 7981 3003 or e-mail us at consult@ofcom.org.uk . We would particularly welcome thoughts on how Ofcom could more effectively seek the views of those groups or individuals, such as small businesses or particular types of residential consumers, who are less likely to give their opinions through a formal consultation.
- A1.15 If you would like to discuss these issues or Ofcom's consultation processes more generally you can alternatively contact Steve Gettings, Secretary to the Corporation, who is Ofcom's consultation champion:

Steve Gettings
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

Tel: 020 7981 3601

Email Steve.Gettings@ofcom.org.uk

Annex 2

Ofcom's consultation principles

A2.1 Ofcom has published the following seven principles that it will follow for each public written consultation:

Before the consultation

A2.2 Where possible, we will hold informal talks with people and organisations before announcing a big consultation to find out whether we are thinking in the right direction. If we do not have enough time to do this, we will hold an open meeting to explain our proposals shortly after announcing the consultation.

During the consultation

A2.3 We will be clear about who we are consulting, why, on what questions and for how long.

A2.4 We will make the consultation document as short and simple as possible with a summary of no more than two pages. We will try to make it as easy as possible to give us a written response. If the consultation is complicated, we may provide a shortened Plain English Guide for smaller organisations or individuals who would otherwise not be able to spare the time to share their views.

A2.5 We will consult for up to 10 weeks depending on the potential impact of our proposals.

A2.6 A person within Ofcom will be in charge of making sure we follow our own guidelines and reach out to the largest number of people and organisations interested in the outcome of our decisions. Ofcom's 'Consultation Champion' will also be the main person to contact with views on the way we run our consultations.

A2.7 If we are not able to follow one of these principles, we will explain why.

After the consultation

A2.8 We think it is important for everyone interested in an issue to see the views of others during a consultation. We would usually publish all the responses we have received on our website. In our statement, we will give reasons for our decisions and will give an account of how the views of those concerned helped shape those decisions.

Annex 3

Consultation response cover sheet

- A3.1 In the interests of transparency and good regulatory practice, we will publish all consultation responses in full on our website, www.ofcom.org.uk.
- A3.2 We have produced a coversheet for responses (see below) and would be very grateful if you could send one with your response (this is incorporated into the online web form if you respond in this way). This will speed up our processing of responses, and help to maintain confidentiality where appropriate.
- A3.3 The quality of consultation can be enhanced by publishing responses before the consultation period closes. In particular, this can help those individuals and organisations with limited resources or familiarity with the issues to respond in a more informed way. Therefore Ofcom would encourage respondents to complete their coversheet in a way that allows Ofcom to publish their responses upon receipt, rather than waiting until the consultation period has ended.
- A3.4 We strongly prefer to receive responses via the online web form which incorporates the coversheet. If you are responding via email, post or fax you can download an electronic copy of this coversheet in Word or RTF format from the 'Consultations' section of our website at <http://stakeholders.ofcom.org.uk/consultations/consultation-response-coversheet/>.
- A3.5 Please put any parts of your response you consider should be kept confidential in a separate annex to your response and include your reasons why this part of your response should not be published. This can include information such as your personal background and experience. If you want your name, address, other contact details, or job title to remain confidential, please provide them in your cover sheet only, so that we don't have to edit your response.

Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

CONFIDENTIALITY

Please tick below what part of your response you consider is confidential, giving your reasons why

Nothing	<input type="checkbox"/>	Name/contact details/job title	<input type="checkbox"/>
Whole response	<input type="checkbox"/>	Organisation	<input type="checkbox"/>
Part of the response	<input type="checkbox"/>	If there is no separate annex, which parts?	

If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name

Signed (if hard copy)

Annex 4

Consultation questions

This Annex lists the questions that we are consulting on.

Q1 Do you agree that current cross-platform switching arrangements lead to consumer issues with loss of service and double paying when switching, and issues with contacting losing provider / cancelling a previous service?

Q2 Do you agree that consumers would benefit from clearer switching processes and information about switching?

Q3 Do you have any other comments on the matters raised in Section 3?

Q4 We would welcome views on the proposal for an EC&R process (Option 1), in particular:

- (a) whether is it effective in reducing the consumer difficulties and deterrents identified through our analysis;*
- (b) whether you agree co-ordination by the new provider should be opt-in for the consumer; and*
- (c) if the information on implications of switching provided at the cancellation stage is likely to be as effective as receiving it in durable form during the transfer period?*

Q5 We would welcome views on the proposal for the GPL process (Option 2), in particular:

- (a) whether is it effective in reducing the consumer difficulties and deterrents identified through our analysis; and*
- (b) if the ten working day transfer period is a sufficient length of time for a consumer to receive, understand, and act upon implications of switching information that is sent to them by the old provider?*

Q6 On both process options, we would welcome views on whether old providers are provided with sufficient time during the respective transfer periods to:

- (a) stop existing services and administer the end of contracts; and*
- (b) if not, can you provide detail of what actions/steps are necessary to undertake such activities, and how long these would take?*

Q7 Do you agree that the proposals should apply to all cross-platform services, whether provided in a bundle or on a standalone basis?

Q8 For both process options, we welcome any views on the estimated 18-month implementation period.

Q9 Do you have any other comments on the matters raised in Section 4?

Q10 Do you agree with the assessment of the consumer benefits of the proposals?

Q11 Do you agree with the assessment of the likely costs of the proposals as set out in the Cartesian report? If not, please state how and provide information and evidence relating to the costs.

Q12 Do you think that a manual communication channel for small providers would be more appropriate compared to an automated communication channel? What costs would be involved in setting up a 'manual' communication system?

Q13 Do you agree with our preference for Option 2 (GPL)?

Q14 Could there be synergies across costs between implementing a GPL proposal for triple play services and mobile phone services?

Q15 Do you consider that Option 2 (GPL) could enable consumers to go through the switching process through TPIs/ PCWs? Would this be beneficial to consumers?

Q16 Do you have any other comments on the matters raised in Section 5?

Annex 5

Glossary and abbreviations

Act: The Communications Act 2003.

Bundle: Where the same provider provides the consumer with more than one triple play service, regardless of how the contracts for each service are set up.

Cancel/cancellation: Where a consumer ends one or more contracts for the provision of triple play services, and this does not fall within the statutory 'cooling off period' of 14 days.

Cease and re-provide (C&R): Where a consumer, as part of the switching process, ceases the contract and service with their losing provider and separately organises the new service and contract with their gaining provider.

Consumer who decided not to switch: A consumer who actively started looking at changing provider in the last 12 months, but decided not to.

Cross-platform switchers: those consumers that switch one or more triple play services between different platforms, e.g. from a provider on the Openreach platform to Virgin cable.

Early termination charge (ETC): a charge that may be payable by a consumer for the cancellation of a contract before the end of any minimum contract period (or subsequent minimum contract period).

Enhanced cease and re-provide (EC&R): a proposed option for reforming cross-platform switching arrangements. Consumers would still need to contact the old provider to cancel their existing service. However, consumers would have greater flexibility in *how* they do this, e.g. using an online account or through an IVR. The new provider would be required to offer to organise the switch on the consumer's behalf to ensure that the stop and start dates coincide.

Equivalence management platform (EMP): the transactional platform that underpins all Openreach's interactions with communications providers.

Gaining provider: the new provider to whom the consumer is switching their service(s).

Gaining provider led (GPL) process: a proposed option for reforming cross-platform switching arrangements. The consumer would only need to contact the provider they want to join – they would not have to contact the old provider to cancel, as this would be done by the new provider. The new provider would then be required to ensure that the stop and start dates coincide.

Gaining Provider Led Notification of Transfer (GPL NoT+) process: an enhanced GPL process implemented in June 2015 to the existing GPL Notification of Transfer process for switches on the Openreach platform. The gaining provider informs the losing provider on behalf of the consumer in order to organise the switch. The consumer receives letters from both providers confirming the planned switch before it happens. This provides an opportunity for the consumer to stop the order going ahead where they change their mind, or in cases where they have no knowledge or have not given their consent to the attempted switch.

Interactive Voice Response (IVR): IVR is a technology that allows a computer to interact with humans through the use of voice and touch tones input via telephone keypad.

Losing provider: the provider from whom the consumer is switching their service(s).

Make before break: where the losing provider does not stop the consumer's service until the gaining provider has confirmed directly to the losing provider that they have activated the new service.

Minimum contract period: the minimum period of time over which a provider and a consumer have agreed that a contract shall last.

Minimum notice period: means the minimum notice that consumers need to give to cancel their contract.

Openreach: BT's access services division.

Openreach switchers: those consumers that switched one or more triple play services to and from a provider on the Openreach network.

Over-the-top: audio-visual content that can be delivered on the 'open' internet rather than requiring a managed IPTV¹⁸² architecture.

Pay TV: services: (i) including linear channels and on-demand services offered across a managed hardware platform (e.g. a set-top-box); (ii) transmitted via Freeview, satellite, cable and IPTV (for the avoidance of doubt, the definition of pay TV excludes such services that are delivered over-the-top); and (iii) provided to a consumer by a provider pursuant to the terms of a contract with a minimum contract period of at least 12 months.

Porting: where a consumer keeps their telephone number when they switch providers.

Provider: A person who provides any one or more triple play services to consumers.

Slamming: this occurs where consumers are switched to another provider without their express knowledge or consent.

Switcher: a consumer who has changed their provider in the last 24 months.

Triple play service: any one of landline, fixed broadband and pay TV services (and whether or not provided to the consumer in a bundle or as a standalone service).

¹⁸² Television and/or video signals that are delivered using Internet Protocol, the technology that is used for routing and carrying data across the internet and similar networks.