



## Ofcom draft Annual Plan 2013/2014

### Consultation Response from the Mobile Broadband Group

1. The Mobile Broadband Group ('MBG', whose members are the UK mobile businesses of EE, Telefonica UK, Three and Vodafone) welcomes the opportunity to respond to Ofcom's consultation on its draft Annual Plan.
2. Individual member companies will submit responses to Ofcom's draft annual plan, as appropriate.
3. The MBG, however, is restricting itself to one particular point, as we would like to focus on an issue that has long been considered in the background by Ofcom but never achieved sufficient priority to be carried through, and that is an overall review of the General Conditions of Entitlement.
4. We are concerned that, in Ofcom's tenth year of operation, if a review does not reach sufficient priority this year, it never will and that the General Conditions (GCs) will continue to deteriorate as a body of work that provides clarity for communications providers and something useful for consumers.
5. A review would be consistent both with Ofcom's priority work stream of promoting effective competition and informed choice and with their duty under section 6 of the Communications Act to review regulatory burdens. As already mentioned, the GCs have been in force for ten years and they are overdue a comprehensive review. While individual GCs have been reviewed, they have never been looked at as a whole.
6. Over time, like barnacles on a rock, they have grown up bit by bit and are now encrusted to the point where there is considerable repetition and lack of clarity. This leads to confusion and unnecessary compliance cost. Moreover, as far as we know, there has never been any comprehensive work carried out to assess whether the existing GCs are effectively achieving their objectives of protecting consumers and improving competition.
7. The MBG was interested to note in Ofcom's recent consultation on price escalation clauses the statement in paragraph 1.25: *"Our assessment, however, is that there are already a number of rules imposing transparency requirements. The evidence suggests these have not operated effectively."*

8. This statement needs thoroughly examining, and if it is the case, the GCs in question need to be amended or removed.
9. The dynamism of the communications market serves consumers very well. The perpetual motion has driven down prices and produced innovation. However, the perpetual also drives compliance cost as providers wrestle to remain compliant with the extremely unwieldy requirements of the GCs, particularly as they relate to consumer information. Costs would be much lower if the providers were working with a slimmer, tidier and clearer body of GCs.
10. For example, there is plenty of scope within GCs 9, 10, 14 and 23 to produce a more concise, relevant and useful requirements.
11. Life has moved on considerably since the GCs were first created; consumers glean market relevant information from an enormously wide range of third party sources: price comparison web-sites, social media and Youtube to name a few. The information supplied directly by providers no longer has the importance that it once did. The requirements placed on providers could be re-presented in a way that simultaneously benefits consumers and providers, by focusing on the most relevant and material matters.
12. Finally, the MBG feels that in 2013, a review of GCs is unavoidable, as the Government has signalled its intention to bring forward a Consumer Bill of Rights. It will be necessary that GCs remain consistent with general consumer law as well as EU communications law.
13. In summary, we believe that a review of GCs is now essential and that such a review could deliver the following benefits:
  - More succinct, clearer and more relevant information for consumers
  - Lower compliance costs for communications providers
  - Better alignment with general consumer law
14. By continuing to put off a review of GCs, Ofcom is failing in its duty to review regulatory burdens and is also missing an opportunity to improve the relevance and effectiveness of information that is made available to consumers.