



EE's response to Ofcom's Consumer Switching Statement

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Introduction and summary

EE welcomes the opportunity to respond to Ofcom's Consumer Switching Statement and Consultation.

- We welcome Ofcom's decision to move to a harmonised process, and end the multiplicity of processes which leads to inequality between providers in the market.
- We welcome Ofcom's decision to rule out the Third Party Verification option which would have been unnecessarily costly and would have had a long implementation time.
- We note the proposed implementation time scales and are concerned that any improvements will not be implemented until at least early 2015.
- On several occasions we have set out where we believe incremental improvements can be made to the current processes, with limited cost and effort on behalf of industry and with almost immediate benefits to consumers. We urge Ofcom to consider a number of these quick wins.
- We have a number of practical concerns with some of Ofcom's proposals, where they appear to be disproportionately costly to what they intend to achieve.
- The views we set out here reflect our experiences of being a fixed voice and broadband provider only.

The move to a harmonised process

EE welcomes the move to a harmonised process. The existence of parallel processes for different types of providers has led to a competitive disadvantage for SMPF+ WLR based providers for far too long. SMPF based providers currently have to support multiple processes, which adds complexity, face higher costs than MPF and cable based operators and are unable to carry out any save activity on their own customers if they consider moving to an SMPF based provider. From a customer's point of view, the current situation is confusing and assumes an advanced level of knowledge about network technologies.

However, taking into account Ofcom's proposed timelines for implementation, the earliest date by which the new proposed situation comes into force is early 2015, which means that the current disparity between types of providers will persist for at least another 15 months. We therefore urge Ofcom to consider making incremental changes to current processes which we discuss below

Incremental improvements to current processes

As an interim step to completely removing MACs EE believes that it should be achievable for industry to issue a MAC in less than the current 5 working day period. In the mobile context, PACs are now required to be issued within just 2 hours (and this was achieved in just 9 months). Therefore EE believes it is possible for Ofcom to mandate that the MAC must be issued to the customer within 1 working day. MACs are generated by Openreach, and in the vast majority of cases can be provided in a few minutes. We believe that this improvement could be achieved in less than 6 months, with minimal costs to industry and significant consumer benefits for still a considerable time period.

Response to Ofcom consultation questions

Question 1: Do you agree with our assessment of the Record of Consent requirement?

We agree with Ofcom that the most successful way to prevent slamming is through upfront customer consent identification and authorisation checks. However, the proposed requirement under the GPL NoT process only records the consent but does not verify the identity or the authority of the individual consenting to the transfer. Absent this level of verification, we question whether the consent mechanism will be sufficiently robust to deal with abuse.

According to Ofcom's cost-benefit analysis, the Record of Consent requirement is estimated to have an incremental cost of £9.2m over a 10 year period. We question whether the total industry costs for recording consent in the different channels, keeping these records for 12 months, and making them retrievable on an individual basis, would only cost £9m, in particular in respect of the call recording part of the consent. Obviously, recording, storing and retrieving customer consent will facilitate Ofcom's enforcement action. Question is whether this justifies this requirement where most of the records will never need to be retrieved. In an industry where many providers do not have full call recording, this appears very onerous. Apart from the cost (which we believe may be significantly higher than the estimated £9m), the requirement to store these records for 12 months appears unnecessarily long in this respect. We consider that any issues will come to light much sooner after the transfer took place, and probably within the first 3 months. Under GC23, marketing and sales of mobile telephony services, contract information has to be stored for a

minimum of 6 months. We would like Ofcom to set out what the reasons are for the difference in approach between the fixed and mobile telephony markets in terms of record keeping obligations.

In respect of consent via an online channel, the customer typically can only continue with their request by ticking a box where they agree to go ahead. Without the customer actively ticking this box, the order does not get processed. We would like to get further clarification from Ofcom as to what additional evidence is needed for a web based transaction. In particular the requirement for a screen shot does not appear to make sense. Instead EE suggests that a mandatory order summary page is presented at the end of the online sales journey, requiring the customer to click “agree” before the order is allowed to enter the CP’s sales system. As long as CPs can differentiate online sales within their systems, then the order itself will constitute a Record of Consent.

Question 2: Do you agree with our assessment of the requirement for better information on the implications of switching?

We agree that it is important that the customer is fully aware of the implications of switching provider. Under the GPL NoT process, the information will only be sent to the customer after they have started the process of transfer. Finding out the level of ETCs payable or implications for other services might lead to customers reversing their decision, which could result in hassle.

In terms of the proposed required information in the NoT letter, we do not believe that the exact amount of ETC would need to be included. A £10 band (for instance an ETC between £30 and £40 is payable) should be sufficient information for the customer. The exact amount depends on the switchover date. If that date moves (delays to the switching of phone lines and broadband are not uncommon), the ETC will change. We therefore consider a small band indicating the level of the ETC to be sufficiently clear.

We support the proposal to include information on the impact of the transfer on prices of continuing and bundled services, for example discounts on mobile phone contracts given as a result of taking a broadband service. We also consider that giving customers full information on the non-financial implications of the transfer – such as loss of an email address – is very important.

Question 3: Do you agree with our assessment of mandating use of functionality to ensure seamless transfer of bundled voice and broadband services?

We agree that the SIM provide processes give the best experience to customers. We support this requirement and can confirm that we use the SIM provide processes wherever possible. EE notes Ofcom’s reference to the newly introduced SIM2 process, allowing WLR+SMPPF services to be simultaneously migrated to another WLR+SMPPF

provider. EE welcomes this development, but as it has only just been released, is not yet able to comment on whether it is fit for purpose.

Question 4: Do you agree with our assessment of requirements to reduce the occurrence of ETs under the WLT process?

EE believes there are a number of aspects to reducing ELTs under the WLT process. Simply mandating CPs to only place a WLT order where there is an exact match ignores the quality of the information in the Openreach database. We believe these two aspects should be carried out in parallel. As Ofcom sets out in 7.96 *'it is likely to be difficult to enforce the 'exact match' requirement given the level of evidence that is likely to be available. We believe that mandating that the incumbent CP sends a letter to its customer to inform them the line is being taken over will help consumers to cancel an erroneous takeover and thereby avoid an ET'*. If this is correct, then it would seem more appropriate for Ofcom to only put in place the obligation on the incumbent CP to send the letter to their customer, and discard the exact match requirement.

In addition, we believe Openreach is in a position to provide better information about the CLI of MPF lines, through the Dialogue Services tool. We consider Ofcom could mandate Openreach to always use Dialogue Services in the case of MPF lines.

In terms of the letter to be sent by the LP, the proposed text in GC22 does not mandate the time period within which the LP has to send the letter or email to the customer. Given that it can take several days for Openreach to send the cease to the LP, who then has to process it and send out the letter to the customer, we are concerned this could lengthen the total transfer time.

Question 5: Do you agree with the estimated implementation timescales of GPL NoT we have outlined?

The GPL process is not new to the industry, WLR transfers are already being carried out using this process. We question why the move from the MAC process to the GPL NoT process should take 9 to 12 months and urge Ofcom to actively look for ways to shorten implementation times.

Question 6: Are there any other key issues that need to be taken into consideration?

As set out under 'Incremental Improvements in current processes', we urge Ofcom to identify and support low cost improvements in current processes with significant customer benefits, such as reducing the MAC provisioning time.