



## Verizon Enterprise Solutions response to Ofcom's Metering and Billing Approval Logo consultation

1. Verizon Enterprise Solutions ("Verizon") welcomes the opportunity to respond to Ofcom's Metering and Billing Approval Logo consultation.
2. Verizon is the global IT solutions partner to business and government. As part of Verizon Communications – a company with over \$127 billion in annual revenue – Verizon serves 98 per cent of the Fortune 500. Verizon caters to large and medium business and government agencies and is connecting systems, machines, ideas and people around the world for altogether better outcomes.
3. Verizon's approach to responding to this consultation has been to provide a summary of our position in relation to the issues under review and then move on to address the specific questions raised by Ofcom in the consultation document.
4. Please note the views expressed in this response are specific to the UK market environment and regulatory regime and should not be taken as expressing Verizon's views in other jurisdictions where the regulatory and market environments could differ from that in the UK.

### **Summary**

5. Verizon is generally supportive of Ofcom's proposal to provide the opportunity for providers of accredited Total Metering and Billing Systems ('TMBS') to advertise the fact by displaying an approved logo on their documentation and/or web site.
6. Although Verizon supports Ofcom's aims in trying to increase awareness of the TMBS scheme, we hold reservations about Ofcom's proposals for the scope of the approval logo to include non-mandatory services. Such a proposal could have unintended consequences on smaller providers (those under the turnover threshold) and result in less choice for consumers.
7. Accordingly, Verizon considers that the approval logo should only relate to the mandatory aspects of the Metering and Billing Direction ('the Direction').

### **Metering and Billing Approval Logo consultation - Ofcom's questions**

Q1 Do you agree with the proposal to introduce an Approval Logo? Please explain your reasons for your response.

8. Verizon does agree with Ofcom's proposal to introduce an Approval Logo. In particular we support the voluntary nature of Ofcom's proposal, allowing CPs the option to either display the logo or not depending on their particular business circumstances. Furthermore, we support Ofcom's approach to offer some freedom to CPs, that decide to display the logo, as to where it is used, either on their web site, on literature (e.g. promotional documents, invoices etc.) or both.
9. The voluntary nature of the application of the logo is in compliance with Ofcom's primary duties under the Communications Act 2003 ('the Act'), in particular section 3(3) of the Act



which requires Ofcom to have regard in all cases to the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted. Verizon considers that if the use of the logo were mandatory then the principle of proportionality would not be met, certainly not in the case of business to business providers. Whilst business to business providers may choose to utilize the logo, the cost benefit analysis is far less clear than for CPs operating in consumer markets; this is particularly true for any changes required to documentation, where the addition of the approval logo to for instance, customer invoices, is a costly process and not mitigated by large volumes.

10. However, Verizon does not agree with Ofcom's proposal to broaden the scope of the approval logo scheme to include accreditation of non-mandatory services. Such a proposal has the potential to increase commercial pressure on a CP to gain additional accreditation, thereby increasing costs. As the UK is the only jurisdiction in Europe which requires TMBS accreditation, any expansion of the regulation, even on a voluntary basis, in an attempt to raise awareness of the scheme is considered unwarranted and disproportionate.
11. Furthermore, it is possible that Ofcom's proposals for the scope of the approval logo to include non-mandatory services could have unintended consequences on smaller providers (those under the turnover threshold). Currently there is clarity and certainty as to which CPs require accreditation of their TMBS under the Direction. If this distinction becomes blurred from a consumer perspective due to an approval logo referring to non-mandatory services, then smaller CPs may be forced by consumer and/or competitor pressure either to seek accreditation or potentially lose prospective customers. Under such circumstances, it is likely that some smaller CPs will be forced to exit the market as their business could not sustain the costs involved in seeking and maintaining TMBS approval. Certainly this possibility should have been considered by Ofcom as part of their impact assessment.
12. Given the above concerns, Verizon would urge Ofcom to link the approval logo solely to the mandatory elements of the Metering and Billing Direction. This would ultimately ensure clarity, consistency and certainty.
13. As for the design of the logo, Verizon agrees with Ofcom's proposal in terms of the link to Ofcom's logo. It is important to ensure the approval logo has credibility and linking it directly to Ofcom is a simple and effective way of achieving this aim. Overall, subject to the comments relating to references to non-mandatory services, Verizon considers that Ofcom's proposals for the design of the approval logo are relevant and appropriate.

Q2 Do you agree with the proposed changes to the Direction? Please explain your reasons for your response.

14. In general, Verizon does agree with Ofcom's proposed changes to the Direction. The objectivity justification could be questioned as the perceived benefit of increased awareness is dependent on the extent the approval logo is utilized by CPs, which is uncertain. However, as the proposed changes to the Direction are minimal, given the



voluntary nature of the logo usage, such reservations are minor in nature and overall Ofcom's proposed approach is considered justified and reasonable.

15. However, we do hold reservations over the changes to the Direction relating to situations where a CPs approval under the Direction is withdrawn. Under such circumstances, Ofcom states in the Schedule of the proposed modifications to the Metering and Billing Direction, at point 7, that the CP shall be required to **immediately** cease all use of the relevant Approval Logo. Whilst in principle we would agree with this, in practice it may not be possible. Whilst the removal of the logo from a web site can be achieved within a matter of days, where the CP has incorporated the logo in its literature, in particular customer bills, the removal of the logo may take a considerable length of time. It is not straightforward to immediately cease the use of literature in one form and substitute it for another and it also carries significant cost, which Ofcom should bear in mind. Verizon considers this should be recognised in the changes to the Direction so that there is certainty and clarity in terms of the legal obligation.

Verizon Enterprise Solutions  
August 2015