

Note of Consumer Forum for Communications (CFC) meeting with Ofcom: Consultation on switching triple play (landline, broadband and/or pay TV) services between platforms

16 November 2016, 10.30am – 11.30 am, Riverside House

Attendees:

<u>Ofcom</u>		<u>CFC</u>
Katie Morrison (KM)	Roger Darlington (RD)	<i>CFC Chair</i>
Katerina Vlachavas (KV)	Chris Holland (CH)	<i>Communications Consumer Panel & ACOD</i>
Grace Shaw (GS)	Martha Onyeajuwa (MO)	<i>PhD student, University of Westminster</i>
	Anne Pardoe (AP)	<i>Citizens Advice</i>
	Zoe McLeod (ZM)	<i>Independent</i>
	Jack Madden (JM)	<i>Which?</i>
	Mandeep Toor (MT)	<i>CEDR (including CISAS)</i>
	David Pilling (DP)	<i>Ombudsman Services</i>

Purpose

To discuss the evidence and proposals set out in Ofcom's July 2016 cross-platform switching consultation and to give CFC members an opportunity to input their views on the consultation.

Meeting notes

Introduction

1. KM began by welcoming attendees to the meeting. RD thanked Lindsey Fussell (Ofcom's Consumer Group Director) for suggesting the meeting and the triple play switching team for arranging it. He also thanked the team for producing a plain English summary as part of the consultation, and stressed that the CFC wanted to encourage Ofcom to take this approach in future consultations.
2. The triple play switching team ran through a summary presentation outlining: the key consumer switching difficulties/deterrents identified as part of Ofcom consumer research and analysis; the proposed reforms for switching one or more triple play services between platforms; and how these reform options aimed to address those difficulties/deterrents. Questions and comments were made throughout.

Research on consumer experience of switching

3. RD welcomed Ofcom's approach to the consumer research and its use of prompted questions and answers, saying this was a useful way to dig down into consumer experience and issues not necessarily evident in initial unprompted questions and responses. A number of other CFC members supported these comments and some noted that this was a standard research methodology that had been used in other sectors. RD also welcomed that the research looked at consumers who decided not to switch.
4. KM highlighted that this was a challenging piece of research given the different services and switches involved, e.g. switches within the BT Openreach network and switches between different networks such as BT Openreach and Virgin cable/Sky satellite. She explained how we asked for input from stakeholders before conducting the research (including from communications providers, Which? and Citizens Advice). We also used qualitative research to test a number of consumer issues, helping us to tailor some of the quantitative survey.
5. MO asked whether we considered documentation from industry on where people switch to and from, as well as consumers' experiences of switching. KM explained that we requested

information from providers where possible to include in our assessment (although it was noted that we are only able to request information that providers already hold).

6. AP asked whether there was a way to calculate drop-out rates to get a sense of how many people start the switching process but are put off. She also suggested that we should look at how many people who switched would do so again. KV said that we looked at whether they would recommend switching, and KM noted that we also looked at what activities respondents undertook to help us understand how far they got in the process. KM also noted that Ofcom had previously carried out a diary study of consumer switching experiences which also provided some indication of the stage at which consumers decided not to switch.
7. CH said that even without prompted responses, having almost a fifth of consumers not included in the 81% who said they found switching cross platform 'very' or 'fairly' easy was still very poor. He wanted to emphasise that this is a significant minority of consumers not finding the process easy and translated into relatively large numbers of consumers.
8. RD highlighted the importance of finding out what consumers actually do rather than what they say they experience, and the usefulness of consumer trials in other sectors. However, both AP and DP pointed out that it is often difficult to run trials without sufficient buy-in from industry.

Implications of switching

9. MT asked whether consumers taking part in the research were within, at the end or outside their minimum contract period as this may have had an impact on our research findings. The team said they would need to check if the data could be cut in this way, but noted that the research did involve asking if the consumer had paid an early termination charge (ETC) when they switched and awareness of the charge.
10. RD asked if Citizens Advice or Which? could provide case studies on consumers switching difficulties (such as switching within contract and being charged early termination charges) and share them with CFC and Ofcom. AP and JM said they could pull out some examples and share with the group.
11. MT noted that a lack of information on switching or negative anecdotal evidence of people's experiences when switching may be putting people off.
12. ZM asked why Ofcom hadn't specified that the new provider had to inform the consumer of the implications of switching. KM said that in the communications sector there could be quite a range of impacts of a switch depending on what services the consumer currently has and what they want to switch and that this is information that the losing provider would have. There would be additional costs to relay this information in real time from the losing provider to the gaining provider.
13. ZM asked whether Ofcom had considered any other channels (other than bills) to provide information to consumers on the implications of switching. KM said that under the current proposals the implications of switching would be sent to the consumer in a durable medium (letter/email) and that some information would also be included on customer bills (electronic/hard copy). KM noted that we are open to any ideas on sharing this type of information and ZM raised the option of midata.¹

¹ 'midata' is a programme of work that the Government is undertaking with leading businesses and consumer groups in order to give consumers access to their personal data in a portable and electronic format.

Redress

14. RD pointed out that whatever switching solution Ofcom may come up with, it won't be perfect and there are times where it will go wrong; therefore, it remains important to have effective and clearly communicated routes for redress. Current evidence suggests that this is not clear and the information provided could be improved. AP noted that Citizens Advice evidence indicates that when things go wrong, customer service can sometimes make this worse – it is important that companies are responsive to issues.
15. DP also said there was a lack of consistency over messaging around what to do when something goes wrong. He suggested that it would be much easier to categorise complaints about switching (and therefore track any problems) if there was a standard process. At the moment, complaints may be logged as billing, fault or cancellation issues rather than switching issues, making it difficult to access comprehensive data on switching issues. He said that the Ombudsman Services tend to categorise a complaint at the start of the call and then review it again at the end (in case it has changed).

Slamming

16. MT asked if Ofcom's proposals increased the risk of slamming, e.g. where a consumer's service is taken over by another provider without their consent. The triple play switching team explained that there were checks in place to prevent this –the losing provider would have to contact the consumer outlining which services were switching, giving the consumer an opportunity to cancel the switch if this is unwanted. KM also highlighted that slamming tends to be less frequent between platforms as usually new lines/equipment need to be installed. Instead, the risk may be up-slamming, where their provider gives the consumer an additional service that they have not agreed to.
17. ZM said that Ofcom's website itself could be clearer, especially around slamming advice – she didn't feel empowered to complaint. There was a problem with the consistency of advice across different consumer organisations (i.e. Citizens advice, Which?, Ofcom).

Cancellation rights

18. ZM asked what impact our proposals would have on consumer's cancellation right under distance selling regulations. KM said that the proposals do not change consumers' statutory protections.
19. KM noted that the one of the proposals involves a transfer period of 10 working days. It was noted that consumers would receive implications of switching information during this period and consumers can cancel penalty free during that time and helps protect against slamming.
20. MO said that it was important that a consumer had the opportunity to switch their service back after a certain period of time (for instance a few months) if they didn't like the new service. The inability to do this may be putting consumers off switching. KM highlighted that you may be liable for charges depending on the terms and conditions agreed with your new provider. This is why Ofcom is keen for the implications of switching to be made clear to consumers under our proposals.

CFC preference for gaining provider led (GPL) switching

21. RD said that the CFC thought that GPL (Option 2 of Ofcom's proposals) was a much more straightforward and usable process for consumers switching services between platforms, and made it much easier to provide consistent information to consumers and advise them on how to

switch given existing GPL processes for switching (i) landline and broadband within the BT Openreach network and (ii) services in many other sectors including energy and current accounts. He did not think there was a case for putting consumers through the enhanced cease and re-provide process (EC&R – Option 1 of Ofcom’s proposals) and noted that they thought this was a much more complicated switching model.

22. ZM added that the government’s behavioural insight team had published a report which found it was easier to effect a change in behaviour if there is consistency of messaging, for instance around what process needs to be followed to switch. She also suggested that the introduction of a GPL process for cross-platform switching would encourage more proactive competition between providers, i.e. rewarding loyalty proactively rather than waiting for when the consumer has one foot out the door.
23. Citizens Advice and Which? also said that they would find it easier to advise consumers on how to switch if there was a GPL type process in place.

Implementation timescales

24. RD expressed concerns around the potential implementation timeframe of any new switching solution. He noted that consumers would continue to suffer unnecessarily if timescales were prolonged. He said that they do not understand why GPL solutions that have previously been implemented in the communications and other sectors and are known to be easier for consumers should take so long to be applied to cross-platform switching.