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Representing:

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Organisation (if applicable):

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Email:

What additional details do you want to keep confidential?:

No

If you want part of your response kept confidential, which parts?:

Ofcom may publish a response summary:

Yes

I confirm that I have read the declaration:

Yes

Additional comments:

Governance of Retail Switching Processes

SSE welcomes the chance to respond to Ofcom's invitation to comment at the early stages of Ofcom's development of its Annual Plan for 2015/16. We support the development of Ofcom's workplan from year to year within a framework of themes and priorities that remain substantially the same. This allows comparisons to be readily made between different years and between plans and outcomes.

As a relatively new entrant in the retail market, SSE is interested in both the theme of effective competition/informed choice and also the one on protecting consumers from harm. In particular, we have long supported Ofcom's work to ensure a straightforward switching for

customers, which provides benefits under both these themes. We supported Ofcom's conclusion, in its strategic review of switching in 2013, that consumer switching should move to a harmonised gaining provider led (GPL) system and have been active in the industry implementation workgroups that were set up as a result.

Following on from this, we have also noted that it is increasingly recognised - including in Ofcom's own documents - that relevant Communications Providers (CPs) need to "cooperate and coordinate" to secure a smooth retail switching experience in the communications market. The required cooperation and coordination will not emerge naturally in a market; and so we strongly advocate that Ofcom adopt an objective for the 2015/16 year to develop a switching governance vehicle for the consumer and small business-facing sector of the communications market, so that the necessary cooperation and coordination to achieve ongoing consumer benefit from these processes can be formally, independently and transparently captured.

The formal processes of such a body, appropriately funded by industry, would chiefly involve ongoing change control for industry documentation of retail switching processes. The processes would initially have to be documented, based on a shared industry view of the way the market works, which we would term an industry data model. Once the data model and the market documentation of processes are in place, amendments to these could be agreed and prioritised by the governance framework in a democratically controlled manner, allowing the industry as a whole to adapt to market developments and to address prospective switching issues before they have the chance to cause significant consumer harm, whilst also working in the most efficient, cost effective manner. This work could thus readily take place under the theme of protecting customers from harm.

We believe that a useful by-product of such a development would be to create a representative 'industry body' for this sector of the market with which Ofcom could interact, whilst also acting as the ultimate arbiter on change. This would allow Ofcom to influence the direction of development of switching processes at high level rather than the extensive resource required for successive iterations of consultation and policy formulation. It would also provide an official 'industry' body that Ofcom could consult about other major prospective changes affecting the market such as those on non geographic numbering. This could result in smoother implementation of necessary changes and could even provide a channel for 'industry' to highlight developing issues and proposed remedies to Ofcom.

Separation of the requirements on infrastructure providing and retail CPs

In developing this type of governance, it would be natural to focus on the roles of different types of CP involved in delivering service to domestic and small business customers when developing both the data model and the documented switching processes. In our experience, there is a fundamental difference between the roles of CPs providing access networks and other types of 'infrastructure' and those retail CPs providing services over networks. We consider that it would be helpful for Ofcom to undertake a review of the General Conditions with the intention of more clearly assigning different requirements to different types of CP as relevant, as well as considering the overall clarity and relevance of the set in today's world.

Question 1: Are there areas of Ofcom's overall strategic approaches and purposes (outlined in paragraphs 2.4 to 2.10 above) that may need to change?:

see comments above

Question 2:What are the issues and areas that should form Ofcom?s priorities or major work areas in 2015/16?:

see comments above

Question 3:Are there any specific areas for deregulation or simplification in the coming year?:

We would suggest that a recasting of the more long-standing, prescriptive 'code of practice' requirements in GC14 (annexes 1 and 2) towards more high-level requirements, supported by guidelines, would be helpful.