

BT Group supplementary response

As promised, we summarise our further reflections on the proposed regulation from the perspective of having already changed our price increase mechanism for BT and EE.

As discussed in the meeting, this is not an easy change for providers to make, and the more prescriptive the requirement from Ofcom the more difficult it will be to implement. We agree with Ofcom that the key requirement should be that customers, clearly see their core subscription price and any subsequent increases before they are bound by a contract. We therefore are supportive of the flexibility within 1.4.1, which states that “providers can choose to comply by drawing this information to the customer’s attention: a) before they provide the customer with the Contract Information, which will then be followed by the Contract Summary; b) before they provide the customer with both the Contract Information and Contract Summary; or c) at the same time as they provide the customer with the Contract Information and Contract Summary”.

In terms of 1.43, “in the context of an online sales process, providers may comply by ensuring that: a) information indicating the fact that the Core Subscription Price will change has equal prominence to the initial / headline Core Subscription Price; and b) the changed Core Subscription Price(s), and the dates from which they shall have effect, is either: i) equally prominent to, or ii) presented immediately below or alongside, the information set out in sub-para (a) above.” Setting the information out, as required by Ofcom, on the initial landing page and before the customer buys provides sufficient transparency. Needing to set the full information out every time the customer sees the price seems unnecessarily onerous, risks information overload and will increase the amount of systems changes needed – extending the delivery timeframe.

For guide led sales, 1.46 states “sales agents explain to relevant customers any changed Core Subscription Price(s), and the dates from which the contract provides for them to take effect, immediately after explaining the initial Core Subscription Price and in a clear and comprehensible manner, for example at the same pace as compared with the Core Subscription Price. We consider that a provider would not comply where a sales agent provides this information: a) significantly later in their discussion than the point at which they set out the initial Core Subscription Price; or b) in a way which makes it difficult to understand, for example by speaking inaudibly or at a fast pace as compared with the Core Subscription Price.” Our concern with this requirement is that guides have a conversation with customers and part of that conversation will be presenting different options to the customer, it does not seem proportionate or necessary to provide customers with the price increase information until the customer settles on an option and decided to move through to purchase. We would suggest providing the information at this stage and then through the Contract Information and Contract Summary process. PCI/CS are the key documents customers use to understand the services they are purchasing.

On bundles, 1.35 states, “where a number of services are taken together as a Bundle, we do not expect providers to set out any price rises that apply to individual parts of the Bundle it sells separately. However, providers must present the Core Subscription Price for the Bundle as a whole in accordance with Table A, clause 3, i.e. the Core Subscription Price information for the Bundle must include the different Core Subscription price points for the Bundle that would apply if there are any price changes during the Commitment Period.” We believe it is important that customers understand the individual elements of any bundle, this allows customers to decide whether to keep, drop or add other services and ensure they are aware of the different price increases that apply to different parts

of the bundle. We wouldn't be able to present totalled bundled, without significant development that would impact cost of implementation and timescales.

Finally, as set out in our consultation and meeting, the four month timeframe for implementation proposed by Ofcom does not reflect the amount of effort – systems changes, terms changes, sales journey changes, training, testing etc – required to make this change across multiple products and sales journeys. We therefore hope Ofcom amends its delivery timeframe for this regulatory change.