

Title:

Mr

Forename:

Paul

Surname:

Heritage-redpath

Representing:

Organisation

Organisation (if applicable):

Entanet International Ltd

What do you want Ofcom to keep confidential?:

Keep nothing confidential

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

Ofcom should only publish this response after the consultation has ended:

Yes

Additional comments:

Question 1: Do providers support (i) each of the different order type processes (ii) Linked Orders (iii) Parallel Orders processes? Where providers do not support each of these individual processes, please explain why you think this is the case? Please provide evidence to support your view:

As a Communications Provider serving the reseller market we have to say we have received no adverse feedback from either our resellers or their end customers that the existing processes from any of the providers in our portfolio are lacking.

Question 2:Are gaining providers currently able to correctly advise consumers at the point of sale on the correct switching process to follow (e.g. do agents have access to and the ability to use Dialogue Services and have access to information on which technology will be used to supply the service to the customer)? Please provide any evidence you have to support your views. :

Whilst there are multiple options, it is possible to give advisers tools to provide switching advice to consumers. For example, a clear matrix to the procedures required can be found at <<<http://www.thinkbroadband.com/guide/migration.html>>>

Your research would indicate that this is not a widespread problem: in the footnote to 4.19 your own consumer research indicates that "lack of clarity" about the steps to switch was raised as a concern only by 1-2% of respondents.

Question 3:Do you agree it will become more difficult for Gaining Providers to advise consumers at the point of sale on the correct switching process to follow as new technologies or new combinations of existing technologies are rolled out? Please provide any evidence you have to support your views:

It is fair to say that increased options increases complexity of choice, but given your research above we do not consider this will mushroom into a significant issue.

Question 4:Do you agree there is lack of competitive neutrality from having multiple processes? Please provide any evidence you have to support your views.:

Provided there is a level playing field for all CPs and the rules are enforced equally then competition is unaffected as everyone will encounter the same multiple processes. The TPV would be one process but its complexity would not make it any less anti-competitive than multiple, simpler processes.

Question 5:Do you agree with our assessment of Problem 1: Multiple switching processes? If not, please explain why you disagree.:

We agree that problems can arise; for example we have had instances of broadband being ceased in the process of a customer transferring their voice servicer (WLR3) due to the delay within BT in updating records.

Question 6:Do you agree that the current switching processes are likely to become less reliable in the future? Please explain your answer and provide any evidence you have to support your views.:

The introduction of a mixed estate of fibre (itself capable of bearing multiple provider's products over a single line) and copper (the subject of a future consultation) will certainly only lead to more complexity in future.

Question 7:Do you agree with our assessment of Problem 2: Back end system deficiencies? If not, please state why you disagree:

The existing processes are not necessarily "deficient" - they have however grown up piecemeal over many years.

Question 8:Do you have evidence to suggest that the incidence of slamming has changed significantly? Please provide any evidence you have to support your views:

Neither we nor our partners are aware that slamming is a significant issue in the broadband market. As you yourselves say: "Only a small proportion of slamming complaints received by Ofcom are from consumers with broadband as a standalone service who are switched using the MAC process."

Question 9:Is there further action you think could be taken to help tackle slamming (e.g. preventative measures to stop it from occurring or enforcement activities after it has happened to act as a deterrent) under the existing processes? Please explain your answer.:

No. Slamming appears to have been mainly a feature of one voice service entrant to the market and as a result of negative publicity and your enforcement activities we understand the problem to have now abated.

Question 10:Do you think it would be more appropriate to introduce stronger upfront consumer protections within the switching process or continue with the current reliance on enforcement to tackle slamming? Please explain your answer.:

Enforcement penalises the wrong-doer rather than penalizing the entire industry by introducing further upfront protection measures. Hence, we do not agree with the statement.

Question 11:Do you agree with our assessment of Problem 3: Insufficient customer consent? If not, please explain why you disagree:

We agree that enforcement after the event does not benefit consumers, and that slamming causes significant distress to those affected.

Question 12:Do you agree with our assessment of Problem 4: Lack of awareness of the implications of switching? If not, please explain why you disagree. :

We agree that requiring LPs to provide information about the actual level of the ETC could help to address this risk. It would also be consistent with the Best Practice set out in Ofcom's Guidance on Unfair Terms in Consumer Contracts for Communication Services.

Question 13:Do you agree with our assessment of Problem 5 Unnecessary switching costs/hassle? If not, please explain why.:

You do not appear to have considered longer than necessary lead time as a form of hassle which would affect consumers?

We agree that Cease and Reprovide is more hassle for consumers than NoT or MAC code transfer.

Question 14:Are there any other key problems with the existing Notification of Transfer and Migration Authorisation Code processes that we have not identified? Please provide evidence to support your answer:

No.

Question 15:Do you agree with our assessment that a prohibition on reactive save activity under the LPL process would be difficult to enforce effectively? Can you suggest how enforcement of a prohibition on reactive save may be made effective:

We do not consider that it is possible to effectively enforce reactive save activity; it is already in widespread use and we do not agree that - in itself - it prevents new entrants from gaining business. Consumers are unlikely to see it as a detriment to them.

Question 16:Are there other enhancements that you think should be included in the Enhanced NoT specification to help protect consumers both now and in the future? Please explain your answer and provide any supporting evidence.:

No.

Question 17:Do you think strengthening record keeping obligations for consent validation would increase protection against slamming? Would this be adequate to safeguard consumers now and in the future? Please explain your answer and provide any supporting evidence.:

The administrative overhead of keeping more records could lead to increased cost and potentially increased, albeit inadvertent, slamming from attempting to synchronise ever more records.

Question 18:Do you think that the introduction a requirement to include specific information about early termination charges (ETC) and/or minimum contract periods (MCPs) in bills should form part of the enhancements to the current NoT process? What are the likely costs and benefits of such an approach? Please provide any evidence to support your answer:

Yes. One of the biggest challenges for consumers is comparing like with like. In the case of ETC and MCP these terms could be made a mandatory requirement of bills (for example a footnote in a specified font) at relatively modest cost to the industry, provided CPs were given sufficient lead time (12 months) to amend their billing systems.

Question 19:Do you agree that Cancel Other call recording obligations should not form part of the Enhanced NoT model? What are the likely costs and

benefits of introducing Cancel Other call recordings? Please provide any evidence to support your answer(s):

Yes. The reality is that OfCom are unlikely to have the manpower to review these recordings to an effective level and there is therefore little benefit in their being introduced.

Question 20:How can Ofcom best address competition concerns relating to reactive save activity through enhancements to the MAC process? What are the likely costs and benefits of such an approach? Please provide any evidence to support your answer.:

The MAC process broadly works and we do not consider that changes to address reactive save are required in light of our response to Question 15.

Question 21:Are there any particular issues that you think would need to be considered in establishing the hub and database under any of the GPL options (e.g. general practicability setting up and/or ongoing operation)? Please explain your answer. :

We quote your 7.145: TPV will require "a substantial amount of industry co-ordination and effort including agreeing a specification, a tendering process and agreeing on funding arrangements. It would be a substantial task for CPs to upload customer information from their own systems into the central database (this could be greater for the TPV because this option requires a larger amount of customer information in the database so might involve a greater amount of standardisation across CPs). In addition, the TPV option would require the set-up of an independent third party organisation to record the consent for each sale with the associated governance processes etc."

We cannot see that the solution you propose will be other than inefficient - data is being maintained for the moment should a customer decide to switch - and error-prone.

By your own calculations this is the most expensive option - the TPV cost is almost double that of LPV - and we consider your costs may be underestimated. There will of necessity be significant setup and building/staffing costs which will inevitably lead to higher prices for consumers. The data consolidation exercise of initially uploading every CPs database into one single database is formidable in itself, before one considers the process of updating it once live.

We would also ask that you consider the impact on smaller CPs by imposing a requirement "to update the central database if there were changes to the service (e.g. disconnection, new service provision) or any changes to the customer information held on the database". The impact of additional requirements like this is disproportionate on smaller businesses which do not have the staff capacity of, say, BT. The consultation does not appear to have taken the channel model or the small CPs into account at all.

Involving a third party can only increase the lead time for consumers as it introduces a wait for a letter - estimated by you at 10 days, which we identified above as a form of hassle you have not considered.

The challenges in maintaining an up to date address and CLI database will only be increased by adding a new agency to the process. The cost of enforcing compliance is not included in your costs: there is an economic disincentive in keeping the database up to date as it makes it easier for CPs to lose customers.

The experience in Ireland has been such that TPV moved from being mandatory to voluntary because of customer experience difficulties. This is hardly a successful model to follow.

Question 22: Do you agree that the GP staying on the TPV call should not be a mandated part of the TPV model? Do you think there are significant benefits from the GP closing the call with the customer after the TPV conversation? Please explain your answer(s) and provide any supporting evidence. :

We disagree with the model but consider that there is potential for abuse whichever party has "the last word".

Question 23: Are there any particular data protection and/or privacy related issues that you think would need to be considered under the GPL TxC and/or the GPL TPV options? Are these issues likely to be significantly different to the issues that need to be considered under the current processes? Please explain your answer. :

Those wishing to trace and potentially harass an individual who is ex-directory have one attack vector in bribing BT employees. The creation of another database with customers' names, addresses and telephone numbers increases the opportunities to obtain and mis-use personal data.

Question 24: Are there circumstances in which you can envisage that consumers would be likely to be distressed and/or harmed by the sharing of their personal data as required under the GPL TxC and/or the GPL TPV options? Do you think that consumers will object to the sharing of their data in this way? Please explain your answer:

The most recent figure published by the National Fraud Authority on 18 October 2010 estimated that every year in the UK identity fraud costs more than £2.7 billion and affects over 1.8 million people. Sharing of personal data always carries a security risk and the extremely wide scope of the database contemplated would make it highly attractive to those looking to obtain information illegally.

Question 25: Are there any particular issues that you think would need to be considered in terms of the practicalities involved in setting up the TPV body and its ongoing operation under the GPL option? Please explain your answer.:

You describe the Unique Service ID, a simple version of the Code on Bill process which is used in the GB energy sector today. What is missing is a recognition that, for energy, there is only one delivery method and one product being contemplated. This is far from the case with data, where the technology used for transport and the properties of the end product are many

and various. Generating a unique ID will be complex, and the scope for mis-keying a presumably long number should not be ignored.

Question 26:Are there any particular issues that you think would need to be considered in terms of the practicalities involved in setting up the Transfer Code Issuing Authority and its ongoing operation under the Losing Provider Led options? Please explain your answer:

The Losing Provider led process would be far simpler than TPV given that it essentially extends the MAC process to voice, and does not require the industry collaboration needed to create a shared database interface.

Question 27:Do you agree with the proposed specifications for each of the options? If not, please specify what changes you consider should be made to the specifications and the basis for this. :

For LPL process 3a we would suggest that CP's be required to provide the code immediately from online customer portals, or at least have a dedicated line for consumers to call for their transfer code.

Question 28:Are you able to provide an estimate of the time it would take to make the necessary changes to your systems and processes to implement each of the options? Please explain your answer.:

The consultation document provides insufficient detail for us to give an accurate estimate of the amount of effort required but we would advise that any change mandated will incur a re-engineering cost for every CP. What we can say is that the addition of a single field to store a transfer code is modest: the implementation of a web service for every database used by every CP to talk to a centralised database every time a change is made is significant.

Question 29:How could the switching process options be used (or amended) to support the WLTO process to deal with the problem of ETs in the context of a homemove? Please explain your answer. :

We agree that the vendor could apply for a Transfer code for the correct line and leave it in the property for the buyer to action as per your figure 35.

Your concern about the vendor have no incentive to obtain the information could be addressed by working with the Law Society to incorporate a request for the transfer code into the Property Information Form which the vendor is required to complete.

Question 30:Do you agree with our assessment of the options regarding multiple switching processes? If not, please explain why you disagree.:

We agree that having multiple switching processes creates a lack of clarity and increases confusion for consumers which changes would address.

Question 31:Do you agree that the Options 2b (GPL TxC) and 2d (TPV) are likely in practice to deal effectively with homemove ETs? Can you foresee any problems with adopting this process for homemoves? Please explain your answer.:

We do not agree. The problems we see in TPV are rehearsed in other answers. We consider LPL as described in our response to Question 29 to deal with homemove issues.

Question 32:Do you agree that the Option 2c USN and Options 3a-b LPL TxC and LPL ALT are unable in practice to deal with homemove ETs? If not, please explain how these options could be used to deal with homemove ETs? :

No. The vendor could apply for a code and leave it in the property for the buyer.

Question 33:Do you agree with our assessment of the options regarding back end processes? If not, please explain why you disagree.:

We agree that options 2b and 2c and 3a and 3b could be extended to accommodate other infrastructures e.g. cable.

Question 34:Do you agree with our assessment of the options regarding consumer consent? If not, please explain why you disagree.:

We agree that LPL options (3a-b) where a similar approach to the MAC process is used prevents slamming as switching can only take place where the consumer indicated their intention to switch by obtaining a code from the LP and provided it to the GP.

Question 35:Do you agree with our assessment of the options regarding the implications of switching? If not, please explain why you disagree:

We agree that LPL ensures that the implications of switching are made known to the consumer when a code is obtained and are preferable in addressing this concern.

Question 36:Do you agree with our assessment of the options regarding unnecessary switching costs/hassle? If not, please explain why you disagree.:

We consider that the ability of the losing party to frustrate the process is overstated and could in any event be dealt with by requiring by regulation save offers to be placed behind a call steering option on a dedicated line for obtaining transfer codes.

We agree that involving the TPV will increase the length of the switching call and consider this additional time to switch a detrimental outcome for the consumer.

Question 37:Do you agree with our assessment of the options regarding reactive save activity? If not, please explain why you disagree:

We disagree on the basis that a majority of consumers currently contact the losing provider. We agree with you at 7.116 that if a dedicate line were provided for codes - we would

suggest with steering as well as recording so the reactive save option is made an explicit choice to consumers - that the potential harm of reactive save would be mitigated.

Question 38: Do you agree with our assessment of the options regarding reactive save activity? If not, please explain why you disagree:

We advocate losing provider led processes so do not agree that these options should be withdrawn from consideration.

Question 39: Do you think that the payment of a TPV fee for each sale is likely to be a significant barrier to entry for smaller CPs? Please provide any supporting evidence.:

Yes - the margins smaller CPs operate on are wafer-thin so £2.70 per switch has a proportionately greater impact on them than on one of the major CPs. Your footnote 418 suggests We consider that 10 years is an appropriate estimate for the life time for the operator specific investments required to implement the proposed switching processes. The set up costs are assumed to occur in 2013. The on-going costs and benefits arise from 2014.

Question 40: We welcome stakeholder views on whether the additional cost of the TPV option over the GPL TxC option is justified due to the superior protection against slamming? :

Our view is that slamming can be controlled by alternative methods to TPV and that, even if TPV were found to provide superior protection, its significant additional would not be justified on this ground.

Question 41: Do you agree with our assessment that the TPV option should be preferred to the USN option. If not, please provide your reasoning. :

We strongly disagree. We cannot see that the solution you propose will be other than inefficient - data is being maintained for the moment should a customer decide to switch - and error-prone.

Our reasoning is that by your own calculations this is the most expensive option. There will of necessity be significant setup and building/staffing costs which will inevitably lead to higher prices for consumers. The data consolidation exercise of initially uploading every CPs database into one single database is formidable in itself, before one considers the process of updating it once live.

We would also ask that you consider the impact on smaller CPs by imposing a requirement "to update the central database if there were changes to the service (e.g. disconnection, new service provision) or any changes to the customer information held on the database". The impact of additional requirements like this is disproportionate on smaller businesses which do not have the staff capacity of, say, BT. The consultation does not appear to have taken the channel model or the small CPs into account at all.

Involving a third party can only increase the lead time for consumers as it introduces a wait

for a letter - estimated by you at 10 days, which we identified above as a form of hassle you have not considered.

The challenges in maintaining an up to date address and CLI database will only be increased by adding a new agency to the process. The cost of enforcing compliance is not included in your costs: there is an economic disincentive in keeping the database up to date as it makes it easier for CPs to lose customers.

Question 42: Do you agree with our assessment that the TPV option is pro-competitive relative to the LPL TxC option? If not, please explain why you disagree.:

We disagree for the reasons above, but especially on the basis that interfacing with a new database of the magnitude proposed will be complex and costly and thereby favour the largest CPs with the deepest pockets.

Question 43: Do you agree that the TPV is the most proportionate way to deal with the problems identified? If not, please provide your reasoning.:

We disagree in the strongest terms that TPV is the most, or even a, proportionate response to the issues you have identified. We repeat that we consider its introduction would increase lead times, not materially improve the issues for consumer and have a huge cost in time and money from the industry which would inevitably be passed on to the consumer in the form of higher prices.

Question 44: Do you have any other comments on our option assessment:

We note that OpenReach have only one process for switching and so although this consultation was intended to affect only consumers and small business, any changes made will affect all customers, including large businesses.

We note that your RAG matrix does not have any weighting between your eight concerns: we consider it unlikely that all of these concerns are equal.

We do not believe you have considered the entire wholesale supply chain when constructing your TPV model.