

FCS Response to Ofcom's Consultation: Helping Consumers get Better Deals – end of contract and annual best tariff notifications

Introduction

The Federation of Communication Services represents companies which provide professional communications solutions to business and residential users. Our members deliver telecommunications services via mobile and fixed line telephony networks, broadband, satellite, wi-fi and business radio. Our members' customers range from SMEs, consumers, home-workers and micro-businesses up to the very largest national and international private enterprises and public-sector users. FCS is the largest trade organisation in the professional communications arena, representing the interests of around 300 businesses who supply mainly B2B services nationwide.

Overview

A theme in our response to Ofcom's recent consultation on End of Contract Notifications was that the decision to place residential consumers and small businesses in the same category for requirements was unnecessarily onerous for the providers to the small business customer.

Whilst the requirements of the EECC seem to have come rather hot on the heels of the previous consultation, requiring significant changes in approach by Ofcom, we are pleased to see that a notable change in outcome is the decision to view all businesses in the same category and subject them all to the same requirements.

We believe that businesses of all sizes are much less likely to suffer the harms identified as, firstly they are likely to be much more price-aware than the average residential consumer and, secondly, they are generally on a business-orientated contract with a B2B provider who will be more concerned about keeping their business than the volume providers are.

We have not answered the questions set out individually as the majority are applicable to decisions for the residential market.

End of Contract Notification Requirements

We welcome the lighter touch approach taken by Ofcom in the requirements set out for businesses.

Annual best tariff notification

An annual notification to all customers is somewhat onerous however, we note that this must be done in order to comply with the requirements of the EECC and, again, welcome the lighter touch requirements for business customers.

Conclusion

We are pleased to see the move away from the situation where small businesses are treated as though they are individual consumers. Small business owners, who thrive on competition, are aware of their overheads and competent enough to be able to understand a contract.

Although the changes will involve additional work for our members, we welcome them as beneficial to end customer understanding and service provision.