

EECC Working Group
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Dear members of the EECC Working Group,

## Consent and the new fixed switching process for residential customers

Thank you for sharing your views with me over the last couple of weeks following my letter of 17 June 2020 setting out our views on express consent and the implications for the development of a new fixed switching process for residential customers.

I am writing to you as a group to share the responses to some questions we were asked so that these can be taken into account in any further submissions you may wish to make. I also wanted to make clear we are happy to receive written comments on our position on the express consent requirement that we proposed in our <u>December 2019 consultation</u> (as reflected in the proposed definition of "express consent") alongside any further process submissions.

## Paragraph 7.108 (d) of the December consultation

We were asked to clarify what information losing providers needed to give customers to ensure they are fully informed and, in particular, what the requirement referred to in paragraph 7.108(d) means in practice.

In order for a residential customer to make an informed choice about whether to switch their services, and therefore to be in a position to give express consent, we consider that residential customers need to have been given all the pieces of information listed in paragraph 7.108. We note in paragraph 7.110 of the consultation that, in relation to residential customers, 'we think it is important that these customers are provided with specific information on the impacts on their services as a result of any switch to support them in making informed switching decisions'.

We think the requirement described in paragraph 7.108(d) and further explained in paragraphs 7.113 and 7.114 is clear. Losing providers must inform residential customers of the impacts that the switch will have on any services provided to the customer (including additional support services for disabled customers). Such impacts could include additional services that would be terminated, changes in prices or changes to other contractual terms because of the switch. This requirement aims to prevent the losing provider from presenting vague and confusing information about the possibility of loss of services, which may prompt the customer to contact the losing provider or result in some customers not being fully informed of the implications of their decision to switch. It is clear, therefore, that losing providers must set out the impacts the switch will have and do so in a way that is clear and comprehensible (see also paragraph 7.109).

As discussed in paragraph 7.131, information from losing providers must be given on a durable medium. Where this information is provided via text message we would expect the text message itself to at least include information on the total charges and a link to information on the process. The rest of the information could then be set out elsewhere so long as it is easily accessible to the customer and linked to in the text message.

We note that our position on express consent may have implications for the switching processes for mobile services. In particular, we think there may need to be some changes to the information presented as part of the Autoswitch process. We will engage with mobile providers separately about our views and the implications for mobile switching processes.

## Views on the extent to which Option Y addresses slamming

We were asked whether we considered the Option Y proposal adequately addresses issues around slamming.

In addition to requiring providers to take all reasonable steps to ensure that they do not switch a customer without their express consent, our proposed rules specifically require providers to ensure they do not engage in slamming and retain records of sales and consent in relation to residential customers for 12 months.

We expect any process to have strong anti-slamming protections. We think it likely that a process that ensures providers have a customer's express consent to switch will go some way to addressing potential slamming issues. We will consider how effectively any process addresses slamming in our assessment.

Given we are still waiting for final submissions, and we have not completed our assessment, we do not have a view of the relative effectiveness of specific proposals. Once we have completed our assessment, these views will be set out in the consultation document for stakeholder comment. However, we welcome any further evidence or commentary from the groups on this issue in the meantime.

## Time to make further submissions

We were asked to consider giving more time for industry to consider our position on express consent and to amend their proposals. In light of this, we ask that any further submissions are made by 24 July.

We are happy to have further meetings with members of the group to discuss our position further if that would be helpful.

Yours sincerely,

Cristina Luna-Esteban