Quick, easy and reliable switching: BT's response to Ofcom's proposals

16 April 2021

Contents

1. Executive Summary

1.1. Processes that enable customers to switch easily and without fear of losing service are essential to encourage healthy levels of engagement and switching in the market, to stimulate competition and thus to bring the benefits of competition to all consumers in the form of lower prices, improved customer service and increased innovation.

1.2. We are very supportive of Ofcom's proposed One Touch Switch process and have played an active part in the industry switching working group that has developed the process.

1.3. The One Touch Switch process is better both for customers and for the industry than either the Code to Switch process, or the other alternative options that Ofcom discusses in the consultation – maintaining the Notification of Transfer process, or not intervening at all and leaving industry to find its own way to comply with the new switching rules in the General Conditions.

1.4. One Touch Switch is a process that will be easier for customers to follow and simpler for switching bundles than the Code to Switch process. It will be reliable in preventing slamming or erroneous transfers and will allow quicker and more efficient switching going forwards, whilst being less disruptive and costly to implement for providers. It is also "future-proof", as it could be used for the co-ordinated switching of other services which customers buy from voice and broadband retailers.

1.5. However, we urge Ofcom to take this opportunity to widen the scope of the proposed process now, so that customers can switch triple-play bundles including Pay TV, as well as fixed voice and broadband. Otherwise the gaining provider-led nature of the One Touch Switch process for fixed voice and broadband switching could be undermined, and consumer benefits weakened.

1.6. We are also concerned that there is a risk of confusion in relation to business customer switching. We agree with Ofcom that business customers have very different needs to residential customers, and we welcome the flexibility Ofcom is proposing with fewer rules being specified where business customers are concerned. However, without any further collaboration across industry to discuss and agree the detail of how cross-platform switching could and should be achieved for business customers, it is highly unlikely that Ofcom's high-level objectives and requirements in the GCs for an effective gaining provider-led approach will be met. And such industry collaboration is going to need some form of direction from Ofcom, and facilitation by the OTA, to make it happen.

1.7. Central to the One Touch Switch process is the messaging "hub" which facilitates the transfer of switching information and co-ordinates the cease and re-provision of services between the losing and gaining retail providers. Such a messaging hub will be required irrespective of the process chosen; but the design, and the interfaces with the hub, will be very different for One Touch Switch (under which all retailers will need an interface) versus Code to Switch (requiring interfaces with network providers only). The development of this hub is on the critical path as it will require significant time to agree the governance, funding model and technical specification, go out to tender for its supply and develop the necessary interfaces with it across industry.

1.8. In our view it is unrealistic to expect this all to be developed and delivered, and all testing and training completed, by December 2022. This is particularly the case given

that resource cannot be fully committed to begin this work in earnest until we have more certainty on Ofcom's final policy decision and on whether it will be challenged (in which case timescales could be prolonged). BT would nevertheless be happy to participate in any industry discussions and workstreams established to take this work forward – both in relation to hub governance and technical specification and to develop business customer switching processes.

1.9. We are supportive of Ofcom's proposed changes to the mobile Auto-Switch process to require losing providers to give customers more information about the consequences of switching for other remaining services. This will make the mobile switching process more consistent with the fixed switching process, ensure fully-informed customer consent, and improve the customer experience.

2. BT supports One Touch Switch process

2.1. We have been supportive of the development of a gaining provider-led process for cross-platform switching for several years, in view of the benefits both for customers and for a competitive level playing field. So we are pleased that the EECC rules are now driving this change and enabling Ofcom to meet its policy objective of ensuring customers can switch their services using an easy, quick and reliable process, regardless of the underlying technology.

2.2. There is no question that it would be unacceptable from a customer perspective, and non-compliant from an EECC perspective, to allow the current situation to continue, whereby customers have no option but to co-ordinate the cease and re-provision of services themselves when switching between providers using different physical networks, or to and from full-fibre broadband providers even when delivered over the same physical network.[1] The ongoing lack of a regulated switching process would create consumer harm by deterring switching and thus dampening competition and the benefits that competition brings, including lower prices, improved customer service and increased incentives to innovate.

2.3. We support Ofcom's preference for the One Touch Switch process, rather than the Code to Switch process, as it is better both for customers and for providers, for several reasons.

One Touch Switch process is better for customers

Easier to use

2.4. The One Touch Switch process is a genuine one-stop shop. Overall, it is fully gaining provider-led, in that the gaining provider facilitates the process on behalf of the customer from start to finish. A customer can request their new service(s), receive the information regarding the consequences of switching from the losing provider, give their fully-informed consent and sign up for a new contract, all on a single phone call, a single online order journey or a single visit to the gaining provider's retail store. (Those who want to take their time to consider the information before making their decision can still choose to do so.)

2.5. Under the Code to Switch process, however, a customer must make contact with their losing provider which, as Ofcom correctly sets out, means an extra step in the process and could lead to extra hassle for the customer in trying to get through to their provider's call centre, find their account details to log into their online account or find an available agent in store.

---

[1] We note that Openreach does offer a gaining provider-led process for switches between CPs on its full-fibre network, and BT Consumer uses this when gaining or losing customers, but there is no regulation to support this or to mandate that it is followed.

2.6. Once the customer has made contact with the losing provider, even if they have been able to do so through automated means, the provider has the potential opportunity to engage in unwanted save activity, during the time between the customer receiving their code and making a second contact with the gaining provider. For customers who have no option but to call in for their switching code (generally those who are elderly or more vulnerable), a save conversation will be hard to avoid; and the prospect of this could be a deterrent to switching, even if, in practice, losing providers are all scrupulous about not being too pushy.

2.7. Whilst there are times when a customer may _want_ a conversation with their losing provider to explore whether they can get a better deal by staying, this should be an optional part of the process – as it is with One Touch Switch – rather than an unavoidable one.

2.8. The late addition of an IVR option in the Code to Switch process, whilst it does mean customers can avoid an unwanted save conversation, makes little difference to the assessment that the One Touch Switch process would be far easier for customers. Calling an IVR to get a code still adds an extra step to the process and gives a non-compliant losing provider the opportunity to slow things down or create extra hassle for the customer.

2.9. The One Touch Switch process is easier for vulnerable customers in particular. Elderly or more vulnerable customers may not be able to receive their switching information from either their losing or gaining provider via email or text and will need to wait for this to arrive by letter. Under the One Touch Switch process, it is the gaining provider who arranges for both letters to be sent. And under the Code to Switch process, as well as having to make a call to their losing provider to get a code, vulnerable customers without access to text or email will have to write down a code and then make a further call to the gaining provider and repeat the code correctly, which is a potential point of failure.

2.10. A process where customers only have to speak to their gaining provider to arrange a switch is more familiar to them, as it is consistent with today's Notification of Transfer (NoT) process. It is also consistent with switching processes for utilities such as electricity and gas, where only the gaining provider has to be contacted.

Reliable in preventing slamming

2.11. Slamming occurs when a gaining provider places an order to switch a customer's service without their knowledge or consent. In the One Touch Switch process, a gaining provider will not be able to identify a customer's current provider, let alone their current service, without the customer explicitly providing those details with a view to the switch taking place and the old service being ceased. It would be virtually impossible for a rogue CP to guess a customer's name, UPRN, current provider and the services they take without getting that information from the customer directly. Repeated attempts to guess these details would show up in the metrics stored by the messaging "hub" through which the gaining and losing providers communicate.

2.12. The only way that a customer could be slammed (and their old service ceased) would be if the gaining provider went ahead and placed an order _after_ communicating with the losing provider via the hub, but before the customer had

given their consent. In view of the requirement for the hub to record the switch reference number, and for the gaining provider to record proof of the customer's consent (whether contracting via a call centre, online or in person in a retail store), there is a strong disincentive to proceed unless they have that proof, because detection would be swift and easy.

2.13. The Code to Switch process would carry the same (small) potential risk that a gaining provider could go ahead and place an order, after the customer has given their switching code to identify the losing provider and service(s) to be switched, but before the customer had given their fully informed consent to go ahead. This is unlikely, but no less feasible than in the One Touch Switch process.

Reliable in preventing erroneous transfers

2.14. Erroneous transfers can occasionally occur when the wrong lines or services are identified by the gaining provider to be ceased or switched. Under today's NoT process, this is possible, although very unlikely, because the gaining provider identifies the customer's current line or service "asset" by the telephone number and (where no number is visible, as in the case of MPF lines) by the address which is used to identify the physical line. (This kind of error is more common with customers moving home, where a "working line takeover" at the new address is being requested, and accurate address or existing service details are not known.)

2.15. With plans to switch off the PSTN, and the growing popularity of broadband-only services, identifying the correct asset to be ceased/switched will become increasingly difficult.

2.16. The One Touch Switch process places an obligation on the gaining provider to ensure that they accurately identify and confirm with the losing provider the customer's identity, those services to be switched and supporting information, when asked to do so via the hub, _before_ the order is placed – based on a unique combination of information including provider, customer name, address and service details provided by the customer themselves. Translation of addresses into UPRNs helps identify individual premises within a larger property, reducing the number of cases where the losing provider might not be able to find a match. And where a match still cannot be found, the process allows the gaining provider to submit additional identifying information provided by the customer, such as their account number.

2.17. Given the request is placed via the hub, this step is auditable to encourage both the gaining and losing providers to ensure the accuracy and veracity of the information they provide.

2.18. A key feature of the One Touch Switch solution is the concept of the Service Switch ID (SSID - order reference) being communicated across the supply chain to provide the thread and audit trail between the retailer and supporting service/network providers from both a gaining and losing perspective. Ultimately the SSID could assist a network provider (Openreach or an Alt Net) in connecting a request to provide service, on the one hand, with the cease of service on the other. The SSID, by implication, ties a supply chain stakeholder into the regulatory obligation to act in accordance with the customer's wishes.

2.19. The only possibility of error therefore arises as a result of the data linking customers' accounts with physical assets being inaccurate in a losing provider's records. This

small risk exists whatever the switching process but is highly unlikely to arise or to remain undetected during a customer's service term with their provider.

2.20. It is worth noting that the existing email-based checking process for MPF lines to identify Access Line IDs will no longer be required with the introduction of the One Touch Switch process.

Allows quicker switching

2.21. The end-to-end time taken for any cross-platform switch to complete will be determined by the extent of any network build required. But if no engineering visit or network build is needed, customers can switch using the One Touch Switch process more quickly than with today's NoT process (where a 10-working-day transfer window is required for the customer to receive their notification from the losing provider), and more quickly than with the Code to Switch process where the customer would have to make two separate contacts before proceeding to place an order.

2.22. Under One Touch Switch, as described above, customers could make a request to the new provider, receive their switching information, give their consent and place an order, all in real time. Potentially a switch could be completed within 24 hours, depending on supply chain activity.

Easier for switching bundles

2.23. The One Touch Switch process allows customers to bring together voice and broadband services from two or more different losing providers into one bundle with a new provider, through a single contact with that new provider. By contrast, the Code to Switch process would require the customer to contact each individual losing provider and get a code from each, before contacting the gaining provider to place an order.

2.24. The One Touch Switch process, unlike the Code to Switch process, allows customers to disaggregate bundles, switching some services but not others or moving from one supplier to two.

2.25. Unlike today's NoT process, the One Touch Switch process works regardless of the underlying technology used to provide service and is therefore future-proof for when customers choose broadband-only services or move to All IP and digital voice services.

2.26. Unlike the NoT process *or* the Code to Switch process, the One Touch Switch process could be expanded in scope to allow switching of service types beyond broadband and voice, such as Pay TV or broadband overlay services. It is our understanding that this would not be feasible with the Code to Switch process because the only interface required with the hub is through the voice/broadband network provider. (A direct interface between the retailer and the hub is described as only optional.) In the case of Sky TV, for example, since Openreach plays no part in its provision it is unlikely to be possible for Openreach to exchange messages with other platforms in relation to the starting or stopping of the TV service.

2.27. We discuss in the next section how it would be very beneficial for customers to include Pay TV and triple play bundle switching within the scope of the One Touch

Switch process from the start.

Consistency with existing fixed number porting process

2.28. As a fully gaining provider-led process, One Touch Switch is compatible with today's fixed geographic number porting process, with which it needs to be aligned in order for customers to be able to port their number from one platform to another in parallel with the switching of their fixed voice service, and in similar lead times.

2.29. In future, subject to further process development, it is possible that the gaining provider would be able to place a number port request with the losing provider, just as they do today, but via the hub. The customer's number would thus be ported at the same time that their voice service with the old provider is ceased, just as happens today but through an integrated switching and porting process. This is being discussed at the industry Number Porting Steering Group, although it is some way off.

2.30. The Code to Switch process, by contrast, would be very different to today's fixed number porting process and it would therefore be much more complex to harmonise and integrate fixed number porting with service switching.

One Touch Switch process is better for providers

2.31. Ofcom has, understandably, focused in its consultation on the benefits to consumers from the One Touch Switch process compared to the Code to Switch process or today's NoT process. However, there are also several benefits for providers.

Less disruptive for upstream supply chains

2.32. A cornerstone of the One Touch Switch solution is to minimise disruption to and within the gaining and losing providers' existing supply chains, thus reducing complexity and therefore cost and delivery lead times.

2.33. With One Touch Switch, Openreach and BT Enterprise (and other wholesale providers) will be able to continue to deliver switching largely in the same way as they do today. For them, One Touch Switch is effectively just the NoT process with pre-authorisation evidenced by a switch reference, allowing shorter lead times. The process changes and IT deployments are limited, primarily, to the gaining and losing retailer community which will interact with the messaging hub to communicate and co-ordinate with each other, before placing orders with their upstream suppliers to provide or cease services much as they do today.

2.34. As discussed in section 5 below, the key deliverables will be the deployment of this new messaging hub, the interfaces between all gaining and losing providers with the hub, and the functions to ensure switching information is shared with the customer before they give their consent to proceed with a switch order.

2.35. The alternative Code to Switch process, however, would be more complex and disruptive to existing supply chains. Our understanding is that it requires more direct

input by the various parties making up the losing provider's supply chain, including Openreach and other wholesalers such as BT Enterprise, who would be required to generate and pass on the code through the supply chain to the end customer.

Implementation and ongoing running costs likely to be lower

2.36. Implementation of the One Touch Switch process is likely to be cheaper than the Code to Switch process, primarily because there will be less need for complex systems development by Openreach and wholesalers within retail providers' supply chains, that would be needed with the Code to Switch process in order to integrate switching codes at every level of the supply chain.

2.37. Ongoing operational costs are also likely to be lower for the One Touch Switch process, once built, than for the Code to Switch process, which would require the facility for customer service agents to generate and communicate switching codes on demand for customers who chose to call in for them.

2.38. Additional costs to develop the One Touch Switch process for business customers are likely to be lower than they would be with Code to Switch, which would not be appropriate for business customers with more complex services and numbering requirements. See section 4 for further discussion of business customer needs.

2.39. Extension of the One Touch Switch process to accommodate switching of Pay TV and any other "overlay" services is likely to be cheaper, with minimal additional investment compared to any adaptation of the Code to Switch process, which would require additional new interfaces with the hub, as explained in paragraph 2.25 above.

Wider industry support

2.40. The so-called "Option Y" process developed by industry, now called One Touch Switch by Ofcom, has wide support across industry from large retail Openreach-based providers including BT, TalkTalk and the Post Office, and a number of new full-fibre providers, plus trade bodies such as FCS and INCA. Despite the group's disparate nature, all participants are united in their support for the process because it is believed to be the best for customers, for industry and for the development of competition.

2.41. This widespread support, compared to the limited support for the Code to Switch process, means that One Touch Switch has a better chance of being implemented as quickly and smoothly as possible.

Allows a level playing field

2.42. Under today's industry number port process, if a customer is switching their voice and broadband services from, say, BT to Virgin Media, a number port request will be placed by Virgin Media and the customer's existing line and broadband services (along with their Pay TV service if applicable) will be ceased automatically when the number is ported away. However, if the customer is switching from Virgin Media to BT, whilst their existing voice service will be ceased when the number is ported, the

customer is still required to contact Virgin Media to cease their broadband service (and their Pay TV service if applicable). This means that Virgin Media gets the opportunity to save the customer (and the customer has the hassle of a second call and a potentially unwanted save conversation). Breakage on BT's winback orders from Virgin Media is significant.

2.43. This differential competitive impact is caused partly by the differing nature of the technologies used to provide service (i.e. the fact that on the Openreach network, the broadband service is technically dependent on a working telephone line, whereas on the Virgin Media cable network the voice and broadband services are technically independent of each other). But this un-level playing field is also created as a result of the lack of a regulated, gaining provider-led cross-platform switching process which would require all losing providers to cease all the services no longer required by the customer, without the customer needing to make contact. The One Touch Switch process would address this issue.

More efficient than today's NoT process

2.44. One of the problems with today's NoT process is that, as customers do not get their switching information from the losing provider until after the gaining provider's order has been placed, there are often cancelled orders because the customer has changed their mind once they have seen the losing provider's information about early termination charges, for example. This can result in wasted costs on behalf of the gaining provider – marketing and sales costs as well as potentially delivery or network build costs.

2.45. Under the One Touch Switch process, customers will still have the 14 day cooling off period allowed by consumer protection legislation after they have placed their order to switch. However they are much less likely to change their minds at this stage because, unlike in the NoT process, they will have seen all the relevant information about the consequences of switching prior to the order being placed, and therefore will have made a fully-informed decision.

3. Switching of triple play bundles

Bundles should be within scope

3.1. As discussed in paragraphs 2.22 to 2.26 above, we agree with Ofcom that the One Touch Switch process would be simpler to understand and follow for customers with bundles, compared to the Code to Switch process. But we do not agree that services bundled with fixed voice and broadband services, in particular Pay TV, should be out of scope. We urge Ofcom to reconsider this point.

EECC requires that bundled services can be switched easily

3.2. Article 106 of the EECC requires switching and porting to be a seamless "one stop shop" for end-users of Internet Access Services (IAS) and Number-Based Interpersonal Communications Services (NBICS). And Article 107 requires that a subset of the provisions of Article 106 should also apply to services provided as part of a bundle with IAS and NBICS. These include the requirements that switching should be efficient and simple; be carried out in the shortest possible time on a date and within a timeframe agreed with the end-user; ensure that loss of service is no greater than one working day; and ensure that end-users are adequately informed and protected.

3.3. Article 107 also gives national regulatory authorities (NRAs) the power to apply other Article 106 requirements to *all* elements of a bundle.

3.4. However, Ofcom has proposed that the scope of the new switching process should be IAS and NBICS only and does not include other services even when provided as a bundle with IAS and NBICS. Whilst Article 106(6) of the EECC allows NRAs the discretion to specify the details of the switching and porting processes, in our view this does not allow Ofcom the freedom to exclude the Article 107 requirements in relation to bundles.
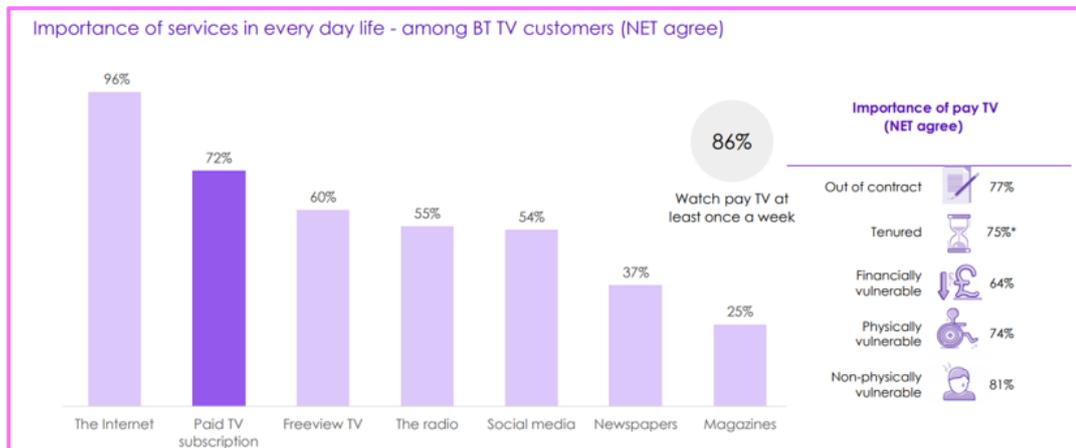
Pay TV is increasingly bundled with broadband and is important to consumers

3.5. Customers value their Pay TV service and triple play bundles are becoming increasingly popular. We conducted consumer research which showed of all 'every day' services, Pay TV is second only to the internet in importance to customers[2] and Ofcom's own Affordability research broadly supports this too.[3] A large proportion of customers take a triple-play bundle; as Ofcom has outlined in the consultation, in 2020 50% of adults who had voice or broadband service also took Pay TV. Customers

---

[2] BT Consumer research, *Championing Fairness in Pay TV,* October 2020 (Yonder, formerly Populus). 'Every day' services surveyed included; the Internet, Pay TV, Freeview TV, Radio, Social media, Newspapers and Magazines.
[3] Ofcom Affordability research, p.3.

largely save money by taking a triple-play bundle so it is likely that customer take-up will continue to increase.

3.6.   However, switching rates in Pay TV are already relatively low. Our consumer research found that although Pay TV customers understood the merits of switching, only one in five switched in the past two years.[4] The same research also found that customers were discouraged from switching due to perceived hassle, potential loss of service and loss of content (like TV recordings). These perceived barriers to switching cannot be completely addressed by the proposed solution (it would not address loss of content, for example) – but it's important that Pay TV is included within the scope of the process so that customers can benefit from switching triple play bundles more easily.

The consumer benefits of One Touch Switch will be undermined if Pay TV remains out of scope

3.7.   If the proposed One Touch Switch process continues to be developed without the ability to switch Pay TV at the same time as voice and broadband services, customers will still be presented with hurdles when switching triple-play bundles, and will not experience the 'seamless' switching process envisaged in Articles 106 and 107 of the EECC. Ofcom notes, at para 5.17 of the consultation, that the Code to Switch process would have the potential to undermine some of the benefits of the mobile Auto-Switch reforms, which sought to avoid the need for customers to call the losing provider. The same is true if there is no means for customers to use a gaining provider-led process to switch their Pay TV service.

3.8.   Customers who take a triple play bundle from Sky or Virgin Media, for example, will be able to place an order with a new provider for their voice and broadband services using the One Touch Switch process; but they would still have to call Sky/Virgin Media to cancel their Pay TV service, creating all the potential difficulties and deterrents that Ofcom is aiming to avoid, such as the hassle associated with contacting more than one provider, and unwanted save activity. This is likely to deter customers from switching their voice and broadband services as well as their Pay TV service.

---

[4] BT Consumer research, *Championing Fairness in Pay TV,* October 2020 (Yonder, formerly Populus).

3.9.　As Ofcom discusses at paragraph 5.41 of the consultation, individual customers deterred from switching can miss out on important benefits, including lower prices, better quality of service and solutions more appropriate to their current needs.

3.10.　A reduction in switching levels caused by these deterrents will dampen the intensity of competition between providers, which in turn means that consumers in general are more likely to miss out on the benefits that greater competition brings, such as lower prices, greater investment in quality of service and innovation.

One Touch Switch can easily incorporate Pay TV

3.11.　One of the benefits of the One Touch Switch process is that it can easily be expanded in scope to include any services that a customer might want to switch along with their voice and broadband services in a seamless, co-ordinated way. This just requires that the services concerned can be specified in the messages that pass via the messaging hub between the losing and gaining providers at a retail level. (As discussed at paragraph 2.26 above, the Code to Switch process is unlikely to be adaptable in the same way, because only network providers are required to interface with the hub and exchange messages across platforms.)

3.12.　It is likely to be more cost-efficient to include these services in the development of the messaging hub from the start, rather than to have to carry out development work later to extend its scope.

4. Business customer switching

More clarity needed for business CPs

4.1. Ofcom has been clear that the scope of the One Touch Switch process is to be residential customer switching only. But providers serving business CPs will require further help in order to comply with the new general switching rules.

The EECC rules apply to all end-users

4.2. The switching and porting requirements of the EECC apply to all end-users. Article 106 requires that all switches must, amongst other things:

   a) Be gaining provider-led;
   b) Be efficient and simple;
   c) Be carried out in the shortest possible time on a date and within the timeframe agreed with the end-user;
   d) Ensure continuity of service, unless technically not feasible;
   e) Ensure loss of service is no greater than one working day;
   f) Include automatic termination of the end-user's contract with the losing provider;
   g) Ensure that end-users are adequately informed and protected; and
   h) Ensure that switching is only carried out with explicit consent.

4.3. The UK Government has stated that Ofcom should implement the end-user rights aspects of the EECC in full. And Ofcom was clear in its October Statement on EECC implementation, and in its December Statement on resulting changes to the General Conditions which will come into effect in December 2022, that business as well as residential customers would be covered by the new general switching rules applying to IAS and NBICS.

4.4. The new switching rules and revised General Conditions (GCs) which Ofcom has published therefore require CPs providing IAS and NBICS to business customers, as well as residential, to operate gaining provider-led switching processes and to introduce these where none currently exist (i.e. where switching is across platforms).

4.5. Nevertheless Ofcom has limited the scope of its current proposals on the One Touch Switch process to residential customer switching only, on the basis that business customers have different needs when switching, that businesses are generally better equipped to manage their communications services than residential customers, and that the business landscape is large and varied.

Ofcom's more flexible approach for business customer switching is welcomed

4.6. We completely agree that business customers – particularly SMEs and corporate businesses – have very different needs to residential consumers and do not require the same level of protection. Whilst some micro-businesses can be consumer-like in their behaviour and needs, it would not be appropriate to assume that processes

designed for consumer switching could or should necessarily be extended to businesses without adaptation.

4.7.   Business connectivity requirements are driven by a number of factors, including the nature of their business/industry, the business's preferred mode of working, its growth/diversification plans and the number of staff it employs. As a result, business customers have a far more complex set of needs than the residential market, with the trend for bundling IT and business services into communication packages further complicating the landscape.

4.8.   We recognise that several aspects of the One Touch Switch process would not be appropriate when switching business customers, given the greater degree of complexity involved with multi-line switches, the additional complexity of bundles, the more sophisticated portfolio of products and the highly fragmented nature of the market.

4.9.   We therefore welcome Ofcom taking a more flexible approach when it comes to business customers, with no requirements specified in the GCs on consent, information, notice period charges or compensation, and now with no detailed switching processes specified.

A further steer from Ofcom is needed

4.10. However, there must _be_ a single, agreed process, and providers cannot implement a cross-industry switching process independently. We urge Ofcom to recognise that without any further collaboration across industry to discuss and agree the detail of how cross-platform switching could and should be achieved for business customers, it is highly unlikely that Ofcom's high-level objectives and requirements in the GCs will be met.

4.11. And such industry collaboration is going to need some form of direction from Ofcom, as well as facilitation by the OTA, to make it happen, even though the detailed processes are not themselves going to be specified in the GCs in the way that residential processes are going to be. Neither individual CPs or the OTA have the levers to get all of industry to come together and agree on a process, so it will need a clear steer and direction from Ofcom to make this happen.

One Touch Switch is likely to be adaptable for businesses, given time

4.12. Retail providers serving business customers are likely to rely on the same wholesalers and network providers as those serving residential customers. Those wholesalers and network providers (such as BT Enterprise and Openreach) will only operate one process for switching products such as WLR, SMPF and MPF. And the EECC expects the same regulatory outcomes – i.e. a fully gaining provider-led switching process – for both residential customers and businesses.

4.13. For these and other technical and cost-efficiency reasons, the fundamental building blocks of the switching process need to be common to both residential and business customer switching; and to ensure these common features are designed and built

efficiently and effectively, business customer considerations need to be identified and addressed as quickly as possible so that there is no need to "build twice".

4.14. Despite calls from providers serving business customers from the start of the OTA/industry discussions in 2019 for further consideration to be given to the needs of businesses, Ofcom gave a very clear steer that the scope of the discussions should be limited to residential customer switching only. Nevertheless, representatives from BT's Enterprise unit (which serves retail and wholesale business customers) have been attending the industry discussions and providing input to our "Option Y" submissions throughout, recognising the importance of designing a process that could be adapted for business customer use once the scope of the discussion was allowed to be extended.

4.15. Of the two process options set out in the consultation, One Touch Switch is much more likely to be adaptable to business customers' switching needs, as it is fully gaining provider-led and therefore makes it easier for services from multiple losing providers (a more common scenario for businesses) to be brought together into a bundle without extra effort from the customer. Harmonising with the existing fixed number porting process is likely to be easier than with Code to Switch, as discussed in paragraphs 2.28 to 2.30 above, and effective number porting is particularly important for business customers when switching providers. Code to Switch is not future-proofed adequately to support business customers with more complex service and numbering requirements. One Touch Switch would likely be easier, cheaper and quicker to develop to support business customer needs.

4.16. However, there will have to be a number of adaptations to make the process suitable for businesses, which will require development. As the industry discussion on this has not yet started, this is a further reason why the proposed implementation deadline of December 2022 now appears unrealistic. This is discussed further in Section 5.

4.17. We suggest that if Ofcom and the OTA were to bring business providers together, a workstream on business customer switching processes could be run in parallel to the workstreams on commercial arrangements, governance and technical specification for the hub, which are also discussed further in Section 5. The "business" workstream could then feed into and inform the technical workstream. BT would naturally be keen to participate in this.

5. Implementation Timescales

Development of the hub is on the critical path

5.1. Central to the One Touch Switch process is the messaging "hub", which facilitates the identification of the customer, transfers switching information to the customer and co-ordinates the cease and re-provision of services between the losing and gaining retail providers. The development of this hub is on the critical path as it will require significant time to agree the governance, funding model and technical specification, go out to tender for its supply and develop interfaces with it across industry for all retail providers, large and small.

5.2. The effective function and neutrality of the hub will depend on having an agreed governance model, establishing ownership and responsibility for its day-to-day running and performance. There are a number of possibilities here, and industry will need to debate the options and agree the solution. For example, there could be an Operator Steering Group, as there is for mobile porting, or a governance body created by trade associations, or a limited company jointly owned by major providers.   Industry is likely to need discussions to be led and facilitated by a neutral third party, such as a consultant, who could research and present options and help us reach agreement.

5.3. In parallel, there will need to be a workstream looking at the options for the technical specification of the hub and developing this to a point where it can be put out to tender. This is likely to require new involvement from providers' technology teams.

5.4. The funding model for the hub will also need to be discussed and agreed, and again there are likely to be a number of options, which are likely to be dependent on the proposals from commercial third party vendors in response to the invitation to tender.

Deadline of 19 December 2022 is unrealistic

5.5. Ofcom has stated it will publish a policy decision on its preferred process in Q2 2021, with a statement on the necessary GC changes in Q3. In view of the difference of opinion between certain major providers about the preferred process, providers are unlikely to get support for any material resource being spent on this until a definitive policy decision has been made and the risk of formal appeal has abated.

5.6. Once the governance, funding model and technical specification of the hub have been agreed, which is likely to take several months following Ofcom's policy statement, invitations to tender can be issued. Early indications are that, assuming a detailed set of requirements are completed as part of the tender, delivery of the hub could be achieved by 6-9 months from contract award, including build and test.

5.7. There would then follow a period during which providers would have to develop their own front-end systems and their interfaces with the hub, modifications to supply chain processes and changes to customer order journeys (for both residential and business customers). Whilst larger provers will interface directly with the hub, it is likely that smaller retail providers will need to do so via third party integrators (TPIs), who are

already used by such small providers for other purposes but who have not been involved in industry discussions to date in relation to One Touch Switch. Network and wholesale operators will also require time to specify and implement changes, e.g. removing NoT-related timescales and agreeing how to carry the SSID through the supply chain.

5.8. Testing of the new process end-to-end will be essential prior to launch, to ensure a smooth launch and a seamless cutover from today's NoT process where intra-Openreach switches are concerned. It will be particularly important to ensure that we take account of jeopardy management and assess potential failure points, such as what happens if a losing provider does not respond to a match request from the hub. Service levels for both the hub and for providers may need to be agreed.

5.9. All of this points to the conclusion that it is likely to take longer than December 2022 to complete this work and launch the process. In our view Ofcom should give industry at least 18 months from the date of its policy statement and be prepared to be flexible in the event that it does not prove possible to complete in that timescale. Industry is incentivised to launch as quickly as possible, but this is a major change which must be given sufficient time in order to avoid things going wrong and consumer harm being caused as a result.

5.10. Rather than enforcing an arbitrary deadline, one option might be for Ofcom and industry to commission an independent programme manager to develop a detailed implementation plan based on all the activities that need to be carried out, to arrive at a realistic completion date which balances Ofcom's and industry's desire for a speedy resolution with the risks arising from insufficient development and testing time.

6.   Mobile switching

We support Ofcom's proposed change

6.1.   We support Ofcom's proposal that losing mobile providers should be required to provide switching customers with full information regarding the impact of a switch on their remaining services.

6.2.   Such information can be highly relevant to a customer's decision whether to switch or not, and it is important that customers are in a position to make a fully-informed decision and give their express consent.

6.3.   Customers are increasingly choosing to bundle fixed and mobile services with a single provider, and further consolidation in the industry is only likely to continue this trend. For example, BT Mobile customers get a £5 discount if they also take BT Broadband; similarly, EE mobile customers who also take EE Broadband get a free data boost. And we are developing propositions for customers of BT Broadband and EE Mobile, bringing together the benefits of both services.

6.4.   Other services such as music and video streaming services are also increasingly popular. For example, our EE smart plans offer customers swappable benefits like Apple Music and BT Sport which customers really value and which may be an important factor when they are deciding whether to switch.

6.5.   In view of this increased trend for bundling, and potentially material and complex impacts on remaining services that can result from a decision to dis-aggregate a bundle, it is important that customers are fully-informed, and also that the experience of switching (in terms of the extent of information made available) is consistent between fixed and mobile services.

6.6.   We agree that the information provided should be personalised, rather than just general warnings, as customers need to be clear exactly what the impact is for them personally in terms of service quality and cost in order to make an informed decision about switching, and they should not be left to work this out for themselves.

Sufficient time is needed to develop a solution

6.7.   Whilst we agree that this proposed change is proportionate, given the benefits to customers and the growth of bundled services, we nevertheless urge Ofcom not to underestimate the potential technical complexity of the requirement.

6.8.   Until the requirement is confirmed, we have not dedicated resource to carrying out a full technical feasibility study. Whilst December 2022 is likely to be achievable, we would welcome confirmation of the requirement as soon as possible, so that work can begin. If the decision can be made independently of the decision on fixed voice and broadband switching, Ofcom could perhaps announce it sooner rather than waiting to include it in the full policy statement in Q2.

Further consideration needed for non-smartphone users

6.9.   We agree with Ofcom that the majority of customers switching via the Auto-Switch process use text to request their Porting Authorisation Code (PAC). As the additional switching information could potentially be quite detailed and complex, we also agree that a link to a personalised webpage is likely to be more user-friendly than an extended text message.

6.10. The number of customers who do not have a smartphone and who are therefore unable to access such a link is diminishing (we see an average decline rate of 16% year on year for PAYM customers) and numbers will reduce still further with 2G/3G sunsetting which will be commencing in 2023. Those who do not use a smartphone are perhaps less likely to be affected by the more complex impacts discussed in paragraphs 6.3 and 6.4 above, and simpler impacts could still be included in the main text message along with the PAC and early termination charges (if any).

6.11. However, Ofcom's suggestion that providers must use an alternative channel to provide this information if they are "aware that a particular customer does not have a smartphone" is unlikely to be practicable. As discussed with Ofcom at our industry meeting on this subject on March 26th, mobile providers will usually have no way to tell what type of handset a customer is using. Customers could take a plan with us but use their SIM in a different phone to the one registered on our system and we would not be able to tell.

6.12. Therefore, Ofcom needs to be clearer on what should happen for the diminishing number of customers who do not have a smartphone and cannot access links from within a text message. We suggest that Ofcom may need to issue guidance or acknowledgement that unless customers without smartphones make their losing provider aware that they cannot access a link, the obligation on the provider to send information via an alternative channel would not arise; or that the rules will not be an enforcement priority for Ofcom in these circumstances.

6.13. In the event that a losing provider is alerted to the fact that a customer without a smartphone cannot access a link to get the additional switching information, Ofcom guidance is also needed on whether the switch can still proceed without waiting for the information to reach the customer via an alternative channel, and that if so, the gaining provider would not be guilty of switching the customer without their full consent.

7. Answers to Ofcom's questions

Question 1: Do you agree with our proposal to require providers to develop and implement the One Touch Switch process?

7.1. As discussed in detail in Section 2 above, BT is fully supportive of the proposed One Touch Switch process, as we believe it is better for customers and better for providers than the alternative options.

7.2. However, we urge Ofcom to take the opportunity to widen the scope of the new rules to include switching of triple-play bundles.

7.3. Whilst we welcome the more flexible approach for business customer switching, more clarity and stronger direction from Ofcom is needed on how a gaining provider-led process for switching business customers will be achieved.

7.4. And in view of all the uncertainties still surrounding the development of the messaging hub, and the need for industry to align and work together on this – which is unlikely to happen until Ofcom has issued its final statement - the December 2022 implementation deadline is looking increasingly unrealistic. This is despite willingness on the part of BT to co-operate and collaborate with industry and the OTA on this development, as we are incentivised to make this happen as quickly as possible. Shorter lead-times have a higher risk of failure, and we all want to get this process right for customers.

Question 2: Do you agree with our proposal to remove the rules relating to the existing Notification of Transfer process?

7.5. The Notification of Transfer process applies only to switching within the Openreach network. Customers are not generally aware of the underlying network or technology used to provide them with service, and therefore they need to be able to use the same process for switching, regardless of the technology involved.

7.6. Similarly gaining providers, when approached by a customer with a request to switch to them, will not necessarily know the underlying network or technology used by the customer's losing provider, and therefore they will need to follow the same process in every case.

7.7. It therefore follows that the Notification of Transfer service, which does not involve the gaining provider contacting the hub at the start of the process, will need to be removed and the One Touch Switch process will need to replace it.

7.8. The Notification of Transfer process also has a number of shortfalls where the requirements of the EECC are required. It does not allow the customer to be fully informed before making their decision to place an order with the gaining provider; and it is less effective in preventing the risk of slamming or erroneous transfers, for reasons explained in paragraphs 2.11 to 2.19 above.

Question 3: Do you agree with our proposed changes to require mobile providers to give residential customers information regarding the impact of a switch on any other services they have with the losing provider?

7.9. As explained in Section 6 above, we agree with Ofcom's proposed changes to the Auto-Switch process as customers should be able to make a fully-informed decision on whether to switch, taking into account all impacts that are likely to be important to them. Further guidance is needed in relation to those customers without a smartphone who cannot access a link to the additional information on switching impacts.

Comments should be addressed to:
BT Group Regulatory Affairs,
BT Centre,
London,
EC1A 7AJ
Regulatory.affairs@bt.com