FCS Response to Ofcom's Consultation on Quick, easy and reliable switching

Introduction

The Federation of Communication Services represents companies which provide professional communications solutions to (primarily) business users. Our members deliver communication services via mobile and fixed line telephony networks across access products including, Ethernet, broadband, satellite, wi-fi and business radio.

Our members' customers range from SMEs, 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 in the UK, representing the interests of around 300 businesses who supply B2B services nationwide.

Overview of FCS Response

FCS welcomes the opportunity to respond to Ofcom's consultation, "Quick, easy and reliable switching" and broadly supports Ofcom's proposals for the future of landline and broadband switching.

We have little feedback to offer on the relatively minor changes to the current mobile switching process and our response is, therefore, focused on the fixed line elements of the proposals.

We are particularly pleased that Ofcom has mandated implementation of the "One Touch Switch" process (which equates to the "Option Y" process developed by industry). This has consistently been supported by FCS as the only true gaining provider led process (i.e., with no losing provider contact required).

We have reviewed the additional document summarising the "Code to Switch" process authored by Virgin Media and Sky which was published by Ofcom during the consultation period, but our view remains

that this option is still very much a losing provider led process as a customer has to get an authorisation code from their losing provider to enable the switch to progress.

However, while FCS supports Ofcom's proposed approach for adoption of the new switching process at a high level, there are a number of aspects about which FCS has significant concerns. These are set out in more detail below.

Business Customers

The proposals, as set out in the consultation document, will only apply to switching by residential customers. However, FCS believes that arrangements which accommodate the needs of business customers must be in place from launch.

In practice, regardless of the scope of the regulation or the terms of reference of the hub development project, we believe that many CPs will seek to use the new switching processes for their business customers. If this is not recognized from the inception of the development process and the requirements of businesses are not explicitly addressed (or are only addressed as an afterthought) this will result in additional costs for industry (i.e., if workarounds are required for the more complex business switching scenarios) and will not deliver a satisfactory customer experience for these business customers.

Examples of complex business switching scenarios our members experience include;

- multi-technology switches - a business customer has analogue lines, broadband, numbers and VOIP from potentially different suppliers/carriers.
- complex multi-line services - a business customer has alarm lines, security lines plus a mix of analogue, fibre and potentially Ethernet based services.
- multiple site - a business customer has services over multiple sites (up to 10 is not uncommon) and want switching and multi-ports to be completed on a specific day of a month requested by the customer.

We understand why, in order to simplify the development process, the scope of the requirement was reduced by Ofcom during the definition of a preferred process by industry. However, we strongly believe that the scope mandated by the EECC should be reinstated at this stage. If Ofcom confirm that business is excluded from this consultation process, FCS would like to clarify if the new switching hub could in practice/reality still be utilised for some or all business switching and if not, what the business switching options going forward would be? For example, does Ofcom envisage use of the previous 'notification of transfer' switching process for some business customers? We believe that this issue of

"scope' is one of the first and most important which needs to be addressed by the industry development group.

Establishment of the Switching Hub

The new process will require the establishment of an industry messaging hub which Ofcom expects will be owned, developed, funded and run by industry.

FCS believes that the project phase will be crucial in determining the ongoing ground rules for process and governance. Consequently, we want to ensure that the project to establish the new systems (which will include technical development of the required platform and interfaces, process specifications and appointment of suppliers) is inclusive, representing all sections of the industry - not just the larger CPs.

FCS at this stage are assuming that the Messaging Hub could/will be developed to provide a single messaging service across multiple service sets including Number Porting and Number Management and even CLI authorisation and 999 DB updates going forward depending on how the various projects that are grouped under the term "All IP" and the ending of PSTN in 2025 are developed and managed.

FCS further believes that this will require the adoption of written terms of reference for management of the project phase - to ensure that the interests of all industry constituencies are properly represented.

In our view a new dedicated forum or steering group will be required to supervise the project and the terms of reference for this supervisory body must ensure that all constituencies are appropriately represented. This must also include an appropriate level of active oversight and steer by Ofcom (probably including direct participation by Ofcom in the steering group).

We believe that the complexity and scale of the project means that a dedicated project management team could be required. We envisage that the project team could work under the day-to-day supervision of the OTA, reporting regularly to the new industry steering body and to Ofcom.

FCS feel that to establish the hub, a legal entity will be required - to contract with suppliers and other support functions. It would make sense that this legal entity should also be able to fulfil a similar role for a number porting solution (see below). The ownership and governance of the hub must also be inclusive and represent all interested parties (again not just the larger CPs).

We agree with Ofcom's assessment of the key workstreams which will constitute the overall project (i.e., process design, procurement, change management, testing and roll out). However, we would like to re-emphasise the importance of establishing clear governance rules for decisions affecting all of the elements of the project.

Finally, FCS would like to flag up concerns around the accuracy of the cost benefit analysis set out in the consultation document. The exclusion of business customers from this analysis means that there is a significant underestimate of the complexity of the systems and the wider infrastructure requirements needed to facilitate its use by the whole of the business provider community. The true cost to industry will be much wider than just the cost of establishing the hub as it will also include the true cost of consumption by industry which will be major (i.e., system changes, interfaces and TPIs).

Ongoing Governance

We have addressed the project management and governance requirements required for the development and establishment phase, but we wish to be clear that arrangements will also be required to cover the ongoing management of the hub, access to functionality and the associated switching processes. These must be fair and sustainable, allowing no undue influence by any part of the industry.

FCS believes that there will need to be a facilitated negotiation to agree these arrangements, overseen and guided ultimately by Ofcom.

We also envisage creation of an ongoing steering board to oversee the performance of the systems and processes and to manage changes which will be required as the implemented solution evolves. As noted above, we believe that it is crucial that the governance arrangements are fair and inclusive - which we believe will also require ongoing active supervision and guidance by Ofcom.

Number Porting Integration

As the UK migrates to an 'All IP' world, the proportion of migrations and switches involving a number port will increase exponentially. Volumes will be particularly high as we approach the end of the WLR withdrawal programme.

FCS has noted its concern in an earlier consultation response that Ofcom has made no provision in its current annual plan of work for the development of a numbering database to support number porting, number management, number validation and call routing.

FCS is also aware of current discussions in the industry number porting fora, following the failure of the "Blockchain Trial", on the development of new platforms and processes to support this increased level of activity, to provide more effective call routing and facilitate measures to block nuisance calls.

FCS considers it timely to actively consider how any developments in this area should align with the switching hub and how the operation and governance of these areas could be brought together. Co-ordinated activity is required, which may require an acceleration of the timetable envisaged for the number management database.

FCS members feel that Switching and associated messaging, Number Porting (and IP trials) and Number Management are all inter-related and need to be considered holistically (accepting that solutions for each will need to be planned and implemented to different timescales) so that a co-ordinated industry solution is progessed through to deployment.

Regulatory Changes

Ofcom proposes to remove the current regulation in General Condition C7 which supports the "Notification of Transfer" process (i.e., as per the current WLR process). This clearly makes sense, as FCS envisage that all the relevant information exchanges and checks will be managed via the new hub.

However, Ofcom has not yet provided any detail of the replacement wording for the new regulation - or any clear indication of its scope. FCS members will require regulatory certainty prior to securing and implementing required budget and progressing development work.

Specifically, it needs to be made clear that the new regulatory requirement to use one touch switch will include business customers with up to 10 employees as per the existing 'Notification of Transfer' process and if so, what regulation will cover larger business customers?

FCS would strongly encourage Ofcom to explicitly include the requirements for all business customers (accepting that small and large may not be the same) in the scope of the relevant sections of the new General Condition C7.

Implementation Timetable

The current consultation closes on 31st March and Ofcom has indicated that it will publish its decisions in Q2 2021 (i.e., between April and June).

Ofcom proposes that the new system should be available for use by December 2022. However, the FCS questions whether this is a realistic timetable.

Effective industry discussions and any progress on detailed processes and data exchanges will be difficult until a final Ofcom decision on the regulatory requirements in these areas is published. It is likely to take some months to complete discussions and agree on terms of reference for systems specifications, acquisition and governance requirements.

Industry will also need to budget for these changes and then get EECC requirements into development workstacks for delivery. This switching programme is just one project that will be fighting for budget and resource (i.e., along with implementation of the WFTMR and Telecom Security Requirement (TSR) regulatory security improvement requirements).

However, we believe that discussion on the governance aspects could start in advance of the publication of the final statement and would encourage Ofcom to initiate these at the earliest opportunity.

Consultation Questions

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

Yes, we agree and, as noted above, we are pleased that Ofcom has mandated implementation of a process which equates to the "Option Y" process developed by industry which was strongly supported by

FCS as the only true gaining provider led process, (i.e., with no customer to losing provider contact required).

However, we believe that there are several important issues which Ofcom needs to consider during the specification implementation phase which will have a major impact on the effectiveness of the new process. These are outlined in detail above.

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

Yes, we agree. however, we reiterate our view that in re-drafting the General Condition, Ofcom should include all business customers in the scope of the new regulation.

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?*

Yes, we agree.

We trust that the above response is helpful and would welcome the chance to discuss the issues raised in more detail.

Reference Documents

Ofcom Switching Consultation Web Page - https://www.ofcom.org.uk/consultations-and-statements/category-2/simpler-broadband-switching

Ofcom Switching Consultation Document - https://www.ofcom.org.uk/__data/assets/pdf_file/0024/212685/consultation-quick-easy-and-reliable-switching.pdf