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 (primarily) and residential customers. 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, 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 over 300 businesses who supply B2B services nationwide.

FCS Response

We welcome the opportunity to respond to Ofcom's latest consultation on Quick, easy and reliable switching. At a high level, the FCS supports the new proposed General Conditions but has serious concerns related to some of the detail that needs to be resolved, such as business switching, how costs are allocated and how the industry governance is agreed and set up. An underlying key point is that the smaller CP community should not be disadvantaged, when compared to larger CPs, going forward.

Consultation Questions

Question 1: Do you agree with our proposed new GCs to implement the One Touch Switch process?

FCS response - yes with caveats (see response to question 3 below)

Question 2: Do you agree with our proposed amendments to the Auto-Switch GCs?

FCS response – yes

Question 3: Do you have any other comments on our proposals?

FCS response – FCS have serious concerns around and remain very disappointed that business switching is not included in the new switching proposal.

FCS also have concerns around how the implementation and incremental costs (none of which it is proposed will be directly passed on to the customers) are fairly allocated to the small/medium sized CP community (our members). FCS believes that there needs to be early industry discussion around cost models as these fundamentally could alter potential solution choices.

The proposal on switching and number porting is that the end user is not to be charged, which will leave industry to pick up the costs. There will be cost to CPs to develop the necessary systems and interfaces to interact with the new switching platform. The proposal that 'industry will pay' and that 'no switching costs will be passed on directly to consumers' therefore does not seem appropriate. While there might not be any 'switch charges' levied onto customers, CPs/ISPs will potentially have to raise monthly rental retail prices in order to recover these new costs for systems development and ongoing maintenance. FCS propose that any switching cost is a 'passed through' cost to the customer and must not form any competitive cost element i.e. each equivalent switch transaction cost charged by the switching company is the same for all CPs no matter the volume (cost per switch is the same e.g. 1 switch = £1, 100 switch = £100 so cost per switch remains £1 no matter what volume), therefore there is no competitive advantage on switching costs which must ultimately be passed through to the end customer as a legitimate operational charge by whatever means the company thinks appropriate to recover the cost e.g. increased rental, connection charge, etc). FCS would welcome clarification on what Ofcom means by switching charges will not be passed on to customers as there is the implementation and ongoing system/interfaces costs (implementation costs) and separately the individual switching costs (post implementation costs).

There will be an industry requirement for an 'Any to Any' switching system. This will be a major undertaking with questions as to whether the "solution" is a "messaging hub only" between operators or will include elements of the switching process. This needs to be debated and agreed by industry as this factor alone could have major implication of timeline and cost.

FCS believes that any industry 'single touch switching' hub, should be futureproof in design, built for Switching and for Number Porting and any other programme driven intelligent functionality required going forward. The futureproof design should include plans for Business switching to be incorporated at an agreed industry date.

FCS feel that the implementation timescale of 3rd April 2023 looks to be very challenging but fully understand and support the drive and steer by Ofcom.

FCS are also concerned that a significant percentage of orders that will be attempting to switch, will have underlying data issues which delay/prevent switching, especially where a related Number Port is requested. If a switch of Voice and BB service (to be completed simultaneously) is delayed due to complications with a number port (address mis-matches and incorrect supplier/range holder details, which are common), which could result in significant impacts on the customer's ability to switch services which could ultimately result in a 'no switch' situation.

Governance needs to be carefully considered and implemented by industry. Any future governance model will need to cover the core platform, that overtime would manage Switching, Number Porting, Number Management, Messaging and other services, while continuously ensuring that 'stovepipe solutions' are avoided. FCS suggests that early work could focus on

cost models.

There will be requirements for a CP to have the option to move their customer base to a different wholesaler of choice. This needs to be a design consideration that Switching/Number porting solution will need to support i.e. a wholesale switch.

There is also the consideration of the 'supplier of last resort' (SOLR) and the consequences for an All-IP supplier who fails, as this could potentially differ significantly from the current agreement. The Switching/Number Porting solution, once implemented, needs to enable the SOLR to be operated with supporting General Conditions.