



## toob Limited's Response to Ofcom Consultation: 'Quick, easy and reliable switching'

### **Section 1: Summary**

toob Limited ("toob") welcomes the opportunity to respond to the 'Quick, easy and reliable 'switching' Consultation published by Ofcom on 3 February 2021 (the "Consultation").

We agree with Ofcom on the importance of providing customers with the ability to switch telecoms provider easily so that they can take advantage of the range of services available and shop around with confidence to find the best price and service for their needs, especially as the needs of customers regarding speed, price and reliability of their broadband services develop and those needs are met by the investment and roll-out of full-fibre broadband services including by alternative networks.

We support Ofcom's proposals for a new broadband switching process which allows customers to only contact the gaining or new provider (the 'Gaining provider') and which includes those customers switching between networks. In that respect, we note, acknowledge and support the approach taken by Ofcom in its proposals to ensure alignment with the requirement that the switching process must be gaining provider led, as set out in Article 106 of the European Electronic Communications Code (EECC) and implementation of the same under the 'new switching rules'<sup>1</sup>, and welcome the fact that such switches are also in scope of the One Touch Switch process preferred by Ofcom.

Creating an effective, efficient and gaining provider led switch process which covers inter-network switches (as contemplated by the EECC and the new switching rules), is easy to use and is reliable, is crucial to not only eliminate current factors which prevent, deter or make it difficult for consumers to switch inter-network but also to drive further investment in full-fibre networks and enable consumers to benefit from such investment.

In addition, we agree with Ofcom that Code to Switch (including as set out in the document entitled Option X – Broadband & Voice switching proposal<sup>2</sup> which has been jointly developed and proposed by industry members with large customer bases and associated interests) would not be as effective as One Touch Switch in ensuring customers can switch providers easily, quickly and reliably to obtain the services they want from their chosen provider(s) and achieve the best deal for them. In particular, any process that requires such a customer to first make contact with their existing provider in order to initiate a switch in services introduces an additional step in the process for the customer to undertake and creates potential for that customer to face difficulties and deterrents in relation to initiating the switch (such as having to contact more than one provider, difficulties in making contact with the existing provider(s), and/or unwanted save activity).

We also support the view that adoption of a process that is aligned to gaining provider led approaches that have been successfully implemented in other industries (such as banking, electricity

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<sup>1</sup> Paragraphs 2.24 and 2.25 of the Consultation

<sup>2</sup> The document entitled "Option X – Broadband & Voice switching proposal" (referred to in this Response as the "Option X Proposal") as published and made available by Ofcom here:

[https://www.ofcom.org.uk/\\_data/assets/pdf\\_file/0025/216727/option-x-updated-proposal-march-2021.pdf](https://www.ofcom.org.uk/_data/assets/pdf_file/0025/216727/option-x-updated-proposal-march-2021.pdf)



and gas) is more familiar to customers than a switching process which would require additional contact with the existing/losing provider<sup>3</sup>.

While we support the adoption of the One Touch Switch process as described by Ofcom in more detail in the Consultation and its supporting documentation, we believe that any requirement for providers to develop and implement the One Touch Switch process should adequately and appropriately deal with the following points:

- customers of bundled services should have the ability to switch only part of their service (in this case, broadband) using One Touch Switch, without the need to also contact their losing provider to retain their other services (thus also avoiding potential save activity which One Touch Switch seeks to avoid). In addition, the One Touch Switch process should be able to differentiate between instructions regarding which of the bundled service(s) are in scope for the switch;
- the gaining provider should have some flexibility in activating the new service in the event of unexpected issues arising from the point of order to successful installation; and
- Microenterprise or Small Business Customers (as defined in the new switching rules) should also be considered as being within the scope of, and having the ability to utilise, the One Touch Switch process to switch their broadband provider.

We provide more detail on these points in Section 3 of our Response, below. Our responses to the Consultation questions are mainly targeted at, and are in relation to, broadband services.

## **Section 2: About toob**

toob is a fibre broadband provider on a mission to provide hyper speed fibre broadband at affordable prices. toob's plan is to deploy its network to over 1 million premises by 2027 and we are investing £50M in fibre infrastructure in the streets and premises of Southampton at present. We have announced a further 200k premises we will be deploying the network to over the next few years with construction already under way in Camberley and Frimley, the first towns outside of Southampton to benefit from toob's network.

toob is wholly reliant on using existing infrastructure, in particular Openreach's PIA product, to reduce the cost of deploying the network to a point that is economic.

toob offers a consumer broadband proposition today that delivers 900Mbps on both download and upload. There are two contract variants for this proposition with different pricing with each. The core offer is an 18 month contract for a price of £25 per month rising to £29 at the end of the contract. Alternatively, a customer can take a monthly rolling contract for £33 per month. The monthly rolling contract has been developed to target the rental market, students living away from home for temporary periods and others that require greater flexibility. Each of these propositions has a £49 installation fee, subject to promotional activity conducted from time to time.

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<sup>3</sup> Paragraph 5.9 of the Consultation



At present there is no intent to offer additional services, TV or phone services, to consumer customers. Phone services can be provided through Vonage and we advise customers how they can consume the content they want to through streaming services.

In 2021 toob intends to launch a business proposition targeted at SoHo and small SME businesses. The business proposition will deliver the same speed profile as the consumer proposition but will come with enhanced service levels and the option of a static IP address.

### **Section 3: Key Points in response to the Consultation**

#### **A. Unbundling / switches of part only of a bundle**

We are pleased to see that customers with bundled services would be able to use One Touch Switch should they wish to switch all or part of their services to a gaining provider, in contrast to the Code to Switch process outlined in the Option X Proposal which specifically assumes that it will not support customers moving from one supplier for Broadband and Talk to two (split) suppliers for Broadband and Talk<sup>4</sup> and also excludes from its scope<sup>5</sup> the switching of multiple products from one provider to multiple providers and the switching of broadband and voice services from two providers to two different providers.

Accordingly, there will be some customers who fall outside of the scope of the switching process envisaged by Code to Switch and as a result these customers would be faced with further unnecessary and unwelcome difficulties in initiating and concluding any such switches (including those outlined by Ofcom in the Consultation).

In addition, we note that the Option X Proposal states that *“There is an opportunity for the customer to confirm their preferred course of action for existing/remaining services”*<sup>6</sup>. This interaction could lead to (a) confusion on the part of the customer over how the switch process for the service(s) it wishes to switch and those it wishes to retain would work, and (b) the existing (losing) provider conducting unwanted save activity in respect of the bundled service(s) that the customer wishes to switch. Both of these outcomes would negatively impact on the customer experience associated with switching, and contradict some of the assessment framework principles identified by Ofcom and as set out in section 4 of the Consultation.

Further, we support the approach taken by Ofcom to ensure that such customers with bundled services may also take advantage of the customer benefits that One Touch Switch would deliver. We also note Ofcom’s view that, more often than not, for the more complex switching journeys, One Touch Switch would still result in fewer instances in which the customer needs to actively engage with the losing provider than would be the case under Code to Switch<sup>7</sup>. While we agree with and support Ofcom’s view that One Touch Switch would in general be the easier process than Code to Switch to understand and follow for customers with bundled services, the Consultation appears to assume that bundled services are those which include an additional service to the customer’s voice

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<sup>4</sup> Page 3 of the Option X Proposal under the heading ‘Key assumptions’

<sup>5</sup> Page 19 of the Option X Proposal under the heading ‘Switching scenarios’ points 5 and 6

<sup>6</sup> Page 7 of the Option X Proposal in the section ‘Unambiguous customer intentions’ of the table set out under the heading ‘Base capability benefits’

<sup>7</sup> Paragraph 5.70 of the Consultation



and broadband service (as one service)<sup>8</sup>, however that assumption may not always be correct as a customer may wish for their voice and broadband services to be delivered by different providers.

Accordingly, the One Touch Switch process should be able to differentiate between a customer's instructions to switch only part of their existing service (for example, a customer may wish to switch only their broadband service to the gaining provider and retain their existing voice and/or TV services which form part of their existing bundle with the losing broadband provider) against a switch of all existing services.

While we note that Ofcom considers that the detail of the switching process in place can mitigate difficulties experienced by bundled customers<sup>9</sup>, and that customers may want to make additional contact with the losing provider to give further instructions as to what they want to happen with other types of services which are not part of the switch<sup>10</sup>, we request that, as part of Ofcom's combined policy statement and consultation on changes to the General Conditions to be published in Q2 2021, Ofcom provides further clarification as to how any such difficulties (including in relation to any unwanted retention activity by the losing provider in relation to the part of the bundled service that the customer wishes to switch) would be dealt with and mitigated under the One Touch Switch process.

In addition, and in accordance with the above, the Hub should have the capability of being able to distinguish (and therefore deal only with) those non-mobile services that a bundle customer is switching to the gaining provider, and those which the customer is retaining with the existing provider.

#### B. Switching delays caused by third party infrastructure issues

As noted in Section 2 of our Response above, toob is reliant on using existing infrastructure, and in particular PIA, to deploy its network to a point that is economic and accordingly there are parts of the network infrastructure which are outside of our control.

By way of example, as part of the installation process to connect a customer to the toob network, we may use a BT duct lead-in to complete the installation at the customer's premises. Due to the lack of lead-in information available on the Openreach database, we are only able to assess the state and availability of the lead-in once we gain access to the customer's premises. In the event we find that lead-in to be blocked or not readily accessible at a point subsequent to the customer having placed an order for our full-fibre service, we would not be able to activate that customer's toob broadband service until remedial works to that lead-in have been completed. To date, we have encountered situations where the BT lead-in has been concreted over, resulting in remedial works required in order to access that lead-in to enable the toob network to be successfully deployed to such premises and the service to be activated. toob or Openreach can undertake this activity, however if toob were to undertake it there is still a process for toob to undertake to provide Openreach with the details of the work that needs to be undertaken ahead of the work

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<sup>8</sup> Paragraph 5.12 of the Consultation, which states "Where a customer has another service bundled with their **voice and broadband service...**" (emphasis added)

<sup>9</sup> Paragraph 5.12 of the Consultation

<sup>10</sup> Paragraph 5.19 of the Consultation



commencing. Our experience has been that due to the interactions required between the various stakeholders (toob, our contractors, Openreach and the customer) this process can take anywhere up to 2 – 6 weeks to complete the works required to remedy these type of issues, and until that point we are unable to activate the customer's broadband service.

While we note that Ofcom states that the practical requirements of providing a service would likely be the determining factor to whether the switch happens on the agreed date, Ofcom also recognises that delays to the switch date could be caused by several factors including the need for further engineering work (which we assume would include the example detailed above)<sup>11</sup>. We therefore request that Ofcom allow for a degree of flexibility in the switch date to allow for such factors in the One Touch Switch process in particular for switches between providers that are using different physical networks.

In addition, the losing provider should continue to (i) provide the service(s) in scope for the switch, and (ii) honour the customer's existing tariff(s) for such service(s), until such time as the gaining provider has formally confirmed that the switched service(s) has/have been installed and the migration has been completed. Further, any charges originally notified to the customer automatically by the losing provider through the Hub as part of the switching information first given to the customer under One Touch Switch will need to be amended (with notice of any such amendment also given to the customer) to reflect the actual migration completion date.

The Hub should also be capable of managing the communications with the customer on (i) any delays to the switch date caused by such factors and (ii) the actual switch date following resolution of any such issues which have caused delay to the switch date agreed at the start of the One Touch Switch process.

#### C. Microenterprise and Small Business Customers included within scope of One Touch Switch

We note that all references to 'customers' in the Consultation means residential customers only, unless stated otherwise, and the proposals in section 5 of the Consultation (in respect of fixed switching) relate to the switching of those services by residential customers only<sup>12</sup>.

We request that Ofcom widens the scope of One Touch Switch to also include Microenterprise and Small Business Customers. These customers should have the ability to utilise the One Touch Switch process to switch their broadband provider and will also ensure a uniform and simple approach for switching of customers who are receiving and require a single-line broadband connection into their premises.

Further, including these customers within scope of the new switching rules and proposed new switching process would also prevent losing providers from classifying such customers as 'business' (non-residential) customers (and therefore take them outside the scope of such rules and the One Touch Switch process).

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<sup>11</sup> Paragraph 5.78 of the Consultation

<sup>12</sup> Paragraph 2.43 of the Consultation



#### Section 4: Response to Consultation Questions

Question	Your response
<b>Question 1: Do you agree with our proposal to require providers to develop and implement the One Touch Switch process?</b>	Yes, subject to certain clarifications or amendments to the One Touch Switch process as proposed. Please see our response in sections 1, 2 and 3 above.
<b>Question 2: Do you agree with our proposal to remove the rules relating to the existing Notification of Transfer process?</b>	Yes. As Ofcom notes in the Consultation, the existing Notification of Transfer process does not cover customers switching between full-fibre broadband services or between networks, and any such switch(es) need to be co-ordinated by the customer themselves. This could lead to difficulties in contacting the losing provider or the customer experiencing unwanted save activity from the losing provider, which may result in a customer being unable or unwilling to complete their switch or the customer experiencing loss of service during the switch process. We also agree that the current arrangements for switching broadband will need to change in order to comply with the new switching rules that will come into force in December 2022.