



Uswitch response to Ofcom's broadband switching consultation

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About Uswitch

Uswitch is the UK's leading comparison website for home services switching. Launched in September 2000, we help consumers save money on their gas, electricity, broadband, mobile, TV, and financial services products and get more of what matters to them.

Uswitch is part of RVU, a digital marketing business including the Bankrate UK, Money.co.uk and Uswitch businesses.

1 Introduction

- 1.1 Uswitch welcomes the opportunity to comment on the proposed broadband switching reform and changes to requirements to mobile switching. We support the reforms proposed by Ofcom. Simplifying broadband switching is long overdue and the introduction of One Touch Switch, rather than the alternatives processes, would help customers restore confidence in switching.
- 1.2 Switching remains complicated for broadband customers and we see many consumers being put off by a perception of, or the actual, process. Ofcom's research shows that four in ten people who decided against switching were put off by the hassle. As a result, over a quarter of customers said in another survey that they have not switched broadband provider in over 5 years¹.
- 1.3 Such customer behaviour can be seen on our service as well. 3% of customers who visited Uswitch.com in the last 3 years to compare broadband deals have clicked out to continue the sale to the provider's website. Of those who did, 3% switched. Therefore, 3% customers who compare broadband on Uswitch.com switch to a new deal. By comparison, the number is 3% higher in energy, where the switching process has already been reformed.
- 1.4 Our survey conducted earlier this year showed that customers still lack trust in switching, which contributes to being put off from the process. Customers are particularly worried about being left offline for a prolonged period of time, with one in three households worrying they will be left without broadband for a day². We see a seamless switching experience as key in ensuring customer confidence in the process increases.
- 1.5 Given the importance of these changes for the future of broadband, we believe it is crucial to ensure the reforms deliver for all customers. Ofcom's consultation proposes a good solution for switching but many details will still need to be agreed. Reforming broadband switching will be a complex journey that will require providers being held accountable to the original intent and timescales. For that, a level of central oversight is needed. We agree that Ofcom should set up an industry group that would be responsible for coordinating implementation of One Touch Switch and escalate any issues or delays identified.

¹ [Opinium research](#) conducted on behalf of Uswitch in November 2020.

² [Uswitch article 'Five million households paying £805 million more than they should for broadband due to low confidence in switching'](#)

Why One Touch Switch is the right solution for broadband switching

- 1.6 Broadband switching needs to be reformed but the reforms have to be consumer-centric, rather than focusing on the solution geared towards providers. We agree with Ofcom that One Touch Switch is the right solution for customers and works better than the alternatives previously proposed, such as Option X ("Code to Switch").
- 1.7 In our view, the key requirement for broadband switching is that the process should be genuinely gaining provider-led, with little input required from the consumer. If customers are required to engage on multiple steps of switching, they are less likely to complete the process, hence, leaving them trapped with their current provider.
- 1.8 We have reviewed the proposal for Option X, as outlined by Sky and Virgin Media, and we have serious concerns about whether the process would improve the customer experience. Option X requires a lot of input from the customer and would not be gaining provider-led - a primary requirement from the European Electronic Communications Code. In fact, we see very little required from either gaining or losing providers in the proposed alternative - the whole process is managed by the customer.
- 1.9 Our specific concerns with Option X are as follows:
- Requirement for the customer to obtain and provide a code increases the likelihood of exceptions. If the customer makes a mistake, misspells the code or notes it down incorrectly, the process stops and the customer has to start again. An automatic exchange between providers on the switching request eliminates such risk.
 - Allowing providers to implement multiple routes for customers to obtain the switching code and the code to be different depending on the provider will lead to inconsistent experiences among customers, confusion and, ultimately, a deterrent from switching.
 - The customer is required to engage twice with the losing provider and at least once with the gaining provider. This greatly increases the customer interaction required, making it more time-consuming and burdensome to switch.
 - There is no step in Option X that allows the customer to easily access and compare current and new contracts. We see it as a very valuable addition to the journey that is proposed for One Touch Switch. Without such comparison, switching experience will not be improved.
 - We do not agree that just because Code to Switch is a familiar process for customers, they view it favourably. Mobile switching is still burdensome for customers and some remain put off by it. Also, we believe customers view broadband more as a utility rather than a communications service and would therefore expect similar switching experiences as with other utilities, such as energy, where switching is gaining provider-led.
 - Option X also makes current Notification of Transfer process within the Openreach network more complicated. If the current Notification of Transfer process is sufficient to authenticate and validate customer switching requests, there is no clear case as to why it needs to be changed to a more complex one. Therefore, we cannot see any benefit for the customers from

the proposed alternative to One Touch Switch - in fact, we think the alternative proposals risk making the switching experience worse.

- 1.10 By comparison, we find that some of the benefits of Option X would also be delivered with One Touch Switch, just in a more consumer-friendly fashion:
- If implemented correctly, One Touch Switch would allow customer authentication in the same way as is currently done in Notification of Transfer process (or even easier). We've seen no evidence why authentication should be more burdensome than the existing processes.
 - As stated earlier, One Touch Switch offers customers a clear way of comparing existing and new contracts that allows customers to make a truly informed choice. By placing the whole switching process in customer's hands, Ofcom would not be ensuring customers are any more informed than they are now about their contracts.
 - One Touch Switch eliminates the risk of customers misplacing the code and delaying the switching process. We think automatic verification will be crucial in ensuring reliability and building customer confidence in switching.
 - One Touch Switch will also ensure consistency in switching experience, which is likely to increase customer engagement.
- 1.11 We see no benefit for customers in implementing Option X compared to other options available. We urge Ofcom to continue to adopt a consumer-centric approach in assessing different options of way forward and continue with the proposal of One Touch Switch.

The importance of One Touch Switch in ensuring competition

- 1.12 There are multiple reasons why it is important to reform broadband switching, among which are the benefits of increased competition. We see a competitive market as a facilitator of successful rollout of gigabit-capable broadband and any further innovation for the sector. Having multiple providers compete for customers will create an incentive for providers to be more efficient and offer competitive deals for customers, making fast speed internet more accessible and affordable. It will also drive providers to spend more on marketing gigabit-capable services as they become available, increasing overall take-up.
- 1.13 Cross network switching will also be vital to facilitate underlying network competition in most areas of the UK, supporting the regulatory decisions Ofcom has already made with wholesale network regulation.
- 1.14 We are aware of concerns about the take up of faster speeds in the future. These concerns are mainly driven by questions around customer needs and higher prices. However, historical data suggests that over time customers move to faster speeds, given the right incentives are present.

1.15 Looking back historically (see graph below), 24 months ago both 30-39Mb and 60-99Mb accounted for 30% of broadband sales. However, since March 2020, 60-99Mb broadband 40% of sales, whereas 30-39Mb 20% of sales this year. 30%

30%

1.16 30%. Upgrading to faster speeds may require changing networks, so the take up will not be as smooth unless a market-wide gaining provider led switching process is implemented. The year on year increase in speeds customers contract for shows that with the right competitive pressures, customers could be persuaded to take on gigabit-capable broadband at the right time. So if the customers are confident they can switch easily, we think more would upgrade to gigabit services in the future.

1.17 Given the importance of competition, we think Ofcom should look more holistically at what stops customers from switching and address any deterrents identified. One area that we see becoming a barrier to switching is the increasing broadband contract durations. During the time we've seen speeds on offer get faster, we have also seen broadband contracts increase in length (see graph below), potentially leaving customers locked in at lower speeds or less competitive rates.

30%

1.18 With less barriers to switch, more providers could offer their services to customers and increase competition. We are already seeing more providers entering the market, especially regionally, with some using existing networks, creating more competition for existing providers. 30% new providers are in the process of entering the market, 30%.

1.19 With alternative propositions becoming available and customers having that confidence to switch, providers will have to work harder to deliver best quality products to keep their customers.

1.20 We trust our views are helpful in helping Ofcom achieve the right outcomes for consumers and we look forward to engaging with the switching reform further. Below are our answers to the specific questions Ofcom asked in this consultation.

2 Responses to Consultation questions

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

2.1. We agree with the proposal for providers to develop and implement the One Touch Switch process. For too long the process of changing broadband providers was overly complicated and highly varied depending on which provider customer chooses. Switching should be truly gaining-provider led, simple and easy. If implemented properly, One Touch Switch should achieve this objective.

2.2. There are many benefits One Touch Switch could bring to customers in the broadband market. As it stands, experiences of customers differ depending if they switch within the Openreach network, where the process is already gaining provider led, or take up a deal within another network. For example, 30%.

- 2.3. We expect One Touch Switch to help create consistency in customer experience. As all broadband providers will be required to make changes to their systems to implement One Touch Switch, some oversight and coordination of solution development and implementation is needed. We agree that Ofcom should set up an industry working group that could deal whenever difficult questions arise and customers are kept in mind. The group should include the regulator, broadband providers, customer groups and third parties.
- 2.4. The working group should be responsible for agreeing timescales for implementation and keep providers accountable for delivery. Given the importance of the switching reforms, there should not be any unnecessary delays to the programme.

How One Touch Switch could work

- 2.5. There are many practical details of One Touch Switch that still need to be decided on and we see a working group as a crucial element in answering some of the questions about the operationalisation of One Touch Switch that we outline below.
- 2.6. Ofcom envisages that One Touch Switch will be facilitated by a Messaging Hub that all providers can access, communicate through and share information. We think Ofcom is right to suggest such an approach. However, more thought needs to be put into the arrangements of the Hub and how it would work in practice.
- 2.7. From previous experience with Open Banking in finance and midata in energy sectors, we are aware that there are different ways providers can create such a Hub and all the benefits and drawbacks should be explored for each option. The design of the Hub also has to deal with questions about request authentication and data security that we believe should be addressed centrally. There might be a benefit to combine the Messaging Hub with the work Ofcom is doing on Open Communications, as, in our view, the concepts are similar and could be delivered more efficiently together.
- 2.8. To make sure One Touch Switch delivers consistency in customer experience, key contract terms that surface during the switch should be comparable. Therefore, we do not think it is appropriate to leave the decision on what contract terms should be included up to the individual providers. Instead, Ofcom should specify what information should be included. We understand that contracts may be different and evolve over time but certain information will always be required. As a baseline, we suggest all providers should be required to include the information included in End of Contract Notifications as part of contract information for One Touch Switch. An example list of required information would be:
 - Contract name
 - Contract duration
 - Contract end date
 - Price
 - Exit fees (if applicable)
- 2.9. If the customer is switching between networks and an engineer visit is required, there should be an automatic process in place to be able to book the engineer visit

and agree on the switchover date within One Touch Switch. This way customers would get a truly seamless experience and are reassured that the day of the switch would remain the one agreed during the switching process. While this may require further work for some providers, we believe it is something Ofcom should explore as part of the reforms.

- 2.10. We understand that One Touch Switch is only envisioned to work on providers' own sites but a lot of customers use a third party, such as Price Comparison Websites (PCW) to look for new broadband deals. We see One Touch Switch as an opportunity to give customers a better experience when using PCWs. Therefore, the final solution of One Touch Switch, including the Messaging Hub, should be compatible with third party interfaces.

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

- 2.11. Yes, we agree with the proposal to remove the rules relating to Notification of Transfer process, but only if Ofcom implements One Touch Switch rather than the alternatives considered. If One Touch Switch is implemented properly, we see no need for keeping the existing Notification of Transfer process, as it could be delivered via the new process. Bringing all switching under One Touch Switch will also ensure consistency.

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?

- 2.12. We understand why Ofcom is proposing this change but we see a potential for introducing unintended consequences with this proposal.
- 2.13. Many mobile providers now bundle their products. Examples of such bundles include:
- Savings on broadband
 - Extra mobile data for broadband customers
 - Unlimited streaming
 - Free calls for broadband customers

- 2.14. Mobile providers use bundling primarily to ensure a lasting link to the brand and as a potential for cross-sell. While the products might be linked and customers should be informed about the changes to the bundle, depending on the language used in the notification, a customer may end up being reluctant to switch.

- 2.15. We are concerned that a generic requirement to notify the customers on the potential losses in bundled benefits will incentivise mobile providers from using more targeted language to deter switching. We see examples of such behaviour with End of Contract Notifications (ECNs), where some broadband providers design the ECNs in a way that reduces the likelihood for customers to take action.

- 2.16. To ensure customers are protected, we suggest the notification on losing bundled benefits is prescriptive and is used consistently by all mobile providers with bundled products. We think prescription is necessary as we see little incentive for providers to deliver the right outcomes by customers without an intervention.