



Quick, easy and reliable switching

Vodafone UK is a great British technology success story: the first company to make a mobile phone call in the UK; the first to introduce text messaging and the first to introduce international roaming.

Vodafone is always innovating, experimenting, learning, and improving.

As a technology communications company, Vodafone's mission is to connect the UK and build an exciting digital future that works for everyone. We passionately believe in the power of new communications networks and technologies to change our society for the better.

We believe everyone has a right to enjoy the benefits of a more connected, digitally enabled world. No-one should be left behind.

To allow consumers to benefit from Vodafone's significant investments, innovative products such as Vodafone Pro and to experience our most reliable network ever, it is essential that effective and efficient switching processes exist across industry.

Executive Summary

- Revisions to the Code to Switch process satisfy all Ofcom criteria and should be adopted.
- Businesses need certainty from Ofcom regarding the switching process they are to follow.
- An implementation date of 19 December 2022, in the midst of Christmas trading, is ill-advised and should be moved into 2023.
- The proposed Mobile switching changes are disproportionate to the EECC requirements, disproportionately expensive and can be satisfied through simple messaging and existing EECC requirements rather than further bespoke customer information.

Vodafone has been an integral part of the industry design of the 'One Touch Switch' process which has been formulated to provide a common gaining provider led process across cable, copper and fibre networks. At the same time the development of the 'Code to Switch' process, favoured by Sky and Virgin Media, has been monitored with interest.

Ofcom commissioned Cartesian to undertake a technical report of the two proposals. Vodafone's reading of the report is that there was little to choose between the two processes:

- *The technologies proposed for both options have been available for many years and are well understood. As such, the technology does not introduce any specific or unusual risks.*
- *From a security perspective, neither solution is materially better or worse.*
- *The transaction volumes are well within the capability of modern IT systems and do not introduce any further risks for either option...*



- *In summary, neither of the two options has a materially higher level of risk on paper.¹*

Similarly, Ofcom undertook its own analysis against its policy objectives giving preference to the process that is:

- *easy to use*
- *quick*
- *reliable*
- *based on informed consent*

Again, it seems clear that there is little to choose between the two, with One Touch Switch narrowly being preferred on the grounds that Code to Switch:

- a) would expose customers to potential difficulties and deterrents relating to contact with the losing provider that many do not currently face under the existing Notification of Transfer process and would not face using One Touch Switch...*
- b) would lack an effective mechanism to give customers control over the extent and nature of the contact they have with their losing provider, in particular the option to avoid speaking in person to their losing provider...*

Vodafone agrees with Ofcom's initial conclusion and it was these factors which originally led to the development of One Touch Switching.

However, in March 2021, Sky and Virgin Media submitted amendments to the Code to Switch process. These amendments effectively mimic the mobile operators' Text to Switch process, only replacing the text element with an IVR based mechanism. The proposal therefore removes the need for the consumer to engage with the losing provider and to navigate retention activity.

As a new entrant to the broadband market with a rapidly growing base now totalling 1.1M customers, eliminating the ability of established providers to frustrate the switching process through unwanted retention activity was the primary reason for Vodafone originally supporting Code to Switch.

Vodafone has reviewed its position in light of the new proposal and we have considered the key features of the new Code to Switch proposal:

- **Strong customer authentication**
Vodafone agrees with the basic principle that the losing provider is best placed to ensure that the customer requesting a switch is authorised to do so. This is achieved in a customer-orientated light touch manner with the mobile Text to Switch process. A number of mobile operators use date of birth or a PIN already used by customers to protect consumers from fraud through customer authentication ahead of providing a PAC or STAC.

¹ https://www.ofcom.org.uk/data/assets/pdf_file/0013/212611/fixed-telecoms-switching-cartesian-report.pdf



Similar functionality can be introduced to the IVR in the Code to Switch proposal to ensure an acceptable level of authentication – indeed those providers using voice recognition may be able to provide a more streamlined approach.

Vodafone expects that customer authentication will not extend any further than that in the Text to Switch process in order not to become a barrier to switching for consumers.

One Touch Switching offers similar possibilities for ensuring adequate authentication, but is always likely to have difficulties where problems identifying a customer are encountered. Additional information can be sought as is recognised in the proposal but ultimately consumers may need to contact the losing provider directly in order to resolve issues.

Furthermore, the risk of slamming exists in any Gaining Provider Led process if an unscrupulous provider is determined to circumvent safeguards.

- **Strong asset / service validation**

The greatest weaknesses with the fixed switching and porting process has been validating the correct asset / service to switch. The Notification of Transfer process is open to erroneous transfers often caused by the underlying network's poor record keeping, causing 'slamming' accusations where the incorrect service is switched. Vodafone does not believe that a consumer-led identification of the asset to switch will resolve all problems, but acknowledges that there are likely benefits from a direct interaction between the consumer and their provider in comparison to between gaining and losing Provider.

- **Ease of engagement**

By mirroring the established and proven Text to Switch, the Code to Switch proposal offers consumers the ability to avoid any unwanted retention activity and to simply obtain a code to take to their new provider. Vodafone notes that the proposed system delivery timescales are in line with those offered by mobile.

With the use of an IVR rather than a direct SMS it is imperative that providers are mandated to provide the automated functionality transparently at the top level of any IVR hierarchy. Losing providers cannot be allowed to expect consumers to navigate labyrinthine menu options in order to obtain their code – it must be a transparent one-stop shop.

The vast majority of broadband customers also have mobile devices. It is unlikely therefore that changing from Notification of Transfer to Code to Switch will pose any more difficulty than changing from Notification of Transfer to One Time Switching. Vodafone does not believe that consumers take a compartmentalised view of switching products and therefore any analysis on this basis ignores that consumers are able to easily recognise procedures from an adjacent market.



- **Quicker Switching**

Vodafone sees little difference in timescales between Code to Switch and One Time Switching except where they are triggered by the customer i.e. by requesting a code to switch by post. Such circumstances may have benefits for vulnerable customers.

Fundamentally however quicker switching in the fixed market will not be achieved until the porting process is reformed. Ofcom has at this time avoided engagement in this area, with the current consultation preferring instead to concentrate on the consumer journey. Whilst this approach applies gloss to the customer journey it merely papers over the cracks and if Ofcom promotes the new process on speed of switch it will set an entirely inappropriate consumer expectation. This is of particular importance as the number of customer migrations involving a number port will increase dramatically as the Wholesale Line Rental (WLR) product is withdrawn. Today if you move from one provider using WLR to another there's no customer port; in contrast for SOGEA/FTTP the number will be ported onto the recipient voice provider. Consumers may be able to complete the switching process within a day but they will not have service with a new provider the following day unless and until there is a fundamental revision of the porting process.

- **Efficient Design**

Both Code to Switch and One Time Switching involve a hub provider which introduces infrastructure that can be used strategically to develop improved porting processes, number management, nuisance call identification, 999 record updates and directory enquiry management. It is disappointing that Ofcom has elected not to engage with these issues in a strategic and holistic manner at this stage. It should not be assumed that the gloss of a new consumer switching process, whichever proposal is chosen, will automatically lead to end to end process improvements without Ofcom demonstrating strategic vision of a potential end-state.

Overall, our assessment is that the different merits of Code to Switch vs One Time Switching remain close. It is clear that the revisions made to Code to Switch address not only the concerns raised by Ofcom in its consultation, but also Vodafone's original reservations.

Vodafone welcomes that the Code to Switch process reflects a process that is already proven with consumers in the mobile market and also the possibilities it creates in the long-term. Together these are a deciding factor. Vodafone has always supported effective switching processes which cover all aspects of the market when they support investments already made by communication providers. The close relationship between Text to Switch and Code to Switch promises potential synergies and long-term harmonisation as fixed and mobile services converge and potentially in the future for the development of a single process.

In light of these considerations and in recognition of the changes made to the Code to Switch process, Vodafone urges Ofcom to amend its consultation preference and to direct industry to implement Code to Switch.



Cost of implementation

In the absence of a full description of the hub interface and the technical requirements of its APIs it remains very difficult to give a clear indication of the expected implementation costs of either proposal. Ideally solution architects would have a full process document and / or a defined contract with the supplier at this stage in order to make a full assessment of costs and resources. In the absence of this detail Vodafone has revisited both proposals to provide a high-level estimate of costs:

- One Touch Switching is expected to cost between £2M - £3M to implement, but could easily be more depending on the requirements of the hub provider.
- The revised Code to Switch proposal estimated Vodafone's costs to be in the region of £1M-£1.5M. Vodafone estimates the correct figure to be closer to £2M. Again, the final cost depends on hub requirements.

The difference in costs is primarily due to the additional complexity of the interaction between gaining provider, hub and losing provider in the One Touch Switching proposal. The messages and interplay of information between the parties is essential to the design and ultimate consumer experience, but it is also problematic.

This is a real-time interaction which requires not only the provision of the technical switching information within an immediate time frame, but also the calculation of the impact of the switch on a consumer's existing bundle. Those implications also have to be made available to the consumer in real-time in order to provide the customer with all of the information Ofcom considers necessary to give 'express' consent. This interaction is complex and the failure of any one party has a direct impact on whether the required level of consent can be said to have been given. An unreliable process or indeed one with significant latency through the system will have a major impact on the gaining provider's average handling time and ability to convert sales.

Implementation timescales

Vodafone allocates resource and funding to projects on an annual basis within the constraints governed by its business plan. Any new funding or resource requirement is therefore difficult to accommodate as the business' capacity to deliver is typically exhausted by planned regulatory, commercial and day to day business imperatives. Whilst allocation has been made to accommodate switching changes as foreseen by the EECC, the continued delay in providing explicitly stated requirements means the adequacy of those provisions remains unclear.

IT and Network roadmaps have been established for the year and switching requirements will be given a lower priority until such time as the requirements, particularly in relation to the hub are crystallized. The longer it takes for this to happen the less likely it is that Ofcom's arbitrary December 2022 deadline will be met.

Vodafone urges Ofcom to take an active role in ensuring suitable governance is put in place with all industry participants to ensure a suitable industry vehicle is in place to drive delivery in the timeliest fashion.



Date of Implementation

The legal transposition of the EECC has led to the introduction of a new switching process on a far from ideal date - 19th December 2022. Communications Providers universally have a freeze period during December in order to protect business services during the Christmas trading period. In light of the economic difficulties caused by the pandemic over the last two years it is likely that this period will be even more vital to the economic well-being of the country and should be appropriately protected. Vodafone suggests that any change is moved into 2023.

Business

Vodafone's customer base includes both consumer and business customers. We acknowledge that the EECC may have shaped Ofcom's implementation of the switching regulation to only cover residential customers, but this is far from ideal. Business customers looking to change provider cannot be left in limbo or held hostage because the losing provider decides it does not have to follow the residential switching process and by extension the porting process. Whilst Ofcom may have limited its legal implementation to residential consumers, we expect it to publish clear expectations that businesses, particularly at the smaller end of the spectrum, will be expected to largely follow the same technical process as consumers.

That may mean that in the Code to Switch process the business has to approach their account team rather than utilise an automated IVR, but fundamentally the exchange of information via the third-party hub is still to take place. It is unacceptable for the Notification of Transfer process to be withdrawn without replacement.

Mobile switching information

Vodafone does not agree with Ofcom's modifications to the mobile switching process which fall short of being a joined-up policy. Ofcom's intervention appears to be largely a reaction to inconsistency between the fixed and mobile losing provider information requirements. Since 2019 Mobile operators have provided what Ofcom considered to be the "*core potential costs of switching*"² as these were considered to be the most relevant to the switching party. Other Switching Information can be requested by the customer or accessed via a provided link to the customer's account whereby, if they so choose, they are able to access their existing terms and account information.

The core switching information always provided is:

- The total charge payable
- Any credit balance in respect of prepaid mobile services; and
- The web link to the log-in page for the mobile switching customer's account with the provider

Ofcom has now removed the consumer's discretion for the information they choose to receive by insisting operators take "all reasonable steps" to provide both core and non-core information to consumers, irrespective of whether it is needed or wanted.

² Dec 2017 Mobile switching statement 4.57



Ofcom concludes that it is necessary to provide consumers with various permutations of information relating to the cancellation of their service “whether direct or indirect, financial or otherwise” along with their PAC / STAC and core Switching Information in order to satisfy its concept of ‘explicit consent’. This change it is claimed is partly in anticipation of fixed /mobile convergence and on the basis that otherwise “fixed and mobile customers will be provided with different, mandated losing provider switching information”. This despite Ofcom expressing a preference, as discussed above, for different fixed and mobile switching processes.

Vodafone diametrically disagrees with Ofcom’s conclusion in 6.42 of the consultation. Vodafone’s position is that the changes as proposed are dis-proportionate; that they do go beyond the minimum required and that they gold-plate requirements rather than adequately inform consumers.

Consumers are presented with a myriad of information about their services: the pre-contract summary will provide, including in accessible formats, details of the customer’s bundle of services and how discounts interact; End of Contract Notifications repeat the details of the customer’s bundle; then there are Annual Best Tariff Notifications for those out of contract; welcome literature; terms and conditions; pricing guides and summaries of services in online accounts or via dedicated apps and finally specific to the switch, information provided during the switch and from the gaining provider’s pre-contract summary.

Ofcom’s proposals assume even more is of consumer benefit during a mobile switch, despite Text to Switch operating successfully since 2019. These are a gold-plated interpretation of the EECC. Article 106 (6) of the EECC states (emphasis added):

National regulatory authorities shall also take appropriate measures ensuring that end-users are ***adequately informed and protected*** throughout the switching and porting processes and ***are not switched to another provider without their consent***.

Consumers today are already *adequately* informed during the Text to Switch process as set out above. The consumer is provided with ‘core’ information within the body of the PAC/STAC text, whilst other contractual information can be accessed via the link to the consumer’s online account. If a consumer feels they need additional protection from additional information it can be requested. Vodafone is not aware of particular consumer dissatisfaction with the Text to Switch process that calls for additional information to be supplied, nor does Ofcom offer evidence to this end.

If Ofcom insists consumers will benefit from yet more information, it is unclear to Vodafone why adding a simple message, additional to the existing information and alongside the existing online account link, that informs the consumer to check the implications of their switch on their other products and features would not completely satisfy Article 106. Such a statement meets the requirement for the consumer to be “adequately informed”, provides a pertinent reminder for consumers who may want additional information and neither disrupts



the consumer journey for the majority of switchers nor requires the creation of bespoke information within the minute required for PAC generation.

Furthermore, in terms of providing consumer protection, no consumer is switched to another provider until the consumer physically provides their consent by passing a PAC to the gaining provider. That is the point at which the consumer provides their informed consent. It occurs after the consumer has received their new pre-contract information and is therefore able to assess whether there are any deficiencies with the proposed offer and prior to any changes having been made to the existing service. If the consumer wishes to remain with their existing provider the upgrade process will provide a similar document. These documents are intended to allow the customer to compare services between providers and also as a comparison to the documentation pertinent to their current service. Therefore, Ofcom was correct in its initial assessment that only minor changes are needed to the Text to Switch process to satisfy Article 106.

However, an apparent inconsistency with losing provider information in the gaining provider fixed switching process, which today does not have such an explicit indication of informed consent, has led not to a proportionate lessening of requirements on the fixed losing provider, but rather increased regulatory burden on mobile providers. A burden seemingly justified, without evidence, on possible future consumer behaviour and a slightly tenuous link to vulnerable customer requirements. To be clear, Vodafone does not disagree that vulnerable customers should be provided with transparent information that matches their needs; rather it is that Ofcom has over-complicated matters and will overwhelm consumers with information that simply will not be read.

Ofcom states that vulnerable customers such as the visually impaired should be alerted to the fact they need to re-register with their new provider to receive documents in an alternative format. Similarly, that hearing-impaired users who do not port their number would need to re-register their service if they cancel a service and take out a new number with an alternative provider.

In the first example Ofcom entirely ignores that under its implementation of the EECC's pre-contract summary, the gaining provider must determine the needs of its new customer to provide communications in an acceptable alternative format. If a pre-contract summary is required in an accessible format, it is self-evident to any gaining provider that it needs to provide all documents in such a format. This is not a case of re-registering; it is a requirement of the EECC to provide information in an acceptable format to meet the needs of the consumer. To fail to do so is a failure in compliance. Whether or not the losing provider had a similar conversation with the consumer before they left is immaterial, the consumer's needs are satisfied as the consent to switch takes place after the consumer has received their pre-contract summary and the consumer's requirements have been established.

The second example is more niche; an infrequent situation which again can be addressed by the new provider assessing the consumer's needs at point of sale as above. Ultimately Ofcom is wrong to say that the consumer's services "will not automatically be available if



they switch without porting their number”. The consumer in this scenario is not switching. They are ceasing their service with the losing provider. At that point the relationship ends. The losing provider has no knowledge, and nor should it, of whether the consumer is moving to an alternative service or simply cancelling an additional line.

This latter example, irrespective of the good intentions, demonstrates why Ofcom is wrong to conclude that the changes are “proportionate as they do not go beyond the minimum required for customers to be adequately informed”. It is not commercial reality, let alone proportionate, to require operators to invest significant sums in order to advise a consumer on future decisions they may or may not need to take when the said consumer is simply cutting their ties with the operator.

If Ofcom insists on gold plating by providing consumers with the same information prior to the end of their contract, when leaving a provider and then again within the next 30 days (although probably the same or next day) upon joining a new provider, scenarios such as these can be addressed simply by the losing provider adding a sentence to their existing communications. It is as simple as advising that the consumer needs to consider whether any accessibility services, features or other non-core requirements they have are met by their new provider. Reference can also be made to the consumers pre-contract summary, terms and conditions or end of contract notification. The same outcome can be achieved in a far more proportionate and efficient manner than proposed.

Vodafone therefore fundamentally disagrees that non-core information has to be provided in a bespoke manner to every switching consumer. Pre-Brexit the EECC required only adequate information, not all information, and post-Brexit Ofcom has made no attempt to conduct a cost-benefit analysis of the requirements to justify any divergence. Although Ofcom has identified scenarios where a consumer may require additional assistance it should be acknowledged that the consumer has established their requirements with their current provider and in switching to an alternative provider it is reasonable to assume that the consumer is able to do so again.

Vodafone estimates the changes proposed by Ofcom will cost in the region of £1M for it to implement. This is a significant sum to provide information available by other means and for which there is no proven need. The cause of the high cost of the proposal is the real-time nature of the requirements. Ofcom requires the provision of the PAC / STAC via Text to Switch within a minute. Under the proposals that operators need to take “all reasonable measures” to provide Switching Information prior to the switch taking place it also means that within the minute the losing provider also has to identify the impact across numerous products and discounts, the interplay between them, the various accessibility needs of consumers, including whether they are registered with third-party services (of which Vodafone may have no knowledge) and to provide this bespoke to the individual consumer.

Ofcom has pointed to similar information provided for End of Contract Notifications (and which arguably reduces the need for repetition even further). However, the delivery of the two sets of information are very different. End of Contract Notifications are a back-office function rather than provided in real-time. A nightly back-end process identifies contracts



with move into a status requiring an End of Contract Notification. At this point Vodafone has 30 days to carry out the necessary pre-work, determine the appropriate offers and tariffs through modelling and then to issue the notification. Essentially it is an analytical off-line activity, even if it appears instantaneous to the consumer.

In contrast Ofcom is essentially asking for comparable activity across numerous systems, but for the output to be generated within a minute of the consumer requesting a PAC / STAC; 24 hours a day, 365 days a year. Even then it is not a one-size-fits-all requirement but one which Vodafone will be obliged to tailor across its various sales channels.

Further, Ofcom expects Vodafone to be able to identify whether or not a consumer is using a smartphone at the point they request a PAC / STAC and to send personalised notifications in alternative formats via a linked SMS, email or paper where they are not. It is technically possible to determine the type of handset on the network via its TAC. However, this information can be up to thirty days old and is only accurate for handsets bought from Vodafone. Third-party device details may or may not be captured.

Additionally, it is Vodafone's understanding that Data Protection rules preclude the use of such information without the express consent of the consumer. Even the provision of a service message is problematic in the absence of consumer consent. Whilst marketing permissions are held for some customers, they are by no means universal.

Therefore, it should remain incumbent on the consumer to request a PAC / STAC or additional Switching Information beyond the core details, in their desired format, rather than Vodafone being expected to determine whether or not the consumer is using a smartphone at the point at which they request a PAC / STAC. The default position reflective of today's market will always be that the customer has a smartphone; a likelihood that will become even more entrenched as 3G and 2G networks are retired over coming years.

Vodafone calls on Ofcom to agree with industry a standard form of words that can be added to existing consumer notifications to satisfy the underlying regulatory requirements of Article 106 in a simple, proportionate manner.