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Which? response to Ofcom's Consultation: Quick, easy and reliable switching

Summary

Which? welcomes the opportunity to comment on Ofcom's Consultation: Quick, Easy and Reliable Switching. We are pleased that Ofcom is taking steps to ensure that consumers can switch easily between different providers and available technologies.

It is important that there is a quick, easy and transparent switching process for consumers to change their broadband connection, as it will help them engage in the market and take full advantage of the choice available.

Which? believes that Ofcom's preferred approach of 'One Touch Switch' is the right option to make the switching process as easy as possible for consumers. This option removes the additional steps sometimes required to switch - only needing consumers to contact their new provider - making the process quicker and easier. It will also remove the risk of losing connection when switching or the potential for the losing provider to try and retain their customer.

Broadband Switching

Which? has undertaken research looking at the barriers that consumers face to engaging with the broadband market[1]. While switching is only one aspect of consumer engagement, the statistics are indicative of low engagement - Ofcom's finds that only 13% of consumers have switched their broadband contract in the last 12 months.[2] There is also a range of existing research which demonstrates that barriers to and problems with the switching process is a common reason why consumers are prevented from changing provider. Our research in 2019 found that 43% of consumers agreed with the statement that 'switching broadband to another provider is too risky because I may be without broadband for a time'.[3] Furthermore, our qualitative research found that negative perceptions of switching and belief in risk of service loss contributed to consumers not feeling motivated to engage with the broadband market.[4]

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[1] Which?, 2020 "Consumer engagement with the broadband Market: Full report"
https://www.which.co.uk/policy/utilities/4986/broadband-engagement
[2] Ofcom, Switching Tracker, 2020, table 158
https://www.ofcom.org.uk/__data/assets/pdf_file/0021/208821/switching-tracker-2020-data-tables.pdf
[3] Which?, 2019, Consumer engagement with the broadband market- quantitative survey
[4] Which?, 2020 "Consumer engagement with the broadband Market: Full report"
https://www.which.co.uk/policy/utilities/4986/broadband-engagement

As such, Which? believes that it is critical to have a clear, easy and transparent switching process which removes these risks for consumers. The current switching system can be difficult to navigate for consumers especially when switching between different network providers or technologies. Our own research found that 21% of those who have responsibility for their broadband are not confident speaking to their provider about switching away from them[5]. This is consistent with Ofcom's own research finding that around a third (36%) of consumers have issues contacting their losing provider. Moreover, more than half (51%) of those consumers that considered switching but then decided not to go through with the switch identified the difficulties of contacting their provider as the main reason for their decision of not going forward with a new service[6]. An example from a consumer:

"I had an expensive contract with [provider] - my own fault for not swapping earlier. When I contacted them to say I wanted to leave they gave me a really hard time [...] I found it really stressful…"
(Which? Conversation Participant[7])

Which? believes that the One Touch System, as proposed by Ofcom, is the best solution for consumers. This system allows consumers to contact only their gaining provider, reducing the stress and the difficulties associated with contacting the losing provider and removing the risk of loss of service.

Furthermore, Ofcom's preferred option removes the need to contact the losing provider and for the consumer to arrange the switch themselves which mitigates the risk of loss of service. In addition, it removes the problem of providers seeking to convince customers to stay with them, which can be an uncomfortable experience for consumers.

"I decided to switch from [provider x] to [provider y] and set this up. [provider x] offered to better [provider y's] charges so I decided to stay with them and cancelled the switch.The end result was [provider y] correctly cancelling the switch but [provider x] didn't, leaving us with no phone/broadband for 9 days... I would be reluctant to try switching again."
(Which? Conversation Participant[8])

The One Touch Switch System removes these risks for consumers making it easier for them to take advantage of the offers available to them. Which? believes this approach is preferable to the Code of Switch as the alternative option creates additional barriers for consumers.

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[5] Yonder on behalf of Which? surveyed 2114 UK adults, of whom 1913 were solely or jointly responsible for decisions about their household broadband. The survey was conducted online between 12th and 14th March 2021. Data was weighted to be representative of the UK population.
[6] Ofcom, 2020 "Switching Experience Tracker, extra analysis"
https://www.ofcom.org.uk/__data/assets/pdf_file/0020/212636/switching-experience-tracker-extra-analysis-2020.pdf
[7] Which, 2021 "How easy is it to switch broadband provider?"
https://conversation.which.co.uk/technology/broadband-switching-process-improvements-ofcom/
[8] Which, 2021 "How easy is it to switch broadband provider?"
https://conversation.which.co.uk/technology/broadband-switching-process-improvements-ofcom/

Which? notes the publication of a further document outlining proposals for 'Option X' that proposes a modification to the Code to Switch process. However, Which? believes that this option is suboptimal for consumers compared to the One Touch System, as switching barriers still remain for consumers. Although the opportunity for consumers to receive their switching Code via an Interactive Voice Response (IVR) platform, will remove the need for interacting with an agent, we believe that the process still requires the consumer to take more steps than the One Touch Switch System.

We welcome Ofcom's proposal's to ensure that the new switching system will include switching between different networks as well as between different broadband technologies. This is critical in removing the current complexity of different switching processes for moving between different networks, including needing to contact both the gaining and losing provider.

Furthermore, as highlighted in the Gigabit Take-Up Advisory Group (GigaTAG) Interim report[9], a simpler, transparent and reliable switching process is one part of helping consumers move to gigabit capable connections.

Conclusion

Which? believes that consumers should have access to a quick, and easy and reliable switching system that allows them to easily take advantage of the choice available in the broadband market.

Therefore, Which? supports Ofcom's preferred approach of the "One Touch" system and believes it is the best solution for consumers as it reduces the amount of steps they will have to take to change their provider, while removing the risk of losing service. This will make the switching process easier and help overcome some of the fears consumers face when engaging with this market. An easier switching process will also play an important role in making sure that consumers migrate to gigabit capable connections.

Once the new process will come into effect it is important that consumers are informed of the upcoming changes.

About Which?

Which? is the UK's consumer champion. As an organisation we're not for profit - a powerful force for good, here to make life simpler, fairer and safer for everyone. We're the independent consumer voice that provides impartial advice, investigates, holds businesses to account and works with policymakers to make change happen. We fund our work mainly through member subscriptions. We're not influenced by third parties – we never take advertising and we buy all the products that we test.

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[9] Which?, 2020, Gigabit Take-up Advisory Group: Interim Report
https://aaf1a18515da0e792f78-c27fdabe952dfc357fe25ebf5c8897ee.ssl.cf5.rackcdn.com/2249/GigaTAG+Interim+Report.pdf?v=1608208282000

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