



BT's response to Ofcom's consultation document

*“Consumer switching:
Next steps and call for inputs”*

7th October 2014

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Executive Summary

The process used by consumers and business customers to switch between providers is of vital importance to the competitiveness of the communications industry. It is essential that customers are able to switch easily, seamlessly and efficiently so that they can exercise complete freedom of choice and achieve all the benefits that a healthy competitive market can bring. We welcome Ofcom's call for inputs, as we have emphasised since the start of Ofcom's review of consumer switching that it is very important to include all the relevant CPs and technologies within scope.

Now that Ofcom has decided that a gaining provider-led (GPL) switching process is best for consumers and for the industry, the new rules which are to be applied to all voice and broadband switches within the Openreach copper network should also be applied to networks and services beyond Openreach. Consumers in general are unaware of, or are unconcerned about, the underlying technology used to provide them with service; they just want a simple, consistent switching process for all services.

This is particularly the case where bundles of services are being switched. It is inconvenient, at the very least, for consumers to have to follow two or more different processes for switching a bundle of services which, in many cases, they are buying under a single contract and/or for a single price from their communications provider (CP). The more complicated it is to switch, the more likely it is that the consumer will be deterred from even attempting to do so, and the result is that consumers are stuck with a sub-optimum deal. In addition, the more complicated the process(es), the more likely it is that CPs' customer service agents will give incorrect advice to the consumer about what to do, resulting in even more difficulty and higher switching costs. This situation will worsen as take-up of bundles continues to increase, and new combinations of bundled services are launched.

In addition to the detrimental effect on customer experience, the current situation risks a distortion of competition. We believe that one of Ofcom's primary motivations for its choice of a GPL process was to remove the opportunity for "reactive save" – i.e. the ability for the losing provider (LP) to target switching customers and persuade them to stay by making an enhanced offer to them. Ofcom believes that the presence of reactive save activity risks dampening competition, because it allows "incumbents" to make selective offers only to customers in the process of switching, increases acquisition costs for smaller players and reduces pressure to keep headline prices competitive. If this concern exists in relation to switching within the Openreach network, there is no reason to believe that similar effects would not arise in relation to save activity by providers of other services or technologies.

What's more, the existence of reactive save by those other providers is undermining Ofcom's previous actions on Openreach voice and broadband switching. As explained in more detail in our response to Ofcom's questions, Sky is still able to "save" customers who are switching away their voice and broadband to another CP, because the customer has to contact them to cease their TV service. Similarly, although Ofcom has stated that it would be a breach of General Condition (GC) 1.2 if a CP were to use a Number Port Request from another CP to prompt a save attempt, Virgin Media is still able to "save" a customer who is porting their number away, despite the GPL process, because the customer still has to contact them to cease their broadband and/or TV service.

In the mobile communications environment, the LPL PAC process for porting mobile numbers is inconsistent with the majority of other EU countries where a GPL process is used. As Ofcom has concluded that a GPL process is best for consumers, and consistency across all services is desirable, particularly with the likely growth of "quad-play" bundles of

fixed and mobile voice services, broadband and TV, we believe the PAC process should be adapted to become a GPL process for mobile.

Therefore BT is of the view that Ofcom should move to mandate a GPL process on all forms of voice, broadband and pay TV transfers as soon as possible. To quote Ofcom: “We consider that consumers ought to have appropriate migration processes and, as far as possible, consistent consumer switching experiences regardless of the underlying wholesale service/network. Platform neutrality helps to ensure that CPs’ systems are able to support good consumer switching experiences.”¹

It will be important to ensure a pragmatic approach and minimise the cost and complexity of any solution in order to make the change justifiable and workable for the industry. We have suggested, in our detailed comments below, a way in which the mobile PAC process could be adapted relatively easily. Finding a solution for switches to/from cable broadband and for pay TV will be more challenging, due to the lack of any shared point of reference to identify the service/asset to be ceased by the LP when the GP’s service begins. As there would be no shared portal (as there is for Openreach-based switches) through which GPs could place “cease co-ordination” orders for Sky’s or Virgin’s TV service, or Virgin’s broadband service, consideration would need to be given as to how GPs and LPs would interface/communicate on an automated basis. Further consideration needs to be given as to how this could be achieved without disproportionate cost. This will need discussion with industry, and we believe Ofcom should re-visit the work that was done previously by the Switching Working Group in relation to BT’s Transfer Code proposal, to see whether a GPL code-based solution could be developed which does not require a costly and complex industry-wide database.

We look forward to working with Ofcom and industry on this, and in view of the significant benefits that would be brought about, both for consumers and for competition across the industry, we are confident that a suitable, pragmatic and proportionate solution could, and must, be found.

¹ Consumer Switching: A statement and consultation on the processes for switching fixed voice and broadband providers on the Openreach copper platform – published by Ofcom on 8th August 2013 – page 174, para 8.45

Responses to questions

Q.1 Do you agree with our characterisation of the switching processes and practices for the networks and services in scope for this phase of work? Are there aspects of such processes that you consider have significant consequences for consumers' experiences of switching or the functioning of markets?

Yes, we largely agree with Ofcom's descriptions of the switching processes and practices currently involved, when consumers wish to switch to or from Virgin media's cable network, or to switch bundles of fixed voice, broadband and pay TV, or to switch between mobile networks. As we do not supply fixed voice and broadband services within KCOM's area, we cannot comment on consumers' experience there.

Ofcom describes the arrangements for consumers who wish to move their fixed voice service from the Openreach network to Virgin's cable network (or vice versa), and to port their number, as "an informal switching process". We don't think this is an accurate characterisation, as the fixed number port process is a formally-agreed and documented process which is adhered to across the industry and monitored by the industry Number Port Forum. Ofcom has previously been involved in regulating certain aspects of the process – i.e. Ofcom advised (in mid-2012) that no save activity should be allowed as part of the process, because the use of the number port request by the losing provider (LP) for marketing purposes would be a breach of GC1.2. (This action has been ineffective, for reasons we discuss below.) We suggest the best way for Ofcom to understand better the precise arrangements that are used would be to review the industry agreed process documents, which can be found on the OTA website at <http://www.offta.org.uk/best.htm>.

Asymmetry in switching of Pay TV bundles, and in switches to/from cable

We strongly agree with Ofcom's point that the process for switching Pay TV as part of a bundle is not symmetric. As described by Ofcom, where a consumer takes both broadband and pay TV from BT or Talk Talk, and then switches to Sky, Sky acquires the consumer under the GPL NoT process, and there is no need for the consumer to contact the LP because the TV service will automatically cease when the broadband is switched (as the TV service is delivered over the broadband line). However where a consumer wishes to switch their broadband and Pay TV service *from Sky to BT or Talk Talk*, whilst the voice and broadband services can be acquired via the GPL NoT process, the consumer must contact Sky if they want to cease their TV service. This gives Sky an opportunity to save their customer, *not just for the TV service but for all three services*, without breaching any of the existing General Conditions on fixed voice and broadband switching. (GC1.2 is not breached because Sky is not using the confidential NoT notification from Openreach to trigger the save attempt, but the information provided by the consumer that they are ceasing. And GC22.15 is not breached because Sky's communication with the consumer is not taking place "in order to comply with" GC22 - the fixed voice and broadband switching rules.)

BT has made it clear, in response to Ofcom's previous switching consultations, that we do not agree with Ofcom's concerns about "reactive save" necessarily leading to consumer harm. Nevertheless, we are very concerned to ensure that there is a level playing field across the industry, particularly in relation to the switching of bundles. As Ofcom has pointed out, at the start of 2014, around 63% of UK households take some form of bundle. Just over a quarter (28%) of UK households take a fixed voice and broadband bundle; a further 23% take a bundle which also includes pay TV (i.e. triple play). Over half of those switching broadband services also switched another service at the same time. If Ofcom

believes that “reactive save” – i.e. the LP having an opportunity to present a save offer to the consumer before they leave – damages competition and thus creates consumer harm, then they must ensure that it is prevented to the same extent for all players across the industry, to avoid competitive distortion.

We have looked to see whether there is statistical evidence to demonstrate this distortion. Of all customers who move to triple play with BT, 30% have switched all three services from another CP. From our research, 30% have switched from a triple play with Sky, and 30% previously had at least one core service with Sky (eg TV with Sky, and voice/broadband with Talk Talk). 30%

We have then estimated “breakage”, i.e. the proportion of our orders that get cancelled during the NoT process, by examining the results of marketing campaigns where we have targeted those we believe to be Sky customers with either a dual-play or a triple-play message. From a sample, of those Sky customers who agreed to take a triple play from BT (whom we know are very likely to have had Sky TV, as explained above), 30% subsequently cancelled their order. However the cancellation rate for those who took a dual play from BT (who are less likely to have had Sky TV, or who did have Sky TV but wanted to keep it), was only 30%. This implies that Sky are successfully saving a high proportion of those customers who have to ring them to cancel their TV service when wanting to switch elsewhere. BT has no similar “reactive save” opportunity when customers leave us to go to Sky.

The same concern about asymmetry arises in relation to switching of both dual- and triple-play bundles between Virgin Media and CPs on Openreach’s network. As above, if a consumer is switching their fixed voice and broadband services from BT to Virgin Media’s cable network, and they wish to port their number (as most consumers do), they will follow a GPL process. Virgin will place a Number Port request with Openreach, which triggers a NoT notification to the LP. Once the number is ported away, the BT line and associated BT broadband service will automatically be ceased. There is no save opportunity, unless the consumer chooses to contact BT, because it would be a breach of GC1.2 if BT were to use the Number Port request to contact the consumer for marketing purposes. However if the consumer is switching their fixed voice and broadband services *from* Virgin Media *to* BT, the Virgin Media fixed voice service will be ceased when the number is ported, but the consumer is obliged to contact Virgin in order to cease their broadband service, which is not dependent on the fixed voice service. This gives Virgin a save opportunity, for both the voice and broadband services. The same applies where the consumer also has Virgin’s TV service.

We have examined the cancellation rate on our Number Port requests to Virgin. 30% of these are cancelled (30% by the consumer, and 30% by Virgin, as there are no regulatory restrictions on Virgin’s use of the “Cancel Other” facility, creating a further asymmetry). The majority of these cancellations are occurring soon (i.e. within the first 3 days) after their order with BT has been placed, following their contact with Virgin to cancel their current broadband or TV service. From listening to call recordings during which consumers were asked *why* they were cancelling, some 30% said they’d cancelled because they had been offered a better deal by Virgin, 30% because they had decided the BT deal was not strong enough after all, and a further 30% said they had simply changed their minds. All three of these categories of consumers are likely to have been “saved” by Virgin.

Again, if Ofcom believes that “reactive save” is harmful to competition and to consumers as a whole, the constraints it places on reactive save must apply across the whole of the industry, and to all elements of a bundle, regardless of network or technology.

Ultimately, if there is any distortion of competition it will also be harmful for consumers, and this is the biggest factor pointing to a need for change as soon as possible.

We also have some concerns about certain aspects of the consumer experience with current switching processes, which we discuss further in our response to Q2 below.

Competitive effect of mobile number porting/switching processes

Currently we do not believe the LPL mobile number porting (PAC) process creates any asymmetry between competitors in the market, as all providers follow the same process where consumers wish to port their number. Similarly where the consumer is not porting their number, they must always follow a “cease and re-provide” (C&R) process, and notify the LP that they are ceasing their service. Thus there is currently a level playing field.

However, Ofcom does not discuss what will happen when “quad play” becomes more prevalent – i.e. when consumers choose to take a bundle of services from a single CP which includes the addition of mobile to the more common “triple-play” of fixed voice, broadband and Pay TV. If Ofcom chooses not to take action to change mobile porting/switching to a GPL process, the same kind of competitive distortion described above is likely to arise, with those CPs offering a quad play gaining an advantage (in the form of a reactive save opportunity for all four services) over those without a mobile offering. There will also be an advantage for those CPs with a larger mobile base compared to those with a smaller mobile base, or new entrants, because those with a larger base will continue to have a save opportunity in a much higher proportion of quad-play switches than those with a smaller base (even if, like BT, the small mobile player has a higher share in the fixed voice and broadband markets).

Aspects of the current mobile number porting/switching processes that affect consumers’ experience are discussed in our response to Q2 below.

Q.2 Do you consider that the eight issues that we identified in section 4 in relation to switches on the Openreach network are relevant for the networks and services in scope for this phase of work? If so, to what extent are they relevant and why? Are there other issues we should also consider?

Our views on each of the eight “problems” identified by Ofcom, and how they relate to cable, pay TV and mobile switching processes, are as follows.

(i) Multiple processes for switching the same service/bundle of services

We agree with Ofcom that having different processes for switching the same services (e.g. GPL for fixed voice or broadband when the GP and LP services are delivered via Openreach, but C&R for switches to and from Virgin cable, except for a GPL number port) creates complexity which is confusing for consumers and can result in consumer harm. For example, we have seen cases where customers complained, following a switch to BT from Virgin, that they did not realise they had to contact Virgin to cancel their old broadband service, so they have inadvertently ended up having to pay for two broadband services for a period of time.

Similarly confusion can arise from having to follow two separate processes for switching a bundle of services from the same CP – as well as the competitive distortion that this creates, as discussed in our response to Q1 above. Such confusion is likely to grow if quad-play bundles become more prevalent, although

we have no evidence that today's mobile number porting or C&R processes cause confusion.

Now that Ofcom has reached a decision, in relation to switches on the Openreach network, that GPL switching processes are best for consumers, we urge Ofcom to extend this decision to all other platforms as soon as possible, for the sake of simplicity, consistency and a level playing field. As Ofcom stated in its August 2013 Statement², "The existing confusion and difficulty associated with the existence of multiple processes hinders consumers' ability to switch, and causes consumer harm."

(ii) Consumer difficulty and unnecessary switching costs

BT's views previously were that on balance, the "hassle" for consumers under an LPL process created by the need to contact both the GP and the LP, and from unwanted save activity, was more than offset by the hassle (time and cost) of having to cancel an order to switch under a GPL process after receiving the NoT letter and realising the consequences (such as high ETCs). Nevertheless, given that Ofcom has made its decision regarding its preference for GPL, we believe it should apply the same principles across all fixed networks and platforms.

When a consumer wants to switch a bundle of voice, broadband and pay TV from Sky to BT, whilst the fixed voice and broadband services can be switched using the GPL NoT process through a single phone call to BT, the consumer still has to contact Sky to cancel the TV element. Similarly if a consumer wants to switch a dual or triple-play bundle from Virgin to BT, whilst the telephone number can be ported via a single phone call to BT, the consumer still has to contact Virgin to cancel the broadband and the TV elements. If they do not do so, they are likely to find themselves being double-billed – i.e. continuing to pay for services they no longer want. Alternatively, where there is no number port, the consumer must co-ordinate all elements of the cease and re-provide themselves, involving at least two phone calls and the risk of either a break in service or double-billing.

Ofcom believes that these extra calls create unnecessary hassle for consumers, as this was one of the main reasons for choosing a GPL process for fixed voice and broadband switching within the Openreach network, and in this case there are the added hassle and switching costs caused by the potential for double-billing or breaks in service. Ofcom stated in their August 2013 Statement³ that "switching costs dampen competition and...processes that reduce consumer difficulty and unnecessary switching costs will deliver a better consumer experience and competition outcome." Ofcom goes on to say "In this respect, we also note the outcome of the BEREC report, which recommended the minimisation of unnecessary switching costs and barriers, so that there should be minimal effort on the part of the consumer in order to switch. Our assessment of this issue therefore strongly supports a need to harmonise to a single GPL switching process, for switches over the Openreach copper network." We urge Ofcom to apply the same principles to the switches now in scope, as there is no rationale for a different conclusion here.

² Consumer Switching: A statement and consultation on the processes for switching fixed voice and broadband providers on the Openreach copper platform – published by Ofcom on 8th August 2013 – page 168, para 8.9

³ Consumer Switching: A statement and consultation on the processes for switching fixed voice and broadband providers on the Openreach copper platform – published by Ofcom on 8th August 2013 – page 153, para 7.39, and page 170, para 8.19

(iii) Lack of consumer awareness of the implications of switching

We agree with Ofcom that it is vital for consumers to be able to make an informed choice, prior to the switch order completing. In particular they must be made aware of any ETCs to be applied by the LP, and any changes to price and availability of other services that they may wish to keep with the LP. It is undeniably the case that LPL or C&R processes, where the consumer has to contact the LP to arrange the switch, are more effective in ensuring the consumer is fully informed of these things, since the LP has every incentive to explain the consequences of leaving.

Under the current GPL NoT process applying on the Openreach network, LPs are required to write to consumers to set out the implications of switching, which is effective to a certain extent (assuming the consumer receives and opens the letter). BT chooses to follow the same letter process when a customer moves to the Virgin cable network, to make sure that the customer is aware of any ETCs etc, and we suggest that this should become a formal regulatory obligation for switches to or from Virgin's cable network. The implications for ceasing the pay TV elements of a bundle could also be included in the LP's NoT letter, as indeed they already are in BT's current letters.

However the sending of letters has the effect of extending the lead-time necessary for the switch, to allow for production and delivery of the letter and for the consumer to act on it if necessary. Currently the mobile porting process requires next day porting, and any lengthening of this timescale would degrade customer experience and would not be welcome to consumers. We believe that if a consistent GPL process is to be adopted across mobile networks, a quicker way to establish ETCs must be found, which we discuss in more detail in our response to Q3 below.

(iv) Insufficient customer consent and the problem of "slamming"

In a LPL process, such as the current mobile number porting process, the LP will always authenticate the consumer before providing them with a code, and the GP needs the code before placing an order to switch the consumer's service; so there is no risk of slamming or insufficient customer consent. And the nature of a C&R process, where the consumer co-ordinates the switch, means that again there can be no slamming. In any GPL process, the risk of slamming is higher, and suitable protections must be put in place which do not slow down the switching process.

The GPL NoT process that now applies for fixed voice and broadband switching within the Openreach network relies on the LP sending a letter to the consumer, which (as well as setting out ETCs etc) would alert the consumer to any switch which they had not intended to happen. Although there is no regulatory obligation, as mentioned above, BT chooses to send a similar letter when a consumer ports their number to the Virgin cable network. This appears to work effectively as we are not aware of any evidence of slamming or insufficient customer consent in this scenario.

To strengthen consumer protection we suggest that the additional measures recently applied in the existing GPL NoT process, requiring the GP to record the customer's explicit consent to the switch, could be extended to switches and/or number ports to and from the Virgin cable network, and to any new GPL process for co-ordinating the switching of triple-play TV bundles.

There would also be an increased risk of slamming with a GPL mobile porting process, compared to the LPL process of today. Sufficient protections must be put in place to ensure the LP has confidence that any port request they receive has had sufficient authentication of the customer's identity and consent, without slowing the process down. This problem has been addressed in other countries in the EU where a consumer uses an independent third party to authenticate their porting request. For example, in France there is a generic short-code 3179 which switchers call to request their RIO (PAC equivalent). The system uses the consumer's CLI to identify the requester, and the RIO is sent via SMS to the same number. This has the advantage of ensuring that CLI spoofing will not result in the spoofer gaining access to the RIO, and it also prevents the GP from slamming, as only the consumer can acquire the RIO and give it to the GP. We believe a similar process could be adopted in the UK using Syniverse, the third party which keeps track of all mobile number ports. Syniverse has access to information regarding the number range-holder and any subsequent ports, so would be able to notify the LP of the customer's code request. Then the code could be matched by the LP when the GP's number port request is received, thus proving that there has been no slamming.

(v) Erroneous transfers

We agree with Ofcom that erroneous transfers (ETs) are not likely to happen with current LPL mobile number porting, where the LP authenticates the customer's identity. We are not aware of any ETs in the context of number ports to/from the Virgin cable network, despite this process being GPL, because a number port request is not reliant on specific address data. (The GP provides the number it wishes to port, and the customer's post code, and the request is rejected by the LP if the two do not match.)

If a harmonised GPL process were to be extended to Virgin broadband, and Sky and Virgin pay TV services, there would need to be a means to ensure that the correct customer/service had been identified by the GP and notified to the LP, so that nothing is ceased in error. Further discussion with industry would be needed as to what form such identification should take, and how the GP should communicate with the LP when there is no common wholesaler.

(vi) Loss of service

We agree with Ofcom that consumer harm arising from loss of service is increasingly significant as communications services are increasingly used and relied upon by consumers and small businesses for a wide variety of applications.

In mobile, the LPL number port process today avoids any material loss of service through the use of a co-ordinated, customer-defined porting date. There is a minor loss of service during the course of the day of port, as calls and texts stop being routed to the original SIM and towards the new. The impact of this minor disruption is within consumers' control: if they have two handsets for a period of time, they can keep both devices active until the port has completed; or if they have a single handset, they can keep the original service provider's SIM in the device until the service has ceased, and then perform a SIM swap. With a GPL porting process, this position should continue.

Similarly with fixed number porting to and from Virgin's cable network, the port enables the stop and start of the fixed line service to be co-ordinated with minimal

loss of service. However where there is no number port, and/or where the consumer wants to transfer their broadband and TV services away from Virgin, they are likely to suffer either a break in service or an overlap, due to difficulties in co-ordinating the start and stop themselves. We believe this risk merits Ofcom's intervention, just as it did in the context of switches within the Openreach network.

(vii) Lack of platform neutrality

In the context of mobile switching, whilst we favour a change to a GPL process for the sake of consistency and simplicity for consumers, we do not believe the differences between LPL and C&R processes create a potential to distort consumer choice or competition. The choice is down to the consumer whether they want to port their number or not, but either way they must currently speak to their LP to arrange it.

When a consumer wishes to transfer their broadband service or their TV service away from Virgin, or their TV service away from Sky, they have no choice but to follow the C&R process, to contact the LP to cease the original service and try to co-ordinate this with the start of their new service. As explained in our response to Q1 above, this creates a competitive asymmetry as well as potential confusion and hassle for the consumer. The underlying technology used to provide their service is generally unimportant to consumers; what matters is that they have a simple, uniform switching process, particularly for dual- and triple-play bundles, and we urge Ofcom to take action to harmonise the process across all platforms and services.

(viii) Reactive save

BT's views on reactive save have been well-rehearsed in previous responses to Ofcom's consultations. In summary, we do not agree with Ofcom's previous conclusion that "a switching process that systematically allowed reactive save risked reducing competitive pressure from entrants and smaller players.....because it enabled incumbents to make selective discounts to consumers in the process of switching". We do not believe there is any empirical evidence that prices for non-switching customers are held at an artificially high level, or that the existence of reactive save – as narrowly defined by Ofcom – would make any material difference to a new entrant's ability to establish itself.

Nevertheless, given that Ofcom has chosen a switching process within the Openreach copper network which prohibits reactive save activity, it is now important that it removes the asymmetry that results from the lack of such a prohibition when consumers are switching away from Sky or Virgin. As explained in our response to Q1 above, the fact that a consumer has to contact Sky to cancel their pay TV service when switching a triple-play bundle completely undermines the rules that Ofcom has introduced for voice and broadband switching within the Openreach network, as Sky is able to make a reactive save offer in relation to all three services. When a consumer wants to cease their broadband or pay TV service with Virgin, they have to contact Virgin, thus undermining the prohibition on reactive save activity in the industry Fixed Number Port process. This asymmetry affects smaller players as well as BT, and if Ofcom believes that reactive save has a harmful impact on consumers overall, it should take action to ensure that it is prevented to the same extent across all platforms and services.

Q.3 Could the current switching processes for the networks and services in scope be modified to result in a better experience for or protection of consumers, and/or more effective competition? If so, why and how should they be modified? Are any modifications in your view available that might be implemented relatively quickly and easily? What risks and costs might be associated with these revisions or modifications?

BT is keen to ensure that a pragmatic approach is taken, and that the costs of any regulatory intervention are minimised. We appreciate Ofcom must show that any cost is justified and proportionate. A centralised, industry-wide database of customer information, as previously discussed by Ofcom and the Switching Working Group, may prove to be too costly and complex a solution. However we believe some relatively simple steps could be taken that would help to ensure a simpler consumer experience and level the playing field between Sky and Virgin on one side, versus all other CPs on the Openreach network on the other side.

Number porting and fixed voice service “switching” to/from Virgin Media’s cable network

Number porting to and from Virgin is already carried out using a GPL process which is very similar to the GPL NoT process to be used for fixed voice and broadband switching within the Openreach network, and porting of the number is used to trigger the co-ordinated cease and re-provide of the associated fixed telephone service. As a first step it would be relatively quick and easy to turn this agreed industry process into a mandatory regulated process to align with the GPL NoT process. Thus when a consumer is moving their fixed voice service between the Openreach network and the Virgin Media cable network, the following would apply:

- There would be a prohibition on mis-selling (engaging in dishonest, misleading or aggressive conduct, etc) by the GP
- The GP would be obliged to keep a direct record of consent and allow the consumer to cancel the contract without charge prior to completion of the transfer period
- the LP and GP would be obliged to send notification letters to the consumer setting out details of the transfer, as per GC22 requirements, including any ETCs
- The LP would be prohibited from making any marketing statements or representations when communicating with the consumer as part of the switching process
- Cancel Other would only be permitted to be used by the LP in instances of slamming and/or Failure to Cancel or one of the other reasons in GC22 Annex A1.2.

Whilst there is little evidence of material consumer harm arising from the current industry process, such a step would have the advantage of improving Ofcom’s enforcement ability and levelling the playing field to some extent by aligning the use of Cancel Other with that allowed within the Openreach network.

Broadband “switching” to/from Virgin Media’s cable network

From June 2015, all broadband switches within the Openreach network will be subject to GC22, and the GPL process/rules described above. To avoid consumer confusion and switching costs, and to level the playing field in relation to reactive save activity, a GPL process, enabling the GP to co-ordinate the cease and re-provide of the consumer’s broadband service, should also apply where consumers are moving between the Openreach network and the Virgin media cable network.

As with the GPL NoT process for broadband switches on the Openreach network, the GP would be required to keep a record of the customer’s consent to the cease/re-provide, and

the other provisions of GC22, as listed above, would also apply. We understand that if a Virgin customer has both fixed line and broadband services, there is a single account and the telephone number could be used as a reference point for identifying which broadband service should be ceased, whether or not the telephone service was also being ceased and the number ported at the same time. However Virgin also has some solus broadband customers, as their broadband service is not dependent on a telephone line. If a solus broadband customer wanted to switch away from Virgin, an alternative point of reference would need to be provided by the GP to specify the service to be ceased – possibly based around the Virgin account number, which the consumer could provide to the GP, or the consumer's name and address. Further industry-wide discussion on this point would be needed.

Pay TV triple-play bundles

We have discussed above why it is important that the pay TV element of a triple-play bundle should be capable of being switched in a co-ordinated manner through a GPL process at the same time as the fixed voice and broadband elements of the bundle. As with Virgin Media broadband, a point of reference would need to be agreed which identifies the relevant consumer's Sky or Virgin Media TV service, which the GP could pass on to Sky/Virgin with a request to cease on a particular date/time, in co-ordination with the associated fixed voice and broadband cease and re-provide. We suggest that BT's Transfer Code proposal should be re-visited to see whether it could provide the necessary point of reference in a GPL context, without the need for a complex industry-wide database.

Automated interface

As there would be no shared portal (as there is for Openreach-based switches) through which GPs could place "cease co-ordination" orders for Sky's or Virgin's TV service, or Virgin's broadband service, consideration is needed as to how GPs and LPs would interface/communicate on an automated basis, and how this could be achieved without disproportionate cost. We would welcome further industry debate on this, with support from Ofcom.

Mobile GPL number porting

For mobile services, porting of the number is already used to trigger a co-ordinated cease and re-provide, and we believe it would be relatively easy to move to a GPL process through re-use of elements of the existing LPL process – namely the generation of an authenticated PAC that is given to the GP to initiate a port. The main benefit of this approach is that there is no need to wait for letters to be sent as a consumer protection mechanism, and the porting process is not slowed down.

As described in our paragraph above regarding the problem of slamming, we believe that an intermediary (currently Syniverse) could provide the necessary authentication when a consumer requests a PAC via a text message to an automated interface. The PAC would be returned almost instantaneously to the same CLI. LPs would be required to set up an automated interface through which customers could be told of their ETCs, also by text, thus avoiding the switching costs which Ofcom believes are associated with an extra call to the LP and the reactive save opportunity that this provides. Further "save calls" to the customer by the LP would be prohibited.

In cases where a quad-play bundle is being switched, the mobile service could be provisioned, and the mobile number ported, more quickly than the other elements of the bundle, and we would not wish this to be slowed down; but we suggest that in cases where the consumer subsequently found out, during the 10 day GPL transfer period, that they had

unacceptably high ETCs in relation to one of the other elements of the bundle, they should also be allowed to cease their new mobile contract without penalty if they wished to do so. Thus all four services could be switched in the same way, with the consumer having had to make just one call to the GP.

Q.4 Is there anything that you consider is relevant to the switching of networks and services in scope for this phase of work that we have not set out in this document?

The arguments and issues surrounding GPL processes have been covered comprehensively in this document and in previous Ofcom consultations and statements. We believe the need to make changes in relation to the networks and services now in scope, and the justifications for doing so, are clear. What is missing, and what is now required quite urgently, is an assessment of *how* a GPL process could be made to work in this context. BT will be carrying out its own investigations and internal discussions over the next few months, but we would welcome further discussion with Ofcom and industry so that we can help drive this forward.