

uSwitch

uSwitch was set up over ten years ago to help consumers take advantage of the best deals on offer from utilities suppliers. Consumers can now compare prices and make an informed decision across a range of products and services including gas and electricity, heating cover, home and mobile phones, broadband (mobile and fixed-line), digital TV and personal finance products.

Our comment highlights the importance of a fair and equal distribution of LTE-capable spectrum in the forthcoming auction, so as to maintain competitiveness, availability and pricing of mobile services for both consumers and to secure the future of the UK mobile market.

We at uSwitch are of the opinion that the situation within the mobile market needs to remain competitive in the future and, despite the merger of T-Mobile and Orange, there is still an element of fair pricing and a relatively low barrier to entry to maintain that status quo.

However, the cost of consumer acquisition, combined with the time spent within the market, could be a large hurdle to overcome for later entrants to the MNO space, so the requirement for maintaining relevant in terms of offering equivalent services to users is of paramount importance.

Nevertheless, the maintenance of four major mobile network operators in the future will continue to keep the prices falling and value for money increasing, as they continue to compete in the provision of qualitative services to consumers.

As data becomes more of a necessity to consumers on the various networks, the requirement for a fair distribution of this supporting infrastructure is tantamount, with the costs incurred by the provision of smartphones and high-value handsets needing to be offset with competitive contract pricing.

Ofcom's request to release the sub-1GHz spectrum is wholeheartedly agreed with, enabling consumers to utilise voice-driven services in conjunction with the growth in a reliance on data-heavy applications, on a choice of MNOs.

In order to do this, we must naturally ensure that the distribution of this sub-1GHz spectrum – in addition to 2.6GHz for data-driven services – will enhance the consumer experience across MNOs sufficiently, by providing coverage both improvements indoors and in rural areas (without detriment to fixed line offerings), whilst also maintaining competition.

The healthiness of all four competitors is essential for the market as a whole, requiring all to be able to offer both the low-frequency spectrum so essential to call quality and reception, as well as the high-end 2.6Ghz frequency to offer an effective all-round service.

The repurposing of the 900Mhz and 1800MHz spectrum to support 3G as well as 2G services has been of great benefit to consumers in terms of signal quality and geographic reach, and the fast turnaround of the liberalisation is heartening for those users who had suffered from network speed-related data issues in the past.

However, if - as you expect - the 1800MHz band will be utilised for LTE services rather than 3G provisions, then the fairer distribution of this is an important point, preventing what is currently a sole MNO from owning a large proportion of arguably an important network in the future of mobile.

An agreement with yourselves to divest this into the combined award is to be applauded, and obviously this would be preferable for an equal distribution amongst the MNOs as opposed to a private sale.

The reasoning behind this is that a private auction could be hugely beneficial for those with a broad existing spectrum distribution, and it may be in their interest to price the lower frequency out of the range of other MNOs, subsequently preventing them from providing an equivalent standard of service.

We at uSwitch simply believe that the provision of a quality mobile service between providers is tantamount to pricing and handset availability, as the consumer greatly values their ability to rely on the freedom to switch, and have a good quality of experience whether it be at donor or recipient.

We echo Ofcom's sentiment that a distribution of spectrum which is beneficial to some MNOs could equally create unmatched competitive advantages against others, and are eager to have the situation of four providers – with a breadth of spectrum in both sub-1GHz and higher frequencies - in order to do so.

I hope that you value our contribution to the consultation, and greatly look forward to the results in the hope that the consumer will be considered at every stage of the process.

Many thanks,

Ernest Doku