

THUS Response to the Ofcom Strategic Review of Consumer Switching

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As part of the Cable&Wireless Worldwide family of businesses, THUS offers high quality products, services and communications solutions to a broad range of organisations across all sectors of the mid market business arena.

We deliver easy to use voice, data and internet solutions and offer all the advantages and savings of a one stop supplier, with a product range that exceeds expectations. Our proven solutions enable office based, and mobile or flexible workers to integrate fully and securely with scalable, robust networks to deliver communication systems that work. THUS provides solutions to small companies as well as medium sized organisations.

We welcome the opportunity to respond to Ofcom's review of consumer switching. However, rather than answer your specific questions we have decided to provide an insight into our thinking about the review as a whole.

Losing Provider Led versus Gaining Provider Led Processes

As a business, it is not in our interest to support anything other than a Losing Provider Led (LPL) process. LPL gives us the opportunity to address account churn, as it is an opportunity for us to discuss with our customer the reasons for them wishing to switching to a new provider. This could in turn help us address other issues such as resolving faults and could be for the benefit of the customer. We believe that LPL gives the losing provider a focus on fixing problems the customer is experiencing and not just an opportunity to sell services cheaper just to keep the customer.

We have to say, also, that we are not currently experiencing any problems that would indicate to us that there is any need to support anything other than an LPL approach. We certainly do not have problems with customers joining our services.

We can see that a Gaining Provider Led (GPL) process could lead to delays and further "harm" to the consumer:

- The gaining provider will still need to wait for confirmations and notifications from the losing provider which could lead to delays in provisioning
- Very often the customer will need to collect information from their losing provider about certain aspects of their services, particularly if the customer wishes to switch lots of services. This will still be an opportunity for the losing provider to try and persuade the customer to keep their services with them (as is argued against LPL by Ofcom).
- We are concerned that a GPL approach could lead to slamming as we have experienced situations where the gaining provider has assumed that all the customer's services are to switch, so for customers who have a number of services there will need to be proper controls in place to prevent the gaining provider assuming all services are migrating, leading to disruption for the customer. Furthermore, GPL just gives the gaining provider

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an opportunity to also “do a deal” on the customer’s other services, just in the same way Ofcom argue that LPL gives the provider the chance to “persuade” the customer away from changing services.

- We are concerned that GPL will also mislead consumers about contractual obligations such as “exit fees”. If everything is led by the gaining provider, will it be clear enough to the consumer that they may have to pay outstanding monies to their old provider? This could be quite costly for the losing provider who will probably have to invest a lot of resource into chasing outstanding monies.

Moving over to a GPL Process

If the decision was to move to a GPL process then we would prefer option 1(a). We believe option 1(c) (involving a third party) would be too expensive to implement.

Conclusion

THUS would prefer to keep the Losing Provider Led process in place where it is still currently in use. It suits our business model and works well with our customers. We have no experience of our customers suffering from harm caused by this approach and we believe that it provides useful incentives to providers to deliver a better service and fix issues for those customers who are only moving because they’re not happy with an element of their service.