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What do you want Ofcom to keep confidential?:

Keep part of the response confidential

If you want part of your response kept confidential, which parts?:

Question 6 (The reply we have provided in question 6 can be published up to and including the Zen url reference) [✕]

[✕]

Ofcom may publish a response summary:

Yes

I confirm that I have read the declaration:

Yes

Ofcom should only publish this response after the consultation has ended:

Yes

Additional comments:

Zen Internet welcomes the opportunity to respond to the Ofcom Consultation Strategic Review of Consumer Switching.

Zen Internet is an Independent Internet Service Provider, offering a range of services, including fixed line telephony, broadband and telephone numbers.

Zen Internet competes on its premium level of service, technical competence and customer focus. Our success in this area is illustrated by our long standing history of service awards from independent bodies.

We note that this consultation is long overdue and the principles in the most part reflect Ofcom looking to act in the interests of the consumer. We do however believe there are some significant limitations and areas of concern. These are:-

- LPL processes have not been fully assessed.
- There is a concerning absence of asset validation.
- The consultation is heavily directed toward GPL and is not objective.
- Save activities or conversations to understand the reasons for leaving can be in the interests of the consumer.
- changes could be more suited to high volume low cost providers.
- Some arguments made are inconsistent with earlier comments or data illustrated. For example:-

The conclusions from some of the analysis can be questioned. Section 4 Hassle. 4.22 percentages of between 31% & 48% is described as a 'substantial minority'... C&R and MAC /PAC percentages for switching hassle come in at 31% and 42% respectively and is portrayed as a high percentage when compared with NoT coming in at 22%. By any stretch it should be considered that ALL perceptions of hassle for switching are too high.

Further, of those inactive, 48% felt switching was too much hassle. Arguably these are the people Ofcom are trying to reach through promoting competition yet when asked why they hadn't actually considered switching, between 80% - 86% were actually happy with their existing supplier.

Finally Zen Internet remain committed to working with Ofcom and the wider industry as the switching consultation moves forward.

Question 1: Do you think hassle is a key issue we should tackle in this review? Please provide an explanation for your answer and any supporting evidence.:

Yes. Consumers should be free to switch services without any undue barriers and with minimal contact points. Customers should not feel daunted by the prospect of switching.

Further the incumbent provider should not be on the receiving end of hassle due to poor or inappropriate behaviour caused by the 'gaining' provider.

Question 2: Do you agree there is a lack of clarity about the switching processes that consumers need to go through to switch and this may create a barrier to switching? Please provide an explanation for your answer and any supporting evidence.:

No. The existing switching processes are well established and mature. For example, references to paper based letters for DSL switching has diminished. The individual CP (either losing or gaining) application and understanding of the established processes is a more prominent issue. This understanding (or lack of) can then have an impact on the experience of the consumer.

Question 3: Do you think clarity is a key issue we should tackle in this review? Please provide an explanation for your answer and any supporting evidence.:

Not quite sure we understand the clarity you refer to? If this activity is driven by a failure of the Industry to follow agreed Industry best practices and processes clearly defined and governed by the appropriate General Conditions, then arguably yes. However the governance of the processes and General Conditions should be brought into question if clarity is required. These are not complicated processes.

Question 4: Do you think continuity of service (including unwanted breaks and double billing) is a key issue we should tackle in this review? Please provide an explanation for your answer and any supporting evidence.:

Continuity of Service is very important. The consumption of bundles or services delivered over different access technologies either through same or multiple CPs is increasing. The switching experience of taking a bundle through one CP or the consumer forming their own bundle by consuming separate services from different CPs should be the same. However double billing is an inevitable consequence when a customer pays either in arrears or up front for a service.

Question 5: Do you think the ability of providers to frustrate the switching process is a key issue we should tackle in this review? Please provide an explanation for your answer and any supporting evidence.:

The interpretation of 'frustrate' needs to be clearer. If frustrate means to block or unreasonably hinder consumer switching; then yes. Arguably there are existing general conditions in place, which if enforced should deal with and reduce any form of frustrating the process for Broadband & Fixed line switching, GCs 22 & 24 respectively. We should look to evaluate the reasons why these existing conditions are or are not sufficient.

If frustrate means the losing operator exercising a desire to understand the reason for a consumer switching, this needs to be carefully considered. Note this is not to be considered as a save. To remain competitive and understand the reasons behind a switch, CPs should be free, in accordance with appropriate laws and guidelines, to capture this information.

We feel that there are those in the Industry who do frustrate the process and others that do not. We do not feel we should be penalised for the poor behaviour of the few when we (and others) act in accordance of the rules, if not exceed the demands placed upon us.

Question 6: Do you think consumers? experience of save activity is a key issue we should tackle in this review? Please provide an explanation for your answer and any supporting evidence.:

If the objective is to eliminate save activities, as the consultation indicates, yes. We want to see the objective of eradicating the save activity scrutinised.

We feel that save activities or at least having the engagements with the customer can lead us to provide a better service to the customer. We may find that the customer needs have changed which we can address through a different package/solution. For example, if our costs are too high or our monthly usage caps are too low, we implement changes to the benefit of new and existing customers. Evidence can be found in the news article below.

<http://www.zen.co.uk/latest-news/zen-internet-are-doubling-broadband-usage-allowances.aspx>

[✕]

Question 7: Are there issues specific to either residential or business consumers? experiences of the switching processes that you think we should tackle in this review? Please provide any evidence you have to support your views.:

Currently, guidelines only extend to businesses up to 10 in personnel. Any outcome from this consultation and benefits enjoyed by consumers and smaller businesses should be afforded to all businesses irrespective of organisational size.

Question 8: Do you agree with our analysis of switching costs? Please provide any evidence you have to support your views.:

Until we understand and see the model that is proposed by industry and Ofcom the costs cannot be determined.

Question 9: Do you agree with our analysis of save activity? Please provide any evidence you have to support your views.:

Not in a position to answer at this time.

Question 10: Do you agree with our analysis around the multiplicity of switching processes? Please provide any evidence you have to support your views.:

Not in a position to answer at this time.

Question 11: Do you agree with the general switching principles we have identified? Please provide an explanation for your answer.:

Not fully. A huge effort is going into validation of the sale, which as a principle we support, however there is no recognition or appreciation of the value of strong asset validation. Without strong asset validation there is a significant risk of 3rd party consumer harm which would be costly to all parties involved.

Question 12: Do you agree with our proposed tier structure for the general switching principles? Please provide an explanation for your answer.:

Yes, but we do not agree with the values assigned to each principle.

Question 13: Do you agree with our proposal that the preferred switching approach assuming a 'greenfield' basis is GPL?:

No. The consultation isn't objective enough to accurately assess the merits of GPL over LPL. For example, introduction of GC22 and the various practices in the run up to the implementation is omitted from Section 3, despite the consultation acknowledging the strengths this LPL process offers against slamming. Whilst we understand the reason behind the approach, there is significant danger of implementation of an idealistic process which doesn't support practical delivery processes. This could hinder any future process development and present further operational challenges.

It is concerning that weaknesses in GPL are acknowledged yet there are already General Conditions, especially GC 24 which are designed to prohibit unscrupulous selling behaviour. Introducing GPL to replace existing LPL processes whilst there is an apparent weakness in GC enforcement is a concern.

Again, it appears that the Industry is having to pay for the few who misbehave. This is to the extreme detriment of the rest of the Industry who acts respectfully in the consumer interests.

Question 14: Which of the identified GPL switching options do you support? Please provide an explanation for your answer.:

We support the Code on Bill.

We support this because:-

- It offers extra security about a consumers intention to switch. A gaining provider is unable to proceed without the unique code. There is no misunderstanding an enquiry as a sale
- It offers the strongest form of asset validation. This mitigates the existing weaknesses of switching certain access technologies (MPF) and any future switching problems we can expect to see with NGA, in particular FTTP.

We have not supported the enhanced NoT because we do not believe it is appropriate to apply a process with known weaknesses then incrementally improve it. If Ofcom is looking to addresses the Switching Process now it should be dealt with whilst all Stakeholders have the energy rather than draw it out unnecessarily.

TPV appears excessive and costly. The Consultation states that it aims to reduce costs to the consumer. If a TPV is employed, costs will need to be recovered by the CPs because their existing pricing models are so extreme on margins or those offering 1 month contracts may

have to evaluate the risk. Those offering shorter contracts (which are in the interest of some consumers) may need to increase upfront costs.

It is also worth noting CPs any TPV charges will be in addition to the existing switching charges which in many cases is already being absorbed. Again, those who do behave are being penalised due to the poor behaviour of others.

Question 15: Do you have any information or views on the costs of the switching options outlined above? Please provide any supporting evidence.:

Not at this stage.

Question 16: Do you agree with our proposals and implementation priorities for taking forward our work in relation to existing switching processes?:

Yes, although we are somewhat concerned that developments and solutions will be in favour of the larger operators. Whilst we do appreciate that the majority of consumers will be served by these larger operators, we aim to operate in a different sector offering quality of service. The opening arguments put forward by Ofcom are to increase competition, reduce costs and offer value for money. We agree these are positive principles however we do not believe the potential impact on the Industry has been appropriately assessed. Value for money is an individual perception.