



**Consumer
Focus**
Campaigning for a fair deal

Consumer Focus response to Ofcom's consultation on changes to the mobile number porting process

Introduction

About Consumer focus

Consumer Focus is the statutory consumer champion for England, Wales, Scotland and (for postal consumers) Northern Ireland. We operate across the whole of the economy, persuading businesses, public services and policy makers to put consumers at the heart of what they do.

Consumer Focus tackles the issues that matter to consumers, and aims to give people a stronger voice. We don't just draw attention to problems – we work with consumers and with a range of organisations to champion creative solutions that make a difference to consumers' lives.

Consumer Focus welcomes the opportunity to respond to the Ofcom consultation on changes to the mobile number porting process. We responded in full to Ofcom's August 2009 consultation and remain committed to working with Ofcom, industry and Government to bring about positive changes for consumers. This response is not confidential and we are happy for it to be published in full on Ofcom's website.

Background

In our response to the August 2009 consultation we took the view that, of the options presented, the greatest benefit to consumers would be for porting to be recipient-led and take place within two hours rather than one day. We referenced research carried out for Consumer Focus by Harris Interactive in March 2009 to gain the views and experiences of consumers around mobile number portability. The research pointed to a number of different consumer preferences and our main points are summarised below:

- While 78 per cent of survey respondents were aware that they could retain their mobile number when switching mobile networks, a lower proportion (35 per cent) were familiar with the term 'mobile number portability' (MNP) itself. This suggests that consumers would benefit from increased awareness of the MNP process.
- In our response we highlighted the consumer detriment related to acquiring a porting authorisation code (PAC). We were concerned by the findings of both our own research and Ofcom's mystery shopping on the time taken to supply PACs. One in 10 consumers in Ofcom's research failed to obtain a PAC despite being entitled to one¹. Of those who did receive it, less than half did so over the phone and 22 per cent received the code by post, taking an average of four days². Our research demonstrated that 75 per cent of the respondents requested their PAC by phone, but only 35 per cent received it that way. One in eight respondents said that the PAC was not easy to obtain. These results highlight the large number of consumers who are being prevented or obstructed by mobile network operators in their attempts to port mobile numbers.
- Ofcom asked about the delivery of the PAC code within two hours of a request. We believe that the biggest cause of consumer detriment in the MNP process is the inability or obstruction of providers to supply PAC codes in a timely and appropriate way. This is why we supported Ofcom's proposal that, within the context of a donor-led MNP system, mobile network operators (MNOs) should be required to supply PACs upon request, within a two-hour timeframe.
- In Consumer Focus's online panel research, 79 per cent of consumers stated that they would like the switching process to be handled by their MNO on their behalf, rather than arranging the process with their new and old network providers themselves. This is because recipient-led MNP is simpler for consumers, involving fewer consumer-prompted interactions with MNOs, and avoiding the retention activity, which can be unpleasant for consumers. We also pointed out that recipient-led porting would need to be coupled with effective security measures to prevent unwanted switching by rogue operators.

For the reasons listed above, our preference was for recipient-led MNP which would put consumers' interests at the centre of the portability process. Consumer Focus and its predecessor bodies have knowledge and experience of the switching process in other markets. This experience suggests that where there have been difficulties with the switching process, generally, the gaining provider is better placed and has more incentive to rectify them. There is little incentive for a losing provider to resolve issues if they know they are going to lose the customer after doing so.

¹ Ofcom consultation paper, Mobile number portability (August 2009) p.34

² *Ibid.* p.27

Questions one and two

We do not have any suggested changes to the wording of the general condition.

Consumer Focus research mentioned above highlighted the problems that consumers face in porting their mobile numbers. One-day number porting is an improvement on current standards and one that will be required under the EU Telecoms Package once implemented in the UK. However we would note that, in addition, the revised Directive requires the number porting process to be carried out 'within the shortest possible time'³. At present we are unconvinced that Ofcom's proposal for a donor-led system would meet the Directive requirement, given that, as demonstrated by Ofcom in its August 2009 consultation, donor-led typically involves more steps for the consumer than a recipient-led process⁴. We believe Ofcom should give further consideration to the question of whether the revised Directive compels the introduction of a recipient-led process.

Ofcom's research on providers' responses to requests for PAC codes was revealing in the extent to which its findings, which were in keeping with Consumer Focus' own research, demonstrated serious consumer detriment associated with this process⁵. These findings highlight that, while we welcome Ofcom's proposal to require PACs to be issued by phone or text within two hours, Ofcom needs to monitor providers' performance in delivering PACs promptly when requested, to ensure the effectiveness of this new policy.

Ofcom makes clear that the consideration of moving to a recipient-led porting process is now being considered as part of a wider body of work on switching. We feel that one-day number porting should be implemented in the fastest possible way, so Consumer Focus supports the six month implementation period. However, a focus on implementing one-day number porting should not divert Ofcom from the wider objective of achieving the best outcome for consumers, including a recipient-led porting system.

It is important that accurate information about number porting is available to consumers, to allow them to make informed decisions, particularly in relation to any outstanding contractual liabilities they may have with their current mobile provider. The way in which key pieces of information are communicated to consumers, for example by phone or SMS, potentially within a designated timeframe, should be included when discussing implementation of one-day porting.

We remain concerned that consumers will not be well served by the MNP system during the interim period leading up to the consideration of recipient-led porting within Ofcom's wider work on switching; a process that could take up to two years. We believe that Ofcom needs to consider additional interim measures that offer some protection to consumers within the context of a donor-led system.

³ 'Porting of numbers and their subsequent activation shall be carried out within the shortest possible time. In any case, subscribers who have concluded an agreement to port a number to a new undertaking shall have that number activated within one working day' Article 30(4) of revised Directive 2002/22/EC (Universal Service Directive)

⁴ In its August 2009 consultation, Ofcom detailed six steps involved in the donor-led process and four steps involved in the recipient-led process. (Ofcom consultation paper, *Mobile number portability*, August 2009 p.19)

⁵ *Ibid.* p.34

Such measures could, for example, involve separating mobile operators' retention and PAC issuing processes, so that consumers are not subject to retention activities when contacting their operator with a PAC request. As described above, retention activity can be unnecessary for consumers and can encourage providers to reserve their lowest tariffs for customers who seek to leave.

Conclusion

We recognise that Ofcom has taken some positive steps by making changes to the mobile number portability process, including the requirement on providers to supply PACs by phone or SMS within two hours and that porting itself will be reduced down to one business day.

However, our view remains that consumers would benefit from recipient-led porting and that Ofcom should take steps to introduce this system, aligning the UK with the large majority of EU member states. In the meantime, we feel that Ofcom should consider implementing more consumer-friendly interim measures than are proposed in this consultation paper.

We look forward to continuing our engagement with Ofcom's review of MNP.



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Published: May 2010

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