



**Consumer
Focus**
Campaigning for a fair deal

Consumer Focus response to Ofcom consultation: mobile number portability

October 2009

Contents

Introduction	3
Consumer Focus research	4
Porting time	4
Supply of Porting Authorisation Code (PAC)	5
The Mobile Number Portability (MNP) process	5
Conclusion	7

Consumer Focus response to Ofcom consultation: mobile number portability

About Consumer Focus

Consumer Focus is the statutory organisation campaigning for a fair deal for consumers in England, Wales, Scotland, and, for postal services, Northern Ireland. We will be the voice of the consumer, and work to secure a fair deal on their behalf. We were created through the merger of three consumer organisations – energywatch, Postwatch and the National Consumer Council (including the Welsh and Scottish Consumer Councils). The new approach allows for more coherent consumer advocacy, with a single organisation speaking with a powerful voice and able to more readily bring cross-sector expertise to issues of concern.

The Consumer Focus Forward Work Programme to March 2010 sets out the work that we will undertake to champion the rights of consumers, and includes a work project to explore consumer needs and the opportunities to influence improvements in the mobile phone sector. We work in partnership with the Communications Consumer Panel, and the work we are carrying out in the mobile phone sector is intended to inform and complement, rather than duplicate, work carried out by Ofcom and others in this sector.

Introduction

Consumer Focus welcomes the opportunity to respond to Ofcom's consultation on mobile number portability (MNP). This response is not confidential and we are happy for it to be published in full on Ofcom's website.

Mobile number portability is a vital element of the switching process for mobile phone users. Not surprisingly, most consumers want to retain their mobile number when switching to a new mobile provider; changing a mobile number can be an inconvenient and sometimes problematic experience for consumers, and can involve significant costs, particularly where the number involved is used for business purposes. Consumers should be able to make use of a switching process that is accessible, straightforward and secure, and Consumer Focus welcomes Ofcom's intention to seek adjustments to the MNP process that will benefit consumers.

This response makes a number of comments on the proposals set out by Ofcom in this consultation paper, primarily around the time taken to port a mobile number, the process of acquiring the porting authorisation code (PAC) needed to complete the port and the relative suitability of donor-led and recipient-led processes.

Consumer Focus research

In March 2009, Consumer Focus commissioned research into consumers' experience as mobile phone users. This research, which was conducted by Harris Interactive using a 2,000 sample online panel survey, asked a series of questions to elicit consumers' views around mobile number portability.

Consumers demonstrated a high level of awareness of number porting, with 78 per cent of survey respondents aware that they could retain their mobile number when switching to a different mobile network. A lower proportion, 35 per cent, were familiar with the term 'mobile number portability' itself.

Gauging uptake of mobile number portability, the survey found that a third of consumers who had switched network service provider ported their number the last time they switched. Of the two thirds who did not port their number when they last switched, two fifths were aware that they could have kept their old number.

Consumers giving reasons for choosing not to port their number when switching predominantly cited indifference as the reason (50 per cent). A further 26 per cent expressed a specific desire for a new number, while nine per cent judged that the process would be too complex and four per cent thought it would take too long.

All those consumers who chose to port their number when switching cited reasons based around the inconvenience of taking on a new number. 40 per cent of those who ported their number said that they would not want to have to inform people of their new number.

Measuring overall satisfaction with consumers' experiences of the number porting process, the survey found that 44 per cent of consumers were very satisfied with their experience, a further 53 per cent were fairly or somewhat satisfied, and four per cent of consumers were not at all satisfied.

The broad conclusion that Consumer Focus has drawn from these survey results is that consumers would benefit from increased engagement with the MNP process, while more needs to be done to tackle the specific sources of consumer detriment that currently exist around number porting.

Porting time

One of the key questions around mobile number portability relates to the speed with which numbers are ported. Ofcom proposes four options for new MNP regimes, two of which include provisions for porting to take place in two hours, and two of which allow for a one-day porting timeframe. Both proposed timeframes improve on the current requirement for porting to take place within two working days, and both comply with the forthcoming EU requirement for porting within one working day.

Consumer Focus takes the view that, of the options presented, the benefit to consumers will be greatest if porting takes place within two hours rather than one day. We do not, however, believe that one day is an unacceptably long timeframe for number porting to take place.

The online panel research carried out for Consumer Focus asked consumers about the importance of speeding up the transfer process from two days to two hours. 32 per cent of consumers responded that this improvement was 'extremely important' or 'very important' to them. This result highlights that, while a significant number of consumers wish to see a move to two-hour porting, this group does not represent an overwhelming proportion of those surveyed.

Consumer Focus believes that both proposed timeframes represent a viable improvement to the MNP system, but expresses a preference for the two-hour timeframe because of the benefits for consumers of this option in terms of convenience and ease of completing the transfer.

Supply of Porting Authorisation Code

Consumer Focus' view is that consumer detriment arises in the MNP process less as a result of the time taken to port a number and more because of delays or obstructions in mobile network operators supplying customers with PACs upon request.

We are concerned by the findings of Ofcom's mystery shopping on the time taken to supply PACs. One in ten consumers failed to obtain a PAC despite being entitled to receive one¹, while 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. 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's findings are supported by Consumer Focus' own research. Of those respondents to Consumer Focus' online panel survey who had switched network and ported their number, 75 per cent requested their PAC by phone, but only 35 per cent received it by phone. One in eight respondents said that the PAC was not easy to obtain. Of the 56 per cent of consumers who were not 'extremely satisfied' or 'very satisfied' with the switching process, 30 per cent cited the time taken to obtain their PAC as an area for improvement in the MNP system.

Consumer Focus welcomes Ofcom's proposal to address this consumer detriment by requiring mobile network operators (MNOs) to supply PACs by phone or SMS within two hours of receiving a request. We support this proposal and believe it would help prevent delays that are often being experienced by consumers seeking to port their mobile number. This proposal only applies if Ofcom intends to continue with a donor led MNP system.

As discussed below, however, Consumer Focus' preference is for a recipient led MNP regime, which would supersede the need for MNOs to provide customers with PACs, removing the consumer detriment associated with this practice altogether.

The MNP process

Consumer Focus believes that the MNP process should be clear, straightforward and secure for consumers, while being swift and efficient to execute. Our view is that a recipient led switching process would be more appropriate to meet the needs of consumers than the current donor led process.

Recipient led MNP is simpler for consumers, involving fewer consumer-prompted interactions with MNOs. Figure 2 in the consultation paper³ demonstrates the consumer involvement in recipient and donor led processes, with the recipient led process involving less consumer engagement and fewer overall stages required to complete the port.

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

² *Ibid.* p.27

³ *Ibid.* p.19

In Consumer Focus' online panel research, 79 per cent of consumers stated that they would like the switching process to be handled by their mobile network operator on their behalf, rather than arranging the process with their new and old network providers themselves.

As well as being more straightforward for consumers, a recipient led MNP process would limit opportunities for MNOs to carry out retention activity targeted at consumers who have chosen to switch provider. This practice can be unpleasant and a nuisance for consumers, who will generally have spent time choosing a suitable mobile package prior to entering the MNP process. They are therefore unlikely to want to revisit this decision under pressure from their current supplier. A desire to avoid unwanted interactions with customer retention staff can be one reason why, as discussed above, consumers can encounter difficulty obtaining a PAC from their mobile provider.

A further negative consequence of customer retention activity is that prices and deals offered to customers who have expressed a wish to switch provider are often better than those offered to new or existing customers. Removing opportunities for retention activity would limit the extent to which MNOs could reserve their cheapest deals for departing customers, and create a greater incentive for them to offer these lower priced packages to a wider range of customers.

International comparisons show that the UK is out of step with the majority of other countries in operating a donor led MNP process. As Ofcom notes, this is due to the historical development of number porting⁴ rather than any strong logical rationale in favour of donor led porting. With the benefit of international comparisons and experience, most other countries have opted for a recipient led system.

Consumer Focus is concerned that, as well as being swift and straightforward, the MNP process must be secure. It is important for Ofcom to ensure that, in making MNP faster and more straightforward for consumers, there is no increase in the risk of slamming. These risks are recognised in the consultation paper, which notes that industry should 'design, test and implement a new verification process to ensure that port requests were made by a legitimate consumer'⁵, in order to reduce the risk of slamming.

Ofcom will need to monitor the development of this new process to ensure its effectiveness; in doing so, it could learn lessons from the security measures used in recipient led systems in other countries. While not strictly a recipient led system, the French MNP model appears to have a well thought out approach to security, and Consumer Focus would echo the point made by the Communications Consumer Panel in its response to this consultation that this system may have some useful lessons for Ofcom to draw upon.

Another feature of a new MNP process for Ofcom to consider is around the information given to consumers to allow them to make informed decisions about number porting, 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 as an element of the design of the MNP process.

⁴ *Ibid.* p.19

⁵ *Ibid.* p.43

Conclusion

Consumer Focus welcomes moves to speed up the mobile number portability process and believes that, of the options presented by Ofcom, two-hour porting would deliver the greatest benefit to consumers. We believe the biggest cause of consumer detriment related to MNP comes from mobile network operators' failure to supply PACs promptly and via an appropriate medium when requested. We therefore support Ofcom's proposal to require MNOs to supply PACs upon request, within a two-hour timeframe, with the caveat that this rule would only apply to a donor led MNP system.

Our preference would be for recipient led MNP, which would put consumers' interests at the centre of the portability process. However, we would be concerned to ensure that Ofcom monitors the efficacy of security systems developed by MNOs to ensure adequate protection against slamming for consumers who choose to port their number.

Consumer Focus looks forward to continuing its engagement with Ofcom's review of Mobile Number Portability.

Consumer Focus response to Ofcom consultation: mobile number portability

www.consumerfocus.org.uk

Copyright: Consumer Focus

Published: October 2009

Edited by Denis Tingay, Consumer Focus

If you require this publication in Braille, large print or on audio CD please contact us.

Deaf, hard of hearing or speech impaired consumers
can contact Consumer Focus via Text Relay:

From a textphone, call 18001 020 7799 7900

From a telephone, call 18002 020 7799 7900

Consumer Focus

4th Floor

Artillery House

Artillery Row

London SW1P 1RT

Tel: 020 7799 7900

Fax: 020 7799 7901

Media Team: 020 7799 8005 / 8006