

Clarifying the regulations to aid understanding and simplifying regulations.

✂ welcomes the proposal to clarify the regulations with clear prohibitions on use of Cancel Other in certain circumstances.

✂ would also welcome clarification on obligations to provide losing and gaining notification. Our preference is that regulations should oblige losing SP's to outline any cancellation charges on the losing notification ensuring the consumers can make an informed decision before completion of the transfer.

Better information for consumers on the potential consequences of switching.

✂ believes that notifying consumers of any contractual liabilities should be the responsibility of the losing SP's during the cooling off period and within a time frame that allows the consumer time to cancel the transfer.

Given the wide variance in cancellation fees applied if at all, ✂ believes that this should not be addressed at point of sale as the sales agent would have no ability to quantify or confirm the liability and therefore potentially lose the sale.

Alternatively, our preference would be for Ofcom to standardise all cancellation policies across all Service Providers to help make the process more transparent for the customer. This will eliminate abusive behaviour of SP's charging unreasonable amounts for cancellation charges and it would permit the winning SP to notify the customer of potential contractual liabilities with more accuracy.

Extending Cancel Other rules to cover all SP's and removing BT obligations.

✂ welcomes the proposal requiring all SP's to record reasons for use of Cancel Other.

✂ also welcomes the opportunity to review the circumstances for which Cancel Other can be invoked. We agree that there is wide spread abuse. We also believe that the rules are not clear. Example. It is not clear that Cancel Other should not be used if there is internal confusion within a business as to who is authorised to enter into contracts.

However, ✂ does not agree with the proposal to remove obligations on BT to provide sample call recordings of Cancel Other calls. ✂ recently audited a sample of BT calls that result in the use of Cancel Other. Of these 28.7% were clear mis-use of Cancel Other and the remainder were borderline mis-use for reasons that I will outline at the end of this document.

✂ believes that the obligation to provide sample Cancel Other calls should be extended to all SP's. We understand the concerns regarding the cost implications but, given that it is proposed in section 8.40 that SP's should record all Cancel Other calls, we believe the extra cost of supplying samples would be minimal. Rules could be implemented that only allow other SP's to request calls when certain trigger points have been reached within a set time period.

Clarifying record keeping requirements and call recording requirements.

✂ welcomes the proposals that all SP's should maintain records and call recordings of all sales and Cancel Other calls.

✂ has always maintained recordings of these calls. Without call recordings it would be impossible to ensure enforcement of Sales and Marketing and Cancel Other regulations.

Additional comments from ☒.

☒ believes that many of the proposals in this consultation would reduce the incidents of mis-use of Cancel Other by SP's. However, as stated above, we do not believe that the proposals go far enough.

As mentioned, ☒ has recently audited calls from BT which resulted in Cancel Other being invoked against ☒.

Some of the calls resulted in a clear mis-use of the system. Of the other calls, we believe that the handling of the calls by the agents leads the customer to agree to Cancel Other being invoked incorrectly for reasons which I will now explain.

Common scenario -

The customers receive a letter informing them of a large cancellation fee from the losing SP.

The customers call the losing SP and are concerned and confused and want to avoid this charge.

On calling the losing SP the customers are not asked "why would you like to cancel". Instead they are normally immediately asked "Did you authorise the transfer". Given that the customers' main concerns are to avoid the cancellation fee they often confirm they did not authorise the transfer believing this to be the easiest and quickest way to avoid the charge rather than informing the agent that they want to cancel due to the cancellation fee. The customers are not aware of the potential implications in these cases.

Given the commercial pressures on the retention teams to reduce churn, it is understandable that agents are encouraged to trigger a Cancel Other situation rather than to find out the real reason for the cancellation.

As part of the audit of BT calls, ☒ contacted the customers again and they confirmed that they wanted to cancel due to the cancellation charges and were not mis-sold to but were not asked this question.

☒ believes that this may be a widespread problem that will not be resolved by these proposals and that removing BT's obligation to supply sample calls will worsen the situation.

☒ proposes that the obligation to supply sample calls is extended to all SP's as outlined above and that a review of how cancel other calls are handled by losing SP's is initiated. For example it could be possible to oblige agents to ask open questions to establish the correct reason for the cancellations rather than leading the customer.