

Comments on Ofcom Review of Additional Charges

(Consultation paper published February 2008)

Competition

The principle means of constraining charges should be competition.

Some consumers are denied access to broadband cable services even though they live in a cabled area. Such consumers are denied the freedom to choose between all potential suppliers.

My daughter lives in a house situated in a school grounds. The local cable company refused to supply a cable service because the house was not on their data base. It seems they are allowed to provide a service only to addresses on an official list.

The school was on the data base as a commercial site. However, the cable company was not allowed to supply a domestic cable service to someone living on a commercial site.

This problem potentially affects anyone living in new build or on a commercial site.

You state in paragraph 1.14 of your paper that BT are under a universal service obligation (USO). A USO should also apply to cable companies, which should be obliged (and allowed) to supply a cable service to anyone living in a cabled street.

Telephone repairs

A deterrent to obtaining a broadband phone service is BT's practice of making unlimited charges for repairs where there is any fault (or alleged fault) on the customer's premises.

While telephone repair costs are not a charge for broadband as such they are obviously a charge that must be paid by anyone wanting a telephone broadband service.

Your paragraph 2.32 states 'It would be unfair for a consumer to pay a charge which they had little opportunity to become aware of in advance and hence could not avoid'. Unlimited telephone repair costs are such a charge.

My daughter's phone was continually out of order. BT made a substantial charge for repairs which restored the service for only a few days. My daughter was unwilling to ask for further repairs for fear of another large bill.

The telephone service was restored only after we demonstrated, by taking measurements, that the supply voltage was at fault.

Customers should have the option of having a new telephone line installed (at the normal charge for a new line) as an alternative to repairing a troublesome old line.

The charge in any twelve month period for repairs to a telephone line (whether or not there is any fault on the customer's premises) should not exceed the charge for providing a new line.

Contracts

Most broadband services are subject to a twelve month contract.

Many people, in particular students and young people, do not expect to remain at their current address or do not know whether they are going to remain there. Broadband access is particularly important to students and young people, who need it for their studies and for job hunting.

There should be no penalty for early termination where a service is taken over by a new occupier.

Consumers should not have to transfer a contract to new premises as they might be moving to premises (eg. a parental home) which already has a broadband service.

Where there is the option of a service without tie-in that should be brought to the customer's attention and given equal prominence to the tie-in option.

An undesirable recent development is BT's introduction of rolling contracts (fixed term contracts that are automatically renewed for further fixed terms). There is no justification for such contracts.

Fixed term contracts should be used solely as a means of recouping the initial cost of providing a new service, not imposed on existing services as a means of restricting consumer choice or preventing competition.

Excess Charges

A further deterrent to broadband uptake is the practice of some providers of making an additional charge for heavy broadband use. While some charge may be justified such charges are difficult for the consumer to predict. I suspect these charges are excessive.

Consumers should be kept informed of any excess charges they are incurring.