



Communications Consumer Panel and ACOD response to Ofcom's consultation 'Consumer switching: Proposals to reform switching of mobile communications services'

The Communications Consumer Panel (the Panel) and the Advisory Committee for Older and Disabled People (ACOD) welcome the opportunity to respond to this consultation on Ofcom's proposals to reform switching of mobile communications services.

The Panel works to protect and promote people's interests in the communications sector, including the postal sector. We are an independent statutory body set up under the Communications Act 2003. The Panel carries out research, provides advice and encourages Ofcom, governments, the EU, industry and others to look at issues through the eyes of consumers, citizens and microbusinesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of micro businesses, which have many of the same problems as individual consumers.

Four members of the Panel also represent the interests of consumers in England, Northern Ireland, Scotland and Wales respectively. They liaise with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel's consideration of issues. Following the alignment of ACOD with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Response

In the Panel's response to Ofcom's consultation '*Consumer Switching: Proposals to reform switching of mobile communications services*'¹, we advised that the following are vital ingredients in a switching process that works for all consumers:

- access to easily digestible information;
- a process that avoids double billing; loss of service; and unreasonable delays;
- a safety net in case of difficulties with the switch.

We strongly urged Ofcom to implement a clear, guaranteed, risk-free and robust switching process in the mobile market, for all consumers, as swiftly as possible.

Our position has not changed and we urge Ofcom to take swift action for the benefit of all consumers and particularly those in vulnerable situations. For a variety of reasons - from having additional communications needs, to being on a low income, having less digital confidence, or living through a challenging life event - some consumers may find it more difficult than others to navigate complicated processes and to remain firm with their current provider when attempting to switch.

¹ <http://www.communicationsconsumerpanel.org.uk/downloads/mobile-switching-june-2016.pdf>



We continue to believe that it is not right that a consumer should pay twice for a service; nor should a consumer have to defer a switch just to wait for a meaningless notice period to expire after their initial contract term has expired. In addition to removing technical barriers to switching, there should be no financial disincentive for the consumer and no unjustified enrichment for providers - and we highlighted this point in our response to Ofcom's consultation '*Consumer Switching: Additional Requirement to Remove Notice Periods*'².

We also highlighted our belief that switching process should be considered holistically; notice periods are an important part of this and should not be handled separately. We strongly supported removing notice period charges from the point at which the losing provider deactivates the old service. We could not - and still cannot - see any justification for their retention despite the arguments put forward by some providers. However you look at it, these charges effectively result in consumers paying for a deactivated service that provides no use or benefit of any kind to them while simultaneously paying for the new service which is the one they are using. No consumer should be placed in that position - a position that will have a disproportionate effect on the poorer members of society.

With Ofcom's research indicating that between 32% and 60% of post-pay contract switchers (using either the Port Authorisation Code (PAC) or the Cease & Re-provide C&R) process) had double paid when switching - and that estimated total double payments could amount to about £46 million per year³ - we supported Ofcom's proposals to remove this cause of significant harm to consumers. We are delighted to see that Ofcom has proposed the prohibition of these unfair and unjustified charges - this would be a good, and fair, outcome for consumers.

Ofcom's current proposals

We broadly welcome the proposed reforms, although we are disappointed that the opportunity for a gaining provider led (GPL) process across all communications services has not been taken. A consistent approach across communications services would make the concept of switching more straightforward for consumers, giving them a consistent set of expectations and making the process more commonplace.

However, research supporting this consultation indicates that a saving for consumers of £44 million could be made over ten years, compared with £87 million for a one-stop (GPL) process and we are keen to ensure that any potential impact on overall customer bills is prevented or minimised.

The proposed Auto-Switch process means that a consumer wanting to switch provider could obtain their PAC code by text or using their provider's online portal; this should fulfil the requirement to remove the need for that consumer to speak to the losing provider, which would still reduce the risk of a 'reactive save'. Combining this with the requirement

² <http://www.communicationsconsumerpanel.org.uk/downloads/ccp-acod-mobile-switching-additional--requirement-to-remove--notice-period-charges-sept-2016.pdf>

³ https://www.ofcom.org.uk/data/assets/pdf_file/0023/83453/Consumer-Switching-Further-proposals-to-reform-switching-of-mobile-services-July-2016.pdf - the £46 million per year estimate was made on the basis of information provided by Syniverse, we note that other estimates have been obtained from providers since last July's consultation.



that a switch takes place within 24 hours will significantly improve the switching experience for consumers. We therefore support the proposal.

We also support Ofcom's proposal to mandate providers to apply the process via text and online, which offers consumers choice and makes it more likely that the means of contacting the provider will be within the customer's current bundle, so will be at no extra cost to the individual.

We fully support a prohibition on notice period charges beyond the switching date, for the reasons explained above and in responses to previous consultations. We also welcome the requirement to provide transparent consumer guidance about the switching process.

We agree with Ofcom that these reforms should apply regardless of whether consumers wish to port their number or not; whether they are seeking to port a single number, or multiple numbers (or switch a single account or multiple accounts in cases where they do not want to port their number); and whether they are residential or business customers. The reforms should offer consistency and predictability, with a lower risk of errors, causing fewer complaints, thus benefitting consumers, businesses and providers alike.

Given the length of time and fair warning that providers have had of Ofcom's line of thought - and the fact that Ofcom has updated its conclusions, selecting Auto-Switch as a less onerous option than a 'one-stop'/GPL process, we see no reason why providers should not comply with implementation of the reforms within 18 months of the Ofcom statement expected in Autumn 2017. This requires Ofcom to act promptly in assessing responses to this consultation, to ensure that the Autumn deadline is met, so that consumers and businesses gain certainty and transparency.

Summary

- We support Ofcom's proposals to introduce an Auto-Switch process for mobile customers - both residential and businesses alike;
- We fully support Ofcom's proposal to remove notice periods and to require providers to provide transparent consumer guidance about the switching process;
- We urge Ofcom to act promptly, to give residential and business customers certainty and transparency in engaging with communications providers - allowing them to benefit from a competitive communications market;
- We expect communications providers to comply with Ofcom's requirements within 18 months of Ofcom's Autumn statement.