



Communications Consumer Panel and ACOD's response to Ofcom's consultation on protecting voice-only landline customers

The Communications Consumer Panel, established by the Communications Act 2003, is a group of independent experts with direct sectoral experience. We ensure the citizen and consumer voice is represented in communications policy development.

The Panel's job is to ensure that the sector works for consumers, citizens and micro businesses - and in particular people who may be in a more vulnerable position in society. We carry out research, provide advice and encourage Ofcom, governments, the EU, industry and others to look at issues through the eyes of consumers, citizens and micro businesses.

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 (the Advisory Committee for Older and Disabled people) with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Response

The Panel welcomes the opportunity to respond to Ofcom's consultation on protecting voice-only landline customers.

In our response to Ofcom's 2017 Standalone Landline Market Review, we supported 'strong and appropriate action' by Ofcom to rectify the market failure that had led to voice-only landline customers overpaying for their landline services, while communications providers (CPs) reaped the benefits of wholesale costs dropping. We called this out as 'unjustified enrichment' on the part of CPs and argued that a cross-subsidy was being paid by some of the most vulnerable consumers in the communications market. In our view, the CPs should use the data they hold to identify and act promptly to address harm caused by their pricing strategies. Our full response can be found here:

<https://www.communicationsconsumerpanel.org.uk/downloads/ccp-acod-response---ofcom-standalone-landline-telephone-services-may-201....pdf>

We were pleased to see the voluntary commitment put in place and in the absence of mandating fair pricing for retail voice-only consumers, It is our belief that the voluntary commitment needs to remain in place for five years or more.

We would welcome a strengthening of the commitment, so that - as we argued previously - consumers who overpaid could be guaranteed a refund of the overpayment. This would indicate fair treatment to the customers of these CPs and may disincentivise CPs from failing to identify and act against harm to their customers in future.

In our role as statutory consumer panel for the communications sector, we recently met Ofcom's Consumer Policy team and fed in our concerns that this segment of consumers retains protection and regulatory monitoring. Our discussion included the following points:

- We discussed providers' packages alongside line rental and whether calls to mobiles were included. Ofcom colleagues advised that traditionally mobiles have not been included. We would argue that all calls made by landline-only consumers should be counted as part of the tariffs they use, given that they may need to contact friends and family who live in mobile-only households.
- We suggested that the voluntary commitments should be monitored by Ofcom under its widely publicised Fairness Commitments. We are pleased to see annual monitoring proposed under this consultation.
- We appreciate the need to protect the most vulnerable consumers as a priority. However, we remain concerned that the commitments do not apply to split-purchase voice and broadband households, who may still be overpaying for the service they are receiving.
- We urged certainty for consumers regarding the pricing of telephony services moving from PSTN and MPF to Voice over IP and full-fibre/gigabit-capable technologies - we highlighted that voice-only consumers need protection and should not be worse off. As such, we are pleased to see commitment on this in the proposals published and would urge that Ofcom stands firm on this in the coming years.

Summary

- We believe it is vital that the outcome of this consultation is that the voluntary commitments apply to all voice-only products and services taken by customers, for at least the five year period offered by BT, regardless of the technology used to deliver the service. We would urge that other CPs providing landline-only services be asked to commit to the same set of commitments or to improve upon them, at the very least in areas where switching to BT is not an option.
- We urge that Ofcom stands strong to protect voice-only landline customers in the next five years and beyond, through the largest scale telephony change we have seen in Ofcom's lifetime (migration to VOIP).
- We urge Ofcom to use its Fairness Commitments to encourage CPs to look out for changes in the market and their pricing structures that may cause harm to their vulnerable customers and to take a more proactive approach to protecting them. This would include proactively promptly reimbursing customers who CPs identify have overpaid.