

## A9. December Consultation switching information proposals for residential customers

A9.1 As part of our December Consultation proposals to implement Article 106, we proposed to set specific obligations on providers to give information to residential customers.

### Specific rules for residential customers – gaining provider obligations

A9.2 We proposed that the contract information gaining providers will be required to give to customers as part of GC C1.3 would include:

- a) the arrangements for the provision of the relevant service, including the date for provision of the service;<sup>1</sup>
- b) an explanation that the customer can have their services provided by using a switching process; and
- c) the right to compensation for delay or abuse of the process for switching providers and porting numbers and missed service and installation appointments, including how such compensation can be accessed and how it will be paid.<sup>2</sup>

A9.3 We additionally proposed that when complying with these requirements in relation to residential customers switching IAS or NBICS, gaining providers should inform those customers of:

- a) the fact that the customer is switching their service;
- b) the services that will be switched;
- c) where relevant, the Calling Line Identification of services that will be switched; and
- d) the location of information on the switching process.

A9.4 We said this additional information would have to be provided before the residential customer enters into a contract for the services being switched and should be provided as part of the customer's contract information.

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<sup>1</sup> As set out in paragraph 9.66, and explained further in section 5, paragraphs 5.112-5.114, we have amended this requirement. It now specifies that a provider must give information on the arrangements for the provision of the service, including "as accurately as possible, the likely date of provision of the service(s)".

<sup>2</sup> [December Consultation](#), paragraphs 4.20, page 26.

## Specific rules for residential customers – losing provider obligations

- A9.5 We proposed losing providers would continue to give information to residential customers largely as specified in the Notification of Transfer and Auto-Switch processes.
- A9.6 For switches outside the scope of the Notification of Transfer and Auto-Switch processes, we proposed that losing providers must inform residential customers of:
- a) an explanation that the customer is switching their service;
  - b) the date of the switch, where this is known to the losing provider;
  - c) a clear identification of services that will be switched, including, where relevant, the Calling Line Identification of services that will be switched;
  - d) the impact, whether direct or indirect, financial or otherwise, that the switch will have on any services provided to the customer by the losing provider including additional support services for disabled customers;
  - e) the services that will be unaffected by the switch;
  - f) the total charges due on the date of the switch where this is known to the losing provider, or if this is not known, the date the information is provided. This should be presented as a single charge aggregated across all services being switched;
  - g) an explanation of the cost and any process or conditions for retaining or returning equipment;
  - h) where relevant, an explanation of any credit balances for pre-paid services including the right to a refund and the process for claiming a refund in relation that credit balance
  - i) where to find the provider's guidance on the switching process; and
  - j) the right to compensation.
- A9.7 We said the information from the losing provider would have to be accurate, clear, comprehensible, in neutral terms and provided on a durable medium. Where a provider gives information to customers in an electronic format it would also have to include a link to the customer's online account. If in a letter format, the provider would have to include their contact details.
- A9.8 We also said residential customers should be at least as informed as part of any new switching process as they are under the existing regulated processes. Both the Notification of Transfer and Auto-Switch processes set out specific pieces of information that customers should be given during the switching process. We considered these requirements in developing our proposals for requirements that would apply outside of these two switching processes as set out below:
- i. **Explanation of the switch, the date of the switch and services being switched (Items a), b) and c))**

A9.9 For residential customers to make an informed choice about switching their services, we said all providers need to clearly state that the customer is switching their services and identify the services that would be switched, including identifying any phone number that would be switched. We set out that gaining providers should clearly explain to residential customers the date on which the switch will occur and, where they have this information, we said losing providers should also provide it.

**ii. Impacts on other services and unaffected services (Items d) and e))**

A9.10 We noted that information from the losing provider about the impact of switching on other services is key to enabling customers to make a fully informed choice. These impacts could include additional services that would be terminated, changes in prices or changes to other contractual terms because of the switch. We noted the importance of being clear about the services which would remain unaffected by the switch and which the customer would therefore still receive from the losing provider.

A9.11 We said that when we enhanced the Notification of Transfer process, we considered this information would ensure that the customer is better informed before making the decision to commit to the switch. We also said it would prevent the losing provider from presenting vague and confusing information about the possibility of loss of services, which may prompt the customer to contact the losing provider or result in some customers not being fully informed of the implications of their decision to switch.<sup>3</sup> We thought residential customers switching under other new processes would benefit from receiving similar information on the service impacts of switching.

**iii. Support services for disabled customers (Item d))**

A9.12 We set out that customers may make use of the additional support services that providers are required to make available to disabled customers. We said those services were:

- a) free directory enquiries for disabled customers who cannot use a printed directory;
- b) priority fault repair for people who depend on the telephone because of illness or disability;
- c) third party bill management, enabling a friend or relative to help manage the account of disabled customers;
- d) bills and contracts in accessible formats on request for blind and vision impaired customers;
- e) text relay services enabling some or all of a phone call to be made or received in text format; and
- f) access to emergency services via text message for customers with hearing or speech impairments.<sup>4</sup>

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<sup>3</sup> Ofcom, December 2013. [Consumer Switching: A statement on GPL NoT+ elements](#), paragraphs 3.123-3.125, page 32.

<sup>4</sup> See Condition C5. In section 12, paragraphs 12.70-12.73 we provide an update on our proposal to extend these requirements.

- A9.13 To enable customers who use these additional support services to make a fully informed choice about a switch, we said they need to be informed of any impact on these services that switching may have. For example, a losing provider would need to inform a customer that the services would stop when they switch and explain that they would need to inform the gaining provider if they want to continue to use these services.
- A9.14 We said guidance from providers on the switching process must include information that customers may continue to use these services. Customers should be made aware that additional support services for disabled customers can be accessed regardless of who will be providing their service after the switch and that they are likely to need to inform the gaining provider they want to use these services. We said this was important in ensuring disabled customers can benefit from the choices available.

**iv. Total charges (Item f))**

- A9.15 To support customers to make informed decisions and to increase their confidence in switching, as part of the switching process, we said losing providers need to make clear to residential customers the financial implications of switching.
- A9.16 We noted that as part of the Auto-Switch process we mandated financial information to be early termination charges (ETCs), outstanding handset charges and the amount of any outstanding credit (for pre-paid customers). We explained that in our Auto-Switch Statement we said that the switching information should set out the total charge for mobile services (if any) to be paid by the customer to their current provider.<sup>5</sup>
- A9.17 We explained that when we enhanced the Notification of Transfer process, we determined that providing information on ETCs was important in avoiding confusion which might result in unnecessary calls to the losing provider. We also noted it would likely reduce the number of customers who are made aware of their ETC only after they have paid it.<sup>6</sup>
- A9.18 We said, in our view, the total charge aggregated across all services switched would give a clear indication of the likely total cost to the customer of switching away from the losing provider. This would help inform the customer's decision on whether it is in their best interest to switch. For example, if the customer would need to pay a substantial ETC to leave their contract early, it may be in their best interest to delay the switch until the end of their fixed commitment period.
- A9.19 We said we thought it was important that this information was provided as part of the switching process rather than simply relying on the information set out in the customer's contract. Residential customers may not remember the precise terms of the contract that may have been agreed many months before.
- A9.20 We accepted that at the time the information is given the total charge may not represent the actual final cost to the customer once any additional service charges are included.

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<sup>5</sup> Ofcom, December 2017. [Consumer switching - Decision on reforming the switching of mobile communication services](#), page 47. However, we did not specify in GC C7 that in all circumstances where Switching Information is provided, financial information should also be aggregated as a total charge. We have made this clearer in GC C7.12(f).

<sup>6</sup> Ofcom, December 2013. [Consumer Switching: A statement on the GPL NoT+ elements](#), paragraph 3.115, page 30.

However, we considered that these charges would represent the most significant charges that a customer may face. Where a provider can give complete information as to the final cost to the customer, we said we expected them to do so.

**v. Process and cost of retaining or returning equipment (Item g))**

A9.21 As well as understanding the costs of any equipment they retain, we said it is important that losing providers explain the process and cost for returning any equipment. Our 2018 consumer research found that just under one in ten of fixed market switchers who switched in the last 6 months experienced difficulties returning providers' equipment when they switched.<sup>7</sup> We noted that this would help customers to make informed decisions and help ensure they understand the steps they need to take.

**vi. Credit balances on pre-paid services (item h))**

A9.22 We noted that the general switching rules would require providers to refund, upon request, any remaining credit to customers using pre-paid services. We proposed that in addition losing providers should explain to residential customers any credit balance they have in relation to pre-paid services, the right to a refund of that balance and the process for claiming a refund.

**vii. Where to find information on the switching process (Item i))**

A9.23 We noted that, as part of the general switching rules, providers would be required to provide and publicise guidance about the switching process and make it readily available on their websites. We proposed that the information from the losing provider tells the residential customer where they can find this guidance.

**viii. Compensation (item j))**

A9.24 Article 106(9) requires customers to be informed about their right to compensation. We proposed that losing providers remind customers about these rights as part of the switching process.

**ix. Other information**

A9.25 We said it was likely that certain customers may find additional information helpful when they are considering switching providers. We previously noted that this information could include outstanding contract duration and loss of benefits such as priority access to tickets.<sup>8</sup>

A9.26 Much of this information can currently be found either at providers' websites, or through customers' online accounts with their provider. Providing a link to the customer's online account (where the information is given electronically) allows them to readily find this information without needing to speak directly to their provider.

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<sup>7</sup> Ofcom, [2018. Switching Experience Tracker](#). Q19A/B/C, tables 42-44, pages 199, 215 and 231. Data reflects average across 12 months. Fixed market switchers, who switched in past 6 months (excluding home movers) and had difficulty returning their previous provider's equipment – major 2% and minor: 6%.

<sup>8</sup> Ofcom, March 2016. [Consumer switching: Proposals to reform switching of mobile communications services](#), paragraphs 5.49-5.50, page. 42.

## How the information is provided

- A9.27 We said information from gaining providers regarding switching needs to be provided at the point of sale alongside other contract information so that the consequences of switching can be considered before consenting to the terms of the contract.<sup>9</sup>
- A9.28 We said information from losing providers must be given on a durable medium so that residential customers can refer back to it and fully consider their decision to switch. We recognised that when providing information via text message the format could make it difficult to effectively give the full set of information. In such cases, we said we would expect the text message itself to at least include information on the total charges and a link to information on the process (items f) and i) in paragraph A9.6 above). We considered the total charge to be the piece of information most likely to draw customers' attention to the implications of switching. We noted that the rest of the information set out in paragraph A9.6 above could then be set out elsewhere on an additional durable medium so long as it is easily accessible to the customer and linked to in the text message (for example, in their online account).
- A9.29 We said that when giving information to customers, providers should ensure they do so in a way that complies with all their obligations, including to ensure that procedures for terminating a contract do not act as a disincentive to switching.<sup>10</sup>

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<sup>9</sup> [December Consultation](#), paragraphs 4.7-4.25, pages 22-27.

<sup>10</sup> In section 12, paragraph 12.62 we confirm our proposal to extend disabled customers rights to request certain information in an accessible format. This requirement includes communications relating to the customer's service which would include information related to switching. See also Annex A5.