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**CONSULTATION RESPONSE  
TO OFCOM'S PROPOSALS TO  
IMPLEMENT THE NEW  
EUROPEAN ELECTRONIC  
COMMUNICATIONS CODE**

3 March 2020

## Executive Summary

1. Post Office welcomes the opportunity to comment on Ofcom's consultation on its proposals to implement the new European Electronic Communications Code, EECC. The proposals seek to improve customer protection generally through transparency of information and also improve rights for vulnerable customers. Post Office recognises the importance and benefits the proposals will bring to customers.
2. The proposals require that providers implement the new EECC by 21 December 2020 which is a timescale that Post Office considers too short. The proposals have a considerable impact on the customer journey and the introduction of a new GPL switching and porting process will have major impact on customer journeys.
3. The impact on providers is that a significant amount of systems resource will be required over a short period to implement these changes. In particular we consider that the switching and porting proposals are particularly demanding given the industry has not yet agreed on a preferred solution. We are concerned that rushing to implement a solution could easily result in problems leading to customer harm. We urge Ofcom to reconsider the timescales for the implementation of GPL switching and porting.
4. We appreciate the importance of consumer protection remedies in the form of additional contract information that is required as well as the pre-contract summary. The information required at these stages is now far greater. Here our concern is that for some customers, the customer journey will change and this requires material changes to systems and staff training.
5. The Consultation proposes that, almost all the changes will come into effect on 21<sup>st</sup> December 2020 and it would be useful to the industry if some of these could be introduced over a period of time, so that development resources could be balanced. This would also help smaller providers to manage the significant development costs that will be incurred to implement the new proposals.

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## 1. Overview of Post Office

6. Post Office is the UK's largest retail network and the largest financial services chain in the UK with more branches than all of the UK's banks and building societies put together. We are also growing our direct channels such as contact centres and online - meaning we are there for more customers, in more ways. There are over 11,500 Post Office branches nationwide covering over 17 million customer visits and dealing with 47 million transactions per week. The role of the Post Office in the community is unique in the UK.
7. Post Office is a government owned, commercial business driven by social responsibility. Post Office offer more than 170 products and services under four product pillars: Mails & Retail; Financial Services; Government Services; and Telecoms. The telecoms service offers customers, either a standalone voice contract or a Dual contract which contains both Broadband and Home Phone. [ Redacted ].
8. Looking at the UK population, 99.7% of people live within three miles of their nearest Post Office outlet. For many rural communities the Post Office is their only retail outlet. Many of the Post Offices' customers choose to purchase their telecoms service from the Post Office because they are able to come into their local branch and enjoy the interaction, whether it is to pay their bill every month or sign up to a new service. [ Redacted ]. Some customers utilise budget payment cards to help them budget each month and pay for their service. Post Office aspires to be at the very heart of customers' choice by becoming the most trusted provider of essential services to every person in the UK.
9. Of particular importance in this consultation is the recognition of the wide range of channels to market and the types of customer that Post Office serves. We say more about this later in our response, but we believe that many customer do not want to be confronted with copious amounts of pre-contract information and many will simply not understand it. What they really need is straightforward and clear information.
10. Post Office sources its telephone and broadband services from Fujitsu who in turn source network services from TalkTalk and BT. Post Office is not a network operator and technically neither is our main supplier, Fujitsu. Fujitsu also provide integration of other services such as order management and billing as well as call centre activities. Any changes to our products, pricing, billing or communications is performed by our suppliers and must be managed through a change process. Thus, any big changes to processes require significant coordination with all our suppliers. We are depended on the network providers developing their solutions so that we can consume them. We expect this to be similar for all smaller providers who outsource to integrators or wholesalers.

## 2. Introduction

11. Post Office welcomes the opportunity to comment on Ofcom's consultation 'Proposals to implement the new European Electronic Communications Code' (the Consultation). The Consultation is proposing to implement the new European Electronic Communications Code via a number of changes and additions to the General Conditions. The changes are mainly

focused on switching and porting processes and consumer protection via additional contract information provided before and during signing up a customer.

12. Post Office recognises and agrees with the importance Ofcom attaches to consumer protection, which is why it signed up to Ofcom's fairness commitments.
13. Our main concern with the proposals is that the timescale for implementing them is simply too short. As Ofcom's final statement is not due until Q1 20/21 this leaves about 6 months for implementation.
14. The End of Contract and Annual Best Tariff notification which came into effect on 15<sup>th</sup> February 2020 consumed significant development resources with only limited time to run trials. It also came with 9 months implementation window after the final statement. The proposals here are much larger than those in the EOC and ABT and consequently they will consume significantly more development resource and time.
15. For smaller providers such as Post Office who source telecoms services from suppliers which are managed via formal change process there is a further level of complexity. A formal change process with a supplier results in a longer lead time for changes.
16. Finally, we note that the implementation date is currently set for 21 December 2020 which is the same working week as Christmas. Most firms will be reducing their resource at this time and typically many would have locked down systems changes in early December. Realistically, therefore, any changes will have to be made prior to December, which has the effect of a further reduction the implementation time window. Addressing any implementation issues that may arise during this period will be more difficult.

### **3. Consultation Questions**

#### **Section 3: Changes to the defined terms used in the General Conditions**

Question 1: Do you agree with our proposed changes and additions to the defined terms used in the GCs in order to align with the EECC, as set out in Annex 11?

17. The new definitions align with the EECC directive but we have not yet made a detailed comparison of the new definitions to check their consistency with the existing General Conditions.

#### **Section 4: Provision of information to customers about their services**

Question 2: Do you agree with our proposed changes to the GCs to implement Article 102, as set out at Annexes 11 and 16?

Question 3: Do you agree with our proposed guidance in Annex 6 on our expectations for how providers should comply with the provision of contract information and the contract summary?

### 3.1.Pre contract information

18. Post Office considers that it is very important that customers have access to accurate and clear contract information. We have always developed our propositions and marketing with clarity and simplicity in mind. We have concerns that the additional pre-contract information required and that a customer is required to agree to, will actually present more of a barrier to customer switching. Section 4.43 makes clear that before the contract becomes valid, the customer must agree to the pre-contract summary – which must be received by the customer in a durable form.
19. The proposals appear to consider a customer as having all information in front of them, such as may be the case in an online purchase, where a customer is able read at their leisure all contract information and pre-contract summary information. The Consultation does however note that there are some issue in relation to other routes to market, such as telephone based sales. Post Office sells telecoms service though call centres and in Post Office branches and we are concerned that the proposals introduce complications for these customers.
20. In branch for example, we provide a one page leaflet which has been developed to provide the customer with all the relevant information that a customer requires to understand what they are buying. However, the new proposals require providers to provide a pre-contract summary, which a customer must agree to before the contract becomes binding.
21. We think it is unreasonable for customers to be required to read and understand the pre-contract summary before agreeing it while stood at a counter in a Post Office branch. Customers may simply feel pressured into accepting. The implication then is that if the customer does not sign immediately then they will have to take further action to confirm acceptance at a later date. This additional complexity may result in reduced switching, contrary to Ofcom's intentions of promoting switching.
22. We note that currently a customer's consent to switch can be obtained (and recorded) while on the call. In our branches this is stored on the till receipt.
23. Call centre sales journeys will also be made substantially more complicated unless it is possible for the pre-contract information to be read to the customer over the phone and accepted over the phone. If that is not possible then we will need to send the pre-contract information to the customer via paper or email, who would then be required in some way to contact us to confirm acceptance.
24. We suggest that in these circumstances the pre-contract summary which is required to be part of the actual summary is protected by the 14 day distance selling rules and so, if the customer does not reject the purchase, then acceptance can be assumed.
25. Our key observation is that the provision of additional contract information and contract summary is more than just simply the provision of information. It requires the acceptance of information which is a change to the sales process. The process change would require changes

to systems and also retraining of call centre staff and branch staff who would need to understand what the new items mean.

## **Section 5: Publication of information and provision of data to third parties**

Question 4: Do you agree with our proposed changes to the GCs to implement Article 103 and our proposed approach to implementing Article 104, as set out in Annex 11?

26. As part of the EEC directive, there is a requirement for a comparison service to be set up. In support of this, it would seem reasonable that providers should be required to provide information to the comparison sites. We would also expect such comparison sites to be required to obtain this information from all providers and use it to make objective comparisons.
27. The Consultation proposals provide a high level description of the types of information that Ofcom expects to see shared with third parties. In some cases a descriptive response is requested which clearly leaves a lot of discretion to the provider as to how it will respond. It is not clear how a comparison site would process such information. More clarity over the type of information is therefore required. This is important if comparison sites are to interpret the information in the same way.
28. The Consultation does not place any obligations on providers as to how often providers would be required to provide this information. For example would this be monthly obligation, or just when there was a change to a price or feature of a service or would this be on request?
29. The Consultation contains no detail on what the format of the machine readable form really means. Excel spreadsheets, word documents, xml files and CSV files are all examples of machine readable forms. Again, there is a need for clarity on the interchange format.
30. We therefore believe that further work is required in this area to clarify what the obligation really means.

## **Section 6: Contract duration and termination**

Question 5: Do you agree with our proposed changes to the GCs to implement the requirements in Article 105, as set out in Annex 12?

Question 6: Do you agree with our proposed changes to the existing guidance as summarised here and set out in Annex 7?

31. We believe that the requirement for a provider to offer a contract period of 12 months is reasonable. It gives customers certainty over the services and costs for time scales that

customers work on. However, we also believe that a provider should also be able to offer a service which has no contract duration or a rolling 30 day contract for those customer who are unable or unwilling to make a commitment to a 12 month contract.

## Section 7: Switching and porting

Question 7: Do you support our proposals to introduce (a) new general switching requirements for all types of switches for residential and business customers and (b) specific switching requirements on information, consent, compensation and notice period charges for residential customers?

Question 8: Do you support our proposed guidance in Annex 8 on compensation for residential customers?

32. Post Office appreciates that easy switching between providers would lead to fairer outcomes for telecoms customers. A revised GPL process which removed some of the current issue would likely bring some benefits to customers who switch and port between providers.
33. However, we consider that implementing a new switching solution by December 2020 is not possible given the complexity of the issue. Any switching and porting solution requires cross industry cooperation to implement and function correctly.
34. Post Office appreciates the effort that the OTA has put into finding an industry agreed switching solution. At present we understand there are two, incompatible solutions known as Options 'x' and 'y'. Given where the current industry position is on agreeing a solution, which then needs to be consulted upon, designed, developed, tested and adopted by the industry, we think that December 2020 is an unrealistic implementation date.
35. Therefore, we are extremely concerned that rushing the implementation to hit the deadline carries a significant risk that the new process is not fit for purpose, or that providers will not have had time to implement the changes required. This could result in customers not being switched correctly, the wrong customer being switched or simply lost in a process. Any of these outcomes would cause significant customer detriment and harm. Providers also face risk of Ofcom enforcement for failing to implement.
36. We urge Ofcom to consider delaying the implementation of the switching and porting solution until it has established a solution and given due consideration to the timescales for its design, development and testing. The views of the OTA and industry providers would give some indication. The timescale should also reflect all the other work that is being done in parallel to implement all the other changes required to implement the EECC.
37. Without a more detailed understanding of the solution and so no ability to work with our suppliers to assess time scales, at this stage we would estimate the GPL switching and porting should be delayed by a year until it is tested and clearly functioning correctly.
38. In light of this we consider that the proposals on information, consent, compensation and notice period charges should be aligned with the revised date for the switching and porting solution. Without a realignment, there is a higher cost to providers for having to rework these process when a new switching process is introduced.



39. At present the current NOT process seems to the Post Office to be a GPL process that broadly meets the requirements of the EECC, albeit with some shortcomings in relation to switching between certain network infrastructure providers. So there does not seem to be a requirement to implement a new solution to fulfil the EECC requirement.

## **Section 8: Disincentives to switch: mobile device locking**

Question 9: Do you agree with our assessment that device locking can deter customers from switching and cause customer harm?

Question 10: Do you agree with our assessment of the effectiveness of Options 1 and 2 in reducing the consumer harm that can result from device locking and the impact on providers of Options 1 and 2?

Question 11: Do you agree with our proposal to prohibit the sale of locked mobile devices?

40. Post Office does not provide mobile services.

## **Section 9: Disincentives to switch: non-coterminous linked contracts**

Question 12: Do you agree that we should protect customers by issuing guidance on our proposed approach when considering the case for enforcement action against non-coterminous linked contracts?

Question 13: Do you agree with our proposed guidance in Annex 9 which sets out our proposed approach to assessing whether certain types of non-coterminous linked contracts are likely to act as a disincentive to switch?

41. Post Office agrees with Ofcom that some types of linked non-coterminous linked contracts could be a disincentive to switch. The EECC goes much further now in terms of types of contracts that could be considered to be linked.
42. Post Office does not have any linked contracts. Our customers are able to add or remove call packages with just 24 hour notice, which we believe is a fair offer. However, other providers may choose to provide services to their customers under separate linked contracts.
43. Post Office is of the view that the guidance based approach is the preferred way of dealing with linked non-coterminous contracts. This would still permit some non-coterminous contracts where they offer benefits to the customer. In practice we would expect that customers would be aware of the linkage between contracts when they sign-up.
44. We agree with the proposed guidance in Annex 9.

## **Section 10: Emergency video relay**

Question 14: Do you agree with our proposal to mandate emergency video relay for emergency communications to be accessed by end-users who use BSL?

Question 15: Do you agree with our proposal that the obligation to provide emergency video relay free to end-users should be imposed on regulated firms that provide internet access services or number-based interpersonal communications services?

Question 16: Do you have any comments on our proposed approval criteria for emergency video relay services, or the proposed approval process?

45. Care of vulnerable customers is fundamental to Post Office and we appreciate the obvious benefits that the use of emergency video relay could bring. In this regard we welcome the proposal.
46. At present it is not clear to us which providers the obligation would apply to or how. In section 10.46 the Consultation states that an internet connection (fixed or mobile) would be required which would suggest to us that Ofcom considers PSTN access would not be required. If our interpretation is correct, then the obligation only needs to be imposed on internet access service providers but not number-based interpersonal communications providers as stated in section 10.41. We would welcome clarification on this point.
47. GCA3.2B requires uninterrupted access to emergency services as part of any Publicly Available Telephone service offered. However the Emergency Video Relay service would not seem to benefit from this provision as it does not appear to be PATS based.
48. Similarly the costs of implementing the solution are to be picked up by both IAS and NBIC but the consultation does not say whether this will be usage based or an annual charge spread across all providers based on market share – especially if NBIC are not required to support it.

## Section 11: Communications in accessible formats for disabled customers

Question 17: Do you agree with our proposal to a) extend the current requirement to cover the other specified communications i.e. any communication (except marketing) that relates to a customer's communication service, and b) extend the GC so that any customer who cannot access communications due to their disability should also benefit from accessible formats? When answering please provide evidence of any benefits or costs.

Question 18: Do you agree that implementation by December 2020 is reasonable?

49. Post Office considers that it is important that disabled customers should have communications in formats suitable for their needs. Post Office already provides many of its document in alternative formats. We welcome Ofcom's proposals to widen the range of communications that are provided to customers in alternative formats that disabled customers require.

50. We believe that in isolation the proposals could be implemented by 21 December 2020. However, given the other demands on development resource this may take a few months longer.

## **Section 12: Availability of services and access to emergency services**

Question 19: Do you agree with our proposed changes for implementing the requirements in Article 108 and Article 109 to reflect the differences between these EECC provisions and their predecessors in the Universal Service Directive?

**Please provide evidence to support your response.**

51. Please see our comments in relation to Emergency Video Relay services above.

## **4. Conclusion**

52. Post Office broadly agrees with the proposals in the Consultation and believes that they will help customers. We have highlighted a number of areas where we believe that the proposals need clarifying and some adjustments made if they are to achieve Ofcom's desired objectives of getting a fairer deal for customers.
53. Our main concern with the proposal in the Consultation is that the timescale to implement the changes is too short. In particular, the requirement to implement the new GPL switching and porting solution by December 2020 is unrealistic and we urge Ofcom to reconsider and to delay the implementation to allow the industry to do the job properly.
54. The requirement to provide pre-contract summaries actually impacts on the customer journey. We think this may actually complicate the buying/switching process slightly which may defeat Ofcom's desire to make it easier.