



BT Renewable Contracts

Research Report

By Spring Research

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Spring

Sections

1. Executive Summary 2

2. Objectives 4

3. Methodology 5

4. Demographics 6

5. Understanding the benefits of the BT contract..... 9

6. Understanding the small print 11

7. Switching behaviour 15

8. The renewal experience 19

Appendices

1. Telephone survey 21

2. Telephone depth discussion guide 36

Section 1

Executive Summary

There is a good general knowledge of the plan

- 1.1 The majority of respondents had been with BT a long time. This is especially true of those in the second year of their plan, with 72% having been with BT more than ten years. There was a significant minority (33%) of Year One customers who have joined BT much more recently, and are currently in the first year of their contract.
- 1.2 There is a good general knowledge of topline plan details, with 59% - 63% (depending on plan) being able to name their plan correctly. Benefits such as free or cheap calls are recalled more readily than contract details such as contract length or what would happen at the end of the contract.
- 1.3 The plan is felt to offer good value, with several customers (qualitatively) reporting seeing bills come down after going on to the contract
- 1.4 There are high levels of satisfaction with the plan, with 72% of Year One people rating their satisfaction as 4 or 5 on a 5-point scale, and 69% in Year Two doing the same.

Detailed contract terms are less well understood

- 1.5 The contract terms are perceived as being clear and simple by customers, with 73% in Year One and 72% in Year Two agreeing with the statement 'I feel the contract terms were very clear when I chose this plan'. From comments in the survey and from the telephone depths, customers appeared to believe there was not much to know about the plan and that it is very straightforward.
- 1.6 There is mixed understanding of some important aspects of the plan. The term 'renewable contract' is not well known, with 63% of Year One customers and 59% of Year Two customers unaware of this terminology. There is also a lack of understanding of what happens at the end of the contract, with only 23% knowing it automatically goes on to another 12 month contract.
- 1.7 The impact of not knowing contract terms is minimal, with the disclosure of terms throughout the survey making only 31% of Year One customers and 23% of Year Two more likely to switch.

Switching is not a common occurrence

- 1.8 The majority of people we spoke to seem averse to switching fixed line providers, with many having been with BT for over 10 years, and two-thirds (65%/66%) agreeing with the statement 'I don't think about my contract enough to worry about it'. Switching, where it does occur in other utilities, happens when looking for a better deal (72%/78%).
- 1.9 There is confidence among Year Two customers that they won't need to switch in the next 12 months (74% say they won't need to switch). Most claim they will take the opportunity to look around for the best deal at renewal time (72%/59%), but in reality few take this opportunity, and most justify staying with BT as they are happy with the service and the price they pay

Renewal seems to be passive rather than a choice

- 1.10 Over half of all people in their second year (59%) do not realise that they are in the second year of their contract and would have to pay to leave. Most do not remember receiving a letter giving them the opportunity to leave the contract at the end of the 12 months (60% of Year 2 do not remember receiving letter)
- 1.11 Those who do remember receiving the letter think it is clear (50%-79% say letter details were clear), and that it gives them enough time to decide whether to leave or stay (75% score 4 or 5 on satisfaction). The contract makes little difference to likelihood to shop around for both Year One and Year Two customers (49%/54% no change in likelihood to shop around).
- 1.12 However, most would like to have the opportunity to decide whether to shop around or not, whether they would do so or not. This is indicated both by the fact that three quarters of both Year One and Year Two customers agree to a level of 4 or 5 on a 5 point scale that 'I like to have control over when, why and on what terms I switch utility providers', and through qualitative conversations with customers.

Section 2

Objectives

- 2.1 The overall aim of this research was to assess the knowledge and understanding of contract terms and conditions of renewable contracts among BT customers
- 2.2 In order to do this, the research focussed on the following areas:
 - At the time of uptake or renewal, how aware are BT customers that they are taking up a renewable contract?
 - Do they understand the difference between this and other types of contract? What made them choose this over others?
 - To what extent are customers taking up or renewing a BT renewable contract aware of the terms and conditions of that contract?
 - What questions, concerns and issues do customers have about this contract? Are these being adequately dealt with by BT?
 - How efficient and accessible is the contract renewal process?
 - What are the drivers and motivations for switching?

Section 3

Method

- 3.1 This research comprised both a quantitative and a qualitative element
- 3.2 Six hundred quantitative telephone depth interviews were conducted between 14th and 23rd August 2009. The database used was supplied by BT to Ofcom and comprised of customers in their first or second year of a renewable contract
- 3.3 The quantitative interviews completed were as follows:
 - 150 people in their first year of an Unlimited Evening and Weekend plan
 - 150 people in their first year of an Unlimited Anytime plan
 - 300 people in their second year of an Unlimited Evening and Weekend plan
- 3.4 Interviews were completed by Perspective, Spring's partner field agency. Spring briefed each interviewer at the agency on the structure of the research and attended and listened to the pilot interviews to ensure quality control
- 3.5 The questionnaire was developed in partnership with Ofcom, and covered knowledge of and attitudes to the plan, detailed knowledge of contract, satisfaction with the plan and switching behaviour. Year Two customers were asked specifically about their recent receipt of the renewal letter. The full questionnaire can be seen in Appendix 1 of this document.
- 3.6 As we were working from BT data, no quotas were set other than by contract type. All numbers were randomised to achieve a spread by age, gender and geographical area. The data is not weighted.
- 3.7 Following the quantitative surveys, Spring conducted 10 telephone depth interviews with people who had completed the survey; 5 with Year One customers and 5 with Year Two. These were used to add colour and depth to the quantitative findings.
- 3.8 These interviews were each around 30 minutes long and were conducted by members of the Spring team. The discussion was an open and relaxed one which was to some degree led by the respondent's own experience. The question structure we used is in this document as Appendix 2.

Section 4

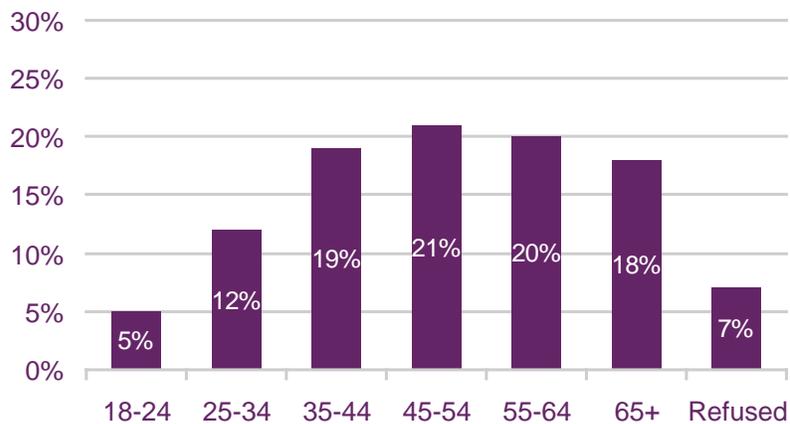
Demographics

4.1 Demographic information was allowed to fall out naturally from the sample supplied, with quotas set only on type of contract as specified in methodology

4.2 Base size is all respondents (600) for all demographics charts

Age and gender

Figure 4.1 Which of the following age brackets do you fall into?



4.3 Just over half (56%) of respondents were female.

Employment status and social grade

Figure 4.2 What is your current employment status?

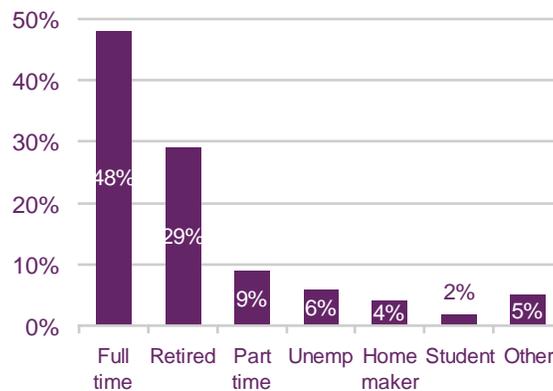


Figure 4.3 Social grade



4.4 Respondents in the lower socio-economic groups are significantly more likely to be in the 55 years and over age group

Size of household

Figure 4.4 How many people live in your household?

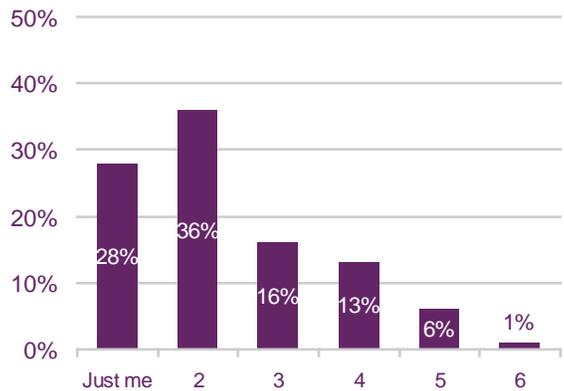
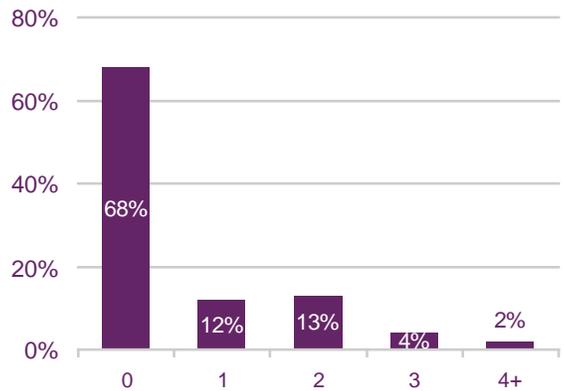
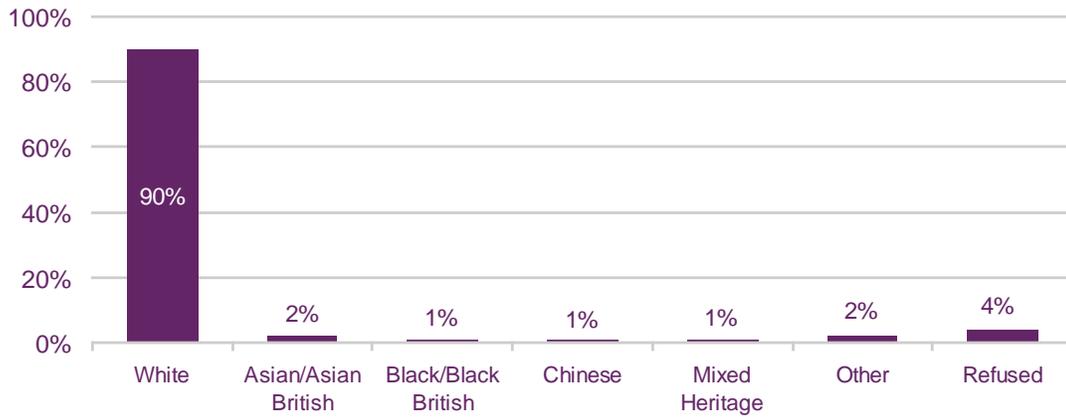


Figure 4.5 How many are children?



Ethnicity

Figure 4.6 Which of the following best describes you?



Section 5

Understanding the benefits

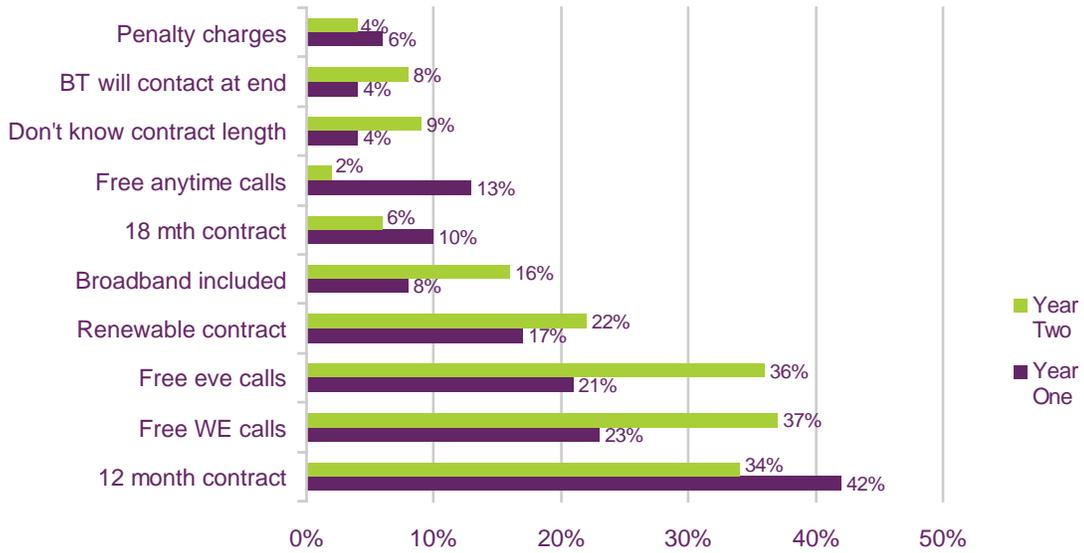
Most respondents have a long relationship with BT

- 5.1 The majority of respondents had been with BT for a long time. This is especially true of Year Two customers, 72% of whom stated they had been with BT for ten years or more. Many Year One customers had also been with BT for that length of time - 43% - although a third had joined BT within the last year.
- 5.2 Year One customers are better than Year Two customers at knowing how long they have been on their current plan. More than three quarters (78%) of Year One customers knew they had been on their current plan for a year or less, whereas only 21% of Year Two customers placed their length of time on their plan in the 18 months - 3 years category.
- 5.3 This suggests that the transition between plan type was less clear for those who joined their plan two years ago, although qualitatively, there were long term customers who do recall the shift to their new plan as a phone call from BT.

There is reasonably good awareness of plan type and good recall of benefits

- 5.4 Between 59% and 63% of all customers knew the name of the plan they are on, with the majority of the remainder (17% - 22%) stating that they don't know, rather than choosing the incorrect name of the plan
- 5.5 The groups where we do see a lower awareness of plan type are also those who are not aware of the term 'renewable contract' (28% do not know plan type), and are not aware of charges when leaving the plan before the end of a 12 month period (26% of these do not know plan type)
- 5.6 When asked to spontaneously recall features of the plan, aspects recalled focussed on benefits such as free evening and weekend calls (see Fig 5.1). This is especially true of those in their second year
- 5.7 There is some spontaneous awareness of this being a renewable contract (17% Year One, 22% Year Two). As this was based on spontaneous awareness, some respondents may have used a different terminology to describe it whilst still understanding the concept.

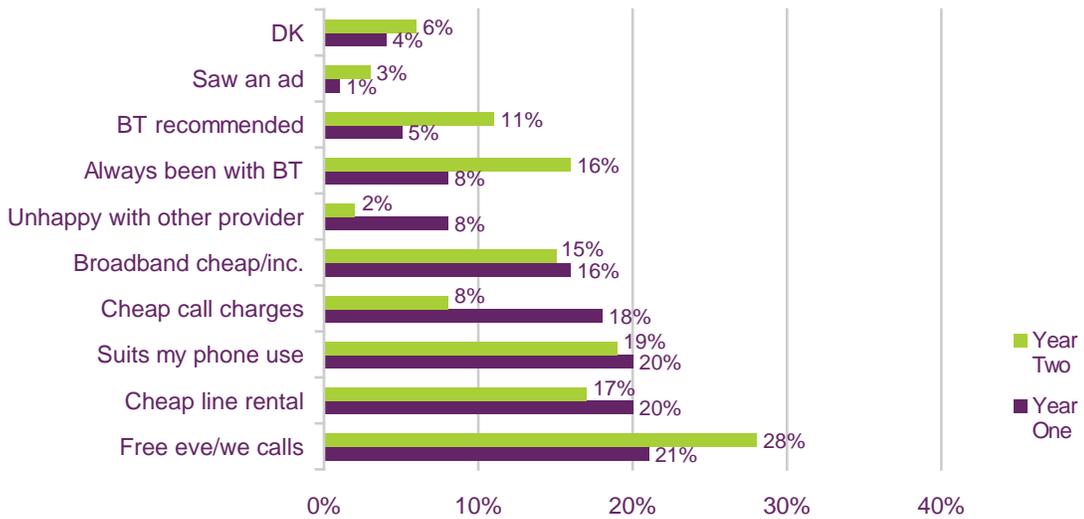
Figure 5.1 Please describe all aspects of your calling plan



Base: 600

5.8 The plan is felt to offer good value (see Fig 5.2), with free or cheap calls, cheap line rental, and cheap or included broadband being some of the key reasons to choose the plan. Year Two customers are significantly more likely to state they chose the plan as they have 'always been with BT' (16% Year Two, 8% Year One).

Figure 5.2 What made you choose the contract you are currently on?



Base: 600

Satisfaction levels with current contract are high

5.9 Satisfaction levels were similar across customers in both years of their contract, with no significant deviation from the average of 71% choosing 4 or 5 on a 5 point scale of satisfaction.

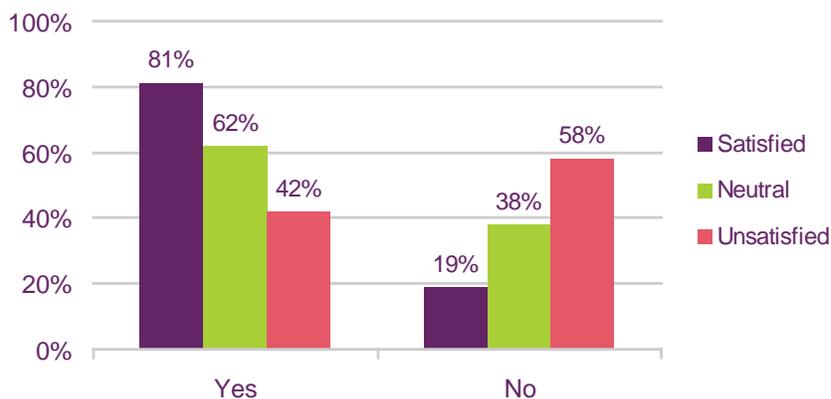
Section 6

Understanding the small print

There is a perception that contract terms are very clear

- 6.1 When asked whether they agreed that the contract terms were very clear on sign up, 73% of all respondents agreed and there was no significant difference between Year One or Year Two customers.
- 6.2 Perceived clarity of contract terms is strongly correlated with satisfaction with the plan (see Fig 6.1)

Figure 6.1 “I feel the contract terms were very clear when I chose this plan”

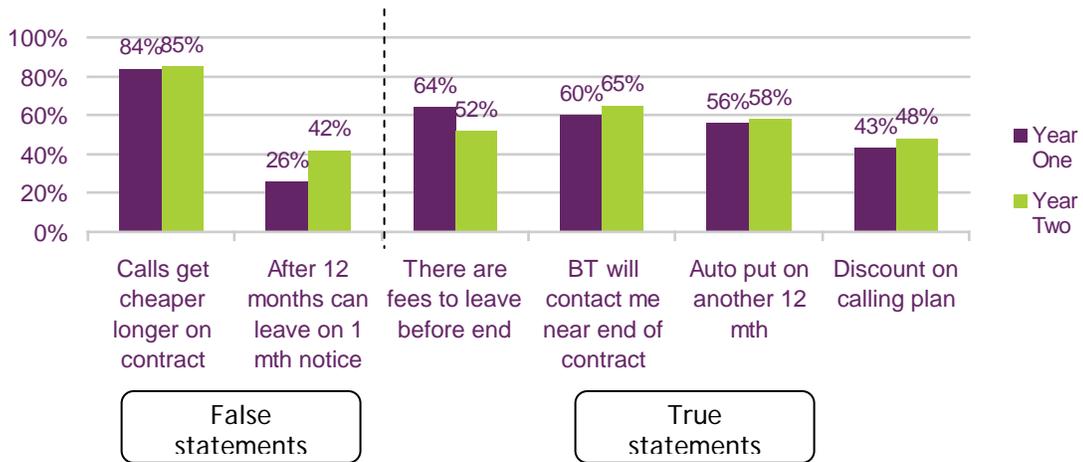


Base: 600

However there is a lack of knowledge about key aspects of the plan

- 6.3 A majority of respondents (63% of Year One and 59% of Year Two customers) are not aware they are on a contract called a ‘renewable contract’, and as is shown in Figure 5.1, spontaneous mentioning of penalty charges is very low.
- 6.4 Prompted knowledge of the various aspects of the contract also varies. Respondents were asked whether a series of statements were true or false. Some statements were mutually exclusive, yet the answer distribution shows respondents did not always recognise this (see Fig 6.2). For example, some people will have said ‘true’ to both ‘After 12 months I can leave on one month’s notice’ and ‘I will be automatically put on another 12 month contract’.

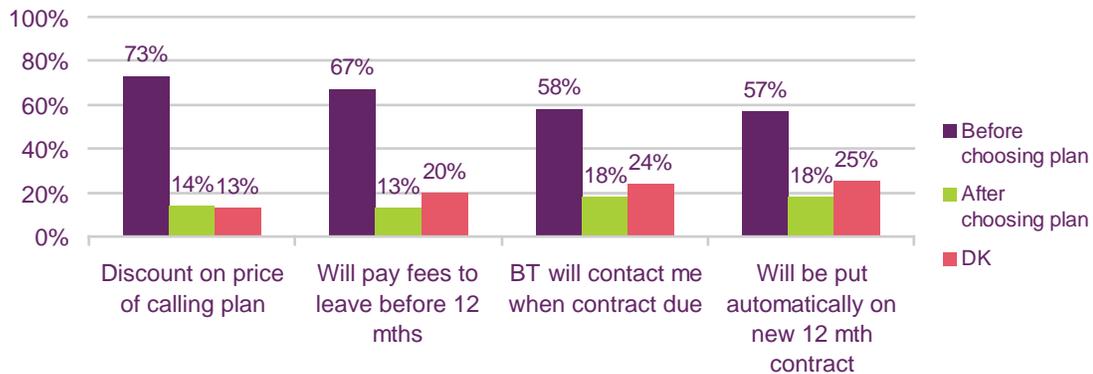
Figure 6.2 Which of the following statements are true?



- 6.5 Agreement with 'If I want to leave before the end of any 12 month period, I will have to pay penalty charges or fees' (column 3 in Fig. 6.2) correlates with length of time with BT. Two-thirds of those who have been with BT a short time expect to pay fees to leave, which decreases to just 51% off those who have been with BT more than ten years.
- 6.6 When asked unprompted what happened at the end of their contract, 42% of customers could give no answer, with no significant difference between Year One and Year Two customers.
- 6.7 Some explanation for this can be seen in answers to the statement 'I don't think about my contract enough to worry about it', with two-thirds of respondents agreeing with this statement. Open ended comments also suggest that little thought is given to the contract, typified by comments like *"No idea [what happens at end of the contract], I'm only interested in keeping it with BT, I don't really care what the contract entails"* (Year 2 customer)

Where customers knew about key aspects of the contract, they tend to have found out before joining up

Figure 6.3 When did you become aware of the following facts?



Base 271 - 373

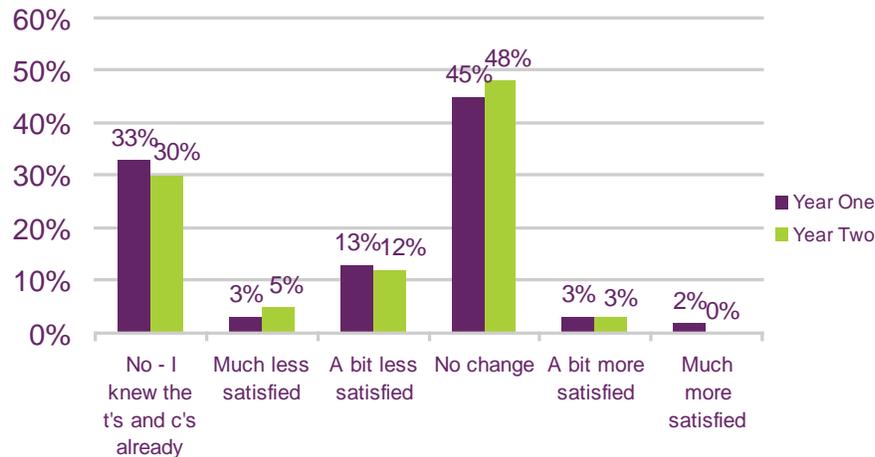
- 6.8 As can be seen in Figure 6.3, most respondents who know about various aspects of the contract found out before signing up. However there is still a significant amount, between 27% and 43%, who discovered these things after signing up. It should also be mentioned that this chart is based on the people who said they did know these facts, which accounts for between 45% and 62% of total respondents only.
- 6.9 The most common way of finding these facts is directly from a BT representative, with information coming from this source 61% - 71% of the time. The information was only remembered as coming from a form, the website, or another place between 9% and 14% of the time.
- 6.10 This suggests that information about key contract features is not actively searched for, and is instead understood most often when it is conveyed in one on one contact.

The option to pay more to be on a month to month contract is seldom offered

- 6.11 Only 20% of Year One customers and 15% of Year Two customers were given the option to take a contract that renewed on a month to month basis, which BT does offer at an increased cost from the renewable contract
- 6.12 Of the relatively small number given the choice, less than half (39% Year One, 48% Year Two) knew they were receiving a discount for being on a 12 month renewable contract

Despite low knowledge, there is little change in satisfaction after the terms and conditions are made clear

Figure 6.4 Now we have discussed terms and conditions, has your satisfaction changed?



Base: 600

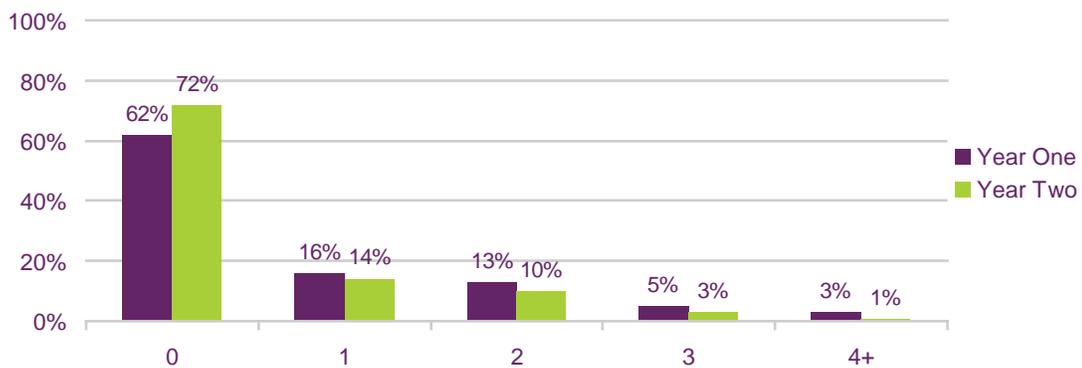
- 6.13 After customers had been informed of the terms and conditions throughout the survey, they were asked whether their satisfaction level had changed from the one they had offered earlier. As can be seen in Figure 6.4, 78% of customers felt no change in satisfaction level.
- 6.14 Qualitative comments like *"As long as I'm getting good service and this tariff I can't see why it's a problem"* (Year 2) suggest there is a feeling that the benefits make the contract worth having. As stated before, a majority state they do not think about their contract enough to worry about it, which suggests decisions about the contract are not a priority in most customers' lives.

Section 7

Switching behaviour

Most customers have not switched provider for any of their main home utilities in the last 12 months

Figure 7.1 Count of utilities switched in the last 12 months



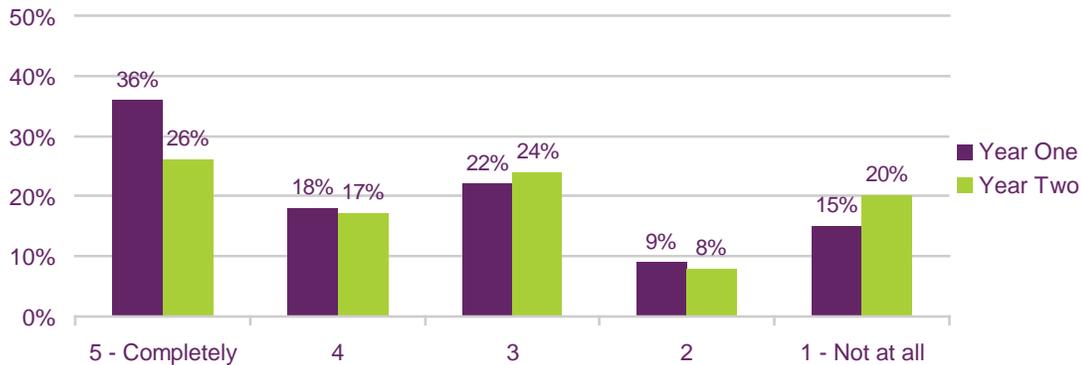
Base: 600

- 7.1 As can be seen in Figure 7.1, most customers have not switched any other utilities in the last 12 months
- 7.2 Likelihood to have switched something else is highest among those who have been with BT the shortest time. Customers who have been with BT less than a year have switched an average of 0.93 utilities in the last year, and people with BT for 1 - 2 years have switched a similar average of 0.92. This takes a sharp drop among people who have been with BT for 3 - 5 years, who have switched an average of 0.57 utilities, and drops to 0.5 for those who have been with BT more than ten years.

When switching does occur, it tends to be to move to a better deal

- 7.3 Three quarters of those who have switched state it is to move to a better deal. Dissatisfaction with service is the next most common reason, and is considerably lower at 28%.
- 7.4 Although it is a driver for switching for some, the desire to chase the lowest deals does not seem strong in this audience. When asked if whether they agreed with the phrase 'I think it is only by shopping around and switching utility providers that I can get the best deal for me', around a half were neutral or less likely to agree (see Fig 7.2)

Figure 7.2 “I think it is only by shopping around and switching utility providers that I can get the best deal for me”

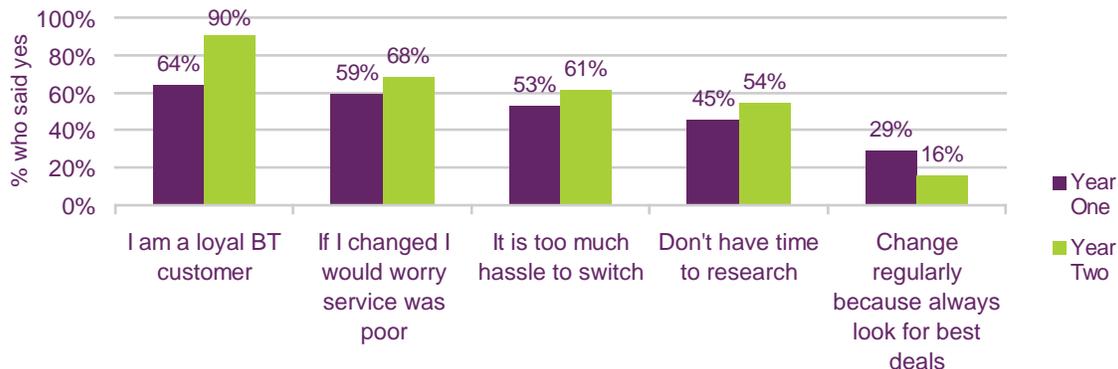


Base: 600

There is little to desire to switch fixed line providers

7.5 As is shown in Figure 7.3, customers have a variety of concerns related to switching fixed line providers

Figure 7.3 Which of these statements describe how you feel about switching fixed line providers?



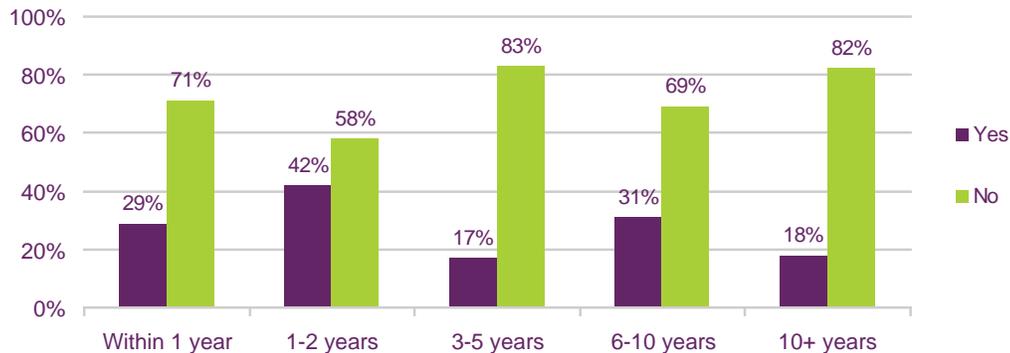
Base: 600

7.6 A large majority (90%) of Year Two customers consider themselves a loyal BT customer. This is related to length of time with BT, with only 26% of people who have been with BT less than a year saying they are loyal, compared to 93% of people who have been with BT ten years or more

7.7 Concerns about the quality of service at other companies also increases in line with length of time with BT. Around two in five (43%) customers in their first year with BT have this concern, rising to 70% among those who have been with BT 6 years or more.

7.8 People who have been with BT shorter lengths of time tend to agree that they change regularly because they always look for the best deals (Figure 7.4), however it is actually those who have been with BT for 1 to 2 years who agree the most. This may indicate that those who have just joined (within first year) don't have the drive to change supplier again immediately.

Figure 7.4 “I change my fixed line provider regularly because I always look around for the best deals”



Base: 600

7.9 Very few people in their second year foresee a reason they will need to leave their contract before the current 12 month period is over. Nearly three quarters (74%) of respondents say they will have no reason to switch in the next 12 months. While 12% say they would like the option to switch because of the fee, a higher number (18%) say that if they wanted to switch they would pay the fee anyway.

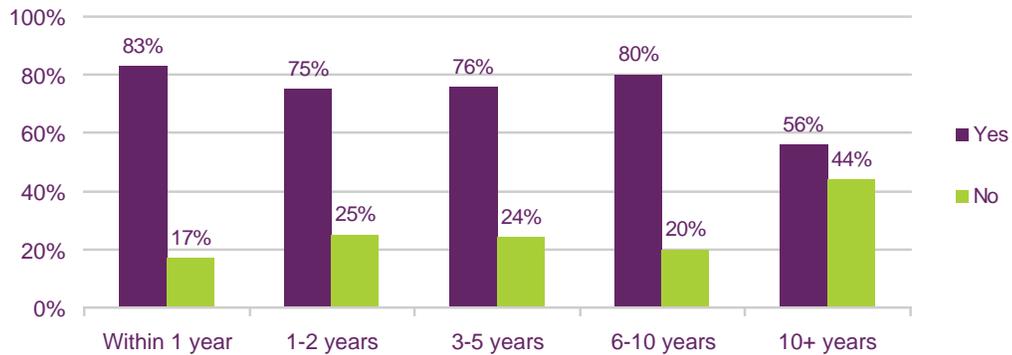
7.10 The qualitative interviews and comments during the survey suggest that there may be a lower awareness of how to switch fixed line provider than other utilities - for example a Year One customer commented *“I was with Virgin but then moved house, there’s not many options up here, so it’s simple, it’s got to be BT”*

Despite this, a majority claim they will look around for the best deal at renewal time

7.11 Nearly three quarters (72%) of Year One customers and over a half (59%) of Year Two customers agree that “I know I will look around for the best deal at renewal time”. When looking at this against length of time with BT (Figure 7.5), it can be seen there is little difference in opinion among those who have been with BT less than 10 years, with a marked increase among those who have been with BT 10 years or more.

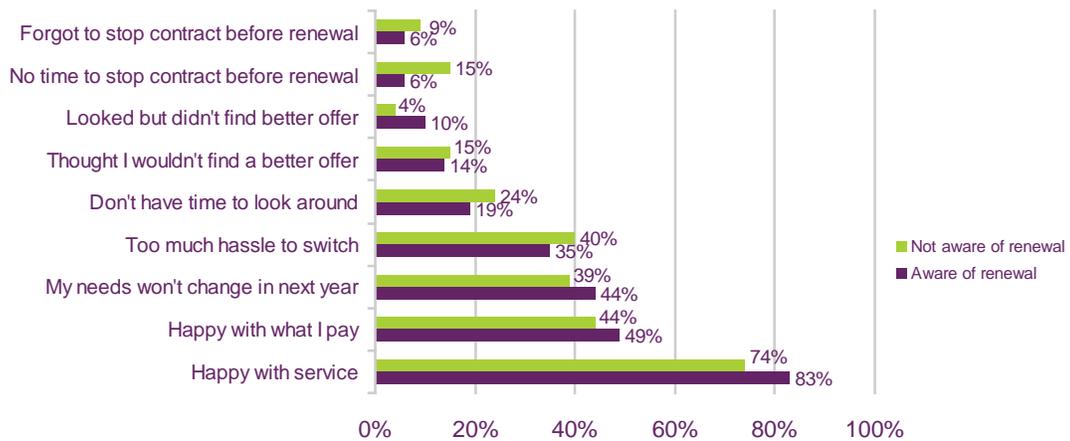
7.12 This also correlates with age of respondent, with only 54% of those aged 55+ saying they will look around for the best deal, compared to 72% of those who are younger than 55.

Figure 7.5 "I know I will look around for the best deal at renewal time"



7.13 When looking at the actual behaviour of Year Two customers (who have recently gone through renewal), most say they are happy with the service and/or happy with what they pay (Fig 7.6), thereby justifying remaining with BT (despite the supposedly large propensity to look around for a better deal, shown in Fig 7.5)

Figure 7.6 Which of the following statements describes why you renewed your contract/are still with BT?



Base: 300 (124 actively renewed/176 not aware in second year)

Section 8

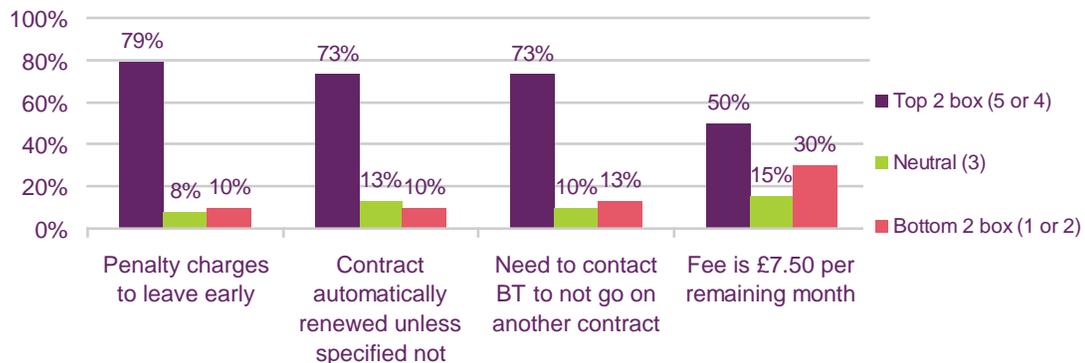
The renewal experience

Most Year Two customers remember receiving a recent communication, but seldom about renewal

- 8.1 More than three-quarters (77%) of Year Two customers remember receiving some kind of communication from BT recently. This tends to be a bill - only 7% of those receiving a communication spontaneously recall it being about contract renewal.
- 8.2 When those who did not spontaneously recall a renewal letter were prompted whether they had received anything to do with renewal, 64% said they did not remember receiving anything about renewal. When those who remembered spontaneously are taken into consideration, we see 60% of all Year Two customers do not recall receiving a letter about renewal.
- 8.3 It is not surprising, then, that 59% of Year Two customers are not aware that “you are now in the second year of your contract and if you wish to leave the contract before 12 months is up, you will incur a fee”.
- 8.4 However, those individuals who do remember receiving the letter claim most aspects of it are very clear (Fig 8.1). The least clear is that the fee for each month remaining on the contract is £7.50, however this is perhaps not surprising as it is asking respondents to recall a specific amount.

Figure 8.1 How clear was the letter in explaining the following?

Note: Answers were on a scale of 1 - 5, with 5 being Completely clear and 1, unclear



Base: 60 (recalled receiving letter)

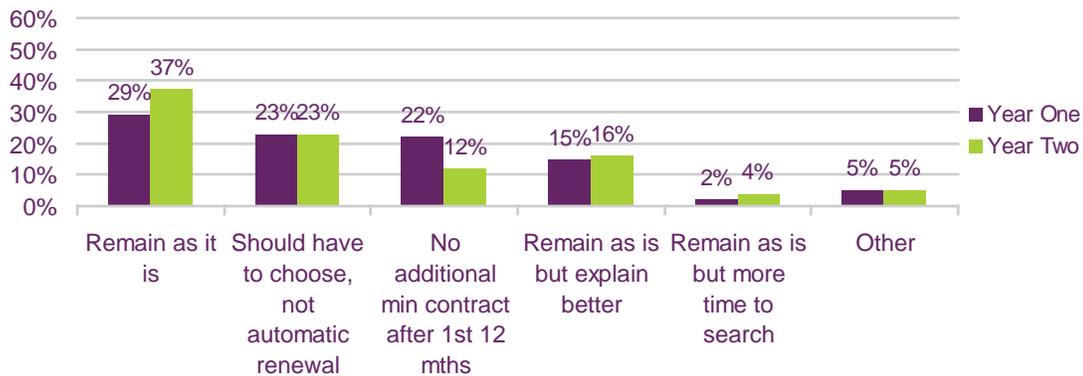
For those who remember the letter, it arrived in enough time to consider options

- 8.5 Around a half (52%) of those receiving the letter report receiving it between a month and two months before renewal date, with only 6% saying they received it 3 weeks or less before (and 21% not being able to recall). Three quarters (74%) scored their satisfaction with amount of time to make a decision, a 4 or 5 on a 5 point scale.

However the letter seems to make little difference to likelihood to shop around

- 8.6 Most people (77%) of those receiving the letter said it did not cause them to take any action. Only a small amount (7%) had been thinking about switching before receiving it. As one Year Two customer said: *“It was clear and I didn’t need to do anything and it would just carry on. I don’t think BT need to do anything differently”*
- 8.7 Despite this inaction, we know from our qualitative depths that it is important to receive the letter, even if one does not intend to do anything about it.
- 8.8 We have seen that although the terms and conditions were not fully known to most people, this has little impact on satisfaction.
- 8.9 However there is still a desire to see the end of the contract handled differently (Figure 8.2)

Figure 8.2 In future, how would you like BT to handle the end of your 12 month contract period?



Overall, it is important for the customer to feel in control, even if being in control won’t change what they do

- 8.10 Three quarters of all respondents (77% Year One, 75% Year Two) agree (choose 4 or 5 on a 5 point scale) that *“I like to have control over when, why and on what terms I switch utility providers”*. This suggests that even though there is little activity relating to the renewal period, it is important to customers that they feel consulted or at least informed.
- 8.11 As stated by Year Two customer who did not receive the letter: *“I’m just really miffed that they didn’t let me know until now, I’m not going to leave but really they should give you that choice”*.

Appendix 1

OFCOM - BT RENEWABLE CONTRACTS QUESTIONNAIRE DRAFT

Hello, my name is _____ and I am calling from Perspective [*Perspective is our field providers*], a market research agency. We're calling on behalf of Ofcom (the Office of Communications), and we're looking to talk to people about their experiences with their phone provider. Would you have 15 minutes to answer a few questions?

Yes	CONTINUE
No	CHECK FOR CALL BACK, THANK & CLOSE

Qage. How old are you?

- Under 18 (Screen out)
- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55 - 64
- 65+

Q1. Who is your current fixed line phone provider?

BT	CONTINUE
Other / Not sure	THANK & CLOSE

Q2. How much involvement did you have in choosing your calling plan and provider?

I was the only decision maker	CONTINUE
I played a major part in the decision	CONTINUE
I was a decision maker but not the main one	ASK TO SPEAK TO RELEVANT PERSON
I am not involved in the decision	ASK TO SPEAK TO RELEVANT PERSON

Q3. Are the bill and any other correspondence from BT personally addressed to you?

Yes	CONTINUE
No	ASK TO SPEAK TO RELEVANT PERSON

Q4. How long have you been on your current calling plan?

Under 3 months	1
Between 3 and 6 months	2
Over 6 months but less than 1 year	3
Over 1 year but less than 18 months	4
Over 18 months but less than 2 years	5
Over 2 years but less than 3 years	6
3 years or more	7
Not sure	8

Q5. For how long have you been a BT customer?

Within first year	1
1 - 2 years	2
3 - 5 years	3
6 - 10 years	4
10+ years	5

Q6. Do you receive your bill monthly or quarterly?

Monthly
Quarterly

Q7. What is your average bill amount? Please give us a rough idea if you don't know the exact amount.

INTERVIEWER: CHECK WHETHER THE NUMBER YOU ARE GIVEN IS MONTHLY OR QUARTERLY

Under £20
£20 - £29
£30 - £39
£40 - £49
£50 - £59
£60 - £69
£70 - £79
£80 - £89
£90 - £99
£100 - £149
£150+

GENERAL SECTION - QUESTIONS FOR EVERYONE

Q8. What calling plan are you currently on?

Unlimited weekend plan	1
Unlimited anytime plan	2
Unlimited evening and weekend plan	3
Other (specify)	4
Not sure / don't know	5

Q9.

How satisfied are you with the contract you are on?
(Scale 5 = completely satisfied, 1 = completely unsatisfied)

Q10.

Describe the contract you currently have - please include everything you can remember about the contract and its T's & C's e.g. the tariff, contract length, what happens at the end of your contract period etc

OPEN

Q11.

What would happen if you wanted to stop your current contract? For example, can you leave straight away? Would you have to give any notice period? How much?

Spontaneous, do not read out

Multicode

I can leave any time I choose	1
I'd have to give a month's notice	2
I'd have to give three months notice	3
I'd have to pay a fee/ charges	4 ASK Q11A
There would be no additional charges or fees	5
I cannot leave before the end of my contract	6
I need to inform BT that I do not want to continue after my contract ends	7
Not sure	8
Other (specify)	9

ASK IF 4 IN Q11

Q11A

How much would you have to pay to leave the contract?

BOX ONE: £ PER MONTH

BOX TWO: £ SET FEE

(RESPONDENT WILL SPECIFY EITHER PER MONTH AMOUNT OR SET FEE AMOUNT)

ASK ALL

Q12.

What happens at the end of your contract period? PLEASE CHOOSE ALL THAT APPLY
IF MENTIONED IN Q11, ask: so, can you please just confirm, what happens at the end of your contract period?

MULTICODE

- | | |
|---|---|
| I will be contacted by BT and given the option to continue or stop the contract | 1 |
| My contract will end unless I contact BT to renew | 2 |
| My contract will automatically go onto a month-by-month agreement | 3 |
| My contract will automatically go onto another 12 month contract | 4 |
| Don't know | 5 |
| Other (specify) | 6 |

Q13.

What made you choose the contract you are currently on?

DO NOT READ OUT - MULTICODE

- | | |
|---|----|
| Free evening and/or weekend calls | 1 |
| Cheap line rental | 2 |
| I have always been with BT | 3 |
| BT contacted me and recommended it | 4 |
| I saw an advertisement for it | 5 |
| Cheap call charges | 6 |
| I was unhappy with my previous provider | 7 |
| It suits the way I use my phone | 8 |
| I get broadband cheap/included | 9 |
| Other (specify) | 10 |

Q14.

According to our records, you are on a contract called a 'renewable' contract.

Were you aware of this?

- | | |
|-----|---|
| Yes | 1 |
| No | 2 |

Q15.

I am going to read out some statements that may or may not be true about your BT contract.

Can you please tell me whether they apply to your contract by answering yes or no.

1. I have to stay on this contract for a minimum of 12 months, but after that I can leave at any time with 1 month notice
2. BT will contact me when I am near the end of my contract
3. My calls get cheaper the longer I am on the contract
4. At the end of my current contract I will be automatically put on a new 12 month renewable contract, unless I ask BT not to be.
5. If I want to leave my contract before the end of any 12 month period I will have to pay penalty charges or fees
6. I receive a discount on the price of my calling plan for having my current contract

ASK IF ANSWERED YES TO Q15, 5 AND Q11 DOES NOT EQUAL 4

Q16A.

You have said that if you want to leave your contract before the end you would have to pay penalty charges or fees. Do you know how much you would have to pay?

Yes	1
No	2

IF YES IN Q16A.

Q16B.

What is the penalty charge or early termination fee?

BOX ONE: £ PER MONTH

BOX TWO: £ SET FEE

(RESPONDENT WILL SPECIFY EITHER PER MONTH AMOUNT OR SET FEE AMOUNT)

ASK IF ANSWER YES TO Q15,2.

Q16C.

How long before the end of the contract will BT tell you that it is coming to an end?

A week before the end	1
Within a month of the end	2
About a month before	3
About 2 months before	4
More than 2 months before	5
Don't know / NA	6

ASK IF ANSWER YES TO Q15, 2

Q16D.

Do you know how you will be contacted to be told your contract is due for renewal?

Phone
Email
Letter
Leaflet/ letter/ flier in bill
Other (please state)

ASK Q17, Q17A, Q17B AND Q18 FOR Q15 2, 4, 5 and 6 WHEN ANSWERED YES

Q17. You said you know that [Q15 2, 4, 5, 6] is true. When did you become aware of this?

When/before choosing my calling plan	1 GO TO Q17A
In first 3 months of my contract	2 GO TO Q17B
Between month 4 and 10 of my contract	3 GO TO Q17B
Between month 11 and 12 of my contract	4 GO TO Q17B
Over 12 months of my contract	5 GO TO Q17B

ASK IF ANSWERED 1 in Q17

Q17A.

How did you find this information at the time of choosing your plan?

I read it on the website	1
A person from BT explained it to me	2
I saw it in an advert	3
I saw it on a form I had to fill in	4
Other (specify)	

ASK IF 2 - 5 IN Q17

Q17B.

How did you find out this information?

I read it on the website	1
A person from BT explained it to me	2
I saw it in an advert	3
I saw it on a form I had to fill in	4
I found out when I tried to cancel my contract	5
I read it in a letter/my contract when I received it from BT	6
DK/NA	7

IF ANSWERED 2 - 5 IN Q17

Q18.

If you had had this information at the time of taking out your contract, would you still have chosen the contract you are on?

Definitely	1
Very likely	2
Fairly likely	3
Neutral	4
Fairly unlikely	5
Very unlikely	6
Definitely not	7

Q19.

When you were signing up for your calling plan, were you given the option to choose a plan that renewed on a month to month basis after the initial 12 months, rather than the one you are on?

Yes	1
No	2

IF ANSWERED YES TO Q19.

Q20.

By being on a 12 month renewable contract rather than a month to month contract, you get a monthly discount on your plan. Were you aware of this?

Yes	1
No	2

IF YES IN Q20

Q20a

How much is this monthly discount?

NUMERIC BOX IN £ & p

Q21.

Which of these statements describe how you feel about the contract you have with BT?

	Yes	No
I feel the contract terms were very clear when I chose this plan	1	2
It makes it less likely that I will switch providers in the future	1	2
It is worth being on a 12 month renewing contract to get the[£1-3 depending on plan] discount per month	1	2
I feel I should have to actively choose to go on another 12 month contract, not be put on it automatically	1	2
I really don't think about my contract enough to worry about it	1	2
I had to get this type of contract to get free evening/weekend calls with BT	1	2
I know I will look around for the best deal at renewal time	1	2

Q22.

Which of these statements describe how you feel about switching fixed line providers in general?

	Yes	No
I change my fixed line provider regularly because I always look around for the good deals	1	2
It is too much hassle to switch	1	2
I don't have the time to research the alternatives	1	2
I am a loyal customer / I have been with BT for many years	1	2
If I tried another company I would be worried that the service was poor	1	2

SECOND YEAR - QUESTIONS FOR THOSE INTO THEIR SECOND YEAR ONLY

Q23

What communications have you received from BT recently?

Spontaneous, do not read out

Multicode

Letter	1
Email	2
Phone call	3
Bill	4
Leaflets	5
Junk mail	6
Other (specify)	7
None	8

Ask for each answered in Q23

Q23a.

What was it about?

Multicode

Bill/money	1
Customer service	2
Junk mail	3
Promoting other services/adverts	4
Contract renewal	5 Go to Q23c.
Other (specify)	6

If doesn't mention contract renewal [5] go to question Q23b.

If mentioned contract renewal [5] go to Q23c.

Q23b

Do you recall receiving any communications about the renewal of your contract?

Multicode

A letter	1 CONTINUE TO Q23C
A phone call	2 CONTINUE TO Q23C
An email	3 CONTINUE TO Q23C
None	4 Go to Q25
Unsure	5 Go to Q25

Q23C

When do you recall receiving the communication about contract renewal?

DO NOT READ OUT

More than two months before contract renewal	1
Around two months before contract renewal	2
Around 6 weeks before contract renewal	3
Around a month before contract renewal	4
Around 3 weeks before contract renewal	5
Around 2 weeks before contract renewal	6
Around a week before contract renewal	7
At roughly the same time my contract was renewed	8
After my contract was renewed	9
Unsure / don't know	10

Q27b. On a scale from 1 - 5, 1 being unsatisfied and 5 being completely satisfied what was your opinion on the time you had to decide whether to renew or stop your contract?
Scale from 1 -5

Q24

What was covered in the renewal information you received? Please cover content, options available and any actions you needed to do

DO NOT READ OUT

MULTICODE

UK evening and weekend calls at no extra cost/included	1
My contract is a 12 month renewable contract	2
When first contract expires it is automatically renewed for a further 12 months unless contact BT	3
If don't renew, I will be charged £2.95 per month for evening/weekend calls	4
Once contract starts, charged penalty fee to cancel	5
If I move home my contract will move with me	6
Costs £7.50 per month of remaining contract to leave before 12 months is up	7
The new contract starts on the day after the old one ends	8
BT will write in last month of contract to tell me contract nearly ended	9
If I do not want to renew, I need to call BT	10
If I don't do anything I will continue to get cheap calls	11
If I cancel I will be charge normal price for an anytime payment plan, currently £5.95 a month	12
Other (specify)	13

Q25

According to our records, you are now in the second year of your contract and if you wish to leave the contract before this second 12 month period is up, you will incur a fee. Were you aware of this before today?

Yes	1
No	2 GO TO Q31

IF Null or DK in Q23b, NOW GO TO Q31

Q26.

How clear did you feel the reminder letter was in explaining the following:

- The contract will be automatically renewed for another 12 months unless you specified for it not to be
- If you do not want to be put on another 12 month renewable contract you need to contact BT before your current contract comes to end
- There are penalty charges if you want to leave your renewed contract before the 12 month period is up
- If you leave your contract before your 12 months is complete, you will be charged £7.50 per month left on the contract

Scale 1 - 5 1 - unclear 5 - totally clear

Q28.

Were you considering switching your fixed line provider or tariff before receiving this letter?

- | | |
|-----|--------------|
| Yes | 1 Go to Q28b |
| No | 2 Go to Q29 |

IF YES IN Q28

Q28b

How much time had you spent looking into alternative providers or tariffs?

- | | |
|----------------------------------|---|
| I'm always on the lookout | 1 |
| More than a month | 1 |
| 3 - 4 weeks | 2 |
| 1 - 2 weeks | 3 |
| More than a day less than a week | 4 |
| Less than a day | 5 |
| I didn't search | 6 |
| Other (specify) | 7 |

Q29

Did receiving this letter cause you to do any of the following?

Multicode

- | | |
|--|---|
| Start searching for a new provider | 1 |
| Start searching for a new tariff but staying with BT | 2 |
| Call BT to discuss | 3 |
| Read the contract terms and conditions | 4 |
| Nothing | 5 |

Q29b.

Why was that?

Open question

Q30.

Were you at any point considering not renewing this contract for another 12 months?

Yes	1 ASK Q30a
No	2 GO TO Q31

Q30a.

Why were you considering not renewing this contract for another 12 months?

OPEN

ASK ALL

Q31.

IF 1 IN Q25 READ: Which of the following statements describe why you renewed your contract?

PLEASE CHOOSE ALL THAT APPLY

IF 2 IN Q25 READ: Which of the following statements describe why you are still with BT?

PLEASE CHOOSE ALL THAT APPLY

MULTICODE

I'm happy with service	1
It is too much hassle to switch	2
I'm happy with what I pay	3
My needs won't change within the next year	4
I didn't have time to look around at alternatives	5
I didn't have time to stop the contract before I was automatically renewed	6
I forgot to contact BT to stop it before I was automatically renewed	7
I thought I wouldn't find a better offer	8
I looked around but didn't find a better offer	9
Other (specify)	10

Q32.

Thinking about the time from now until your contract with BT ends, which of these statements describe you?

MULTICODE

I have no reason to switch provider in the next 12 months	1
I would like the option to switch providers but won't because of the fee	2
If I really wanted to switch provider I would pay the fee	3
I don't believe BT will charge the fee if I choose to go	4
I regret renewing my contract because I would like to switch provider	5

Q33.

As mentioned previously, our records show that the type of contract you are on is automatically renewed after 12 months and yours has just renewed. How does this automatic renewal affect your likelihood to shop around for a different provider when you were able to?

READ OUT, SINGLE CODE

It makes me much more likely to shop around	1
It makes me somewhat more likely to shop around	2
It does not change the likelihood of me shopping around	3
It makes me somewhat less likely to shop around	4
It makes me much less likely to shop around	5

FINAL SWITCHING - ASK ALL

Q34.

Within the past 12 months, have you switched provider for any of the following utilities?

MULTICODE

Gas	1
Electricity	2
Internet	3
Bank account	4
Insurance	5
Mortgage	6
Cable / satellite	7
Mobile phone	8
None	9

IF ANY CHOSEN IN Q34 ASK

Q34a.

For which of these reasons have you switched provider in the past?

Unhappy with service	1
Can get a better deal elsewhere	2
If my usage has changed	3
If my finances change	4
I like to try different providers	5
Other (specify)	6

Q35.

On a scale of 1 to 5 where 1 is not at all and 5 is completely, how much do the following statements describe you?

Scale 1 - 5 1 'Not at all', 5 being 'Completely'

1. "I think it is only by shopping around and switching utility providers that I can make sure I get the best deal for me"
2. "I like to have control over when, why and on what terms I switch utility providers"

ONLY ASK IF IN FIRST YEAR CONTRACT

Q36.

As mentioned previously, our records show that the type of contract you are on means that leaving the contract before any 12 month period is up will incur a fee. How has this affected your likelihood to shop around for another provider next time you are able to?

- It has made me much more likely to shop around 1
- It has made me somewhat more likely to shop around 2
- It has not changed the likelihood of me shopping around 3
- It has made me somewhat less likely to shop around 4
- It has made me much less likely to shop around 5

ASK ALL

Q37.

You said you were [INSERT ANSWER FROM Q9] with your contract with BT. Now we have discussed the terms and conditions, has your satisfaction changed?

- No - I knew the t's & c's so it has made no difference 1
- Much less satisfied 2
- A bit less satisfied 3
- No change in satisfaction 4
- A bit more satisfied 5
- Much more satisfied 6

Q38.

In future, how would you like BT to handle the end of your 12 month contract period?

READ OUT SINGLE CODE

- I am happy for it to remain as it is now, and automatically renew for another 12 months unless I tell BT otherwise 1
- It can stay like this but BT should explain it better 2
- It can stay like this but I would like more time to search 3
- I should have to actively choose to go onto another contract period rather than being automatically renewed 4
- There should be no additional minimum contract period after the first 12 months 5
- Other (specify) 6

Q39.

Is there anything else you want to add about anything we have discussed today?

OPEN

Q40.

One of our researchers might like to talk to you further about these issues. Would you be happy to be contacted again?

- Yes
- No

Spring

IF YES

Q40A.

What time of day is it best for someone to call you?

- Morning
- Afternoon
- Evening

And finally, I have just a few questions, for our records:

Qgender: DO NOT READ OUT

- Male
- Female

D1.

What is your current employment status?

- Working full time (30+ hours per week)
- Working part time
- Student
- Home maker
- Retired
- Unemployed
- Other (specify)

D2.

How many people live in your household?

- 1 (just you)
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10+

D3.
How many of the people in your household are children?
NUMERICAL BOX

D4.
ASK ALL

What is the occupation of the main wage earner in your household?

Position/ Rank/ Grade: _____
Industry/ type of company: _____
Qual's/ degree/ apprenticeship: _____
Number of staff responsible for _____

CODE SOCIAL GRADE BELOW

A	1
B	2
C1	3
C2	4
D	5
E	6
Refused	

Qethnicity:
Which of the following best describes you?

- White
- Asian or Asian British
- Black or Black British
- Chinese
- Of mixed or dual background
- Other (specify)
- Refused

Appendix 2

OFCOM RENEWABLE CONTRACTS TELEDEPTH DISCUSSION GUIDE

Hello, my name is Lucie and I'm calling from Spring Research. You recently took part in a survey for Ofcom, the Office of Communications, about your BT contract. I was hoping to be able to speak to you in a little bit more depth in a phone interview. It will take around half an hour and we will send you a £10 cheque as a thank you.

- Would you be interested in participating? IF NOT THANK & CLOSE
- Is now a good time? IF NOT ARRANGE A TIME TO DISCUSS

Introduction - 5 minutes

- Explain purpose of interview - survey was to get answers to specific questions, this is to expand on those answers and learn more
- Confirm details from survey - length of time with BT, length of time on the contract
- How easy was it to discuss the details of your contract during the survey?

Signing up (all) - 10 minutes

- Please tell me about signing up for this contract. What happened?
- What information were you given?
- What questions did you have at this stage? Were they answered?
- What made you choose this plan over the others available?
- How long had you been on your previous contract? How long do you expect to stay on this one?

Since sign up (all) - 10 minutes

- What has your experience of your plan/contract been since signing up?
- Since signing up, have you found out anything you didn't know?
- How has this affected your opinion of BT?
- What do you feel your level of understanding is of the contract?
- Is there anything you would like BT to do differently?

Renewal (year one) - 5 minutes

- What do you want to do when renewal time comes around?
- Do you think this is what you will actually do?
- Have you attempted to opt out/change your plan?

Renewal (year two) - 5 minutes

- Tell me about renewing your contract? Was it something you wanted to do or did it just happen?
- Had you been intending to renew?
- Were you given enough time to look into the decision as much as you wanted to?
- Have you attempted to opt out/change your plan? What happened?

Final (all) - 2 minutes

- Finally, what else would you like to say about this contract? Is opt in OK or should it be opt out? Is a month enough time to decide whether you want to change?
- How likely would you be to choose this contract again? Would you do anything differently?