

Response:

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Question 1: Do you agree with our framework for assessment?:	Yes
Question 2: Do you agree that in landline and broadband markets consumers are insufficiently protected from poor quality of service and that intervention is required?:	Agree. There is a dominance of major players within the marketplace that distorts the service levels that are generally offered to consumers. The natural method of ensuring quality delivery is switching and churn, however despite the ease of switching, relatively little goes on or, as stated in the consultation, consumers do not have the correct information to be able to move. Typically, smaller providers offer better, more attentive, levels of service as the proportional effects of churn are more heavily felt. In addition, the risk of churn from smaller providers towards the larger players is higher. Intervention is needed, however, it should be targeted at the larger / major players.
Question 3: Do you agree that it is appropriate for automatic	We disagree. Customers have redress through switching. Churn levels should be adequate to affect supplier behaviour. Auto compensation will penalise

<p>compensation to be introduced for landline and broadband consumers?:</p>	<p>smaller CPs as the impact of the compensation will be greater and disproportionate to the profit made from each customer. Auto compensation gives no thought to the wholesale channel and how compensation would be handled. The market relies on a small number of network providers; action needs to be taken to improve the network and services at this level to avoid compensation entirely. While regulation is aimed at consumers, business CPs are also caught as it's impossible for them to distinguish the type of user. We agree that competition in the market is beneficial, but wholesalers do not control the copper delivery. Compensation will need to be factored into consumer pricing. We submit that this will increase prices, and for smaller CPs this will make them less competitive, leading to a distortion of the market.</p>
<p>Question 4: Do you agree with our proposal to provide automatic compensation when a loss of service takes more than two full working days to be restored?:</p>	<p>No, the switching process and the management of churn should be incentive enough to improve service. However, given the likelihood of automatic compensation being implemented, we have the following observations: -It should be introduced to major providers only -The proposal needs to consider the wholesale model -An appropriate dispute mechanism needs to be in place - for example, it is possible that the end user may contribute to the delay if their internal wiring or equipment has failed We welcome the differential between customer issues and supplier issues, however we do have concerns that there is no workable dispute mechanism being proposed. This will potentially drive dissatisfaction for consumers and will lead to a higher number of ADR cases. Given that we consider the current ADR process to be majorly flawed and detrimental to the operation of a small CP, this is an unworkable method of dealing with a compensation dispute.</p>
<p>Question 5: Do you agree with our proposal to provide automatic compensation when there are delays in provisioning a landline or fixed broadband service?:</p>	<p>We disagree. We agree in principle, however, we question elements of the proposal: -The wholesale channel must be considered. Failure to provide compensation throughout the wholesale chain will disadvantage smaller CPs. -Clarity is needed regarding the timing of payments. We appreciate that they are triggered once the committed date has failed, however, thought needs to be given for multi-day events. Are CPs expected to compensate £6 per day, or a cumulative sum at the end of the process?. If the former, the cost of administration will be prohibitive and will add cost to smaller CPs' operations. -The value of payments is not in line with the charges to</p>

	consumers and is disproportionate - particularly for multi-day events. A cap on payments in line with the initial charges would be more appropriate. -In relation to 6.20, we believe that committed dates will be extended at point of order by carriers to minimise payments. We want processes to be put in place to monitor committed dates.
Question 6: Do you agree with our proposal to provide automatic compensation when missed appointments take place with less than 24 hours of prior notice?:	In principle yes, however, there needs to be clarity in compensation payments between repair and provide missed appointments.
Question 7: Do you agree with our proposals on transparency?:	In principle yes, however we have a concern in relation to the timing of the notification in relation to loss of service. The proposal is to give notice at the point of reporting a fault, which is prior to determination of cause. Providing the information at this point may lead to misplaced consumer expectations etc. This information should be provided only once the root cause has been determined.
Question 8: Do you agree with our proposals on the method and timing of payment?:	No. While we welcome payment via bill credit on the next bill, we believe payments should be made within 31 days, not 30, to maintain the monthly billing date.
Question 9: Do you agree with our proposal not to have a payment cap (and our assessment of the reasons for and against it)? - If you consider there should be a payment cap, what should it be and why?:	We disagree. Implementing the policy without a cap in place poses a significant risk to providers, particularly smaller CPs. These small providers will not have the ability to renegotiate terms with wholesale providers, particularly those with significant market power.
Question 10: Do you agree with our proposed exceptions?:	No. We believe the exceptions do not provide an appropriate balance between consumer protection and the burden placed on providers. This, combined with the lack of a cap, presents a real risk to smaller CPs given that they will frequently not be responsible for the root cause.
Question 11: Do you agree we should not allow for a blanket exception for force majeure-type events?:	We disagree. We believe that force majeure type events should be excluded from the automatic compensation scheme.
Question 12: Do you agree with our proposal on complaints and disputes?:	We appreciate the need for a dispute resolution method, however we oppose the proposal to use the current ADR process as we believe that this is flawed and, indeed, is already subject to review. We feel that there is a large opportunity for vexatious claims to be brought, despite the provision

<p>Question 13: Do you agree with the impacts we describe? Please wherever possible give your reasoning and provide evidence for your views.:</p>	<p>We believe that the costs described underestimate the work required to implement the system, particularly for smaller providers.</p>
<p>Question 14: Do you agree with our provisional conclusions on residential landline and broadband services?:</p>	<p>We believe that further industry research, consultation and collaboration is needed, particularly with the smaller provider community, as the proposals will have the greatest proportional impact on these providers.</p>
<p>Question 15: Do you agree with our proposal of 12 months to implement automatic compensation?:</p>	<p>We disagree with the implementation timeframe. A large number of providers operate with a full development work-stack of at least 12 months. We believe that a 24 month implementation is more appropriate.</p>
<p>Question 16: Do you agree with our proposal to monitor the impact of automatic compensation?:</p>	<p>Yes</p>
<p>Question 17: Do you agree with our proposals for greater transparency regarding service quality and compensation for products targeted at SMEs?:</p>	<p>Yes</p>
<p>Question 18: Do you agree with our provisional conclusions not to introduce automatic compensation for delayed repair of mobile loss of service?:</p>	<p>No comment</p>
<p>Question 19: Do you have any comments on the draft condition set out in Annex 14 to this document?:</p>	<p>No comment</p>