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Which? response to Ofcom's further consultation on implementing the new European Electronic Communications Code – revised proposals for annual best tariff information and business customer definitions.

Introduction

1. Which? welcomes the opportunity to respond to Ofcom's further consultation on the implementation of the European Electronic Communications Code. Our response is focused on the revised proposals Ofcom has set out in relation to annual best tariff information.
2. Which? supported the introduction of end of contract notifications and annual best tariff information as a way to help consumers understand the status of their contract and what other options are available to them. However, we believe that all consumers could benefit from these notifications, regardless of their contract type.

Annual Best Tariffs

3. Which? is very supportive of the work Ofcom has done to ensure that telecoms customers are treated fairly. We believe it is essential that customers are treated fairly, and Ofcom has taken significant steps to ensure this is the case - from its Fairness for Customers commitments, as well as a securing a range of voluntary commitments from communications providers to address issues related to customer fairness.
4. As part of Ofcom's work on fairness, Which? welcomed the introduction of end of contract notifications and annual best tariff information. We believe that they are an important step in helping to encourage consumer engagement in this market and a way to help ensure consumers get the best deals for their needs. In particular we welcomed the inclusion of clear best tariff advice and the requirement to send the end-of-contract notification between 10 and 40 days before the end of the fixed commitment period as adjustments that could further help consumers to engage the market.
5. As such, we are concerned about Ofcom's revised proposal for annual best tariff information, which would mean that this information only needs to be sent where the

customer was initially tied into a minimum contract period. While we recognise that Ofcom believes consumers will not be made worse off by this proposed change, we consider that pre-pay customers could still benefit from receiving annual best tariff information as it gives them a point at which to consider whether their pre-pay contract is meeting their needs.

6. Which? believes that all consumers could benefit from receiving annual best tariff information, regardless of the type of contract they are bound to. These notifications provide consumers with clear information about their contract and alternative offers available which they may be unaware of. It also provides a point in time for them to consider whether their current deal is meeting their needs and reminds them that they may wish to engage in the market to get a better deal.
7. We believe that Ofcom should undertake further research to fully understand whether pre-pay customers really are making a conscious purchasing decision or whether they are aware of the alternative pre-pay options available to them. We note that Ofcom does not provide specific data setting out the extent to which hybrid customers are switching between different deals or how many prepaid customers are paying a rolling contract via direct debit, to enable an understanding of how many consumers could be impacted.
8. Furthermore, we note that Ofcom considers it to be good practice for providers to send periodic reminders to customers in contracts that are not subject to a commitment period about the details of the service they are buying. Ofcom suggests that these reminders should include information which would be given as standard as part of an annual best tariff notification.

Conclusion

9. Which? believes that all consumers can benefit from annual best tariff information, regardless of their contract type. In line with treating customers fairly and the fairness for customers commitments, which many providers are signed up to, we believe providers should send these notifications regardless of a regulatory requirement to do so. However, given that currently only some providers are doing so, it is likely that Ofcom needs to place a requirement on providers to send these notifications to all customers, regardless of contract type, to ensure they can benefit from this information.

For further information, please contact Jacopo Lange, Policy Adviser, Which? at Jacopo.lange@which.co.uk

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