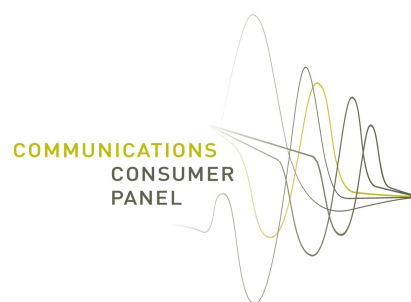


30 June 2009



Claudio Pollack
Director of Consumer Affairs
Ofcom
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

Dear Claudio,

Tackling fixed line mis-selling and enabling consumers of bundled services to switch easily

The Communications Consumer Panel welcomes Ofcom's proposals to strengthen the regulatory framework that governs the switching of fixed-line services. Mis-selling of these services is one of the most long-standing problems affecting consumers in the communications sector. It is vital for Ofcom to be able to enforce the rules effectively, which means being able to draw upon recordings of calls made to consumers.

In parallel with strengthening and enforcing the rules on fixed line mis-selling, we believe that Ofcom should be working towards a single process to enable consumers who buy bundles of services to switch provider quickly and easily. We would like to see Ofcom develop a strategy to move to a single switching process for all communications services as soon as possible. This should involve a detailed examination of the possible options, including a process that requires a consumer to contact the new provider only, a process that requires a consumer to contact the existing provider initially and a process overseen by an independent third party. The Panel recognises that this is not a straightforward issue and that each option has pros and cons.

The strategy should also show how the different processes that exist at the moment (for switching fixed line, mobile and broadband services) will converge. We understand that some work has been done in this area already, but we believe it is increasingly important for consumers that this work is now progressed.

The Panel believes that central to this strategy should be a clear understanding of the requirements of consumers, who are likely to want a process that requires limited (but appropriate) involvement from them. In working with industry to develop this process, Ofcom should seek to minimise the scope for mis-selling in future.

At the same time, a single switching process should not undermine competition. In particular, the Panel would not want to see a process that enables a provider to exploit a strong market position by giving worse deals to consumers who do not switch, particularly as vulnerable consumers tend to be less likely to switch than other consumers.

The strategy should take into account both process and contractual obstacles to switching. So, while the process should require limited consumer involvement, it is equally important that contractual provisions do not unfairly prevent switching. For example, the Panel is concerned by the introduction of rolling contracts which consumers may enter into advertently or without fully understanding the implications, such as the fact that they may have to pay an early termination charge if they switch prior to a break in 'new, rolled over' contract.

In relation to Ofcom's specific proposals to strengthen the rules on fixed-line mis-selling, the Panel would like Ofcom to work with industry to understand better the nature and scale of the problem. The Panel recognises that even where people are not slammed they can suffer considerable anxiety and distress, but nonetheless, we believe it important to understand:

- how many people are switched without their consent, i.e. slammed; and
- how many people are notified that they are going to be switched – without having agreed to this – but who manage to prevent it happening.

The Panel would also like Ofcom to ensure that its enforcement activity in this area is resourced properly. Where possible, Ofcom should impose on providers that break the rules financial penalties that have a wider deterrent effect. This would help to raise the level of compliance across the industry.

The Panel hopes that its advice is helpful in informing Ofcom's further work in this area and looks forward to working with you and your team as you develop your thinking further.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Anna Bradley', with a stylized flourish at the end.

Anna Bradley
Chair