



## **CICRA media release**

**20 May 2014**

**EMBARGOED UNTIL MIDNIGHT 21 May 2014**

### **CICRA raises concerns over JT broadband offer**

CICRA (Channel Islands Competition and Regulatory Authorities) is investigating a series of practices by JT which may damage competition in the broadband market with negative consequences for customers in the long term through reducing choice and value for money in telecoms services.

One of the specific, and more urgent, areas of concern is a 2Mb/s broadband product launched by JT last week.

CICRA interim chief executive, Michael Byrne, said the regulator had received strong representations from Sure and Newtel which claimed the offer was anti-competitive and, after its own initial considerations, had concluded it was a matter that required urgent formal investigation.

Last week JT offered customers the opportunity to keep their 2Mb/s broadband service for £17.99 per month but only for a period of 18 months.

Customers were given until 14 June to accept the offer. JT has also increased the wholesale charge (the amount it charges other operators to provide the service on their behalf) by £3 per month per subscriber.

JT's competitors argued that JT's retail arm was benefitting from favourable treatment - a practice JT was prohibited from doing under its licence from CICRA. The other operators also said the margins were unsustainable.

Mr Byrne said that customers needed to carefully consider the implications of signing up.

“After the 18 month period the 2Mb/s service will no longer be available and customers will automatically be moved to a much faster broadband product of up to 20MB/s but at an increased cost of £22.99 per month,” he said.

Mr Byrne said: “CICRA recognises that customers will receive a faster service but has received complaints from customers aggrieved with not having a choice and being required to upgrade to a product they do not require and that will result in a significant increase in monthly bills at the end of the 18 month period.

If operators are unable to offer a product to rival JT in the short term they could exit the market leaving consumers with less choice and higher priced options in 18 months time.

“CICRA has also identified a series of actions by JT in the course of rolling out its fibre network which appear to disadvantage its competitors, be at the expense of fair competition and, ultimately, to the disadvantage of Jersey broadband customers.

CICRA will proceed with its investigation of these actions through a formal process in the interest of protecting consumers and the competitive process.

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#### **NOTES TO EDITORS:**

All enquiries should be directed in writing to CICRA Interim Chief Executive, Michael Byrne, in Jersey at the Jersey Competition Regulatory Authority, 2nd Floor, Salisbury House, 1 - 9 Union Street, St Helier, Jersey JE2 3RF. Alternatively email [info@bicra.gg](mailto:info@bicra.gg).

#### **About CICRA:**

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) (formerly the Office of Utility Regulation). The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001, and the GCRA was established under The Guernsey Competition and Regulatory Authority Ordinance, 2012. In Jersey, the telecoms and postal sectors are regulated by the JCRA, which is also responsible for administering and enforcing the Competition (Jersey) Law 2005. In Guernsey

the telecoms, postal and electricity sectors are regulated by the GCRA, which is also responsible for the administration and enforcement of the Guernsey competition law since it came into force on 1 August 2012.

By working together and sharing resources and expertise between the islands, CICRA strives to ensure that consumers in all the Channel Islands receive best value, choice and access to high quality services.