



LP Telecoms Limited

Our Ref: GDP 26.3.8

Guernsey Competition and Regulatory Authority
Suites B1 & B2 Hirzel Court
St Peter Port
Guernsey
GY1 2NH

PO Box 158
Third Floor
Royal Bank Place
1, Glatigny Esplanade
St Peter Port
Guernsey, GY1 4EX

Tel: 01481 728721
Fax: 01481 728731
Email: info@long-port.com

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Dear Sirs

While we would not deny the rights of Communications Providers to seek to vary the terms of contracts where necessitated by external circumstance (e.g. tax changes) we feel that domestic customers require protection from arbitrary changes to contracts which they were sold on the understanding that they were 'fixed'. In light of the absence of relevant consumer protection legislation in the Channel Islands, we feel that CICRA should set strict and explicit licence conditions to provide that protection.

It is our view is that, in its current form, Ofcom's General Condition 9.6 does not provide an adequate framework that is easily understood by Channel Island consumers and its adoption by CICRA will not give consumers adequate confidence that their interests are being protected. Consumers generally look for explicit and robust wording. Our view is reinforced by CICRA's recognition that OfCom's is considering strengthening its wording with the implication that it is currently inadequate.

We have no particular view as to the mechanism for introducing a new licence condition for this purpose but we would urge CICRA to ensure that the rules are made explicit and understandable to the general public. Below we list the issues we have considered, some of which are identified in the consultation's option 1.

- (a) Communications Providers must give sufficient notice to enable the subscriber to make an informed choice as to whether to accept the change or to make alternative arrangements.
- (b) Subscribers are unlikely to want to be without services and therefore require the option of switching to an alternative provider as well as cancellation without penalty. Subscribers must be allowed sufficient time to investigate alternative services and make the transition.
- (c) One month seems a short time given that such changes to fixed contract should be rare, that communications providers are likely to have been contemplating such a change for far longer and Channel Island subscribers are not yet used to switching service provider. We would suggest at least two months should be allowed.



- (d) Communications providers must make reasonable efforts to contact subscribers and it should not be expected that a single communication will be effective on every occasion. We would suggest that at least three attempts are made to inform the subscriber.
- (e) It is important that full details of the change and the subscriber options are given in each communication. Letter and e-mail are suitable means but SMS is not. While SMS messages are a suitable for drawing the subscriber's attention to a change, they lack the textual capacity to convey the nature of the change and the options open to the subscriber; they might also result in the subscriber incurring a charge if sent while the subscriber is roaming.
- (f) We agree with CICRA that these rules need only be applicable to domestic/residential subscribers and not business customers which have sufficient commercial power to negotiate bespoke contract terms. However, clarity is required as to who is a domestic subscriber and who is a business subscriber. We are aware, for instance, that it is common for businesses (both large and small) to take residential broadband services rather than the much higher priced 'professional' services. We would like to see CICRA explicitly list the circumstances that create business (with commercial power) and residential/domestic relationships.
- (g) If the subscriber is to have a meaningful option of switching then the service must be substantially replicable by other providers. We note number portability has yet to be extended to the fixed network and the issue of email accounts/addresses being bundled with C&W broadband accounts (raised in CICRA 12/47) remains unresolved. We doubt therefore whether subscribers have any real choice outside of the mobile arena.
- (h) Regarding ancillary services such as broadband routers and, particularly, handset subsidies. Regardless of this consultation, we feel that the charges for these are complex with factors such as the term of the contract and the selected tariff making it difficult for subscribers to easily understand exactly what they are paying. We take the view that communications providers should be required to provide clear and transparent information both at point of sale and as the contract progresses (e.g. with information on the bill).

Yours faithfully

Patrick M Devine
Head of Telecommunications