



11 February 2016

Mr Graeme Millar  
Chief Executive Officer  
JT (Jersey) Ltd  
PO Box 53  
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Jersey  
JE4 8PB

Dear Mr Millar

**Telecommunications Licence - Contravention of Licence Condition 33 (LC33) – Price Regulated Services**

I write further to recent correspondence between the Jersey Competition Regulatory Authority (the “Authority”) and JT (Jersey) Limited (“JT”) regarding the draft directions and proposed order as set out in the letter of 12 October 2015.

The draft directions and proposed order relate to the two bundle type products known as “JT One” which, for the purpose of this letter, are referred to as “JT One (a)” (being the Promotional Offer) and “JT One (b)” (being the Triple Play Product).

The letter of 12 October 2015 presented evidence that JT had contravened LC33 of its Class III Licence. This contravention was due to JT’s failure to publish the two JT One offers in a manner consistent with LC33, being a condition which requires JT “*to publish the [special offers] at least twenty one (21) days prior to their coming into effect...*”. As a result, the Authority proposed to order a financial penalty on JT of £30,000 (thirty thousand pounds) and to give a direction to JT to take specified steps to ensure compliance with LC33.

In response to the letter of 12 October 2015, JT has provided written representations and new evidence. The Authority has taken this information into account in assessing whether a contravention of LC33 has occurred and in considering whether to make the order and to give the directions as set out in the 12 October 2015 letter.

As you will be aware, LC33 is designed to alert the Authority and other operators to any potential anti-competitive effects of a new offer before a proposed new service/offer is introduced to the market. It is also intended to mitigate against first-mover advantage given features of the market that favour JT and potentially place other operators at a disadvantage. The licence condition therefore has an important role in protecting and promoting competition. In this regard it is of note that it has been historic practise for JT to place notice of new offers on a dedicated LC33 page on its website. This practise was not, however, followed in respect of JT One (a) and JT One (b). The Authority has also taken into account that the timing of this behaviour coincided with the introduction of further competition in the form of wholesale line rental.

In relation to JT One (a), JT did not place any notice of this offer on the dedicated LC33 page. Instead, the first (and only) notice of the offer was by way of letters sent out by JT to qualifying customers just 10 days before the offer came into effect. JT has not taken steps to correct this breach and is therefore still in contravention of LC33.

In respect of JT One (b), JT did not publish the offer in a manner consistent with its established practice in complying with LC33 which would have informed the reasonable expectations of JT's retail competitors. The posting of the offer on the dedicated LC33 page of JT's website on 30 March 2015 contained no details of the product or price and all announcements of the product since then, be it on JT's website or elsewhere, were only as part of an advertising campaign aimed at customers and not at alerting the other operators. In considering the publication requirements of LC33 and its established practice, the Authority considers that JT has not satisfied the publication requirements of this licence condition in respect of JT One (b). Whilst the Authority does not consider JT's posting on its website on 5 May 2015 to be sufficient for the purposes of LC33, for the purposes of establishing a proportionate remedy the Authority has confined its remedy to the period ending 26 May 2015 in respect of JT One (b). It should be made clear to JT that the Authority regards failure by JT to publish offers on its dedicated LC33 website as a contravention of LC33 and the form of publication such as that adopted for JT One (b) is not consistent with JT's LC33 licence obligation. In the event that a similar contravention occurs, the Authority will take this decision into account when applying future remedies.

Having considered the written representations and information provided by JT, the Authority remains of the view that there has been a breach of LC33 and that JT continues to be in contravention of this licence condition in respect of both offers. Further, the Authority considers that JT's failure to publish the two offers in a manner consistent with LC33 is a significant breach of a licence condition.

Under Article 19A of the Telecommunications (Jersey) Law 2002 the Authority hereby orders a financial penalty on JT of £3,000 (three thousand pounds) and, pursuant to Article 19 of Telecommunications (Jersey) Law 2002, directs JT to take steps to ensure compliance with

LC33 in respect of JT One (a) and JT One (b). The text of the order and the direction is set out in the Annex to this letter.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Michael Byrne', with a long horizontal line extending to the right.

**Michael Byrne**  
Chief Executive

Annex 1

11 February 2016

**This Order made under Article 19A of the Telecommunications (Jersey) Law 2002 relates to the Class III Licence issued to JT (Jersey) Limited:**

The Authority hereby orders a financial penalty on JT (Jersey) Limited for the contravention of Licence Condition 33 of the Class III Licence issued to JT (Jersey) Limited in accordance with article 19A of the Telecommunications (Jersey) Law 2002. The level of that financial penalty is set at £3,000 (three thousand pounds) and is to be paid in full to the JCRA within 28 days of the date of this Order.

**This Direction made under Article 19 of the Telecommunications (Jersey) Law 2002 relates to the Class III Licence issued to JT (Jersey) Limited:**

JT (Jersey) Limited is directed to correct the breaches by undertaking the following within 14 days of the date of this Direction:-

- Publish on the JT website in its LC33 section full details of the JT One product (with 24 months free landline rental) within 5 working days after receipt of the Direction from the Authority.
- Notify all customers of the JT One product (with landline available at £10 per month) who subscribed to the offer between 29 April and 26 May 2015, that the 24 month contractual period in their agreement with JT for that offer will no longer be enforced. The nature, form and content of JT's communication with those customers to be approved to the satisfaction of the JCRA.
- Notify all customers of the JT One product (with 24 months fee line rental) who subscribed to the offer between 25 June 2015 and the date the contravention has ended, that the 24 month contractual period in their agreement with JT for that offer will no longer be enforced. The nature, form and content of JT's communication with those customers to be approved to the satisfaction of the JCRA.