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# Open Communications: Enabling people to share data with innovative services

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[Open Communications: Enabling people to share data with innovative services](#) – Welsh overview

**CONSULTATION:**

Publication date: 4 August 2020

Closing date for responses: 10 November 2020

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# 1. Overview

**Across the economy, better technology and the ability to gather more data are allowing companies to innovate and offer new services. We want to stay at the forefront of these developments to make sure data and innovation work in the interest of customers in communications markets.**

These markets offer lots of choice for customers, but the options can be complex and difficult to navigate. People might find it daunting or too much effort to search for a new deal. Enabling people to share their data at the click of a button could make this process quicker, easier and more effective, helping customers to find more suitable products for their needs.

In 2019, the UK Government's Smart Data Review proposed to introduce 'smart data' initiatives across regulated sectors through legislation.

## What we are considering

In this consultation we examine the case for Open Communications – an initiative for the retail telecoms and pay TV markets, which would enable people and small businesses to tell their communications provider to share information about their services, easily and securely, with third parties of their choice. We explore what an Open Communications initiative could achieve for people and businesses and how it could work.

People and businesses could choose to share data - for example, what products they use, the price they pay and how much data they use - with comparison sites or other providers, to receive recommendations about the best products for their needs. Third parties could also design and build innovative new services that make use of Open Communications data. These services could meet demand that is not currently being addressed.

Open Communications would also require communications providers to share more complete and accurate data on their range of products and how they perform.

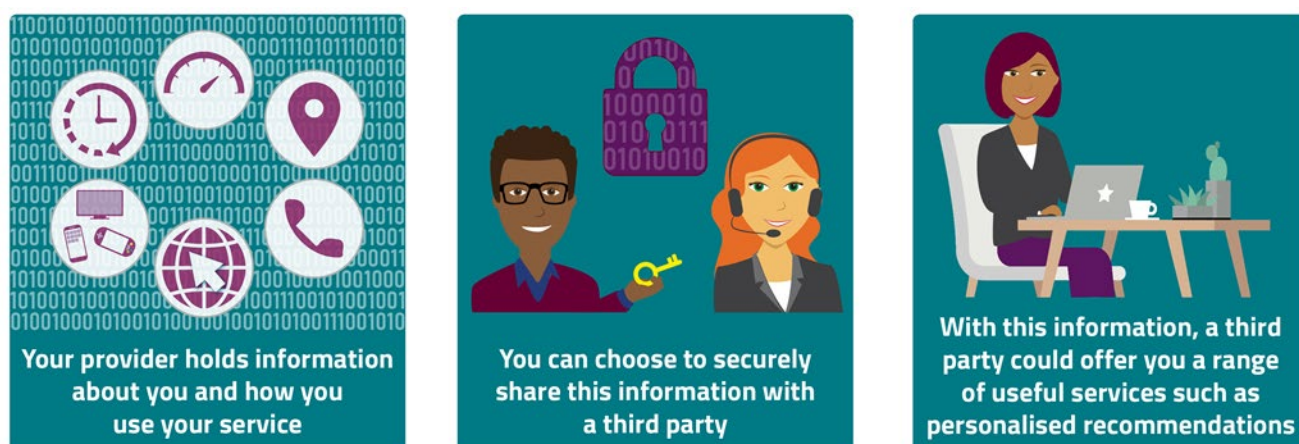
We are consulting on our initial thinking to further understand the potential uses and benefits of Open Communications, how it could best work for people and businesses and the associated costs. We would work to make sure that the requirements of any future regulation to implement Open Communications are proportionate to the benefits.

For people and businesses to trust services that use Open Communications, it is critical that data is shared securely. They must have control over what data they share and how it is used.

## Next steps

We intend to publish a statement in the first half of 2021, setting out what we have learned and how we plan to proceed. It will be for Government to consider whether to introduce legislation to enable the implementation of Open Communications. Responses to this consultation may help to inform any technical advice from Ofcom to Government to support the future development of Open Communications.

Figure 1: Open Communications in summary



## Some key features of the future design of Open Communications may be critical to its success

### Data about customers would be shared securely and quickly

Providers would need to share residential and small business customers' data with third parties using secure methods. The process of sharing data with a third party should also be as fast and easy for customers as possible, as well as safe.

### Users must have control over the data they share

Users must be able to understand what information they are sharing, with whom they are sharing it, and for what purposes. They must give their consent for their data to be shared.

### Providers would be required to share data about products with third parties

Requiring providers to share more data about products could ensure that third parties such as digital comparison tools have access to accurate data about the options available in the market and can make reliable recommendations to users.

Our initial view is that data from different providers would need to be standardised sufficiently to enable third parties to process it and help customers to make like-for-like comparisons between products. However, we are mindful that standardisation could be a complex and costly process.

### Any accredited third party, including communications providers, would be able to access customers' data at their request

Companies that wish to be trusted to access data under Open Communications would need to be accredited. Accreditation would require them to register and follow rules and guidance with respect to, for example, how they obtain a user's consent to share data. An accredited third party could then seek people's consent to access data about them from their provider. People could choose to share their data with another communications provider if it has accreditation.

## 2. Background

### Increased use of data and technology is enabling new services across the economy

- 2.1 Across the economy, take-up of connected devices and online services has permitted firms to innovate by drawing on new and varied sources of data. This includes information that people share in exchange for services and information firms observe or gather about people's behaviour and spending.
- 2.2 Exploiting the low and falling cost of storing, processing and sharing data and advances in artificial intelligence (AI) and machine learning, firms are developing applications such as:
- Personalised or tailored recommendations, products and prices;
  - Attentive and predictive applications that anticipate people's behaviour and needs; and
  - Aids for real-world tasks (for example AI 'assistants').
- 2.3 In the communications sector, providers could use data to personalise their interactions with customers. We have published a separate discussion paper on how personalised pricing might evolve in the communications sector and the potential implications for customers.<sup>1</sup>
- 2.4 Digital comparison tools, such as price comparison websites, are an example of the services that are being improved by data-driven innovation. These tools operate in many sectors of the economy to help people and businesses compare products from different providers. They are increasingly sophisticated in how they gather, process and apply data about people's behaviour when searching the market, to make their recommendations more relevant and useful.

### Interventions that allow people to share data firms hold about them could accelerate further innovation

- 2.5 Government and regulators, in the UK and elsewhere, are examining the potential of interventions to enable 'data mobility' to address different policy challenges and drive further innovation. Data mobility refers to people's ability to share the data that firms hold about them if they wish and to derive value from it. For example, they may share data with another provider that will use it to offer them a better service, or with a new kind of third-party service.
- 2.6 In the UK, Open Banking regulation has made it easier and safer for people to choose to share granular data about current account transactions, held by their bank, with third-

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<sup>1</sup> We use the term 'personalised pricing' to describe the ability to set different prices for different customers for products that cost the same to provide, based on individual characteristics and a prediction of how much the customer is prepared to pay. See Ofcom, August 2020, [Personalised pricing for communications](#).

party firms to take advantage of innovative new services. These include services to help people monitor and manage their outgoings, digital comparison tools that draw on transaction data to make tailored recommendations, and attentive services that provide timely prompts to look for a new deal. The regulation has lowered barriers to entry for firms that can use people's Open Banking data to offer them beneficial services which the market might not otherwise offer.

- 2.7 In 2018, the Competition and Markets Authority (CMA) recommended that Ofcom should explore data mobility remedies to help people engage effectively with the broadband and mobile markets.<sup>2</sup> In 2019 the Government's Smart Data Review<sup>3</sup> proposed to introduce Open Communications through legislation, to stimulate innovation and promote the development of new services that improve outcomes for people and businesses.
- 2.8 With similar objectives, Australian policymakers are also considering the application of the country's Consumer Data Right regulation to the communications market. Like Open Banking in the UK, the Consumer Data Right will empower people to share data about them, held by their bank and providers of other services, with third parties.<sup>4</sup>
- 2.9 UK regulators are also considering the potential of data mobility remedies as a means to enhance competition in certain online markets, building on the recommendations of the Furman Review.<sup>5</sup> The CMA's digital markets taskforce has recently issued a call for inputs<sup>6</sup> on the scope and powers of a potential new pro-competition regime for digital platform markets, including on the role of data mobility, open standards and data openness.

## Data mobility could support our strategy to help people to engage with the communications market and find the right deal

- 2.10 Data mobility could act as a platform for further innovation in the market for fixed line, broadband, pay TV and mobile services. It could enable new services that help people and businesses to overcome barriers that stop many from engaging with the market and assist people to search for the best deal for their needs.
- 2.11 The communications market offers a lot of choice for customers, but those options can be complex and difficult to navigate. For many people and businesses, engaging with the market can be more challenging than it should be because it can be difficult to understand:
- When they should look for a better deal (e.g. when their contract is coming to an end);
  - What they already have or use (e.g. the average download speed of their fixed broadband or how much of their voice or data allowances they typically consume);

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<sup>2</sup> CMA, December 2018, [Tackling the loyalty penalty: response to a super-complaint made by Citizens Advice on 28 September 2018](#).

<sup>3</sup> Department for Business, Energy and Industrial Strategy, June 2019, [Smart Data: Putting consumers in control of their data and enabling innovation](#).

<sup>4</sup> Australian Government, September 2019, [Consumer data right overview](#).

<sup>5</sup> Report of the Digital Competition Expert Panel, March 2019, [Unlocking Digital Competition](#), pp. 65-66.

<sup>6</sup> CMA, March 2019, [Call for Information: Digital Market Taskforce](#).

- What they will need for the future (e.g. whether they would benefit from buying a fixed broadband package that offers a higher download speed); and
  - What services are available to them that would best match their needs.
- 2.12 Without this understanding, people may find navigating the market more difficult and time-consuming, leading to a reluctance to engage. As a result, many are not on the best deal for them. They may have a product ill-suited to their needs or be paying more than they should.
- 2.13 A minority of people and businesses use digital comparison tools to help them compare the fixed line, broadband, pay TV and mobile services available. These tools play an important role by providing guidance about, for example, the availability of different communications services at an address, their comparative characteristics and prices.
- 2.14 We are making targeted interventions across the consumer journey to prompt people to engage at the right time, help them to search the market and to act, including by switching provider:
- We have required communications providers to issue customers with end-of-contract notifications and annual best tariff notifications, to help them to avoid paying higher prices and to take advantage of the choice of packages available;<sup>7</sup>
  - We have proposed new measures to require communications providers to make more information about their services available to digital comparison tools.<sup>8</sup> We have proposed to change the rules of our digital comparison tool accreditation scheme to allow accredited firms greater flexibility to innovate, while ensuring that users can continue to rely on the information these services offer.<sup>9</sup> We have also made our analysis of the coverage of fixed and mobile networks available to digital comparison tools; and
  - We have introduced Auto-Switch in mobile and proposed new rules to make broadband switching easier and more reliable, regardless of whether customers are moving across different fixed networks or between providers of full fibre broadband services on the same fixed network.<sup>10</sup>
- 2.15 Taken together, these interventions will help ensure that people and businesses are better served by the communications market.
- 2.16 Data mobility could have further important benefits. The ability to share data easily and securely could enable innovative services that, for example, infer when to encourage people to engage with the market, inform them about what they use and what they need and match these with what is available to them. Firms are already experimenting with

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<sup>7</sup> Ofcom, September 2019, [Helping consumers get better deals: a review of pricing practices in fixed broadband](#).

<sup>8</sup> Ofcom, December 2019, [Fair treatment and easier switching for broadband and mobile customers: Proposals to implement the new European Electronic Communications Code](#).

<sup>9</sup> Ofcom, December 2019, [Digital comparison tools for telephone, broadband and pay-TV: proposed changes to Ofcom's voluntary accreditation scheme](#).

<sup>10</sup> Ofcom, December 2017, [Consumer switching: Decision on reforming the switching of mobile communication services](#); see paragraphs 7.218-7.223 of Ofcom's [consultation on fair treatment and easier switching for broadband and mobile customers](#).

using transaction information, available via Open Banking, and other data to build services capable of helping consumers in these ways.

- 2.17 Looking ahead, Open Communications could build on any new process industry develops for residential customers to switch their fixed broadband provider. In principle we see benefits if customer can share their Open Communications data with a potential new provider and switch to that provider within a seamless process. We are developing our understanding of the challenges of sharing data securely, for example through our work on a digital wallet prototype.<sup>11</sup>

## **Open Communications could fundamentally change the information available to people and businesses**

- 2.18 Table 1 sets out a summary of the ways in which Open Communications could change the role that digital comparison tools and other third parties play for users navigating the market.

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<sup>11</sup> Ofcom, April 2020, [Ofcom's Plan of Work 2020/21](#), p. 13.



**Table 1: Illustration of the potential impact of Open Communications on the role of third parties**

<b>Potential requirements of Open Communications</b>	<b>What happens today?</b>	<b>What could we expect after the implementation of Open Communications?</b>
<b>Providers would share data about customers with any accredited third party - including other providers</b>	<p>People and businesses are not typically able to share data about their services with third parties directly or securely. Digital comparison tools ask users to recall data to be able to offer a helpful recommendation.</p>	<p>Data from the customer’s provider would be available to third parties, at the customer’s request. Third parties could be confident of its accuracy. Access to more and better data could enable further innovation by more third parties.</p>
<b>Any accredited third party could access a range of data about products</b>	<p>Third parties negotiate access to data about providers’ products on commercial terms.</p> <p>Broadband availability data is often only available at an aggregated level, which does not enable third parties to give accurate recommendations about what is available at an address.</p> <p>Little information is available about e.g. actual broadband speeds or service quality.</p>	<p>Third parties would have access to more data about products, on which basis they could compare them: e.g. address-level broadband availability and speed information.</p>
<b>Standardisation of data from providers</b>	<p>Third parties receive any information that providers share about products in a proprietary format. They need to invest to process data from each provider.</p>	<p>Would be simpler for third parties to use and interpret data from different providers and to present clear, reliable product comparisons.</p>
<b>Accredited third parties could access data from different sectors</b>	<p>Open Banking may enable people to share some data about their different kinds of services (e.g. communications, energy) with third parties, but this data is limited.</p>	<p>Open Communications and other data mobility initiatives could allow third parties to access richer data directly from communications providers and firms in other sectors.</p>

## Ofcom is exploring an approach that combines data mobility and shared access to data to support innovation

- 2.19 Our Plan of Work for 2020-21 set out our intent to explore innovative approaches to regulation and foster wider innovation in the market.<sup>12</sup> We consider that enabling customers to share data held by their communications provider with third-party firms, easily and securely, could help unlock further benefits of data-driven innovation for people and businesses.
- 2.20 An important objective for any data mobility initiative would be to permit access to the data needed to enable innovation and encourage investment. We expect this innovation and investment - and competition between firms - to give rise to new services that people value and that enable them to navigate the market more effectively. A key measure of success will be to what extent people and businesses adopt these services as they emerge.
- 2.21 Data mobility would complement the existing data portability provisions in the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 for individuals to access the personal data that firms hold on them.<sup>13</sup> Data mobility requirements could standardise how communications providers record certain data about customers and enable people to share it with authorised third parties immediately and directly. We also envisage that providers would make certain data about their products 'group-based' or 'shared' data, available to third parties under a standard access agreement.<sup>14</sup>
- 2.22 We observe that Open Banking regulation has encouraged innovation and investment from multiple competing sources. This appears to have enabled considerable choice of quality third-party services to emerge. In the context of the communications market, we consider that there could be benefits to enabling people to share their data with third parties of different types, including competing communications providers, as well as digital comparison tools and other services.
- 2.23 In other sectors, including energy and personal finance, regulators are also working to make available more data that providers hold about their customers. We anticipate that enabling people and businesses to share information about their different accounts and utility providers may improve services that help people to manage and apply this information.

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<sup>12</sup> Ofcom, April 2020, [Ofcom's Plan of Work 2020/21: Making communications work for everyone](#).

<sup>13</sup> The right to data portability allows individuals to obtain and reuse their personal data for their own purposes across different services. It permits people to move, copy or transfer personal data easily from one environment to another in a safe and secure way. The right only applies to information an individual has provided to a data controller.

<sup>14</sup> See Open Data Institute, August 2020, [Open Communications: an open trustworthy data ecosystem for the telecommunications sector](#), p. 4 on group-based data; see <https://icebreakerone.org/what-is-shared-data/> on shared data.

## This consultation sets out our initial views about what Open Communications could achieve and how it could operate

- 2.24 The purpose of this consultation is to set out potential objectives for Open Communications and initial views about how it would best operate to meet them. We anticipate that sharing our early thinking will help stakeholders to respond to our individual questions in the consultation in more detail.
- 2.25 We have worked with a wide range of stakeholders to better understand the key considerations for the design of Open Communications. These include digital comparison tools, communications providers, the Open Banking Implementation Entity (OBIE), services that use Open Banking data, the Information Commissioner's Office (ICO) and regulators in other sectors, the Open Data Institute, and consumer groups.<sup>15</sup> We have also conducted market research to provide insight into the perspective of people and businesses.
- 2.26 It will be for Government to consider whether to introduce legislation to enable the implementation of Open Communications. Responses to this consultation may help to inform any technical advice from Ofcom to Government to support the future development of Open Communications.
- 2.27 This remainder of this consultation covers:
- The challenges that people and businesses experience when navigating the market, which Open Communications could help to address (section 3);
  - The role of third parties and the information available to people and businesses in the communications market (section 4);
  - How third parties might use Open Communications (section 5);
  - The potential benefits of Open Communications to people and businesses (section 6);
  - Core principles for the design of Open Communications and key questions to address in implementing it (section 7);
  - The potential costs of Open Communications (section 8); and
  - Our next steps (section 9).

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<sup>15</sup> The OBIE was created by the CMA to create software standards and industry guidelines which seek to promote competition and innovation in UK retail banking. Part of its role is to produce guidelines and technical specifications for participants in the Open Banking ecosystem. The Open Data Institute has published a [report](#) of a workshop it convened in November 2019 with industry representatives, consumer groups, Ofcom and other regulators to discuss use cases for Open Communications and key considerations for its implementation.

## 3. Challenges people and businesses experience when navigating the communications market

- 3.1 We want communications markets to work well for everyone, allowing people to choose effectively from a range of products and services at competitive prices. This section summarises the research we have conducted into the experience of people and businesses when engaging with the communications market. It sets out the challenges they experience that, in principle, Open Communications could help to address.
- 3.2 Open Communications could complement the measures that Ofcom has already taken to improve the consumer journey for people and businesses in the communications market. As set out above, we have made targeted interventions to help people to engage at the right time, to search the market and to act, including by switching provider. We consider that Open Communications could build on the impact of these measures and offer further benefits.

### Competition has delivered good outcomes for many, but some people struggle to get a good deal

- 3.3 Network-level and retail-level competition in the UK offers significant choice and delivers good outcomes for many customers. Our 2019 research shows how the value of the offers available on the market has improved.<sup>16</sup> Mobile prices have fallen, particularly those for services with higher inclusive data allowances, and list prices for home broadband and landline bundles were stable despite rapidly increasing data consumption.
- 3.4 People can choose from a wide variety of packages to suit their needs, and people have the option to purchase different ‘bundles’ of products. Most UK households (79%) buy two or more communications services from the same provider as part of a bundle.<sup>17</sup> The most widely purchased bundles are triple play (bought by 33% of UK households) and dual play (bought by 26%).<sup>18</sup>
- 3.5 However, even with many good deals available, some people do not get a good deal or do not find it straightforward to navigate the communications market, whether for mobile, broadband, landline, pay TV or a combination of these services. In many cases, this means that they pay more for their services than they need to.
- 3.6 A considerable number of broadband customers do not switch or re-contract with their provider when their contract ends, although they could save on average between £120 and

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<sup>16</sup> Ofcom, January 2020, [Pricing trends for communications services in the UK: January 2020](#), p. 2.

<sup>17</sup> See [Ofcom Technology Tracker 2020](#).

<sup>18</sup> ‘Triple play’ refers to a bundle of landline, fixed broadband and pay TV services. ‘Dual play’ refers to a bundle of landline and fixed broadband services.

£150 per year by doing so. Ofcom analysis has found that 40% of broadband customers were outside their minimum contract period ('out-of-contract') in September 2019, paying on average £13 more per month than new customers.<sup>19</sup> With respect to mobile, in 2018, 11% of customers on bundled handset and airtime (i.e. usage) contracts were out-of-contract. Of these, most (equating to around 1.4m customers) were overpaying and could save money by switching to a SIM-only deal.<sup>20</sup>

## Several factors can affect people's ability to get a good deal

3.7 Although we have taken action to address some of the barriers that prevent people from engaging with market effectively and getting a good deal, we acknowledge that there is more to do. Using insights from our research, below we set out some of the difficulties that people can face that, in principle, Open Communications could help to address. In summary these are:

- The perception that communications services are confusing and complex, for example if people have difficulty understanding their needs;
- The time and effort associated with searching the market and understanding the available options;
- Challenges matching their needs and requirements with packages available from the market; and
- Additional issues faced by some people in vulnerable circumstances.

3.8 While some people may make an active choice to do nothing (for example, because they appreciate the flexibility of being out of contract), others may not seek a better deal because they are unaware they can change contract or find it challenging to do so.<sup>21</sup>

## Communications services can be perceived as confusing and complex, which can discourage people from looking for a new deal

### It can be difficult for people to understand their communications needs

3.9 To know what package would be most suitable for them, people must first be able to understand their own needs. For example, it may be helpful to know what broadband speed would be sufficient for their internet use, how much mobile data they typically use, or whether they are within their contract period (meaning they are unable to switch without incurring early termination charges).

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<sup>19</sup> Ofcom, July 2020, [Helping consumers get better deals: A review of pricing practices in fixed broadband](#), Table 3. We note that the introduction of end-of-contract notifications and annual best tariff notifications from February 2020, as well as pricing commitments and changes made by broadband providers is likely to improve customers' awareness of their contract status and help them get better deals. We will be monitoring customer outcomes in broadband closely.

<sup>20</sup> Ofcom, July 2019, [Helping consumers to get better deals in communications markets: mobile handsets: statement and consultation](#), paragraph 1.13.

<sup>21</sup> See Ofcom, September 2019, [Helping consumers get better deals: A review of pricing practices in fixed broadband, September 2019](#), paragraph 3.21, which states that quantitative research conducted for the review suggests a minority (3%) did not make any changes at the end of their contract in order to retain flexibility.

- 3.10 Our quantitative research has found that around one in seven UK adults (16%) reported not feeling confident in ensuring that the deal they have is the best one for their household.<sup>22</sup> While around four in five (78%) said they were confident doing this, most felt ‘fairly’ rather than ‘very’ confident (51% vs 27%).<sup>23</sup>
- 3.11 We found that some people did not know what broadband speed would best meet their needs. Around a quarter (23%) of broadband customers said that they did not feel confident in understanding what speed they needed.<sup>24</sup>
- 3.12 Our qualitative research has found that, while engaged participants generally felt they had a good sense of their requirements, less engaged participants said they lacked awareness of their own requirements (for example their usage or speeds). They were also less confident in making decisions about products.<sup>25</sup>

### **The number and range of available options for communications services can make searching for and comparing them appear daunting**

- 3.13 In 2019, the major UK residential broadband providers offered a total of around 100 dual-play and 170 triple-play packages.<sup>26</sup> While these providers account for most of the market, there is also a significant number of smaller providers, increasing the number of available packages. In addition, there is a wide range of prices available for similar services: for example, in 2019 the most expensive superfast dual-play package cost more than twice as much as the cheapest one.<sup>27</sup>
- 3.14 While the wide range of products and prices available is often beneficial, it can also be overwhelming for people when they are looking for a new deal. It can cause them to default to more familiar options, or remain on their existing package, even if it is not optimal for their needs. The range of prices for similar packages, as well as the overall perception of there being ‘too much choice’ were identified by participants in our qualitative research as ‘pain points’ when engaging with and searching the market.<sup>28</sup>

### **Tariff structures and costs can make like-for-like comparisons difficult**

- 3.15 In addition to the core monthly cost of a service, people must usually factor in other costs when they are looking for a new deal, such as a mobile handset, upfront payments and set-up fees, as well as different contract lengths. Many providers now offer incentives such as gift cards, cashback and free subscriptions (e.g. for music or video-on-demand services) in addition to the core service. This can make it challenging to work out how the costs of

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<sup>22</sup> With any type of communications service in their household. ‘Communications services’ here means those with mobile, broadband, pay TV and / or landline services.

<sup>23</sup> Ofcom, August 2020, [Open Communications Survey](#), B6.

<sup>24</sup> Seventeen per cent were not very confident and six per cent were not at all confident. See Ofcom, August 2020, [Open Communications Survey](#), B6.

<sup>25</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slides 16 and 18.

<sup>26</sup> Ofcom, January 2020, [Pricing trends for communications services in the UK: January 2020](#), p. 18.

<sup>27</sup> Prices varied according to a number of factors, including the broadband connection bandwidth, inclusive call allowance, inclusive data allowance, add-ons (such as antivirus products and wi-fi boosters) and the internet service provider chosen. See Ofcom, January 2020, [Pricing trends for communications services in the UK](#), p. 18.

<sup>28</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slide 23.

different deals compare, and therefore which one would represent the best value for an individual customer.

- 3.16 Our quantitative research found that 42% of consumers said that they found it difficult to understand whether or not they would make any saving by changing their deal or provider.<sup>29</sup> When out-of-contract customers were asked why they were not planning to look for a new deal, 10% said they did not think they would save enough, while another 9% cited the difficulty of comparing deals.<sup>30</sup>
- 3.17 Not being able to compare like-for-like information about products was also identified as a pain point in our qualitative research, particularly in relation to triple-play packages. Participants noted the difficulty of comparing the value of ‘add-ons’, while for mobile deals they stated that comparing handsets could be a complicating factor.<sup>31</sup>

### Terminology, particularly about broadband, is confusing for some

- 3.18 The terminology that broadband and mobile providers use can be confusing and unfamiliar to some people.<sup>32</sup> Confusion over terminology can reduce someone’s confidence in their ability to find a better deal: they may feel disempowered or fear seeming uninformed (for example when speaking on the phone to a provider). It can also make the task of finding a new deal seem overwhelming or make it difficult for a customer to understand their connectivity needs.
- 3.19 One in five (21%) UK adults say that they do not feel confident understanding the language and terminology used by providers.<sup>33</sup> Terms used to describe broadband packages are felt to be particularly confusing, with participants in our qualitative research citing, among others, ‘unlimited broadband’, ‘fibre’ and ‘Mbit/s’ as being difficult to understand or interpret.<sup>34</sup>

### The perceived hassle of looking for a new deal puts some people off

- 3.20 Even those who would otherwise feel confident in engaging may put it off because they consider searching for a new deal to be a ‘hassle’ by comparison with the reward (i.e. a cheaper price, more services, or a package that better reflects their needs). Combined with perceived hassle, a lack of confidence can create a further disincentive to engage.

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<sup>29</sup> Ofcom, 2018, [Consumer engagement quantitative research](#), Q41B.

<sup>30</sup> Ofcom, 2018, [Consumer engagement quantitative research](#), Q24. Out-of-contract customers who were not planning to look for a new deal.

<sup>31</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slide 23.

<sup>32</sup> See, for example, Ofcom, 2018, [Consumer engagement quantitative research](#), Q41F and Ofcom, August 2020, [Open Communications Survey](#), B6.

<sup>33</sup> With any type of communications service in their household. ‘Communications services’ here means those with mobile, broadband, pay TV and/or landline services. Fifteen per cent were not very confident, six per cent were not at all confident. Ofcom, August 2020, [Open Communications Survey](#), B6.

<sup>34</sup> Ofcom, April 2018, [Consumer engagement with communications services](#), p. 35.

- 3.21 Above, we outlined some of the reasons why people can perceive looking for a new communications deal to be challenging or complicated. This can contribute to the perception that engaging is a hassle which is not worth the time.
- 3.22 In 2019 two thirds of mobile customers (64%) and more than half of broadband customers (56%) agreed that “the savings I could make on my service would be too low to make it worth spending time looking for a better deal”.<sup>35</sup> Our qualitative research has also found that some participants who were unengaged with the market felt that the value of engaging was not high enough to make it worthwhile.<sup>36</sup>

### **Even those who do engage face hassle in their search for a new deal and some may not be on a deal that suits their needs**

- 3.23 Many people purchase products that may not suit their needs. Our quantitative research found that 52% of pay monthly mobile users were paying for more data than they needed, while 27% had an insufficient data allowance. Only one in five (19%) said that they typically used about the amount in their allowance without having to keep an eye on their usage.<sup>37</sup>
- 3.24 Many people deliberately buy more data than they need so that they can rely on their mobile if their broadband connection goes down or to avoid additional charges if they have a particularly high-use month. Alternatively, some people who are paying for significantly more data than they need, or frequently going over their data allowance, may not fully understand their purchasing choices.
- 3.25 As set out above, looking for a new deal can be time-consuming. This means people may also default to options with which they are familiar (for example, a well-known provider) rather than searching the market comprehensively.

### **People in vulnerable circumstances are likely to face the same difficulties as other people, but some may face challenges specific to their circumstances**

- 3.26 In carrying out our functions, Ofcom must have regard to the vulnerability of those in need of special protection, as well as the needs of persons with disabilities, older people and those on low incomes.<sup>38</sup> Our research indicates that, in addition to the general difficulties in getting a good deal outlined above, vulnerable people may also face challenges specific to their circumstances.
- 3.27 For example, our qualitative research into consumer engagement with broadband indicated that people with learning difficulties can struggle to navigate the market for

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<sup>35</sup> A further 11% of mobile customers and 14% of broadband customers said they did not know. See Ofcom, [Switching Tracker 2019](#), Q33A.

<sup>36</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slide 16.

<sup>37</sup> Ofcom 2018, [Consumer engagement quantitative research](#), Q32.

<sup>38</sup> Section 3(4) of the Communications Act 2003 states that Ofcom must have regard, among others, to the needs of persons with disabilities, of the elderly and of those on low incomes, the different interests of persons in the different parts of the United Kingdom, of the different ethnic communities within the United Kingdom and of persons living in rural and in urban areas, and the vulnerability of children and of others whose circumstances appear to OFCOM to put them in need of special protection.



broadband services. We also found that those with hearing impairments can find speaking on the phone to their provider to be frustrating, making it more difficult for them to negotiate a good deal. Those with visual impairments tend to use workarounds (e.g. software), but this can take longer and increase the time needed to find a new deal, despite the support available from providers.<sup>39</sup>

## Small businesses can also experience difficulties getting a good deal

3.28 Almost all (99.9%) of businesses in the UK are classified as small and medium-sized enterprises (SMEs).<sup>40</sup> The term covers a range of different businesses with varying communications needs and abilities to engage with the market. Table 2 below sets out a high-level overview of the different types of SMEs and their characteristics, as well as the communications services they typically buy.

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<sup>39</sup> Ofcom, September 2019, [Consumer engagement in fixed broadband](#), pp. 18-20.

<sup>40</sup> House of Commons Library, 7 July 2020, [Briefing paper 06152: Business Statistics](#), p. 5.

Table 2: Categorisation of small businesses by the complexity of their communications needs <sup>41</sup>

Complexity of communications needs	Characteristics	Communications services typically bought	Examples
<b>Simple</b>	Use communications for basic tasks (e.g. sending emails, browsing the internet, maintaining a social media account etc).	Can typically be served by residential contracts. They may only require a single broadband connection (at a speed offered to residential consumers) plus a mobile phone package.	Hairdressers, home-workers and children's nurseries.
<b>Moderately complex</b>	Use communications for more complex tasks (e.g. sending, receiving or streaming large files; collaborating using cloud-based apps; using cloud-based storage; using VoIP, using a VPN etc.)	Tend to purchase moderately more complex products. This might include a fixed broadband package with a service level agreement or an additional value-add service such as a static IP address.	Recruitment agencies, estate agents and leisure centres.
<b>Highly complex</b>	Use complex communication services (e.g. leased lines, secure off-site server capacity or a dedicated connection between sites)	Typically buy highly specialised and bespoke packages (e.g. leased lines) which are tailored to the business's requirements. <sup>42</sup>	Investment banks, consultancies and law firms.

- 3.29 Our qualitative research indicates that the market for SME providers is more complex and fragmented than for residential providers. <sup>43</sup> There is a significant number of smaller providers (who may only service a specific geographic area), in addition to the larger and more established players. This more complex market may make the time required to understand the options available, and the hassle in doing so, more significant.
- 3.30 Many of the barriers that SMEs with simple or moderately complex needs face in getting a good deal are similar to those experienced by residential customers. However, these barriers can be more acute for SMEs that have highly complex needs or are more vulnerable to disruption from loss of service. <sup>44</sup>
- 3.31 Understanding and being confident using communications terminology can often be more difficult for SME customers than for residential customers. Qualitative research with SMEs found that terms such as 'network level security', 'cloud-based apps' and 'Voice over IP solutions' caused confusion, even among decision makers with more knowledge of

<sup>41</sup> Ofcom, April 2018, [SMEs' Communications Needs / Ofcom analysis](#).

<sup>42</sup> SMEs with a high complexity of communications needs are also likely to employ communications procurement specialists who have the knowledge and experience of the communications market to negotiate these deals for them.

<sup>43</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slide 20.

<sup>44</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slide 20.

communications services in SMEs with more complex needs.<sup>45</sup> This confusion can affect SMEs' ability to make appropriate and informed decisions.

- 3.32 Our qualitative research with SMEs also found that those who make decisions about their business's communications services in SMEs are not necessarily experts in these services.<sup>46</sup> This lack of expertise means that some SMEs may not be aware of what they are currently paying for, or what their business might need.
- 3.33 SMEs also face a choice between purchasing a business contract or a residential contract, a key difference being that most residential contracts offer no service level agreement, or one with few specific details or guarantees. Our qualitative research found that knowledge and awareness of service level agreements among SMEs was low. SMEs on residential contracts were unaware that they had no service level agreement, or that this could be an advantage of switching to a business contract.<sup>47</sup> This may mean that some SMEs are not purchasing the contract most suited to their needs.

## Consultation questions

Question 1: Do you agree with our assessment of the challenges that people and SMEs face when engaging with the market, which Open Communications might help to address? Please explain and provide evidence.

Question 2: Is there additional evidence of problems that people and SMEs face when engaging with the market that you would expect Open Communications to help address? Please explain and provide evidence.

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<sup>45</sup> Ofcom, April 2018, [SMEs' Communications Needs](#), p. 16

<sup>46</sup> Ofcom, April 2018, [SMEs' Communications Needs](#), p. 15

<sup>47</sup> Ofcom, April 2018, [SMEs' Communications Needs](#), p. 37.

## 4. The role of third parties and information available to customers

4.1 In this section we set out the important role that digital comparison tools and other third parties play in the communications market today. We explore how access to more and better data could help third parties improve their existing service and develop new services. We also consider the wider barriers that affect people and businesses when seeking information that would help them to navigate the market.

### Use of third parties in the communications market

#### Digital comparison tools can help people to engage with the market, including by saving them time

4.2 Third parties in communications that cater to residential customers are largely ‘traditional’ digital comparison tools. There are also broadband speed testers, broadband availability checkers and mobile coverage checkers. They are typically available to users for ‘free’, in exchange for their attention to promoted products, other advertising and more data that firms can process commercially, for example as analysis valuable to other businesses.

4.3 There are also some digital comparison tools which serve SMEs. SMEs with more complex needs may choose to use a broker to find suitable communications products.

4.4 Third parties provide a valuable service by helping users navigate the market, allowing them to compare different providers and packages quickly and easily. These tools reduce the time needed to compare deals and can ‘demystify’ some elements of comparison which people might find particularly confusing.

4.5 Ofcom runs a voluntary accreditation scheme that third parties can join, subject to meeting certain standards, and which currently has six members.<sup>48</sup> We do this to help build trust in the service that they offer to users.<sup>49</sup>

4.6 Our consumer research found that around three in ten (28%) UK adults said they had used a price comparison website in the past year for communications services.<sup>50</sup> This was a smaller proportion than for insurance (48%) but higher than for personal finance (17%) and similar to energy (30%). Use of price comparison websites for mobile (15%) was lower than for broadband / landline (20%).<sup>51</sup>

4.7 Use of price comparison websites to look for communications services was higher than average among adults aged 25-34 (37%) and 45-54 (33%). In contrast, older adults were

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<sup>48</sup> Currently accredited members of the price comparison scheme are: broadband.co.uk, billmonitor.com, handsetexpert.com, mobile-phones.co.uk, broadbanddeals.co.uk and broadbandcompared.co.uk.

<sup>49</sup> See Ofcom webpage on [price comparison](#).

<sup>50</sup> Broadband / landline (with or without pay TV) and / or mobile.

<sup>51</sup> Ofcom, August 2020, [Open Communications Survey](#), A1.

less likely than average to have used them. A fifth (19%) of those aged 65-74 and 17% of those aged 75+ had used a price comparison website to look for communications services in the past year.<sup>52</sup>

- 4.8 As well as online services, people looking to compare communications services from different providers can use third parties on the high street, such as Carphone Warehouse. One in ten (9%) UK adults had used such a service in the past year for mobile services.<sup>53</sup>
- 4.9 The vast majority of those who had used price comparison websites to look for communications deals (91%) agreed or strongly agreed that these websites saved them time when comparing deals. A similar proportion (90%) agreed or strongly agreed that they were easy to use and navigate and presented information clearly.<sup>54</sup>
- 4.10 Qualitative research has also found that many participants found price comparison websites a helpful and time-saving tool when they were looking for a new deal. However, some participants cited reservations about them. These included being unsure whether the top offer on a price comparison website would be the best deal available to them and the perception that price comparison websites might 'sell' users' personal data.<sup>55</sup>

### **Access to more and better data could help third parties improve their existing service and develop new services**

- 4.11 Open Banking has driven investment in innovative new services by enabling customers to share data about current account transactions easily and securely. These services include account aggregators, personal financial managers and services that help individuals with thin credit files access credit.<sup>56</sup>
- 4.12 We consider that access to more and better data could allow third parties in the communications sector to offer an even better version of their existing service and to develop new innovative services. Below, we set out some factors that affect third parties' access to data, which we anticipate that Open Communications could help to address.

### **Information on users' needs is not easily accessible to third parties**

- 4.13 Digital comparison tools in the communications market may request or observe information about users to tailor their recommendations, but what they can learn may be limited. As such they typically rate products based on the features of packages rather than how these features might fit the user's needs or requirements. For example, if a user wishes to work out how much a certain package would save them, they would need to make the calculation manually.

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<sup>52</sup> Ofcom, August 2020, [Open Communications Survey](#), A1.

<sup>53</sup> Ofcom, August 2020, [Open Communications Survey](#), A1.

<sup>54</sup> Ofcom, August 2020, [Open Communications Survey](#), A8.

<sup>55</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slide 22.

<sup>56</sup> For more details of Open Banking-based services see Fingleton and Open Data Institute, July 2019, [Open Banking, Preparing for Lift-off](#), p. 26.

4.14 We understand from engagement with some third parties that users tend to ‘drop out’ if they are asked to input too much data. As a result, third parties limit requests for data from users. A small number of third parties have employed ‘screen scraping’ to use customers’ data to inform their recommendations.<sup>57</sup>

### **Up to date information about products is not consistently available to all third parties and the range of this data is limited**

4.15 Today, many third parties find it difficult to access accurate data about providers’ available products, particularly broadband. Most digital comparison tools also present little data about quality of service to customers.

4.16 Address-level data about the availability and speed of broadband products is important information for digital comparison tools, but many have found it difficult to access from providers. We observe that providers may have had little incentive to proactively supply this information to third parties and some may consider its commercial sensitivity too great. Some digital comparison tools need to rely on other sources for similar information, which may not always be reliable or up to date.

4.17 As a result, a third party may show a user that a broadband service is available at a particular address, only for the user to find from the provider that this is inaccurate. The user may need to check which packages are available to them from different providers directly, increasing search costs and frustration.

4.18 To help address this, Ofcom has facilitated discussions between third parties, network operators such as Openreach and retail communications providers to ensure that people can access better data about products via third parties. Some third parties have negotiated with providers to access the same address-level product availability and speed information shown on providers’ websites.<sup>58</sup> However, there are still significant gaps in the provision of data about products to the wider ecosystem of third parties.

4.19 As part of its proposals to implement the new European Electronic Communications Code (EECC), Ofcom is consulting on introducing a General Condition to require communications providers to give qualifying third parties more information about the contracts they offer. This would require providers to make available to qualifying third parties, free of charge and in open data formats, information related to prices and tariffs of services and minimum quality of service.<sup>59</sup> However, the definition of an independent comparison tool under the EECC would limit the provision of data about products to traditional digital comparison tools.

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<sup>57</sup> Screen scraping describes a process of a customer handing over login details to a service so it can access their account directly. This may compromise a consumers’ protection from fraud.

<sup>58</sup> See for example, Uswitch, [Get a broadband speed quote personalised for your home](#), 3 January 2020

<sup>59</sup> We expect that, under our proposals, comparisons of fixed broadband services by minimum quality of service would include data on broadband speeds offered by providers at an address level. See Ofcom, December 2019, [Fair treatment and easier switching for broadband and mobile customers, Proposals to implement the European Electronic Communications Code](#), paragraph 5.26.

4.20 Digital comparison tools today generally allow users to compare products on the basis of price and speed. Information on a wider range of factors, such as the reliability of a broadband connection or the signal strength of a mobile service, could help people find a product that better meets their communications needs.<sup>60</sup> However, digital comparison tools have limited access to any data required to innovate further and offer more meaningful comparison based on these characteristics.

### **Third parties cannot directly switch users to a new communications deal**

4.21 To date, communications providers have chosen not to allow third parties such as digital comparison tools to facilitate switching by their users. Today, if someone finds a new communications deal on a digital comparison tool and wishes to switch to it, they cannot ask the third party to submit their request. Instead, the digital comparison tool will typically redirect them to the provider's website, where they must re-enter their personal details.

4.22 By contrast, in the energy sector, third parties accept requests to switch and submit them to providers on the user's behalf. 'Automatic switching', as present in the energy sector, takes this concept a step further. Here, some third-party services ask users to consent to allow the service to switch the user's energy provider proactively (for example when this will save the user money).

4.23 Switching facilitated by third parties could be complex for the communications sector to implement, for example to enable users of digital comparison tools to organise a visit from an engineer to install a service.

## **How customers access and use data in the communications market**

### **Customers' data, particularly about their usage, can be a powerful tool when looking for a new deal**

4.24 Data can play an important role in helping people to find a deal that suits their needs. For example, an individual who knows their average monthly data usage will be able to match their needs to available packages more easily. Comparing the price of potential packages to the amount they currently pay can help someone to make a more informed purchasing decision and ensure their new package offers value for money.

4.25 People can already obtain some data about their services and how they use them, for example by looking at old bills or logging into an online account. This includes details of their services (i.e. what is included in their package), how much they are paying, and some information on how they have used their service (e.g. how much mobile data they have recently used, or how many landline calls they make and to which numbers). Under our General Conditions, providers are required to give customers access to adequate billing

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<sup>60</sup> See, for example, Ofcom, August 2020, [Open Communications Survey](#), B10.

information so that they can monitor their usage and expenditure and exercise a reasonable degree of control over their bills.

- 4.26 Some people already use their online account or provider's app to manage or pay their bills, or to check their usage. Our quantitative research found that 42% of broadband customers and 43% of mobile customers checked and managed or paid their bills online, using their provider's website or app. Nearly a quarter of broadband customers (22%) used their provider's website or app to check their usage, while 44% of mobile customers did the same.<sup>61</sup>
- 4.27 Awareness of personal usage is useful when searching for a new mobile package (in particular usage of data, given that many packages include unlimited calls and texts only). However, less than half of those who had switched or re-contracted their mobile service in the previous year said they took this into account when they were looking for a new deal (42% considered their current data usage).<sup>62</sup>

### **While some data is already available to customers, it is not always straightforward to find or use it**

- 4.28 Helpful information, such as personal usage and contract status, is not always easily available at the point at which someone is searching for a new deal, and therefore usually requires someone to spend time looking for and interpreting it. Someone searching for a new communications package must either remember information about their current service or, for example, log into their online account, check their bills, or call their provider to find it.
- 4.29 Relevant data is not always easily accessible or easy to interpret. For example, while most providers allow customers to find information on their inclusive allowances and how much they pay on their app or online accounts, it can be harder to find information on contract status. Contract status is often an essential piece of information to know when engaging, as it often determines someone's ability to switch without incurring early termination charges.<sup>63</sup>
- 4.30 Usage (whether of data, texts or minutes) is not always presented in a way which is useful when looking for a new deal. For example, mobile customers may be shown how much data they have left for that month, rather than how much they have used. This is useful information for managing their service but is not intuitively helpful for understanding average data use over multiple months and applying this information to choosing a new package.

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<sup>61</sup> Ofcom, August 2020, [Open Communications Survey](#), B5.1. Fifty-nine per cent of UK adults stated that they had accessed banking websites or apps for banks that also have a physical presence. See Ofcom, August 2020, [Open Communications Survey](#), A1.

<sup>62</sup> Ofcom, August 2020, [Open Communications Survey](#), B8.

<sup>63</sup> As set out above, the introduction of end-of-contract notifications and annual best tariff notifications from February 2020 is likely to improve customers' awareness of their contract status and help them get better deals.



- 4.31 Finally, some data that could be helpful for people in choosing a new package that suits their needs is not readily available and people may not realise that it may be helpful to them. For example, while most home broadband packages now offer unlimited data downloads, it can still be helpful for someone to know how much data they are downloading in a given month or how many devices are connected to their router. This could help a household to decide whether upgrading to a faster broadband package could offer a better experience.

## 5. How third parties might use Open Communications data

- 5.1 Open Communications would improve people's ability to share and use their data. There are many ways in which third parties could use people's data to their benefit and we set out some initial examples in this section in the form of 'use cases'.
- 5.2 These use cases illustrate the potential of Open Communications to help customers to navigate the communications market and manage their services. They are examples of what we consider could be possible and beneficial for users when third parties have access to better data about customers and products.
- 5.3 We also consider that third parties with access to this data are likely to develop innovative new services beyond those set out here. As a regulator we are not best placed to anticipate all potential applications of the data or how innovation might unfold. Our role would be to enable access to the data in a form that firms can use to innovate to the benefit of customers.
- 5.4 To inform the example use cases, we have considered the services that data mobility initiatives in other regulated sectors have enabled, the commercial incentives to provide such services in our sector and our knowledge of the difficulties customers face when engaging with the communications market. We also worked with the Open Data Institute, which facilitated a workshop for industry and regulators to help develop potential use cases for Open Communications.<sup>64</sup>

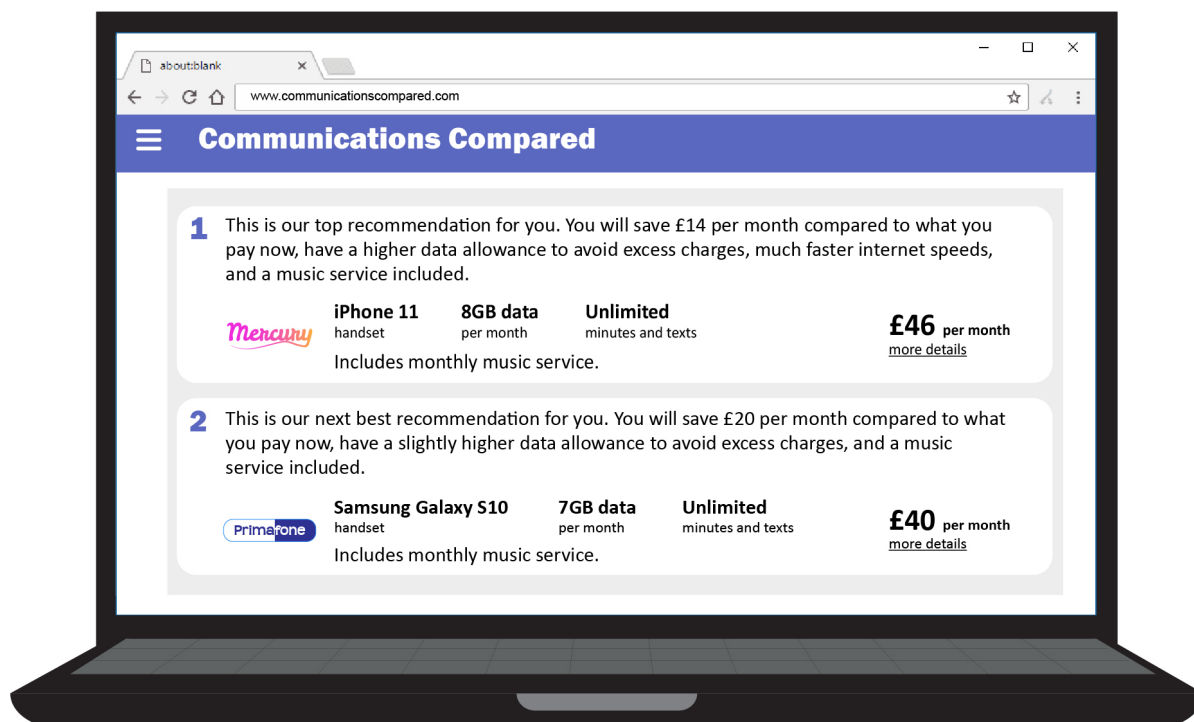
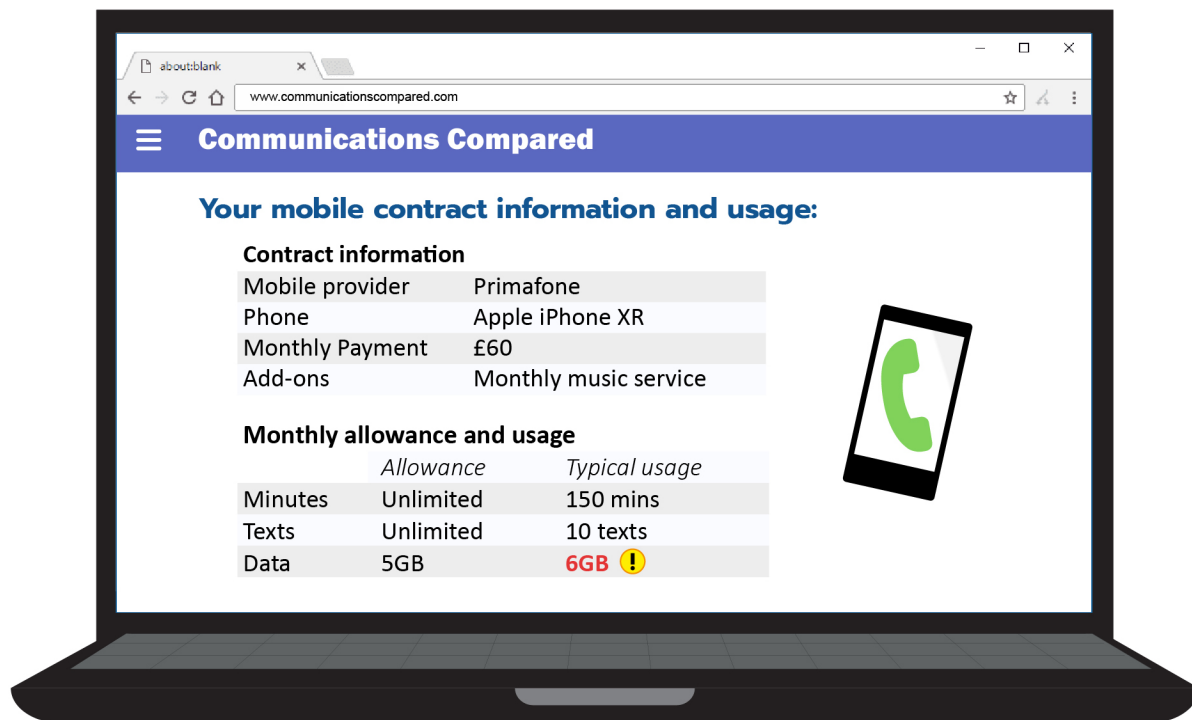
### Use case 1: Improved product comparison

- 5.5 We expect that a key use case for Open Communications would be improved product recommendations.
- 5.6 Digital comparison tools are already used in communications markets and include many well-known and trusted services. Our market research also suggests that improved product comparison appeals to many people and businesses. If these websites and apps can offer a more compelling service to users, we could see even more people and businesses taking advantage of them.
- 5.7 Open Communications could also allow people to share their data directly with an alternative provider to receive a recommendation tailored to their needs. This would mean that even customers who do not use third-party intermediaries to look for new deals, and prefer to go directly to a new provider, could benefit from sharing their data.

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<sup>64</sup> This workshop brought together third parties, regulators and other stakeholders to discuss the potential use cases for open data in the communications sector. See Open Data Institute, August 2020, [Open Communications: An open and trustworthy data ecosystem for the telecommunications sector](#).

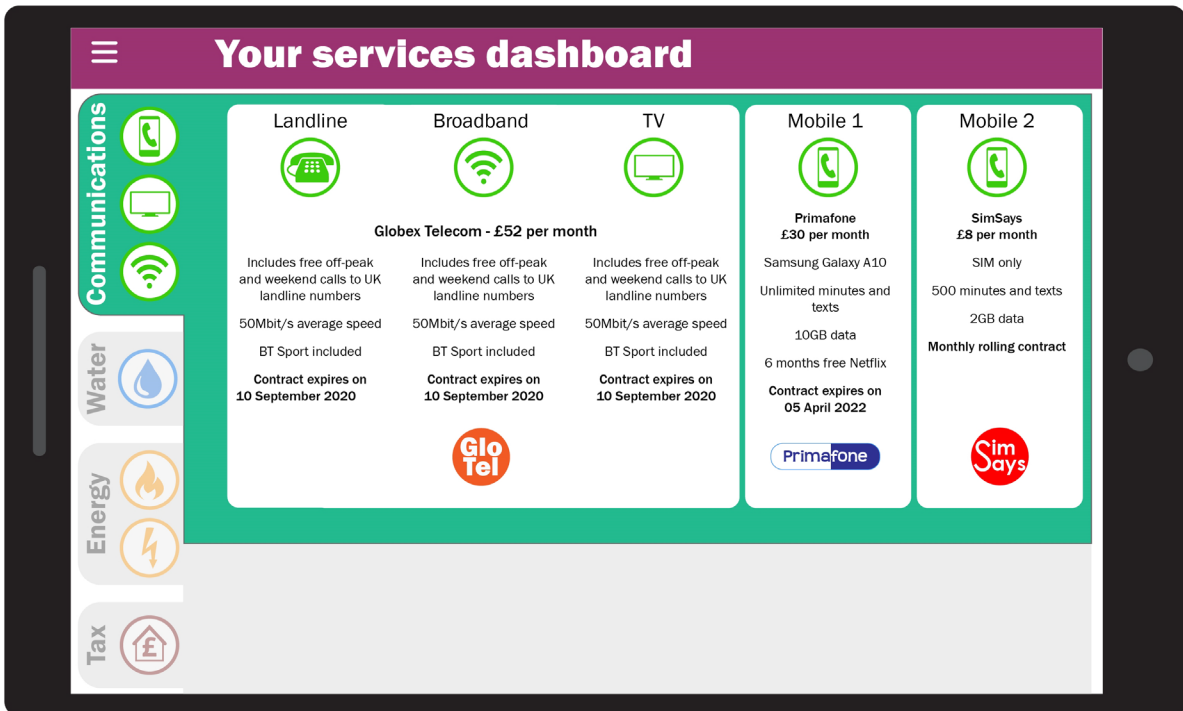
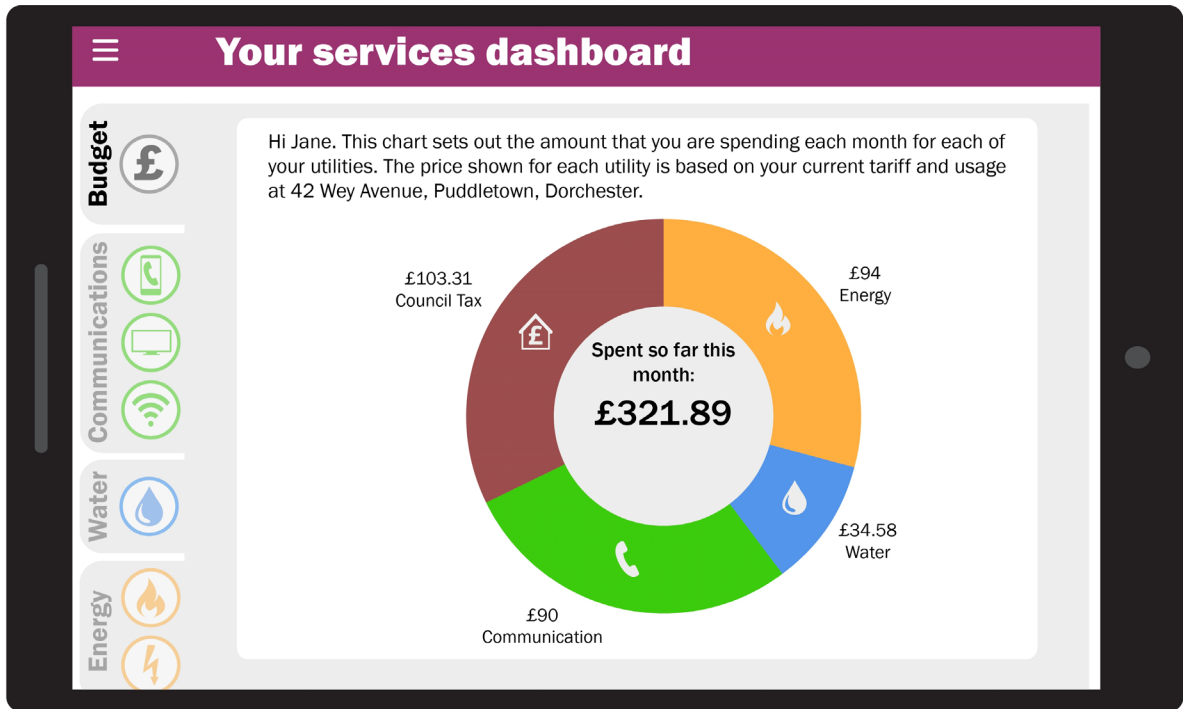
Figure 2: Illustration of a digital comparison tool using Open Communications



## Use case 2: Account aggregation

- 5.8 Account aggregators can help people by bringing together information about the accounts and products they hold with different providers in one place. Open Banking has enabled the emergence of several account aggregators in the retail banking sector, for example Yolt and Money Dashboard. In addition, many of the banks themselves are now offering users the functionality to add bank accounts with other providers to their online banking app. These services require users consent to sharing their data with the third party on an ongoing basis.
- 5.9 Customers may also value account aggregation services in the communications sector. An account aggregator could present information about someone's communications services to them (for example, how much they pay per month, their contract status and / or their contract end date) in a visually engaging and user-friendly way. It could help people (particularly those with a large household or SMEs) to manage and keep on top of their communications services.
- 5.10 An additional benefit of an account aggregator could be the ability to see accounts across different utilities, including communications, to enable someone to view all their account information and payments in one place. This could help people manage their spending across utilities.

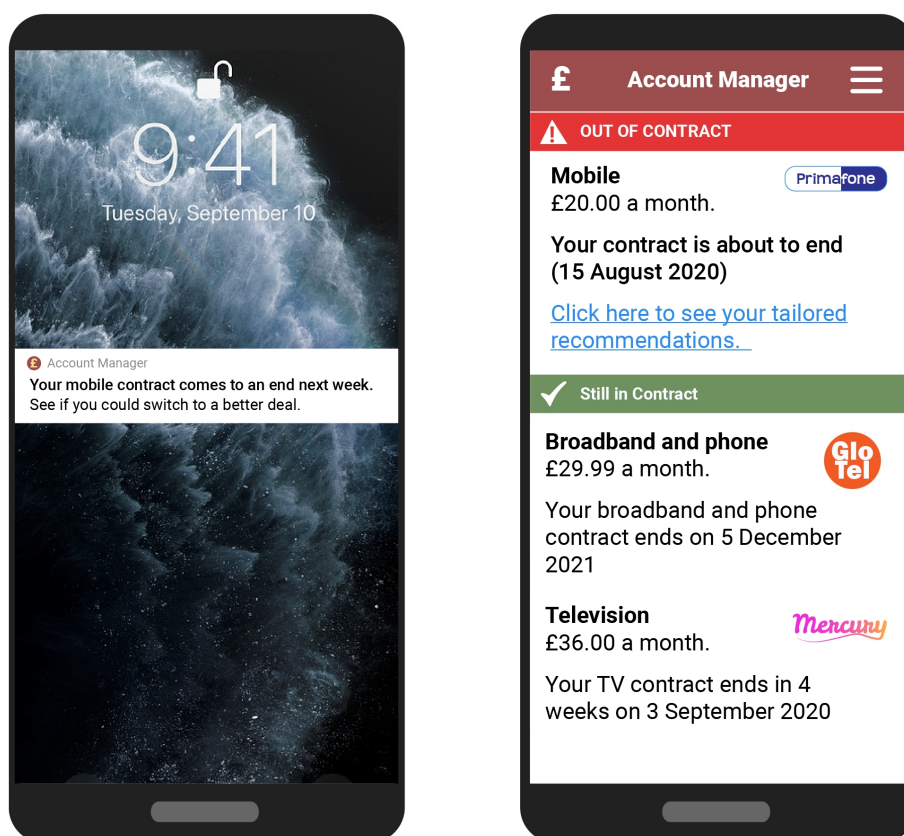
Figure 3: Illustration of an account aggregator using Open Communications



## Use case 3: Account management

- 5.11 An account management service could help to people to engage with the market, for example by sending alerts to customers when their contract end date is approaching, or their price is about to increase. These reminders could also be combined with tailored recommendations for a new service (see use case 1). As a result, much of the hassle and complexity of finding a new communications deal could be passed from the user to the third party.
- 5.12 As with account aggregators, these services would require the user to consent to the third party having ongoing access to their data.
- 5.13 An account management service could also complement and reinforce the impact of end-of-contract and annual best tariff notifications.<sup>65</sup> For example, an account manager could show recommended deals from across the market, rather than from just the user's existing provider, and it would allow the user to set repeat reminders rather than a one-off notification from their provider.

Figure 4: Illustration of an account management service using Open Communications

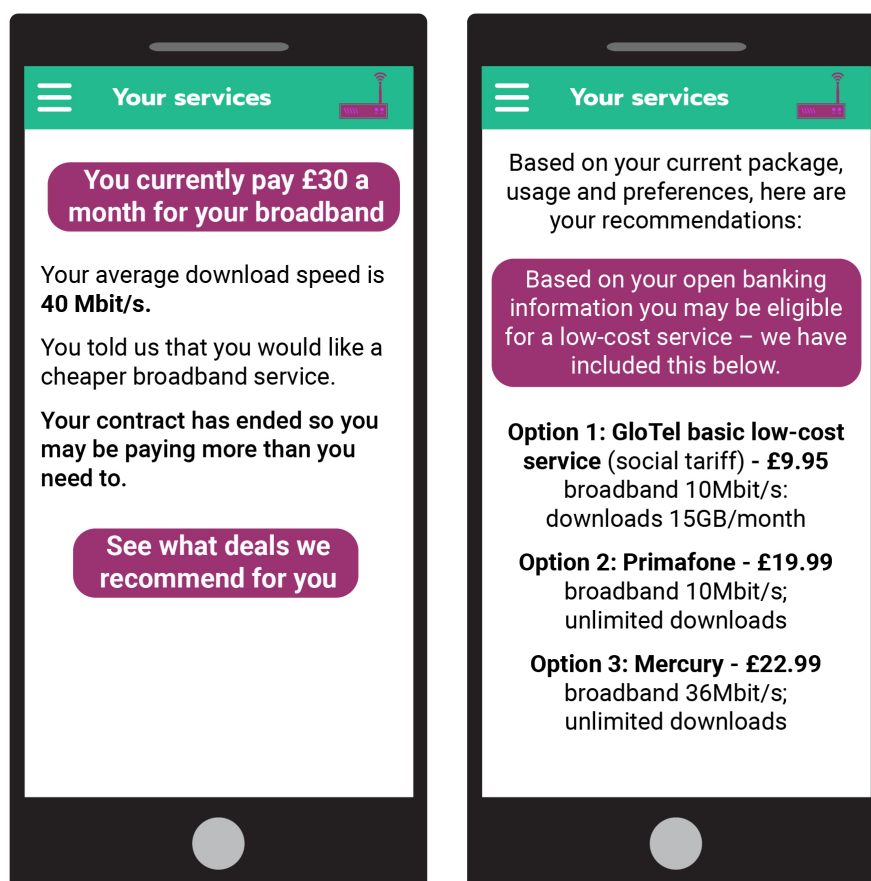


<sup>65</sup> As of February 2020, all providers are required to send end-of-contract notifications to their customers 10-40 days before their contract ends. Providers must also send notifications at least annually to customers who are out-of-contract to let them know this.

## Use case 4: Managing costs for financially vulnerable customers

- 5.14 If someone experiencing financial difficulties chooses to seek help via a third party such as a debt charity or management service, they could share their data with the third party. With Open Communications, the third party could have access to information about the user's current package(s), their expenditure on communications services and their usage. This information could enable a third party to help to find the user a more suitable or affordable deal.
- 5.15 When combined with access to someone's Open Banking information, a third party could help people understand how much they are spending on communications alongside other financial commitments and manage the costs. It could also allow the third party to understand whether someone could move to a service that is better value for money and better suits their needs.

Figure 5: Illustration of a service to help financially vulnerable customers, using Open Communications



## Switching involving third parties has emerged in the energy sector and could develop in the communications sector

- 5.16 Some have observed that greater involvement by third parties in switching could benefit people and businesses.<sup>66</sup> As noted in section 4, communications providers do not currently accept switches from third parties.
- 5.17 Open Communications in itself would not enable third parties to facilitate agreements to switch services. However, it could help switching involving third parties to become a feature of the market in future if it encourages more people to use third parties and makes this more commercially attractive for communications providers.

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<sup>66</sup> For example, to enable customers to use a third party to choose their new communications provider and facilitate the agreement to switch to the gaining provider's services. See for example Open Data Institute, August 2020, [Open Communications: An open trustworthy data ecosystem for the telecommunications sector](#), p. 11.



## 6. The potential benefits of Open Communications

- 6.1 Open Communications could deliver potential benefits for people and small businesses that would be incremental to the future benefits of other interventions, such as end-of-contract notifications and the provision of information to third parties. We consider that these could be:
- Reducing the time and effort needed to search for a new deal;
  - Increasing the benefits for customers of searching the market and finding a deal better suited to their needs;
  - Enabling innovation and the introduction of new services;
  - Enabling services designed to benefit people in vulnerable circumstances, for example people in financial difficulties; and
  - More effective competition that could lead to better outcomes for people and businesses.
- 6.2 Open Communications may benefit some residential customers and small businesses more than others. It is uncertain what the take-up of Open Communications could be and some people may not wish to use it (some participants in our research had reservations about third party intermediaries and about sharing certain data<sup>67</sup>). It also may benefit some of its users more than others: for example, it could be particularly beneficial for SMEs with moderately complex needs that need to make difficult product comparisons, but of less benefit to those with complex needs who already use the services of specialist brokers.
- 6.3 As such the extent and distribution of the potential benefits of Open Communications are difficult to predict at this early stage. However, in this section we set out our initial thinking on the different categories of potential benefit, to prompt views on how the design of the model could realise them.

### People may spend less time and effort looking for a new deal

#### The ability to easily access and share data about your current service could help simplify the process of looking for a new deal

- 6.4 Our qualitative consumer research found that participants largely reacted positively to the concept of Open Communications mainly due to its perceived ability to simplify the process of assessing deals. The potential to save time was particularly important for those participants who were engaged, those considered to be financially vulnerable and SMEs.<sup>68</sup>
- 6.5 Open Communications could first save users time and effort by making it faster and simpler for them to apply useful information about their existing tariffs and how they use

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<sup>67</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slides 22, 30, 35 and 49.

<sup>68</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slide 27.

their services when looking for a new deal. Open Communications would allow them to share this data with a third-party comparison site or prospective provider at the click of a button. This would help overcome the hurdles some customers face when using this information, which many may not be able to access easily or recall today. Where a customer has decided to switch, Open Communications could also allow them to easily share data about themselves and their current package with their new provider.<sup>69</sup>

- 6.6 Participants who were not confident in communicating with communications providers and those who suffered from mental health conditions felt that Open Communications would enable them to understand their needs and usage without needing to approach their provider.

***“...And I don’t really like dealing with companies due to my anxiety. This would arm me with what I need to know.”<sup>70</sup>***

Male, <40, Unengaged, Triple Play, Norfolk, Mental Health Condition

## **People and businesses would be able to compare the details of their packages with others available in the market quickly and effortlessly**

- 6.7 Open Communications could save users further time and effort through the provision of good quality, standardised information to third parties, covering a range of product characteristics. This could significantly reduce the effort required to collect information on available packages and how they compare. Improved comparability could be of particular benefit to SMEs purchasing services that are more complex than those of residential customers.

***“...I get offers shown to me rather than me having to search and seek them out. The deals will be easy to compare as it’s all the same information...”<sup>71</sup>***

Female, +75, Engaged, Triple Play, Peterborough

- 6.8 Presenting recommended deals to a customer using clear, standardised information could be particularly helpful to people who have difficulty understanding telecoms terminology. These people (who may include more vulnerable customers) should be able to spend less time and effort to understand the options presented to them by a third party.<sup>72</sup>

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<sup>69</sup> Today, many SMEs engage with the market through a broker, rather than using a price comparison website. We envisage that Open Communications could also make this process more straightforward.

<sup>70</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slide 29.

<sup>71</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slide 30

<sup>72</sup> Our qualitative consumer research found that when looking for a new deal within the current market, some participants were confused about the results presented to them online and found that the language used was too technical. This was prominent for those participants who are unengaged or had low literacy skills. See Ofcom, August 2020, [Open Communications qualitative research](#), slide 23.

## People and businesses could search for a deal with more confidence

- 6.9 As people may find it easier to access data about themselves and compare the details of their packages with others available in the market, Open Communications could increase their confidence when searching the market. For example, access to comparable data about the characteristics of broadband products could make it easier for digital comparison tools to encourage users to upgrade to full fibre with confidence in its positive characteristics, by comparison with the alternatives.
- 6.10 Given the potential time savings and increased confidence from using Open Communications, people and businesses may be more likely to actively search for a new deal or check that they are already on the best one for their needs. People and businesses who are already confident searching for deals in the market could also save time and effort.

## People could benefit more from searching the market and finding a deal better suited to their needs

### People would be able to make better purchasing decisions by comparing those aspects of packages that are important to them

- 6.11 Open Communications would make data available on a range of product characteristics in a standardised format, allowing people to compare the features that are important to them. It would also offer the opportunity for third parties to present consumers with richer comparisons based on a wider range of non-price characteristics.
- 6.12 For example, our consumer research suggests that there is demand for information about service quality and reliability, which may not be available to people today. Fifty-eight per cent of participants in our quantitative research stated that it would be helpful to have information about the reliability of a broadband package when reviewing products and forty-seven per cent considered it would be useful to have information about the quality of a provider's phone signal in the areas where they spend time.<sup>73</sup>

*“Looks simple to use and I can tailor it to exactly what I would like, e.g. the type of phone that I would like”<sup>74</sup>*

Male, <40, Engaged, Triple Play, Norwich

- 6.13 Our consumer research also found that Open Communications could help tackle some of the reasons why people do not currently take into consideration certain non-price characteristics when looking for a new deal. For example, 71% of respondents who changed provider in the last 12 months did not consider mobile phone signal strength in areas where they spend a lot of time. They stated that this was because it did not occur to

<sup>73</sup> Ofcom, August 2020, [Open Communications Survey](#), QB.10.

<sup>74</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slide 37.

them to use this information (20%), they did not know where to find the information (9%) or the information was too much hassle to find (7%).<sup>75</sup>

- 6.14 Non-price characteristics are also important to SMEs' purchasing decisions and comparable information about many such characteristics may not be available to them today. Our qualitative consumer research indicated that, although price was a key characteristic for SME participants when looking for a new deal, they also considered reliable Wi-Fi signal, account management facilities and good customer service to be important.<sup>76</sup>
- 6.15 A large proportion of people take tariffs with the largest broadband and mobile providers.<sup>77</sup> The use of Open Communications to provide comparisons based on a wider range of non-price characteristics (such as better service quality) could raise awareness of smaller and more specialist providers, including full fibre networks. This might lead users to choose a new provider that they may otherwise not have considered and that may be more suitable for their needs.
- 6.16 We are mindful that, with access to Open Communications data, digital comparison tools would choose how to compare what may be highly differentiated products and could vary the extent to which they incorporate information about non-price characteristics. Commercial arrangements with providers might also affect the way that they would present recommendations. However, we would expect digital comparison tools to compete to offer users a better experience under Open Communications, including by innovating in how they incorporate data on non-price characteristics.

## People could make purchases that are better aligned with their actual usage and needs

- 6.17 Third parties with access to Open Communications data could help users to choose a package with different characteristics with confidence that it will meet their needs, including some factors that users may not have thought to consider. If, for example, a third party could remind a user reviewing the market that they use only 2GB of the 10GB of mobile data available to them each month from their current tariff, the user may choose an alternative that offers less data for a lower price. Alternatively, the third-party service could help a user who has paid out-of-bundle charges to understand that they may need more minutes or data.

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<sup>75</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slide 33 and 35. The 71% of respondents who *did not* consider mobile phone signal strength in areas where they spend a lot of time is calculated based on the 29% of those who changed mobile provider or re-contracted in the past 12 months who consciously *did* state that they considered mobile phone signal strength in areas where they spend a lot of time. However, we are mindful that some of the respondents might not have specifically indicated taking mobile signal strength into account because they already knew the signal was strong based on a past experience / knowledge or assumed it would be strong.

<sup>76</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slide 20.

<sup>77</sup> Currently 82% of the UK population currently have a broadband package with one of the largest 6 fixed providers and 94% of the UK population have a mobile contract with one of the largest 6 mobile operators. Based on Ofcom's [Communications Market Report 2019](#). The top 6 broadband providers are BT, EE, Plusnet, Sky, TalkTalk and Virgin Media. The top 6 mobile operators are EE (including BT and Plusnet), O2 (including GiffGaff), Tesco Mobile, Three, Virgin Media and Vodafone.

- 6.18 Similarly, greater visibility of usage data could help SMEs with moderately complex needs to better understand what package would be most suitable for them. For example, it could help businesses gauge their mobile voice and data needs with reference to actual usage by their employees.
- 6.19 Participants in our qualitative consumer research considered that one benefit of Open Communications would be that they could better understand their communications needs and that it would empower them to know what to look for when engaging in the market.<sup>78</sup>

*“This would be amazing. I still don’t know my business usage, and sites like this would make my life so much easier”<sup>79</sup>*

SME, Moderately Engaged, Bristol

## People may benefit from innovation and the launch of new services

- 6.20 The availability of better data about customers and products could support the development of innovative new applications and services. By its nature, anticipating the direction of innovation is difficult and we are not best placed to predict the applications that could emerge or what users might choose to adopt. Our role would be to enable access to the data in a form that firms can use to innovate to the benefit of customers. However, we can gain an insight into the potential types and scale of innovation that data mobility could enable by considering the initial impact of Open Banking.

## Open Banking regulation has enabled new kinds of services

- 6.21 Open Banking was mandated by the CMA following its investigation into competition in UK banking. The CMA anticipated that it would stimulate innovation across the financial sector and ultimately lead to greater competition overall.<sup>80</sup>
- 6.22 Open Banking has now surpassed one million users since its launch in 2018, generating over 200 million calls on banks’ Application Programming Interfaces (APIs) per month.<sup>81</sup> As of May 2020, the Financial Conduct Authority regulated 175 third parties and had enabled 77 regulated services to make at least one proposition available to customers using Open Banking data.<sup>82</sup>
- 6.23 As noted in section 5, these new services include: account aggregators, e.g. Yolt, which allow users to view their accounts from different banks through a single interface; and personal online finance managers, e.g. Moneyhub, which review users’ finances to provide insight on where people are spending their money and prompt users to find cheaper deals.

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<sup>78</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slide 28.

<sup>79</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slide 42

<sup>80</sup> See [ODI’s Open Banking report](#), pp. 4, 11.

<sup>81</sup> See [Open Banking adoption surpasses one million customer mark](#).

<sup>82</sup> See [Open Banking Highlights - May 2020](#).

- 6.24 There has also been investment in further diverse and innovative third-party services, including the apps described below.<sup>83</sup>

**Mojo Mortgages** combines credit and Open Banking data to determine whether users are eligible for mortgages and offers tailored advice.

**Touco** helps people who need extra support managing their money due to impairments such as dementia. The app allows them to securely share spending alerts or financial information with carers and family.

**Portify** analyses unconventional earning patterns and spending behaviours to prevent overdraft payments and minimise interest payments.

### Open Communications could offer similar scope for innovation in the communications sector and augment services that Open Banking has enabled

- 6.25 Open Communications could allow for the emergence of new services that people and businesses would value. The data could enable and improve attentive, predictive and tailored services like those outlined above and provide the building blocks for applications that could benefit users in new and unexpected ways.
- 6.26 Attentive services could include account aggregators, which would help users keep track of and manage their services and outgoings. These services could benefit, for example, families with multiple mobile accounts or people who split the costs of communications services in a shared occupancy home.
- 6.27 Predictive services could include account managers which anticipate users' needs by monitoring their expenditure and providing alerts, such as noting upcoming changes to their contract status. These could complement end-of-contract notifications by providing an additional prompt, and offering people coming to the end of their contract more information about products available from other communications providers.
- 6.28 Our initial discussions with some firms indicated that Open Communications could create opportunities for existing third parties to expand or improve their current offerings. We have set out two potential examples below.

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<sup>83</sup> The three examples listed were finalists in the Open Up Challenge 2020, a competition which distributed a £1.5m prize fund between 15 Open Banking-focused businesses to fund the development of their products and apps. For more information see [Open Up 2020](#) and [Nesta's Open Up Challenge](#).

**Swoop** reviews banking transaction data to identify potential savings across communications, energy and insurance. It uses character recognition software to gather data from customer billing information. Open Communications data might provide services like Swoop with a means to access data it can use directly and in a standardised format.

**Bud** uses Open Banking data to help organisations such as banks create new capabilities (including utility switching) within their apps. Bud currently infers when people may be overpaying on their current contracts using transaction data, typically from their current or credit card accounts, before connecting them with the appropriate service (e.g. a price comparison website) and enabling them to complete a switch of provider. Open Communications could provide companies like Bud with data on contract length and price plans in an easily accessible format to help them offer more timely and relevant notifications and services.

## Open Communications could enable services that benefit vulnerable customers

- 6.29 For some people who are in vulnerable circumstances, engaging in the telecoms market and ensuring that they are on a package most suitable for their needs may pose distinct challenges. We consider that Open Communications could enable services that would help vulnerable customers address some of these challenges and we have set out some potential examples below.
- 6.30 As set out in section 5, Open Communications could enable a person in financial difficulty to share information about their communications needs and expenditure with a third party such as a debt management service or charity. The third party could get a full, accurate and up to date picture of, for example, what packages the person currently takes, what they are spending on communications services and what they are using.
- 6.31 The combination of Open Banking and Open Communications data could also enable third parties to help financially vulnerable customers manage expenditure on communications alongside other outgoings. For example, it could help them to schedule payments in a way that suited them and help avoid unexpected charges.
- 6.32 Access to Open Communications and Open Banking data could also enable third parties to assist financially vulnerable customers to find a deal better suited to their needs, if appropriate. For example, it could help them to advise people who are in receipt of certain means-tested benefits on whether they may be eligible for a social tariff. Many people are unaware of these low-cost tariffs, which offer affordable basic broadband and landline to those who are on specified benefits, including elements of Universal Credit and some legacy benefits.<sup>84</sup>

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<sup>84</sup> These tariffs have a cap and may not be suitable for all potential users. They are offered by BT and KCOM only.

- 6.33 Account managers or aggregators, which store and display information about an individual's communications services and how they use them, could benefit those with power of attorney and those with appropriate authorisation to help manage a customer's account on their behalf. With Open Communications they might be able to better engage with the market on someone's behalf, using full and accurate information that might otherwise be difficult to obtain, such as usage patterns.
- 6.34 We are mindful that people may be reluctant to share information with third parties that labels them as 'vulnerable' and our research indicates that those who are vulnerable may not typically expect or want to be treated differently to others.<sup>85</sup> We consider how the future design of Open Communications should take this into account in section 7.

## Open Communications could facilitate more effective competition

- 6.35 Take-up of Open Communications-based services could increase competitive pressure on communications providers, which may improve their services and product offerings in response.<sup>86</sup> Competition benefits may manifest in the following ways:
- Open Communications could help smaller providers to grow and compete more effectively, to the extent it would highlight their competitive strengths. For example, comparison on non-price characteristics could raise awareness amongst users about the reliability and speed of altnets' full fibre propositions;<sup>87</sup>
  - Open Communications might increase the quality of people's decision-making as information would be made clearer and more readily available. This could incentivise providers to create and invest in product offerings which generate genuine value for money: for example, by improving service quality if there is unmet demand;
  - The emergence of innovative, engaging and informative tools for users by third parties might encourage providers to develop their own tools to be able to provide useful services to their customers. This has occurred in Open Banking: for example, where banks have developed their own budgeting or account aggregator tools;<sup>88</sup> and
  - Open Communications might increase the number of people engaging in the market as it could make it easier and more beneficial to search for a new deal. This could be beneficial if it increases providers' incentives to try to win new customers and retain existing customers.
- 6.36 It is not yet clear which aspects of Open Communications would best encourage people to use third-party services, or how providers would respond. However, we would expect

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<sup>85</sup> Ofcom, August 2020, [Open Communications qualitative research](#), slides 28 and 35.

<sup>86</sup> A reduction in switching costs is generally associated with an increase in competition and lower prices. See for example Farrell and Klemperer (2007), 'Coordination and Lock-In: Competition with switching costs and Network Effects', which notes that "...markets may indeed perform less well with switching costs than without, so policy intervention to reduce switching costs may be appropriate...".

<sup>87</sup> SMEs that do switch to smaller providers typically have high satisfaction rates and do not tend to switch back, suggesting there is genuine benefit to be had if SMEs can get past the initial hurdle of switching away from a major consumer brand. See Ofcom, April 2018, [SMEs' Communications Needs](#), pp. 23-24.

<sup>88</sup> For example, Barclays and the Bank of Scotland offer their own account aggregation services which allow users to view their accounts at different banks in one place. See <https://www.openbanking.org.uk/app-store/>.



providers to adjust their offerings to take advantage of any changes in customer expectations and preferences around data mobility, new tariff designs or other innovations.

## We are mindful of the implications of competitors sharing data

- 6.37 We recognise that, in principle, if Open Communications revealed too much information about providers' pricing strategies to rivals, this could affect their pricing decisions in potentially undesirable ways. However, at this stage we see no immediate competition concerns arising from Open Communications.
- 6.38 With respect to data about the prices that customers are paying, we consider that the piecemeal nature of the data would make it difficult for providers to discern the pricing strategies of their rivals. We also do not envisage that the data would detail the successive prices the customer had paid over time.
- 6.39 With respect to data about products, providers can already access publicly available data on rivals' packages and pricing for new customers, as well as engaging in 'mystery shopping' to gauge price offers. Nonetheless, we acknowledge that the pricing data that Open Communications could make available might be more comprehensive and up to date.
- 6.40 As there are millions of customer accounts, many different types of tariffs and many opportunities for providers to apply discounts in non-transparent ways, we consider that the risk of collusive behaviour as a result of Open Communications is low. However, if further evidence suggests that the sharing of data about products between providers could be a risk to competition, we could consider steps to mitigate this as part of our design of Open Communications: for example, in selecting which data points can or should be shared, or by imposing restrictions on data retention and usage.

## Consultation questions

Question 3: Do you agree with our view of the benefits for people and businesses that Open Communications could generate?

Question 4: Do you agree with our assessment of how Open Communications could enable services that benefit people in vulnerable circumstances? Are there other ways it could benefit people in vulnerable circumstances?

Question 5: Are there any risks that we have not identified that could reduce the overall benefits of Open Communications? Please provide evidence, where possible.

## 7. Core principles for the design and key questions to address

- 7.1 In this section we set out our initial views on:
- Some core principles that could help guide the design of Open Communications;
  - Which providers should make data that they hold available to be shared; and
  - Some of the key design questions and our initial views on how we would approach these.
- 7.2 We are sharing our thinking on these topics at an early stage, to allow industry and other stakeholders the opportunity to offer views about how Open Communications should work in practice. Some of our core principles could require a prescriptive approach towards obligations for providers and third parties, whereas for others we could encourage firms to innovate in how they meet them.
- 7.3 We welcome stakeholders' views on any of the questions raised in this section, including on areas where we are working with Government and other regulators to take a coordinated approach to data mobility initiatives in different sectors.

### **A set of core principles could guide the design of Open Communication**

- 7.4 Table 3 sets out our initial views on the principles that could apply to the design of Open Communications. These illustrate how we would approach key questions for the design, so that the model is effective and maximises the potential benefits for users. The principles would have implications for the responsibilities of both providers and third parties.

**Table 3: Key principles for the design of Open Communications**

Principle	Description
1 Data should be open to all eligible third-party services	Open Communications should make it as easy as possible for eligible third parties to access and make use of data, while ensuring that users are protected. Third parties should be able to access data under a standard agreement so that they need not negotiate with individual providers for access.
2 Data should reflect what people need to navigate the market effectively	Open Communications may require providers to share some data not easily available to customers today. For example, our research suggested that information about network service quality experience was among the key factors taken into account by participants when searching for a new deal. <sup>89</sup> The scope of Open Communications data may need to change to reflect the needs of people and businesses over time.
3 Security should be at the forefront of the design	Customers who use Open Communications should be able to share their data with ease and confidence. Providers and third parties that seek access to the data must ensure that data storage and transfer is secure. Third parties should uphold responsible data handling practices to assure users that their data will not be stored for longer than necessary or misused.
4 Users should be in control of the data they share	Users must be informed about and able to control the data that third parties can access about them and for what purposes they can use it. Information about how third parties will use data about customers, and any potential risks, should be clear and transparent.
5 Open Communications services should follow inclusive design principles and should be accessible to all users	Open Communications services should be designed inclusively for access technology users. Users should be able to access Open Communications services in a format that works for them. In addition, they should not feel deterred by complicated jargon or confusing and burdensome processes. <sup>90</sup>
6 Open Communications should safeguard competition	Open Communications will allow for sharing of certain pricing and other data with rival providers. It is important that this does not work in a way that detrimental to competition.

<sup>89</sup> Thirty-seven per cent of respondents considered the broadband speed on offer and thirty-two per cent considered the broadband speed they were already getting. Other relevant factors also include: the mobile phone signal strength in the places they spend the most time (19%) or how many complaints the new provider typically receives from customers (8%). Ofcom, August 2020, [Open Communications Survey](#), B8.

<sup>90</sup> Our quantitative research found that some participants were not confident in understanding the language and terminology used by providers when looking for a new deal (21% of respondents said they were not very or not at all confident for this reason). Ofcom, August 2020, [Open Communications Survey](#), B6.

7	The design should only impose proportionate requirements on providers	The costs of making data available via Open Communications should be proportionate to the potential benefits for people and businesses. While data that people need should be available, our approach should take into account the costs of providing it.
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## We need to determine which communications providers should share data that they hold

- 7.5 In principle, the more communication providers that participate in Open Communications, the more valuable it may be to people and small businesses overall. However, it may be disproportionate to impose requirements to share data on smaller providers that have fewer customers and may be less able to bear the technical requirements and costs.
- 7.6 We would need to determine which retail providers that serve residential customers and small businesses should be required to make data that they hold mobile or shared. In determining this, we would seek to:
- Maximise the number of people and businesses that can share data about their services;
  - Ensure that customers can get information about products and services from a wide range of providers; and
  - Avoid imposing costs on providers likely to be disproportionate to the benefits of Open Communications.
- 7.7 In practice, this could mean applying data mobility obligations on providers that account for a certain proportion of the market. Market share could be calculated by, for example, revenue and / or number of connections. We would also consider the benefit of making data available about new full fibre networks and other gigabit-capable services, given some providers of these services have a relatively small market share.
- 7.8 We would need to consider further how to apply this approach in the context of the small business market, including what scale of small businesses would be able to share their data and the complexity of their needs (as explored in section 3).
- 7.9 Open Communications could also require certain network operators and wholesale communications providers to make information available to retail providers, where necessary. For example, they may need to share data about the quality of experience that retail providers' customers experience.

## Open Communications would require providers to share information about their customers and products on request

### Providers would need to make certain metrics available where they apply to their products and services

- 7.10 Below we set out our early view of the types of data that Open Communications could make available to third parties. This view is informed by our initial consumer research into what customers would find it useful to share. The scope of this data may need to change over time as technology and market conditions evolve.
- 7.11 We consider that Open Communications would make two broad categories of data available: customer data and product data. Customer data is information specific to the tariff, usage or experience of a customer (whether a person or a business). Product data describes the characteristics of retail services, the service quality they offer and the aggregate experience of the customers who take it.
- 7.12 We would expect customer and product data to be available with respect to standalone and bundled variants of landline, fixed broadband, mobile and broadband and pay TV services.<sup>91</sup> Standalone and bundled variants of these services should both be available to reflect the real choices available to people from the market: in 2019, 81% of residential customers took bundled packages.<sup>92</sup> We would need to assess which products relevant to the needs of small businesses should be in scope.
- 7.13 We would also expect the communications providers in-scope of the Open Communications obligations to make all product and customer data metrics available to third parties on request, where these metrics could apply to the products and services that they offer. The time period over which customer data should be made available would also need to be defined, in line with existing data protection legislation and data retention requirements.

### Customer data is information about the services that individual people and businesses use

- 7.14 Table 4 presents our initial view of the customer data people could usefully share with third parties to achieve the benefits set out in section 6. We want to focus on making available the data that is most important to realise these benefits and we welcome stakeholders' views about the best ways to make it available for users of Open Communications to share.

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<sup>91</sup> We consider bundles to be products, services or tariffs where different constituent elements are provided or sold by the same provider under the same or closely related or linked contracts.

<sup>92</sup> Ofcom, [Pricing Trends in communications services report](#), Figure 12: Proportion of users, by type of bundled services.

**Table 4: Customer data that people and businesses would be able to share with third parties**

Who you are	How you use your service
Your name / your business’s name (including name(s) of account holders / managers).	How you use the allowances you have available (such as data usage, voice minutes used and messages sent).
The address on your account.	The number of devices you usually connect to the network and what kind of devices they are.
	Where you use any mobile devices or other services out-of-home.
Your contract and how much you are paying	The speed and wider performance of your current service
Your monthly contract price and how that will vary when out-of-contract (or already varies from the original contract price).	The different download and upload speeds your fixed broadband or mobile data connection delivers, recorded over time. For mobile services, we wish to enable users to share data about speeds where they spend the most time. <sup>93</sup>
How much you are spending each month on your bill including any additional charges.	The wider performance of your current network (including, for example, packet loss and latency). For mobile services this could include signal strength where users spend the most time, either predicted or measured.
Any additional agreements that are applied to your contracts (such as discounts), linked contracts (such as mobile handset agreements) or service level agreements.	
When your minimum contract period will end / when it ended.	
7.15	We are mindful that data would need to be collected and shared in compliance with existing regulation and data protection legislation. For example, data that would record where a customer uses their service may need to be compatible with the Privacy of Electronic Communications Regulations (PECR), which establish specific privacy rights in relation to electronic communications, including the processing of ‘location data’.
7.16	We welcome stakeholders’ views on whether some people with accessibility needs, or who are in vulnerable circumstances, may wish to be able to share with third parties any information that their communications provider holds that records these circumstances

<sup>93</sup> We are mindful of the potential complexities of developing a comparable means of measuring speed and wider performance metrics across networks. In some contexts, it could also be necessary for this metric to take into account the services that the connection was delivering, as well as the speeds, to make it a meaningful basis on which to compare networks.

(for example, they may find this convenient when they choose to adopt a new third-party service). Some people with accessibility needs or in vulnerable circumstances may be unhappy for providers to collect this information. They may also be reluctant for it to be shared with third parties.

- 7.17 Even where people consent to using Open Communications, there may be risks associated with storing such sensitive personal data. However, we consider that these risks should be mitigated effectively if providers controlling or processing this data are compliant with data protection regulation. Data protection regulation also imposes additional restrictions in relation to the processing of special category data, such as data concerning health.

### **Product data is information about communications services available on the market and the service providers offer to customers**

- 7.18 Communications providers would need to provide third parties with information about the products that they offer to new customers. Table 5 presents our initial view of the metrics this could include.

**Table 5: Product data that providers would make available to third parties**

Details about the retail offerings of the provider	Details about availability, speed and service quality commitments	Details about the service quality that customers have experienced
Details about the price of the tariff (such as the monthly price and / or other costs).	Information about the expected speed performance of a tariff (for example the actual speed of a broadband connection or potential speed of a mobile data package), including at the level of UK addresses, where this information is available.	Average time (in days) it takes the provider to deliver a service, from order to delivery (including new services, changes or home moves and split by technology).
Details about the length of the contract (such as the minimum contract period).	Information about network coverage and / or availability (including the availability of fixed broadband networks to UK addresses). For mobile services we wish to enable users to compare the speeds and performance they have received with what they could get from other providers.	Proportion of missed engineer appointments.
Details about core elements of the tariff and any additional services attached to it.	Any service level agreements attached to the tariff.	Average response times experienced by customers when reaching provider's customer service centre; the abandonment rates of those attempts.

### It would be important to make data available in a standardised form

- 7.19 We understand that in Open Banking the standardisation of banks' transaction data has made it easier for third parties to process data from different account providers, lowering barriers to entry. In the context of Open Communications, standardisation could make it easier for third parties to analyse data from different providers and to present customers with meaningful comparisons between services. However, standardisation could be a complex and potentially costly undertaking, at least for some of the data points described in Tables 4 and 5 above.
- 7.20 Our initial view is that to be effective Open Communications would also require standards for product data-sharing between providers and third parties (including other providers). These standards would establish appropriate protections for providers: for example, what



third parties can use the data and how that data is kept secure. The standards would also ensure that third parties need not wait for or be required to negotiate access to product data.

## **Providers would share data only at the customer's request**

- 7.21 A user of Open Communications should be informed about - and be able to understand - which parties will have access to data they share and for what purposes. With this information, the user can choose the specific data that they are comfortable sharing before they consent to share any data.
- 7.22 Customers will have different views on what data they are comfortable sharing with third parties. To help them make their decision, it should be clear what different categories of data mean. It may also be appropriate for Ofcom to take steps to ensure that users receive clear and consistent information from third parties about how they use customer data and the potential risks.
- 7.23 Firms would need to have a lawful basis on which to process Open Communications data that is personal data, as required by data protection legislation. In this document we refer to the importance of having users' consent to access and process their data, using consent as a term to capture different potential legitimate bases for processing the data: our initial view is that consent, as defined in the GDPR as one lawful basis for firms to process users' data, need not be the only lawful basis on which they process Open Communications data. For example, a provider or third party could potentially process an individual's personal data to deliver a contractual service them. This lawful basis would impose different requirements on firms to those of processing data on the basis of consent.
- 7.24 After users consent to share data, they should also be able to control the permissions they have granted to third parties easily. For Open Banking, the OBIE established standards to ensure that users can control what customer data third parties are permitted to access. For instance, many third parties offer dashboards for users to review these permissions. The independent consumer and SME representatives for the OBIE have explored the case for providing users with greater clarity and transparency about the consent that they have granted and greater control over it.<sup>94</sup>

## **Providers and third parties would need robust processes for authorisation and authentication**

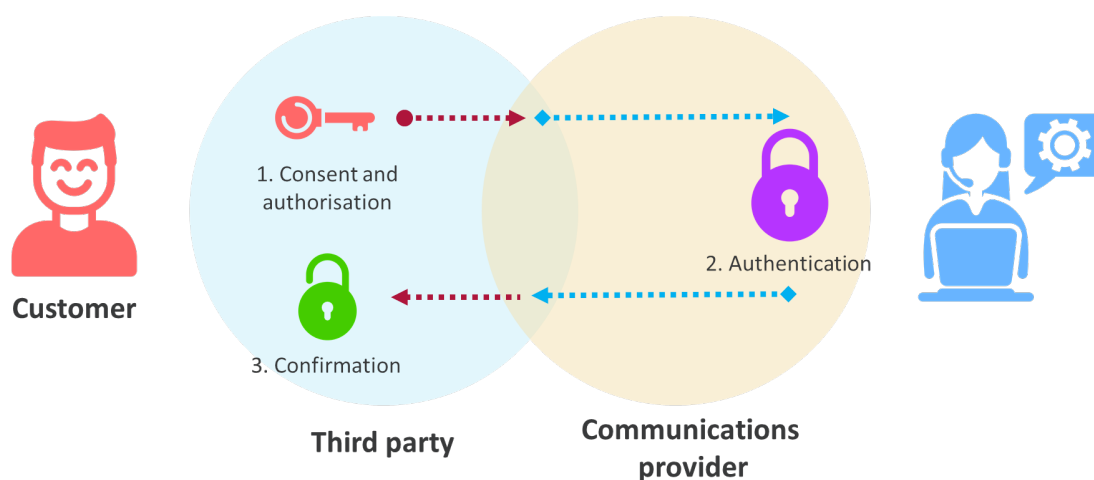
- 7.25 To build confidence in the use of Open Communications, the ability to share data easily would need to be balanced against the need for secure authorisation and authentication processes. In this context we define these terms as follows:

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<sup>94</sup> OBIE, June 2019, [Consumer Priorities for Open Banking](#), June 2019, p. 30.

- **Authorisation** would be the process whereby a third party gains and manages an individual or business's consent to access data about them from their communications provider and demonstrates to that provider that it has this consent.
- **Authentication** would be the process whereby a communications provider verifies that a third party has been granted consent from the user to access and share data about the customer and that this user is their customer.

Figure 6: High-level illustration of the processes for enabling a third party to access customer data



- 7.26 The experience of Open Banking suggests that robust and secure processes of authorisation and authentication are critical for people to trust the emerging ecosystem of third-party services. At this stage we are not yet proposing any specific technological approach to authorisation or authentication. The underlying technologies are evolving quickly, driven in large part by the work of open standards membership bodies. Government and regulators are also considering how they could facilitate coordinated approaches to authentication between regulated data mobility initiatives.
- 7.27 For Open Communications, we would expect verification of user identity should require only information that is easy for the user to access (such as a password or account number).<sup>95</sup> We would also wish to encourage innovation to enable quick and easy access while maximising the security of customer data.
- 7.28 Below we provide a step-by-step example of an approach to authorisation and authentication online, to illustrate the actions that might providers and third parties may need to perform.

<sup>95</sup> The ICO advises that authentication process which require users to verify their identity should use elements with which the user is familiar, such as a known password or account number. See ICO, [Passwords in online services](#).

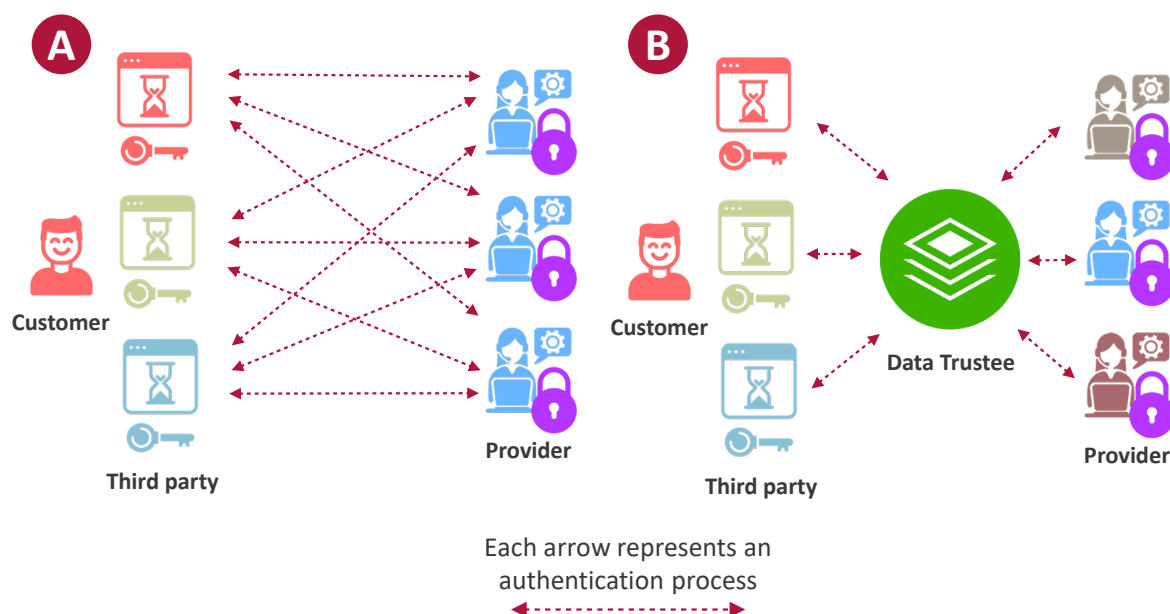
Figure 7: More detailed illustration of a potential approach to authorisation and authentication



7.29 Another approach we might consider for Open Communications is a 'data trustee' model. Here, a central body would act as an authenticating platform between the user, the third party and the provider. The existence of a data trustee may take away the need for providers and third parties to interact with a range of other firms.

7.30 We welcome stakeholders' views on the pros and cons of different approaches.

Figure 8: Illustration of a data trustee model by comparison with provider-led authentication



7.31 We would also like to explore how Open Communications could be designed for users who do not have internet access to be able to use third party services. Around one in ten UK adults (11%) do not have internet access; this proportion is higher among those aged 55+ and those with the lowest household incomes.<sup>96</sup> As well as authorisation and authentication online, we could also consider how third-party services might verify the identity of a user in person or over the phone to allow them to share their data.

## Open Communications should incorporate data protection principles into rules for providers and third parties

7.32 Our research found that 74% of existing users of price comparison websites consider it very important that such websites protect their personal information.<sup>97</sup> We consider that for people to be willing to share their personal data, they must be certain that it will be physically secure and that they can trust how third parties will use it.

7.33 The GDPR and the Data Protection Act 2018 establish the regulatory framework for addressing a range of data protection harms, as well as for transparency about how firms use personal data. As set out above, the legislation imposes additional requirements for the handling of special category data, such as health data. The ICO is the supervisory authority for data protection in the UK and can take enforcement action where appropriate.

<sup>96</sup> Twenty-three per cent of adults aged 55+ and thirty-eight per cent of those with a household income of less than £10,400 per annum do not have internet access at home. [Ofcom Technology Tracker 2020](#), p. 246.

<sup>97</sup> Ofcom, August 2020, [Open Communications Survey](#), A6.

- 7.34 The ICO encourages the development of sector-specific data protection codes of conduct by industry and regulators.<sup>98</sup> We would welcome the opportunity to work with industry and the ICO to develop a code of conduct for communications providers and third-party intermediaries that reflects the specificities of Open Communications. Such codes could cover the physical security of data, illustrate how to meet requirements for purpose limitation and the right to be informed, and guide policies for the onward sharing of data (for example from a third party to a gaining provider).

## Open Communications would require arrangements for determining liability and offering redress

- 7.35 In order for an Open Communications initiative to work effectively, it is important that there is a process in place to determine liability and offer redress when things go wrong. Examples of potential harm could include the consequences for people and businesses of receiving misleading advice or being mis-sold a product by a third party using Open Communications data.
- 7.36 Liability questions could also arise between providers and third parties. For example, a provider and third party could enter into a dispute about the handling of product data or responsibility for harm to a customer.
- 7.37 At present, people and businesses with up to 10 employees can make complaints about communications providers through an Alternative Dispute Resolution (ADR) scheme, such as the Ombudsman Services or the Communication and Internet Services Adjudication Scheme (CISAS). These ADR schemes can award redress where a customer has been caused distress or inconvenience.
- 7.38 Third parties that operate in the communications sector are under no obligation to join ADR schemes and are outside the jurisdiction of the Ombudsman Services and CISAS. There is also no dedicated means for third parties or providers to raise disputes, other than the option of a commercial court.
- 7.39 Government is currently considering whether a consistent approach to liability and redress might operate across different regulated data mobility initiatives.<sup>99</sup> We consider that the arrangements currently in place within the telecoms industry could be adapted in future to protect people that use Open Communications. New arrangements could be required to administer disputes between providers and third parties and we are seeking stakeholders' input on this question.

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<sup>98</sup> See ICO, [Codes of Conduct](#).

<sup>99</sup> Department for Business, Energy and Industrial Strategy, June 2019, [Smart Data: Putting consumers in control of their data and enabling innovation](#), p. 31.

## An accreditation scheme could ensure third parties' compliance with standards and Government is considering how it might apply

- 7.40 Ofcom administers a voluntary accreditation scheme for digital comparison tools, with the objective of building customers' trust in comparison tools in the communications market. We envisage that an accreditation scheme for third parties with access to Open Communications data could serve a similar purpose.
- 7.41 We expect that accreditation for use of Open Communications data would need to be compulsory, to demonstrate to users that all third parties have met the required security, technical and operational standards. Objectives for the accreditation process could include:
- Giving users and providers confidence that third parties will handle customer data appropriately, ethically and for customer-authorized purposes only;
  - Assuring users and providers that third parties have met predefined security and data protection standards;
  - Clarifying how third parties should design their services inclusively so that everyone is able to enjoy the benefits of sharing data, including people in vulnerable circumstances;<sup>100</sup> and
  - Building trust in third parties among people and businesses and increasing the likelihood of people using third-party services.
- 7.42 The Government's Smart Data Review considered the benefits of establishing a cross-sectoral accreditation scheme, which could be overseen by a Smart Data Function, to encourage innovation and deliver benefits to people and businesses across sectors. This would allow new third-party services to participate in different sectoral data mobility initiatives more easily by having to comply with only one accreditation process.<sup>101</sup>
- 7.43 We recognise the potential benefits that a cross-sectoral accreditation regime could have in minimising barriers to new and innovative third-party services and providing a single gateway for participation in regulated open data initiatives in different markets. We plan to work with Government and other sectoral regulators on the approach to accreditation and provide input with respect to the needs of Open Communications.
- 7.44 In future, further oversight of third parties could also be necessary to ensure fairness for people and businesses. Currently Ofcom and the CMA take enforcement action with respect to the application of consumer and competition law and the activities of third parties that operate in the communications sector. We are mindful that Open Communications could introduce further risks to people and businesses that, where general consumer law may be insufficient, could require dedicated regulatory oversight of third-party intermediaries in the communications sector (in addition to an accreditation scheme).

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<sup>100</sup> We elaborate on 'inclusive design' in Ofcom, July 2020, [Treating vulnerable customers fairly](#), p. 9.

<sup>101</sup> Department for Business, Energy and Industrial Strategy, June 2019, [Smart Data: Putting consumers in control of their data and enabling innovation](#), p. 29.

## The design needs to create incentives for third parties to invest in innovative services – not least by encouraging users’ trust

- 7.45 An effective Open Communications initiative would rely on a range of third parties having sufficiently strong incentives to make use of the data. Some third parties with which we have engaged have expressed an interest, in principle, in using the data to provide innovative services. However, it will be important to build trust among users through the design of Open Communications to make use of the data attractive for third parties.
- 7.46 We have also considered how the design could keep the practical and financial barriers for third parties (both intermediaries and communications providers) to using the data sufficiently low, both on an initial and ongoing basis. Third parties would have to incur costs to use the data and in section 8 we set out what form these costs might take and which may be the most significant. Overall, however, we consider that the design of Open Communications can create the right incentives for a range of innovative third-party services that use the data to emerge.

### Consultation questions

Question 6: Do you agree with the core principles that we have identified for the design of Open Communications?

Question 7: On what kinds of communications providers do you consider that any obligation to provide customer and product data should sit?

Question 8: Do you agree with our initial views on how to approach key issues for the design and operation of Open Communications? Do you have comments to make on other implementation issues?

Question 9: Do you agree with our view of the data that Open Communications should make available to third parties? Is there data about accessibility needs or vulnerable circumstances that people would benefit from being able to share with third parties?

Question 10: What are your views on the appropriate arrangements for determining liability and redress in disputes between customers, providers and / or third parties?

## 8. The costs of Open Communications

- 8.1 We consider that an Open Communications initiative is likely to offer users many benefits, but there are also likely to be significant costs to providers - and to some extent to third-party intermediaries - associated with setting it up and operating it on an ongoing basis.
- 8.2 In this section we describe our current understanding of the main areas of cost that providers would incur in implementing Open Communications. We are seeking stakeholders' input on these to help us assess the potential cost of any regulatory obligations and ensure that they are proportionate to the potential benefits.
- 8.3 We also wish to understand from stakeholders how the design of Open Communications may affect the cost of developing and operating services that use the data. This will allow us to assess whether future design choices could reduce the cost of using this data, which in turn could provide a stronger incentive for third parties to incorporate it into new services that benefit users.
- 8.4 In developing our initial thinking, we have discussed potential costs with stakeholders in the communications sector and the Open Banking ecosystem. Given the early stage of our work, and the extent to which the costs may depend on the design and the volume of data-sharing, we have not yet attempted to quantify costs.

### Cost categories to consider

- 8.5 We have identified several areas where the set-up and operation of Open Communications is likely to incur costs. We have split these into two categories:
- Firstly, we look at the types of costs associated with the generation and sharing of Open Communications data. Providers are likely to need to incur these costs to enable data mobility on an ongoing basis.
  - Secondly, we look at the costs of enabling and providing services for people and businesses using Open Communications data. These costs might be incurred by third parties, including intermediaries and providers.
- 8.6 Within each of these categories we have identified individual activities that providers and / or third-party intermediaries will need to undertake. These are listed in Table 6 below.



**Table 6: Categories of costs**

Generating and sharing Open Communications data	Enabling and providing services using Open Communications data
Database consolidation	Registering as an accredited provider
Standardising metrics	Receiving and processing product data
API development	Receiving and processing customer data
Authentication	Developing the ability to offer services using product and customer data
End-to-end secure data transfer	
IT maintenance and running costs	

## Generating and sharing Open Communications data

- 8.7 There are a number of factors that could affect the scale of the costs to providers associated with generating and sharing Open Communications data:
- Work done to comply with other interventions could reduce the incremental cost of Open Communications. For example, cost to collate information for Open Communications may have been realised, at least in part, in the context of the recently introduced requirement that providers send end-of-contract notification and annual best tariff notifications.
  - Firms with more flexible systems and more experience working with technical components required for Open Communications (such as system design, APIs and security) may face lower development costs.
  - Due to the complexity of some business products, some of the development costs to deliver Open Communications for small business customers may be greater than those for residential customers.
  - There may be further costs associated with continuing to develop Open Communications after its initial launch, such as the cost of generating new metrics.
  - Cross-sectoral approaches to elements of Open Communications may reduce implementation costs.
- 8.8 By way of mitigation, common guidelines and technical standards for providers could help to streamline development and avoid unnecessary costs. In addition, providing clarity to providers as early as possible about the standardised data and processes that will be required should help to reduce implementation risks for firms.
- 8.9 Below we explore the potential costs associated with the key steps that providers would need to take to make Open Communications data available.

### Database consolidation: making customer data available for sharing

- 8.10 The data that providers might share as part of Open Communications may not currently be held in one place. For example, billing data, usage data and product data may all be held in different databases. Providers may need to bring together a range of information from across different databases to be able to share it.
- 8.11 We expect that database consolidation could be a relatively significant cost. The process of pulling information together will be a more complex process for those providers with a range of internal systems built around different technical standards. However, costs may be lower for providers that have already started to consolidate their customer and product data, for reasons such as:
- Presenting data (e.g. billing, usage, product) to customers through their website or mobile application;
  - Pulling information together for the use of customer service agents answering customer queries;
  - Analysing the data for the provider's own uses. For example, tailoring product or price offerings to groups of customers who have certain usage patterns or are viewed as more likely to switch their provider; and
  - Meeting other regulatory or legislative obligations, such as the GDPR or the introduction of end-of-contract notifications.

### Standardising metrics: implementing shared standards to enable more comprehensive and easier analysis

- 8.12 We expect the initial cost of standardisation to depend on whether and how firms currently record equivalent data internally.
- 8.13 Broadly, the metrics that we are considering including are data that we expect a range of providers to gather today, although providers may need to incur some costs where data is currently recorded in a different way. Providers might also need to gather the required information to provide metrics they do not currently collect.
- 8.14 The costs of standardising existing metrics, and collecting new ones, will depend on the number of metrics to standardise and their complexity. Data points that require complex analysis to generate (e.g. signal strength in different locations) could be more costly to create.

### API development and end-to-end secure data transfer

- 8.15 APIs may be the best means for firms to share data quickly and safely, although we are open to stakeholders' views about alternatives. The costs to providers of developing them will vary, for example with their security requirements.

- 8.16 Customer data being transferred from one system to another requires security to prevent it from being intercepted.<sup>102</sup> It also requires encryption to ensure that, even if intercepted, the data would be unusable to whoever captured it.
- 8.17 Any party sending (or receiving) data will need to ensure that they have appropriate security and encryption solutions in place. The application of agreed security standards and interoperable solutions should mitigate costs, but providers would likely incur costs to apply security protocols and ensure that third parties can access data securely (further security requirements would also fall on accredited third parties).
- 8.18 Any firm that operates APIs needs to invest in computing power to handle requests for data. Achieving suitably fast response times may require additional computing power, to ensure that servers are not overloaded.

### **Authentication and consent management to ensure data is shared only with authorised third parties and for approved purposes**

- 8.19 As described in section 7, at this stage we are not proposing specific technical approaches to authentication or consent management by providers (or third parties). However, we anticipate that the costs of implementing the authentication and consent management processes may be significant.
- 8.20 We are mindful that open standards, overseen by industry membership bodies, are important to the development of authentication technology. Open standards-based approaches could help to reduce the costs of developing the right solution for Open Communications.

### **IT maintenance and running costs**

- 8.21 Over time there will be running costs for Open Communications. These could arise in part from the need to update the software required to support APIs, authentication and encryption technologies. There will also likely be some hardware costs, such as daily power costs, alongside general maintenance to keep equipment in working order. There may be occasional investments to replace aging equipment or to increase capacity.

### **Enabling and providing services using Open Communications data**

- 8.22 As discussed in section 7, the breadth and depth of data that Open Communications would make available presents a significant opportunity for third-party services to enter the market. If people and businesses take up these services, third parties should recoup what they invest to process the data. Open Communications could also cut the costs of existing digital comparison tools that acquire and process product data from providers.

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<sup>102</sup> For example, Transport Layer Security makes up an element of Open Banking's encryption requirements.

- 8.23 However, there will be costs to developing new services and incorporating Open Communications into existing ones. This investment may be risky, particularly for firms offering new or innovative services.
- 8.24 We have set out below the potential costs associated with each of the key steps third parties will need to undertake to provide services using Open Communications data.

#### **Registering as an accredited provider**

- 8.25 As discussed in section 7, we expect that it would be necessary for firms that wish to access Open Communications data to register on a list of approved firms with some form of oversight entity. This entity would likely incur certain costs, which may need to be recovered from industry. Third parties may also incur some costs in the context of the registration process. The size of these costs would likely depend on the scope of the entity's functions and take-up of Open Communications.

#### **Receiving and processing product data**

- 8.26 Third-party intermediaries currently access product data from providers in different ways, under commercial agreements. Providers may make this product data available to third parties via APIs or as bulk data files. As set out in section 7, we expect that Open Communications could make this data more easily available to all accredited third parties, via standardised means (which could be APIs). However, third parties would need to develop systems to request and process the data.
- 8.27 The cost may be counteracted by savings in current ongoing data collation costs (and future increased revenues). Some organisations may be able to avoid some up-front cost by using data packaged by a technical aggregator, an approach which appears to be common in the Open Banking ecosystem.

#### **Receiving and processing customer data**

- 8.28 Third parties will also need to develop the ability to request and manage customer data. This would require complying with the relevant authentication, consent management and security standards.
- 8.29 The costs of receiving and processing customers' data could be significant. Data mobility on the scale of Open Communications does not take place today in the telecoms and pay TV markets today. As such, systems will need to be built or adapted. The process of transferring it will need to be secure and thoroughly tested by the third parties.

#### **Developing ability to offer services using product and customer data**

- 8.30 A third party that receives customer and / or product data under Open Communications would also need to analyse it to provide insights and additional value to its users. It might also have to develop its user interface to incorporate new functionality.
- 8.31 The cost of the required system development will depend heavily on the type of service being offered to the customer and the extent of changes required. However, the design of

any Open Communications regulation, including standardisation of Open Communications data, may mitigate some of the costs of developing new analytics.

## Consultation questions

Question 11: Do you agree that we have identified the main sources of costs for implementing Open Communications for both providers and services that use Open Communications data? Are there any sources of costs that we have missed?

Question 12: What factors will drive the overall scale of costs to in-scope communication providers and to third parties? How might this level of cost vary depending on whether providers serve residential and / or business customers?

Question 13: If relevant, please estimate and describe, as far as possible, the costs to your organisation of implementing and running Open Communications.

Question 14: If relevant, would your organisation consider using Open Communications data as a third party to offer new services or enhance existing ones?

## 9. Next steps

### **We will work with stakeholders to further consider the implementation of Open Communications**

- 9.1 The deadline for responses to this consultation is Tuesday 10 November 2020.
- 9.2 The responses will help us to further develop our understanding of what Open Communications could achieve for people and businesses, how it could operate and the potential costs. We plan to publish a statement summarising the responses to this consultation and setting out how we plan to proceed in the first half of 2021.
- 9.3 We will continue to engage with a wide range of stakeholders in coming months - including communications providers, digital comparison tools and other innovative third-party intermediaries, the ICO and other regulators, consumer groups and Government - on the content of this consultation and on how to implement Open Communications in coordination with other regulated data mobility initiatives.
- 9.4 The issues we wish to consider further with stakeholders include:
- How Ofcom could work with providers and third parties to implement Open Communications if legislation empowers it to do so, including whether it would benefit all stakeholders to establish a specialist vehicle to oversee implementation;
  - How to approach the technical challenge of providing standardised customer and product data and how to define the metrics;
  - How to ensure that data mobility is safe and secure and that users are in control; and
  - How design can mitigate the costs of implementing Open Communications.
- 9.5 If you would like to discuss the contents of this consultation or on the implementation of Open Communications, please contact us at [opencommunications@ofcom.org.uk](mailto:opencommunications@ofcom.org.uk).
- 9.6 It will be for Government to consider whether to introduce legislation to enable the implementation of Open Communications. Responses to this consultation may help to inform any future technical advice from Ofcom to Government to support the future development of Open Communications.

# A1. Responding to this consultation

## How to respond

- A1.1 Ofcom would like to receive views and comments on the issues raised in this document, by 5pm on 10 November 2020.
- A1.2 You can download a response form from <https://www.ofcom.org.uk/consultations-and-statements/category-1/open-communications>. You can return this by email to the address provided in the response form.
- A1.3 If your response is a large file, or has supporting charts, tables or other data, please email it to [opencommunications@ofcom.org.uk](mailto:opencommunications@ofcom.org.uk), as an attachment in Microsoft Word format, together with the [cover sheet](#). This email address is for this consultation only, and will not be valid after 10 November 2020.
- A1.4 We welcome responses in other formats, for example an audio recording or a British Sign Language video. To respond in BSL:
- Send us a recording of you signing your response. This should be no longer than 5 minutes. Suitable file formats are DVDs, wmv or QuickTime files. Or
  - Upload a video of you signing your response directly to YouTube (or another hosting site) and send us the link.
- A1.5 We will publish a transcript of any audio or video responses we receive (unless your response is confidential)
- A1.6 We do not need a paper copy of your response as well as an electronic version. We will acknowledge receipt if your response is submitted via the online web form, but not otherwise.
- A1.7 You do not have to answer all the questions in the consultation if you do not have a view; a short response on just one point is fine. We also welcome joint responses.
- A1.8 It would be helpful if your response could include direct answers to the questions asked in the consultation document. The questions are listed at Annex 4. It would also help if you could explain why you hold your views, and what you think the effect of Ofcom's proposals would be.
- A1.9 If you want to discuss the issues and questions raised in this consultation, please contact Saad Mustafa by email to [Saad.Mustafa@ofcom.org.uk](mailto:Saad.Mustafa@ofcom.org.uk).

## Confidentiality

- A1.10 Consultations are more effective if we publish the responses before the consultation period closes. In particular, this can help people and organisations with limited resources or familiarity with the issues to respond in a more informed way. So, in the interests of transparency and good regulatory practice, and because we believe it is important that

everyone who is interested in an issue can see other respondents' views, we usually publish all responses on [the Ofcom website](#) as soon as we receive them.

- A1.11 If you think your response should be kept confidential, please specify which part(s) this applies to, and explain why. Please send any confidential sections as a separate annex. If you want your name, address, other contact details or job title to remain confidential, please provide them only in the cover sheet, so that we don't have to edit your response.
- A1.12 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and try to respect it. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.
- A1.13 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's intellectual property rights are explained further in our [Terms of Use](#).

## Next steps

- A1.14 Following this consultation period, Ofcom plans to publish a statement in the first half of 2021.
- A1.15 If you wish, you can [register to receive mail updates](#) alerting you to new Ofcom publications.

## Ofcom's consultation processes

- A1.16 Ofcom aims to make responding to a consultation as easy as possible. For more information, please see our consultation principles in Annex 2.
- A1.17 If you have any comments or suggestions on how we manage our consultations, please email us at [consult@ofcom.org.uk](mailto:consult@ofcom.org.uk). We particularly welcome ideas on how Ofcom could more effectively seek the views of groups or individuals, such as small businesses and residential consumers, who are less likely to give their opinions through a formal consultation.
- A1.18 If you would like to discuss these issues, or Ofcom's consultation processes more generally, please contact the corporation secretary: [corporationsecretary@ofcom.org.uk](mailto:corporationsecretary@ofcom.org.uk)



## A2. Ofcom's consultation principles

### Ofcom has seven principles that it follows for every public written consultation:

#### Before the consultation

- A2.1 Wherever possible, we will hold informal talks with people and organisations before announcing a big consultation, to find out whether we are thinking along the right lines. If we do not have enough time to do this, we will hold an open meeting to explain our proposals, shortly after announcing the consultation.

#### During the consultation

- A2.2 We will be clear about whom we are consulting, why, on what questions and for how long.
- A2.3 We will make the consultation document as short and simple as possible, with a summary of no more than two pages. We will try to make it as easy as possible for people to give us a written response. If the consultation is complicated, we may provide a short Plain English / Cymraeg Clir guide, to help smaller organisations or individuals who would not otherwise be able to spare the time to share their views.
- A2.4 We will consult for up to ten weeks, depending on the potential impact of our proposals.
- A2.5 A person within Ofcom will be in charge of making sure we follow our own guidelines and aim to reach the largest possible number of people and organisations who may be interested in the outcome of our decisions. Ofcom's Consultation Champion is the main person to contact if you have views on the way we run our consultations.
- A2.6 If we are not able to follow any of these seven principles, we will explain why.

#### After the consultation

- A2.7 We think it is important that everyone who is interested in an issue can see other people's views, so we usually publish all the responses on our website as soon as we receive them. After the consultation we will make our decisions and publish a statement explaining what we are going to do, and why, showing how respondents' views helped to shape these decisions.

## A3. Consultation coversheet

### BASIC DETAILS

Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

### CONFIDENTIALITY

Please tick below what part of your response you consider is confidential, giving your reasons why

Nothing

Name/contact details/job title

Whole response

Organisation

Part of the response

If there is no separate annex, which parts? \_\_\_\_\_

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If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

### DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name

Signed (if hard copy)

## A4. Consultation questions

Question 1: Do you agree with our assessment of the challenges that people and SMEs face when engaging with the market, which Open Communications might help to address? Please explain and provide evidence.

Question 2: Is there additional evidence of problems that people and SMEs face when engaging with the market that you would expect Open Communications to help address? Please explain and provide evidence.

Question 3: Do you agree with our view of the benefits for people and businesses that Open Communications could generate?

Question 4: Do you agree with our assessment of how Open Communications could enable services that benefit people in vulnerable circumstances? Are there other ways it could benefit people in vulnerable circumstances?

Question 5: Are there any risks that we have not identified that could reduce the overall benefits of Open Communications? Please provide evidence, where possible.

Question 6: Do you agree with the core principles that we have identified for the design of Open Communications?

Question 7: On what kinds of communications providers do you consider that any obligation to provide customer and product data should sit?

Question 8: Do you agree with our initial views on how to approach key issues for the design and operation of Open Communications? Do you have comments to make on other implementation issues?

Question 9: Do you agree with our view of the data that Open Communications should make available to third parties? Is there data about accessibility needs or vulnerable circumstances that people would benefit from being able to share with third parties?

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Question 14: If relevant, would your organisation consider using Open Communications data as a third party to offer new services or enhance existing ones?

## A5. Glossary

Term	Description
Accreditation	The process of registering third parties seeking access to Open Communications data and verifying that they have met certain standards.
Authentication	The process whereby a communications provider would verify that a third party has been granted consent from the user to access and share data about the customer and that this user is their customer.
Authorisation	The process whereby a third party gains and manages an individual or business's consent to access data about them from their communications provider and demonstrates to that provider that it has this consent.
Customer data	Information specific to the tariff, usage or experience of a customer (whether a person or a business), which Open Communications would enable to customer to share.
Data mobility	People's ability to share the data firms hold about them and to derive value from it.
Digital comparison tools	Web-based, app-based or other digital intermediary services used by consumers to compare and potentially to switch or purchase products or services from a range of businesses.
Open Banking	A regulatory intervention that enables people to share granular data about their current account transactions, held by their bank, with third-party firms to take advantage of innovative new services.
Open Communications	A data mobility initiative for the communications market, which would require providers to make standardised customer and product data available to accredited third parties.
Price comparison websites	A subset of digital comparison tools, offering a 'traditional' comparison service (i.e. listing results that can be compared on various metrics).
Product data	Information about the characteristics of retail services, the service quality they offer and the aggregate experience of the customers who take it, which Open Communications would require providers to share with third parties.
Third party	Any firm or organisation with which a person might share Open Communications data or with which they interact to help them navigate the communications market, other than their communications provider(s).