



Department
for Business
Innovation & Skills

**HELPING CONSUMERS GET A
BETTER DEAL**

Call for evidence on improving
the consumer landscape and
quicker switching

MAY 2016

Contents

Call for evidence on improving the consumer landscape and quicker switching	3
1. Introduction	4
1.1 Next steps	5
1.2 Freedom of Information	5
1.3 Devolution	5
2. The consumer landscape	6
2.1 Consumer advice	7
2.2 Consumer advocacy.....	8
2.3 Alternative Dispute Resolution.....	9
2.4 Consumer Data	11
2.5 Enforcement of Consumer Law	12
3. Consumer Switching	13
4. Making switching easier and improving consumer choice	17
4.1 Auto-renewal of contracts.....	17
4.2 Fixed-price/ fixed-term or ‘lock-in’ contracts.....	17
4.3 Other contract issues	17
5. How to respond	18
6. Confidentiality and data protection	19
7. Help with queries.....	19
8. Comments or complaints.....	20
Annex A: Response form	21
Annex B: Flow charts	32
Annex C: List of individuals/organisations consulted	37

Call for evidence on improving the consumer landscape and quicker switching

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Respond by: 23 June 2016

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Consumer Landscape and quicker Switching – Call for Evidence Team
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Citizen Space: <https://bisgovuk.citizenspace.com/ccp/improving-the-consumer-landscape>

This consultation is relevant to those stakeholders on whom the proposal will impact or who will have an interest e.g. business, consumers, and regulators.

1. Introduction

Government aims to create and maintain a fair and competitive business environment that leads to economic growth and to ensure that individuals are equipped with the knowledge and ability to understand their consumer rights and make good choices.

Active and assertive consumers are key to creating competitive and dynamic markets. They incentivise businesses to be agile and responsive, to innovate and be more efficient and to improve their competitive offer. However, to fulfil this role effectively, consumers need to be well informed, unencumbered in pursuing the best deal and sufficiently protected when things go wrong.

The Government's aim is to empower consumers to make wise decisions when purchasing goods and services. Consumers who are better informed with easy access to information are more likely to demand choice and by exercising it, stimulate competition and innovation. Consumers who demand high standards are more likely to drive a hard bargain ensuring businesses do not become complacent and take their customers for granted.

There remains a clear need for consumer advice and representation, both to protect the most vulnerable consumers, who may not be able to access or interpret information, and to support those looking to secure the best possible deal. In the regulated sectors it is particularly important for consumers to have access to advice and information and for there to be strong advocacy on their behalf.

The Call for Evidence is divided into three sections. The first section covers the consumer landscape in the energy, communications, water and transport sectors and seeks views and evidence on:

- Whether there are any problems with the current provision of advice, advocacy and dispute resolution in the energy, communications, water and transport sectors, and, if so, how it could be improved.
- Whether data on consumer complaints in these sectors can be made easier to access.
- Whether more can be done to get consumers their money back in these sectors when they have suffered detriment.

The second and third part of the Call for Evidence covers all sectors where consumers have choice in their providers and seeks views and evidence on:

- Whether more can be done to make switching quicker and easier and improve consumer choice.

1.1 Next steps

The call for evidence will be open for 4 weeks. Following the end of the call for evidence, we will assess responses and consider what changes to the consumer landscape and switching should be included in the Better Markets Bill later this year.¹ The tailored review of the Consumer Council for Water is due to take place in 2019. The Government will need robust evidence to justify any changes in this sector before this date.

1.2 Freedom of Information

Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want information, including personal data that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

1.3 Devolution

Consumer advice and advocacy in respect of general consumer law, the postal, electricity and gas sectors were devolved to Scotland on 23 May and water is already devolved to Scotland and Wales. Consumer protection is devolved to Northern Ireland. The Government will seek the views of the devolved administrations and take devolution considerations into account when assessing the evidence.

¹ The Better Markets Bill was announced in the Queen's Speech on 18 May 2016. See: <https://www.gov.uk/government/speeches/queens-speech-2016>

2. The consumer landscape

In 2011, the Conservative and Liberal Democrat coalition government published a consultation on reforming the consumer landscape.² The consultation found that the landscape of bodies responsible for empowering and protecting consumers, including the provision of advice and advocacy was inefficient and confusing, leaving consumers uncertain who to turn to for help and advice when things go wrong.³

Following the consultation the then government announced that the provision of consumer advice and advocacy in the non-regulated sectors and in the regulated gas, electricity and postal services industries would transfer to Citizens Advice.⁴

In respect of transport and telecoms, it was acknowledged that there were concerns whether Citizens Advice had the knowledge and expertise to take on the advice and advocacy role at that time. It was also acknowledged that in respect of water there were concerns about the timing of any change due to Ofwat's price review. As a result it was announced that there would be no change in respect of the provision of advice and advocacy in the water sector.

The Consultation also asked whether the provision of existing redress schemes, such as those in energy and communications, should be extended to the water and transport sectors. It was decided to delay a decision on extending existing redress schemes until the Alternative Dispute Resolution (ADR) Directive had been negotiated and implemented in the UK.⁵

In its Competition Plan the Government announced that it would hold a series of Star Chambers to consider the work of the Economic Regulators in the energy, communications, water, rail and aviation sectors.

Following on from the Star Chambers the Government believes that it is the right time to look again at whether the provision of advice, advocacy and dispute resolution in the energy, communications, water and transport sectors can be improved.⁶ While not included in the Star Chamber process, the roads and bus sectors are also included in this Call for Evidence in recognition of the multi-modal dimension of Transport Focus and London TravelWatch's remits. In addition the Government also wants to consider whether more can be done to make data on consumer complaints more readily available and if there is scope to enable more consumers to get more of their money back when they have suffered detriment in these markets.

² www.gov.uk/government/uploads/system/uploads/attachment_data/file/31394/11-970-empowering-protecting-consumers-consultation-on-institutional-changes.pdf

³ www.gov.uk/government/uploads/system/uploads/attachment_data/file/253701/bis-12-510-empowering-protecting-consumers-government-response-1.pdf

⁴ www.gov.uk/government/uploads/system/uploads/attachment_data/file/253701/bis-12-510-empowering-protecting-consumers-government-response-1.pdf

⁵ The reforms introduced by the ADR Directive were fully implemented in the UK in October 2015

⁶ www.gov.uk/government/uploads/system/uploads/attachment_data/file/480798/a_better_deal_for_families_and_firms_web.pdf

2.1 Consumer advice

It is important that consumers are able to access high quality advice and information and to find the best deal and have the knowledge and confidence to act. It is also important that they understand their rights and how to exercise them when problems arise. In sectors where consumers have a choice of providers consumers are more likely to switch (and reap the benefits of doing so) if they are engaged in and understand the process.

At present there are a number of different bodies in these sectors responsible for offering consumers advice and information. In sectors where consumers have a choice of providers these bodies can be restricted in the type of advice that can be funded by the levies on businesses which fund much of their activities, for example from providing help and advice to assist consumers to take action to switch.

The Government recognises that these organisations have particular skills and expertise in their sectors but having a number of different sources and routes to advice means there is a risk that roles overlap, with scope for confusion and inconsistency in the advice consumers are being given.

The Government is seeking evidence on whether there are problems with the provision and routes to consumer advice and information in these sectors and if so how could it be improved. We recognise that improvements to the consumer landscape that are made may have an impact on the levies on businesses that fund advice providing bodies.

Q1. Are there problems with the current provision and routes to advice and information for consumers in these sectors?

Q2. If yes, what are these problems and how can provision be improved?

2.2 Consumer advocacy

Effective consumer advocacy is about representing consumer interests and promoting consumer rights with the power to change things. Consumer advocacy tackles the issues with a range of activities, including research, analysis and investigations of instances of wide ranging consumer detriment.

Most of the regulators in these sectors have a consumer panel with responsibility for advising its board on the problems faced by consumers in that sector and what they want and need from the regulator. Regulators also engage with a wide range of stakeholders to ensure that the regulation of utility/network businesses is responsive to consumers. In this they are supported by consumer research, particularly surveys, that identify where there may be problems and what action the regulator may need to take to address them. In the water sector, the Consumer Council for Water represents customers and makes sure that their interests are at the heart of decision-making.

In the transport sector, Transport Focus and London TravelWatch are specialist bodies representing the interests of transport users and providing independent expert research for government. The Government recognises in some areas, including Transport, there are benefits in having consumer representation and specialist research which is able to look across a number of modes of transport. We are also alive to the risks of further disruption to business models recently introduced.

The Government is seeking evidence on whether there are problems with the current advocacy landscape and if so how can it be improved.

Q3. Are there problems with the way that consumers are represented in these sectors?

Q4. If yes, what are these problems and how can it be improved?

2.3 Alternative Dispute Resolution

Alternative dispute resolution (ADR) refers to ways of resolving disputes between consumers and business that do not involve going to court. The Government believes that availability of trusted good quality ADR strengthens consumer protection and improves consumer confidence. The UK has a well-established ADR landscape with a number of statutory and private providers of ADR, including ombudsmen, mediators and arbitrators. All of them can provide specific targeted dispute resolution aimed at resolving a particular dispute.

There are a number of different sources of and routes to ADR in these sectors. Some ADR has been outsourced to the private sector whereas some is funded directly by the taxpayer. In some sectors consumers are charged a fee for using ADR whereas in others it is free for the consumer and the decisions of the ADR provider are binding on the business in some sectors whereas in others they are not.

The ADR Directive came fully into force on 1 October 2015. It introduced specified standards for those ADR providers who choose to become approved under the regulations. The water sector is not covered by the Directive as there is no contract between the consumer and the supplier. In energy and communications ADR providers are compliant with the Directive whereas in others providers have chosen not to become compliant as is their right.

Current dispute resolution provision

Sector	Who provides Dispute Resolution?	Is it free for consumers?	Do consumers have a right to ADR?	Are its decisions binding?	Is it compliant with the ADR Directive?
Energy	Energy Ombudsman	Yes	Yes	Yes	Yes
Comms	Communications Ombudsman	Yes	Yes	Yes	Yes
	CISAS	Yes	Yes	Yes	Yes
Water	Water Redress Scheme	Yes	Yes – after CCWater has attempted to help resolve the dispute Water	Yes	N/A
Rail	Transport Focus	Yes	Yes	No	No
	London TravelWatch	Yes	Yes	No	No
Aviation	CAA	Yes	Yes	No	No
	CEDR	No	No	Yes	Yes
Finance	FOS	Yes	Yes	Yes	Yes

Sector	Who provides Dispute Resolution?	Is it free for consumers?	Do consumers have a right to ADR?	Are its decisions binding?	Is it compliant with the ADR Directive?
Other sectors 2nd hand cars, builders etc.	Approx. 25 Private sectors ADR providers have been approved	Mix of free and paid for ADR	No	Mix of binding and non-binding	Yes

In some sectors ADR has been widely available for some time while in others it has only recently been introduced on a voluntary basis. Government notes the benefits a free and consistent ADR scheme has brought in some sectors and would like to explore whether this would also work in other regulated sectors where ADR is currently voluntary.

The Government is seeking evidence on whether there are problems with the current provision of ADR in these sectors and if so how can it be improved.

Ombudsman

- ‘Ombudsman’ is a protected term in that companies are only allowed to register a business name using it if they fulfil specific criteria: They are a full member of the Ombudsman Association.
- They have been approved by a competent authority as being compliant with standards set out in the ADR Directive, and
- They have a track record of offering dispute resolution in the sector that they are looking to operate in.

These criteria are set and assessed by Companies House on behalf of the Secretary of State for Business. The Government is keen to establish if there is more that can be done to strengthen the criteria further.

Q5. Are there problems with the current provision of ADR in these sectors?

Q6. If yes, what are these problems and how can provision be improved?

Q7. Should the criteria for allowing the use of the word Ombudsman be strengthened and if so how?

2.4 Consumer Data

In the modern economy, data on consumer complaint trends can be a powerful tool. It can be used by enforcers and consumer bodies to identify and react to emerging consumer issues, by businesses seeking to improve their offer to their customers or businesses seeking to break into a market. The data can also be a valuable tool for Government to ensure that policies are being properly targeted.

Beyond complaints data, the Government notes that it is increasingly common for digital platforms that connect customers to third party suppliers of a good or service to utilise user feedback and ratings mechanisms to build trust and regulate quality. The government would like to understand whether the reputation data earned by a user on a particular platform could be used to help them win business or prove their trustworthiness in other contexts. We would also be interested in views on the technical and other challenges that would be associated with making this reputation data portable.

The Government wants to know what new opportunities or risks for business, workers and consumers would be created if they were able to port their reputation and feedback data between platforms and what the barriers might be of doing this.

The Government is seeking evidence on whether data on consumer complaints can be made easier to access and more widely available and if so how.

Q8. Is there scope to make consumer complaints data in these sectors easier to access and more widely available?

Q9. If yes, how can this be achieved and what protection should be included?

Q10. What new opportunities or risks for businesses, workers and consumers would be created if they were able to port their reputation and feedback data between platforms?

Q11. What are the barriers to doing this?

2.5 Enforcement of Consumer Law

The Government believes that when consumers suffer detriment as a result of the actions of a business, it should be easy for consumers to get their money back. Too often consumers make purchasing decisions without knowing that the business has a poor history of complying with the law and giving consumers their money back when it is due to them. If consumers are not aware of a business's past performance, there is no incentive for that business to change their practices and put consumers first. Further, informing consumers about businesses that have broken the law could encourage switching behaviour.

The Government is keen to receive evidence and better understand if more can be done to get consumers their money back and give them information on a business' past performance when consumers have suffered detriment.

Q12. What more can be done to get consumers their money back and give them information on a business' past performance when consumers have suffered detriment in these sectors?

Q13. How can this be achieved?

3. Consumer Switching

Last year the Government set out six switching principles⁷ and asked for the views of consumers and industry. The principles were aimed at setting out an overarching set of aspirations and standards across energy, telecoms and current account switching, and recognising that they may also apply to wider products. Switching should be quick; free; led by the gaining provider; consumers should have access to their data; price comparison sites should be transparent; and, there should be an effective process when a switch goes wrong.

A Call for Evidence on the principles was published in October 2015, the analysis and response to which can be found on Gov.UK. The Government believes that in sectors where consumers have a choice of suppliers, industry should be working towards a switching service that, where appropriate, reflects the principles. This will help improve consumer perceptions of the switching process and hence their engagement in these markets, ensuring they get the best deal and improving competition.

This proposal would aim to create a common expectation of an appropriate switching timeframe, making this aspect of the switching process easier to understand for consumers. It would also give a clear, common, steer to businesses on the speed of switching the Government would like to see in the current market.

This new proposal would complement other work already underway to facilitate improvements in the switching process for certain sectors. For example through the Digital Economy Bill the Government is supporting Ofcom's ongoing work to make switching quicker and easier in the communications market. The Government also welcomes Ofcom's focus on improving the switching process for mobile and triple play consumers.⁸

In the mobile phone market, the cost of unlocking phones may pose a barrier to switching. In A Better Deal, published in November 2015, the government called on industry to take action on mobile phone unlocking. At Budget 2016, the government announced voluntary commitments from most mobile operators to unlock phones for free at the end of the contract. The government strongly welcomes these voluntary commitments, and will continue to monitor progress towards free unlocking becoming a standard practice in the market. This will reduce costs for consumers and make switching easier.

Government has recently worked with Ofgem, suppliers and other industry partners to enable domestic energy customers to switch supplier within 21 days, half the time it previously took. Reliable next day switching facilitated by smart meters is a part of the Government's 2015 Manifesto and in the Summer Budget 2015 Government announced that it will work with Ofgem with the ambition of introducing reliable next day switching by the end of 2018. The Government has published draft legislation for pre-legislative scrutiny which would strengthen Ofgem's powers to coordinate and deliver these important reforms. We intend to take forward these measures as part of the Better Markets Bill, announced as part of the Queen's Speech on 18 May.

⁷ This section applies to switching for individual and household consumers. It does not cover switching for businesses, the public sector or charities.

⁸ At present, there is no process in place for cross platform/triple play switching.

The banking industry has also demonstrated that it can lead the way in making switching quicker and easier. Since its launch in September 2013, the Current Account Switch Service has processed 2.8 million switches, 99% of which were completed in the seven day target. The service is owned and operated by Bacs Payment Schemes Ltd (Bacs), and over 40 current account providers participate.

The other proposals in this call for evidence will also contribute to improving the switching experience. Better understanding and use of complaints data, enforcing existing consumer laws and providing consumers with a single, strengthened advice and advocacy body will assist switching from search to completion and provide redress when things go wrong. However, the Government considers that more could be done to improve the process across a wide range of products and services. This could include bringing consistency to the switch process by reducing the time it takes to switch.

Currently, legislation that sets out specified switching timeframes is not consistent; some regulators (e.g. Ofgem) have set out switching timeframes through licence conditions, whereas other sectors (e.g. current accounts) have voluntary standards. Flowcharts setting out our understanding of the current landscape on the switching process for several regulated markets can be found at Annex B. Below is a summary of the length of time it generally takes to switch in some key, regulated markets:

- **Mortgages:** typically switching providers takes between 4-8 weeks. The Financial Conduct Authority imposes requirements on checks lenders must complete before making a mortgage offer.
- **Current Accounts:** 7 days, as set out by the industry's (voluntary) Current Account Switch Service.
- **Mobile phones:** 1 business day. Ofcom are currently consulting on making the process easier for the consumer by either automating the process or removing the requirement to obtain a PAC code.
- **Broadband:** 10 working days (where line is present on Openreach)
- **Fixed line:** There are currently two types of switching process, Gaining Provider Led (GPL), and cease and re-provide. GPL switching takes a minimum of 10 working days. A cease and re-provide switch can take up to 30 days.
- **Pay-TV:** There is no regulated switching process in place for pay TV. If the consumer is moving between networks, the consumer can choose when to switch (cease and re-provide).
- **Energy:** currently an up to 21 day GPL process. As noted, the Government is already working with Ofgem and industry to take steps to reduce this timeframe to 'reliable next day' switching with an ambition to do this by the end of 2018.

The Government is interested in how switching times might be reduced, to a maximum of 7 working days across all sectors. The 7 day period would commence when the consumer gives their consent to switch to the new provider, and the new provider accepts that customer (as per the Current Account Switch Service). What processes and cost barriers

exist which would hamper such a reduction, and how long any changes in the process would take to implement?

The Government recognises that the nature of different products/services can influence the time a switch takes, and we want to understand the specific characteristics of switching across different sectors, including what processes are in place to ensure a secure and reliable switch, how quickly that switch can take place, and what forms of redress would be appropriate to compensate consumers if a switch goes wrong.

We also recognise that certain products already meet or better a seven day standard (current accounts, mobile phones), or are on a clear path towards a quicker process (energy) where there is a clear business case to do so. Therefore in this call for evidence we welcome views on how other products might be brought up to similar standards, and if there are other products not listed above that could be subject to a maximum 7 day switching process. We would also welcome views from organisations already offering 7 day switching, or faster, on the impact this has had on their business.

Aside from quicker, more consistent switching, there are a number of additional areas related to switching we would like to explore. Our switching principles call for evidence also found that a small number of consumers said they faced costs when switching. We want to explore this further.

There may also be other ways to make it easier for consumers to switch, and the Government notes the examples of 'switching assistants' or brokerage services in other countries. Price comparison websites are also an important tool for consumers, but they can have difficulty accessing the data they need to provide a full service. We are keen to explore how all these switching services could be better facilitated, perhaps by the publication of terms, conditions and tariff data in an open, accessible and uniform format, and by creating an environment which allows consumers to nominate a third party to handle their switching for them.

Q.14. What would be the benefits and drawbacks to consumers of quicker (7 day) switching?

Q15. What steps would your organisation need to take in order to implement switching within 7 days, or less than 7 days?

Q16. Can you estimate the cost to your organisation of implementing these steps to achieve 7 day switching and less than 7 day switching?

Q17. Do you think that introducing quicker switching would help you to encourage more consumers to switch to your organisation?

Q18. How quickly could these steps be implemented?

Q19. What process barriers or external barriers are currently in place which would prevent you from implementing switching within 7 days?

Q20. If a switch breaches the 7 day requirement, do you agree that this should be handled via existing redress mechanism in that sector? If not, what would be the most appropriate form of redress?

Q21. If you already offer 7 day switching or faster, what has been the impact on your organisation?

Q22. What would be the advantages and disadvantages of ending all administrative fees for switching?

Q23. What would be the advantages and drawbacks of banning terms and conditions that prevent the consumer from allowing third parties to manage consumers' accounts and switch for them?

Q24. Should Government explore whether all regulated sectors should provide tariff and T&C data in an open, standard format?

Q25. How could this data be kept up to date and how helpful would this be to consumers?

4. Making switching easier and improving consumer choice

Our Switching Call for Evidence⁹, and other evidence, suggests that people are put off switching- or even engaging in the market because they perceive it to be a hassle. There are a number of areas where there could be scope to make the process simpler and to more fully engage consumers.

4.1 Auto-renewal of contracts

In a number of sectors, it is common practice for contracts to be rolled over when their term ends. This may have benefits for consumers but it could also be a barrier to switching providers. We are interested in exploring whether further prompts at the point of roll-over could help to promote consumer engagement. For example, paperwork sent to consumers could be required to state clearly any increase in price since last year.

4.2 Fixed-price/ fixed-term or 'lock-in' contracts

A number of sectors offer contracts which include a fixed rate over a particular term or 'lock-in', which can include a penalty for leaving early. This practice may enable providers to offer better deals, but consumers should be aware of the exit charges which they may be agreeing to on entering a contract like this.

4.3 Other contract issues

We are aware that it can sometimes be easy to sign up to a contract online, but then find that the contract cannot be cancelled online. We would like to explore whether consumers could benefit from being able to cancel contracts by the same means that they entered them.

Q26. What are the benefits and drawbacks to consumers of rolling over contracts?

Q27. Should any renewal paperwork sent to consumers always include reasons for any cost increases?

Q28. Should any renewal paperwork sent to consumers always include the price that would be offered to a new customer in exactly the same circumstances?

Q29. Are any changes needed to ensure that all 'lock-in' contracts have a fair and clear exit price?

Q30. What difficulties exist for consumers who want to cancel a contract?

Q31. It can be difficult to unsubscribe to services we have signed up to by email. Should we always be able to unsubscribe with just one click?

⁹ This section applies to switching for individual and household consumers. It does not cover switching for businesses, the public sector or charities.

5. How to respond

The call for evidence will begin on 25 May 2016 and will run for 4 weeks, closing on 23 June 2016.

When responding please state whether you are responding as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents by selecting the appropriate interest group on the consultation response form and, where applicable, how the views of members were assembled.

You can reply to this consultation online at:

<https://bisgovuk.citizenspace.com/ccp/improving-the-consumer-landscape>

The response form is available electronically on the call for evidence page:

www.gov.uk/government/consultations/improving-the-consumer-landscape-and-quicker-switching-call-for-evidence (until the call for evidence closes). The form can be submitted online/by email or by letter to:

Department for Business, Innovation and Skills
Consumer and Competition Policy
Consumer Landscape and quicker Switching – Call for Evidence Team
(Victoria 357)
1 Victoria Street
London
SW1H 0ET

Tel: 020 7 215 5000

Email: consumerlandscape&switching@bis.gsi.gov.uk

A list of those organisations and individuals consulted is in Annex C.

We would welcome suggestions of others who may wish to be involved in this Call for evidence process.

Versions of this document are available in other formats, for example Braille, other languages or audio-cassette on request.

BIS consultations are digital by default but if required, printed copies of the call for evidence document can be obtained from the contact above.

6. Confidentiality and data protection

Information provided in response to this call for evidence, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). There is also a statutory Code of Practice issued under section 45 of the FOIA with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

If you want information, including personal data, that you provide to be treated in confidence, please explain to us what information you would like to be treated as confidential and why you regard the information as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the department.

7. Help with queries

If you have questions about the policy issues raised in this document, please contact:

Department for Business, Innovation and Skills
Consumer and Competition Policy
Consumer Landscape and quicker Switching – Call for Evidence Team
(Victoria 357)
1 Victoria Street
London
SW1H 0ET

Tel: 020 7 215 5000

Email: consumerlandscape&switching@bis.gsi.gov.uk

8. Comments or complaints

If you wish to comment on the conduct of this call for evidence or make a complaint about the way this call for evidence has been conducted, please write to:

Angela Rabess
BIS Consultation Co-ordinator
1 Victoria Street
London
SW1H 0ET

Tel: 020 7215 1661

Email: angela.rabess@bis.gsi.gov.uk

A copy of the code of practice on consultations can be found here:

www.gov.uk/government/publications/consultation-principles-guidance

Annex A: Response form

We would welcome responses to the questions below (any or all) as well as any other comments respondents may wish to make.

A copy of this call for evidence can be found at:

www.gov.uk/government/consultations/improving-the-consumer-landscape-and-quicker-switching-call-for-evidence

You can also complete your response online through:

<https://bisgovuk.citizenspace.com/ccp/improving-the-consumer-landscape>

Alternatively, you can e-mail or post the completed response form to:

Department for Business, Innovation and Skills
Consumer and Competition Policy
Consumer Landscape and quicker Switching – Call for Evidence Team
(Victoria 357)
1 Victoria Street
London
SW1H 0ET

Tel: 020 7 215 5000

Email: consumerlandscape&switching@bis.gsi.gov.uk

The closing date for the call for evidence is **23 June 2016**.

Information provided in response to this call for evidence, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes. Please see section 6 for further information.

If you want information, including personal data, that you provide to be treated in confidence, please explain to us what information you would like to be treated as confidential and why you regard the information as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the department.

I want my response to be treated as confidential

Comments:

Your details

Name:

Organisation (if applicable):

Job title (if applicable):

Address:

Telephone number:

Email address:

Please tick the box from the list that best describes you, your company or your organisation.

<input type="checkbox"/>	A consumer
<input type="checkbox"/>	A consumer group representative
<input type="checkbox"/>	A business responding as a customer (please indicate number of employees)
<input type="checkbox"/>	A business responding as a service provider
<input type="checkbox"/>	An intermediary such as Price Comparison provider (please give nature of your service)
<input type="checkbox"/>	A regulator
<input type="checkbox"/>	Other (please describe)

If responding on behalf an organisation, please state the name of your organisation

Q1. Are there problems with the current provision and routes to advice and information for consumers in these sectors?

Yes No Not sure

Q2. If yes, what are these problems and how can provision be improved?

Q3. Are there problems with the way that consumers are represented in these sectors?

Yes No Not sure

Q4. If yes, what are these problems and how can it be improved?

Q5. Are there problems with the current provision of ADR in these sectors?

Yes No Not sure

Q6. If yes, what are these problems and how can provision be improved?

Q7. Should the criteria for allowing the use of the word Ombudsman be strengthened and if so how?

Yes No Not sure

Q8. Is there scope to make consumer complaints data in these sectors easier to access and more widely available?

Yes No Not sure

Q9. If yes, how can this be achieved and what protection should be included?

Q10. What new opportunities or risks for businesses, workers and consumers would be created if they were able to port their reputation and feedback data between platforms?

Q11. What are the barriers to doing this?

Q12. What more can be done to get consumers their money back and give them information on a business' past performance when consumers have suffered detriment in these sectors?

Q13. If yes, how can this be achieved?

Q14. What would be the benefits and drawbacks to consumers of quicker (7day) switching?

Q15. What steps would your organisation need to take in order to implement switching within 7 days, or less than 7 days?

Q16. Can you estimate the cost to your organisation of implementing these steps to achieve 7 day switching and less than 7 day switching?

Q17. Do you think that introducing quicker switching would help you to encourage more consumers to switch to your organisation?

Yes No Not sure

Q18. How quickly could these steps be implemented?

Q19. What process barriers, or external barriers are currently in place which would prevent you from implementing switching within 7 days?

Q20. If a switch breaches the 7 day requirement, do you agree that this should be handled via existing redress mechanism in that sector? If not, what would be the most appropriate form of redress?

Yes No Not sure

Q21. If you already offer 7 day switching or faster, what has been the impact on your organisation?

Q22. What would be the advantages and disadvantages of ending all administrative fees for switching?

Q23. What would be the advantages and drawbacks of banning terms and conditions that prevent the consumer from allowing third parties to manage consumers' accounts and switch for them?

Q24. Should Government explore whether all regulated sectors should provide tariff and T&C data in an open, standard format?

Yes No Not sure

Q25. How could this data be kept up to date and how helpful would this be to consumers?

Q26. What are the benefits and drawbacks to consumers of rolling over contracts?

Q27. Should any renewal paperwork sent to consumers always include reasons for any cost increases?

Yes No Not sure

Q28. Should any renewal paperwork sent to consumers always include the price that would be offered to a new customer in exactly the same circumstances?

Yes No Not sure

Q29. Are any changes needed to ensure that all 'lock-in' contracts have a fair and clear exit price?

Q30. What difficulties exist for consumers who want to cancel a contract?

Q31. It can be difficult to unsubscribe to services we have signed up to by email. Should we always be able to unsubscribe with just one click?

Yes No Not sure

Annex B: Flow charts

The following flow charts are an example of the time it takes to switch for some services. This is not a comprehensive list and does not indicate particular focus on these services. Respondents should be aware that energy is moving towards reliable next day switching and current accounts can be switched in 7 days, in most cases.

Mobile switching - Losing Provider Led (LPL)

Mobile switching led by the 'gaining provider'

1. Tell your new provider that you want to switch and whether you want to keep your number.

2. New provider obtains information securely about the existing contract and advises about notice period. Customer agrees a switch date, and can delay this up to 30 days. Existing mobile provider makes authorisation checks and informs customer of any charges payable

3. Customer receives a text message containing any outstanding changes, credit & notice period, details plus a link to their online account. Reply to confirm switch. Any notice period on the current contract would start from now.

4. Customer will receive a new SIM with a temporary number. The SIM may already be active or the customer may have to call or text the new provider to activate it. New provider coordinates the transfer of their existing number on the agreed date.

Alternative option - automated PAC request

1. Request your PAC by text, online or by phone from your current provider.

2. Customer requires an immediate reply by SMS (and via online account or by phone if you use these routes). This contains your PAC, any changes or notice period details and a link to further account information. If the customer goes on to use their PAC, any notice would start now.

3. If you take out contract with new provider within 30 days, you will receive a new SIM with a temporary number. Depending on new provider, the customer may have to call or text them to activate the SIM.

4. Once the SIM is activated, the customer should contact their new provider to give PAC within 30 days from issue. The existing number will be transferred within one business day of receipt.

Mobile switching - cease and re-provide

Ceasing old service

1. Customer contacts existing mobile provider to cancel service.

2. Existing mobile provider makes authorisation checks and informs customer of any charges payable.

3. Existing provider ceases contract after notice period.

Providing new service

1. Customer contacts new provider.

2. Customer and provider agree start date for new service.

Customer may choose to carry out 'ceasing' steps either before or after 'providing' steps.

Fixed line and/or broadband - gaining provider led (GPL)

1. Customer contacts provider they wish to switch to (GP) to start the switching process.

2. GP notifies customer's old provider (LP) of the intended transfer.

3. Both GP and LP send notification letter to customer to inform of switch (including reasonable estimate of the date of the switch, the services which are affected and unaffected, and any applicable early termination charges).

4. Switching process begins, taking account of factors including cooling off period, delivery of any hardware or equipment (e.g. Wi-Fi router), and engineer visit to exchange or local street cabinet if necessary.

5. Switch completed and GP retains record of customer's consent to switch for minimum of 12 months.



10
working
days
(where
line
present)

Fixed line and/or broadband - cease and re-provide (if switching to or from a cable network, customer will need to stop service with existing provider and start a new service with a new provider)

Ceasing old service

1. Customer contacts existing provider to cancel service.

2. Normally receive notification from the provider customer is leaving that contract is ending (and notification of any charges associated with this)

3. Existing provider ceases contract after notice period.

Providing new service

1. Customer contacts new provider.

2. Customer receives new contract from new provider which will tell customer when your contract is due to start.

3. Set up process begins, taking account of factors including cooling off period, delivery of any hardware or equipment (e.g. WiFi router), and engineer visit to exchange or local street cabinet if necessary.

Customer may choose to carry out 'ceasing' steps either before, after or in parallel to 'providing' steps.

Mortgages

Typical re-mortgage process: 4–8 weeks

1. Customer research: A customer looking to remortgage needs to consider whether this is appropriate to them.

2. Speak to adviser: An adviser will be able to tell a prospective borrower how much they can borrow and find appropriate products.

3. Full application: prospective borrower must provide evidence of identify, income, employment and their current mortgage.

4. Lender reviews application: assess evidence provided in the application. May require more information from applicant.

5. Affordability assessment: includes a robust income and expenditure analysis. Lender must obtain evidence of income to support this assessment.

6. Property valuation: lender conducts a property valuation. This will influence any offer, via LTV applications.

7. Lender decision/offer: Offer will generally last 3 months.

8. Lender decision/offer: Most guidance encourages consumers to consult with an Independent Financial Adviser before making a decision.



Simultaneous legal processes including conveyancing, review of documents and in the event of an accepted offer, transfer of funds.

Annex C: List of individuals/organisations consulted

Attach a list of all those who are being consulted and ask individuals/organisations for names of others who should also receive the consultation.

ABI
ADR Group
Age UK
AMDEA
ASA
Bacs
BACTA
BBA
BGL Group
BIBA
BRC
BSI
BT
CBI
CCA UK
CC Water
Centrica/British Gas
CEDR
Chartered Trading Standards Institute
Citizens Advice
CIVEA
CMA
Confused.com
Council of Mortgage lenders
E.ON
Economy Energy
Ecotricity
EDF
EE
Energy UK
Energylinx
Experian
FCA
First utility
FSB
GBEnergy
Go compare

Good Energy
Green Energy
Green Flag
Haven Power Limited
HSBC
Hudson Energy/Green Star
Information Commissioner
IMRG
ISPA
Jonquil Lowe, Open University
Money Advice Service
Money Saving Expert
Moneysupermarket.com
Nationwide
National Conciliation Services
National Landlord's Assoc
Npower
O2
Ofcom
Ofgem
Ofwat
Ombudsman Services
ORR
OVO
Transport Focus
Payments UK
Scottish Power
Sky
SSE
The Money Charity
The UK Cards Association
Three
TSB
UEA
uSwitch
Virgin Money
VocaLink
Vodafone
Which?



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