

**Honest Mobile**

3.18 Canterbury Court
1-3 Brixton Road
London
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27th September 2024

Competition and Markets Authority

The Cabot
25 Cabot Square
London
E14 4QZ

Subject: Public Response to CMA's Notice of Possible Remedies for the Vodafone and Three Merger

Dear CMA,

Thank you for the opportunity to respond to the remedies suggested for the proposed Vodafone and Three merger. I want to emphasise the importance of ensuring that any behavioural remedies imposed protect the interests of smaller operators and allow for the continuation of innovation in the mobile sector.

As an introduction, I believe that with the correct remedies, the merger will ultimately benefit the UK and consumers alike.

1. The Need for Behavioural Remedies that Protect Innovation

In light of the CMA's proposed behavioural remedies, with particular focus on the "Wholesale Market Remedies", we urge the CMA to ensure that behavioural remedies consider new and innovative business models. Without these protections, the merger could stifle competition, preventing consumers from benefiting from next-generation solutions.

While the merging parties argue that network capacity will increase post-merger, it is essential that virtual providers like Honest Mobile have continued access to these networks on fair and non-discriminatory terms. If the merged entity uses its dominant position to manipulate wholesale terms or



restrict distribution channels, innovations could be marginalised or even shut out, to the detriment of both competition and consumers.

2. The Remedies

We support Vodafone's suggestion that its network investment plan be subject to independent monitoring by Ofcom. However, we believe this oversight should go further to include all behavioural remedies.

Behavioural remedies should include:

- **Non-discriminatory access:** Ensuring that the merged entity - and other MNOs - cannot withhold or offer less favourable wholesale terms to MVNOs like Honest Mobile, especially those introducing disruptive technologies. Access should be at parity to the merged entity with the latest consumer facing technologies such as RCS on iOS, Visual Voicemail and non-restricted 5G access subject to capacity constraints.
- **Prohibition of anti-competitive practices:** Preventing the merged entity and MNOs from influencing wholesale distributors to limit access to innovative products, ensuring that the competitive landscape remains open.
- **Transparent pricing:** Requiring the merged entity to maintain transparent wholesale pricing, preventing under-the-table practices that could disadvantage MVNOs and innovative models. This should cover third party MVNOs (like us), subsidiary MVNOs (such as GiffGaff) and operating unit MVNOs (such as SMARTY) equally.

We agree that a monitoring body, ideally Ofcom, should oversee the enforcement of these behavioural remedies to ensure that market dynamics remain competitive, particularly for smaller, innovative players.

3. Risk of Undermining Competition if Remedies Fall Short

While the merger could lead to a more efficient network, the reduction from four MNOs to three poses real risks for the wholesale market. If MVNOs are squeezed out of the market or unable to offer innovative products, this could have a chilling effect on competition, ultimately leading to higher prices and fewer options for consumers.



4. Conclusion

Honest Mobile's is exactly the type of innovative network that behavioural remedies should protect. As the telecom landscape evolves, ensuring that MVNOs can continue to bring disruptive, consumer-focused innovations to market is essential to maintaining healthy competition. We urge the CMA to introduce strong, enforceable behavioural remedies that prevent anti-competitive practices and promote ongoing innovation.

Thank you for considering our perspective. We are eager to work with the CMA and Ofcom to ensure that the UK mobile market becomes more vibrant, competitive, and innovative.

Yours sincerely,

Andy Aitken

CEO, Honest Mobile