

Decision Tech (owner of broadbandchoices.co.uk) broadband availability statement

Introduction

This document sets out the reasons why it is vital that consumers can access accurate, address level broadband availability data. Decision Tech, owner of broadbandchoices.co.uk, has also set out below its recommendations on how Ofcom should play the leading role in ensuring that key data should be provided to selected third parties.

Broadband switching compares unfavourably to other comparison sectors

It is vital that consumers have confidence in their future switch but as it currently stands, consumers are uncertain of the speed that they will receive from their new service. Price comparison websites (PCWs) can only provide speed estimates that are broad brush and mostly inaccurate. Customers are only presented with an accurate speed range at the actual point of switching, once on the provider's website (or when speaking to the provider's call centre operators immediately prior to transacting).

If a consumer is uncertain of the speed they will receive after switching, then this will significantly discourage them from switching to a new provider. If market liquidity is stifled, so too is competition and this works against consumers' best interests in finding the best prices and speeds and making informed purchasing decisions.

The impact of this lack of key data during a consumer's research and comparison phase of the buying cycle is highlighted when comparing broadband and mobile phone switching rates to those of the energy and insurance price comparison sectors. Data from Ofcom (2015) and Consumer Futures (2013 – page 40) validates this assertion, showing that macro sector-level switching and sector-level price comparison switching is very low for communications services compared to other verticals. The savings from switching broadband and mobile are broadly in-line with both energy and insurance (a customer can normally save £100 - £300 per year by switching for broadband, energy or insurance) and yet broadband and mobile switching levels are vastly out kilter. Decision Tech believes this is due to the dearth of accurate data available to the consumer during the crucial comparison phase of the switching cycle:

- **Energy** – consumers have no doubts over the supply of energy to their home and purchasing considerations are based on pricing - where PCWs have widely accepted, accurate formulas for calculating bill size and potential savings.
- **Insurance** – key data is widely shared between insurance providers and PCWs ensuring the correct level of cover and premium is clearly communicated on the PCW and, crucially, that it matches that on the provider's website.
- **Broadband / mobile** - pricing is set and consistent on the PCW and providers' sites but the speed and service reliability (vital information when making a comparison) are unknown to the consumer during their research.

GoCompare has supplied Decision Tech with a statement of support (attached below) that sets out a relative comparison of visitor-to-sale conversion rates for different product verticals.

These demonstrate that a consumer comparing energy and insurance products is significantly more likely to complete an online post-comparison switch than compared to broadband.

We believe that a proactive approach by relevant regulators can help increase PCW access to key data and so provide consumers with more relevant and compelling services to help them switch:

- **Ofgem** - stipulated that all PCWs must use standardised calculations for estimating bill size and potential savings. This has improved consistency and clarity for consumers that compare quotes on multiple comparison sites. It has also improved the quality of quotes, so they are a much more accurate forecast of the real savings that will be experienced post switch; and
- **FCA** (previously FSA) - enforced rules obliging insurance PCWs to improve question sets to facilitate improved quote accuracy and consumer eligibility (and “claimability”) for a given policy (http://www.fsa.gov.uk/pubs/guidance/gc11_13.pdf)


Consumers want speed clarity

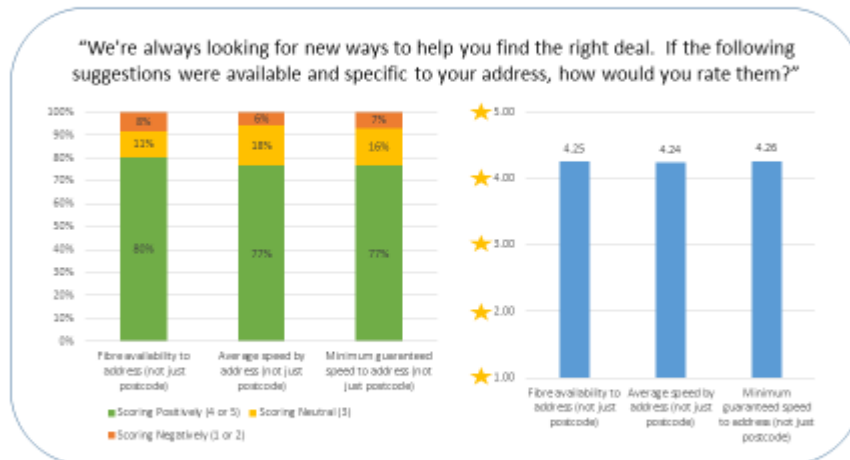
Decision Tech conducted research with its own broadbandchoices.co.uk customer base that demonstrated that the switching experience would be considerably improved by offering customers accurate speed estimates based on a full address level availability.

Key findings:

- Clarity of data is vital for consumers’ confidence prior to switching - we have surveyed our website visitors (survey base 378) and they support this view; and
- Over 77% of consumers, scoring over 4 out 5, said that better availability and accuracy of broadband speeds to their address level is important for improving the switching process (Fig. 1, below).

Fig. 1 - broadbandchoices.co.uk customer switching survey results

Consumers also said they need more accuracy and availability of data relating to ISPs 



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Source: broadbandchoices survey Jul-Sep 2015 (base 578)

Industry-wide support

Decision Tech attended an Ofcom hosted roundtable meeting, where all key PCWs were in attendance (ourselves, uSwitch, Moneysupermarket, cable.co.uk, and some smaller players).

- Comparison site attendees, unanimously said that truly transparent speed data (min; max; average; by provider; to an address level) is crucial to improve consumer understanding, confidence and conversion rates.

Implementing these changes to PCW propositions will be costly but all present believed that the investment would be the right thing to do to promote consumers' best interests.

The document below sets out the content discussed by Ofcom



Ofcom Round Table - 2016.pdf

Desired Solution – relevant and comprehensive

Decision Tech believes that Ofcom has the correct motivation and goals but that it needs to take a much more proactive and definitive approach to help deliver its strategy for empowering consumers. Securing key data from providers and making this easily accessible to consumers is a critical step.

Providers jealously guard their availability and performance data. Decision Tech has been trading for 11 years and has generated over £100m of subscription revenues for them in that time and yet it still is unable to persuade providers to willingly share this data. SamKnows faces the same blockages as



Decision Tech in running its availability checker. Ofcom needs to be given the power to compel providers (mobile and fixed) to share live availability data feeds.

Budgets need to be made available, so that data can be collated by, and made available through, a central body (as per TfL and its route-based data and timetables).

Ofcom has a strategy to increase competition via an annual industry wide Quality Service Report. The stated aim is “to use competition to drive up service quality by making sure consumers can understand what is available” (see attached document that was presented at its Round Table session, where this goal was communicated).

Ofcom must seriously reconsider whether its proposed solution of publishing an annual report on Quality of Service is fit for purpose:

- The number of consumers accessing Ofcom reports through its website is low. The Ofcom website is not a destination for consumers seeking comparative availability information and enjoys less traffic than broadbandchoices.co.uk and both Moneysupermarket and uSwitch;
- Ofcom is not effective in making data easily accessible and digestible for consumers. Its digital tools have poor user experiences and information is not presented in an effective format for consumers (after all, this is not its specialist job);
- Customers have indicated that they want a reliable speed prediction at the point of sale and an annual survey will not address this. Furthermore, an annual survey will not be specific to them and will be reliant on the broader media to review it, summarise it and then promote the key findings (which is historically how Ofcom reports have been disseminated to consumers); and
- Such data must be comprehensive but the Ofcom surveys omit postcodes where it believes there is a data protection risk. This a debatable point of relevance when interpreting the provisions of the Data Protection Act but it further underlines the limitations of publicly publishing a generic report rather than making relevant postcode and address level data available only to the relevant individual, as part of a comparison journey.

Decision Tech believes a more appropriate solution would be for pertinent, quasi-live data to be distributed to experts that already have high volumes of relevant consumers that crave such information. This would enable informed choice at the point where customers want to make a decision. PCWs are best placed to help Ofcom facilitate this.

However, it was sensed at the meeting that Ofcom was unwilling to take a firmer stance with both mobile or fixed line providers. Sean / Mark (Ofcom owners) seemed keen to garner feedback from PCW attendees but repeatedly it was felt that little would be done with such insight - “it is difficult and could be expensive” was a common response and something that seems somewhat at odds to “use competition to drive up service quality [for consumers].”

Recommendation

In this document (and set out below), Decision Tech has set out the specific data that, if made available through PCWs, would empower consumers to make informed purchasing decisions and increase transparency in the communications market and so drive competition.

It is vital that we can give customers aggregated, comparative data that enables provider-by-provider speed comparison, based on accurate estimates of historic speed performance, to enable consumers to switch with confidence.

Ofcom is in a unique position to be able to make this happen. PCWs are in a unique position to help Ofcom in achieving its goals.

Data requirements

Availability

- Geographic granularity - available at either full household (to the premises) or postcode levels
- Fibre status – yes / no
- Cable status – yes / no
- Mobile status – 4G / 3G / GPRS
- Provider availability – yes / no – inclusive of all providers (not just those that are >1.5% market share)
- Provider speed projection, based on calculated estimates and historical performance
 - Min and max range – based on the MGALs quoted at the point of sign up on all ISP websites
- Enhanced product status - i.e. if a provider offers 76Mb fibre vs 38Mb fibre, this would require differentiation)
- There needs to be an obligation to add new build houses addresses to the address feed each week – ISPs could publish every postcode to which they get ‘wayleave’ access (usually a good indication of ‘coming soon’ capacity)
- Complaint rates by provider with regional variations for each provider – published quarterly

Service levels

- The data needs to be updated at least weekly
- There need to be clear technical service levels for the API in terms of speed and availability – I expect TfL would be a good guide for best practices

Accessing data

- Providers to supply data to an aggregating party (eg Ofcom), on a daily basis
- This is a significant data file, given the number of households in the UK, so the data would need to be made available via an API or as a file that third parties can pull on a daily basis
- Data must be available for free via the regulator, rather than via a commercial third party
- Data should be available via static data files / feeds / API
- TfL does this extremely well - <https://tfl.gov.uk/info-for/open-data-users/our-open-data>

Gocompare.com statement of support (08/09/16)

Gocompare.com strives to provide comparison services that help people understand exactly what they're buying, because we know that customers who can tailor their searches to compare accurate prices and important product features are able to make better buying decisions.

It's because of this that we continually invest in ways to show our customers as full a picture as possible, and it's why we have integrated 'smart search' capabilities into our loans and credit cards comparisons, introduced an industry-first by enabling people to compare current accounts using midata, and show more policy information through the use of Defaqto data and customer reviews across a number of products.

In our experience, tailored comparisons provide results that give customers the confidence to carry out a switch. For example, people who compare loans and credit cards using our 'smart search' facility to show the likelihood of making a successful application are twice as likely to click through to buy than those who just look at best-buy tables. When it comes to current accounts, those who use their midata file to view accounts that match their banking habits are five times as likely to proceed to buy than when untailored results are shown.

When people carry out a personalised energy tariff comparison, they are more than twice as likely to complete a switch as a broadband customer is. Car insurance customers are over three times as likely to go on to buy a policy that is tailored to their circumstances than a customer who is presented with a list of broadband providers whose deals are not based on accurate customer information.

A positive switching experience is vital in encouraging people to shop around for the best deals and boosting competition between suppliers. And this starts with accurate information being provided for people to base their decisions on, which is why we support the move to encourage the Digital Economy Bill to contain provisions that will ensure that Ofcom and internet service providers provide full address-level data and live speed estimates, as opposed to the postcode and average speed estimates that are currently available.