

G.Network consultation response: Guidance on the presentation of mid-contract price rises in telecoms ads

Committee of Advertising Practice / Broadcast Committee of Advertising Practice

Tuesday 1 November

G.Network welcomes the opportunity to respond to this consultation.

1. About G.Network

G.Network is a full fibre broadband provider. Founded in 2016, G.Network builds state-of-the-art full fibre connections directly to residents and businesses across inner London.

G.Network has already built its network to 400,000 premises, and will pass 1.3m in the years ahead. This includes privately owned, privately rented, housing association, council-owned and commercial properties. The company completed a £1bn fundraise in December 2020. Its principal backers are the Universities Superannuation Scheme and Cube Infrastructure Managers.

2. Answers to consultation questions

1. Do you agree with the guidance principles set out above?

G.Network wants all consumers to be informed and empowered to make the right purchasing decisions. Connectivity is an intangible service, so we agree that price is a leading factor in how consumers make purchasing decisions. However, our view is that there is a trade-off between providing consumers enough information and overwhelming them with detail.

The consultation document states, "Products in the sector have a potential to be complex and require consumers to engage with multiple discrete pieces of information in order to determine what their monthly cost will be." Our view is that introducing further pieces of information may increase confusion and complexity to this buying decision. This is particularly true when customers are trying to compare packages with different term lengths and different add-ons or features.

This in turn may drive further switching inertia, which is bad for consumers and for competition.

Consumers are purchasing against a backdrop of variable inflation and an uncertain economic outlook. As such we are not persuaded that indicating to them more prominently that prices are linked to inflation helps them make a meaningful buying decision.

The broadband market is structured into a small number of large incumbents and several dozen smaller 'alternative networks' (altnets). Any change that makes it more difficult for altnets to advertise to consumers could also damage competition and limit consumer choice.

2. Do you agree with taking the same approach to ads for both tiered and variable contracts, in terms of the level of prominence expected for information about midcontract price increases?

Yes, any potential changes should affect advertising around both types of contract.

3. Do you have any comments on the use of terms used to describe rates of inflation such as CPI and RPI, and the level of understanding consumers have of these terms (including when they are referred to using an initialism only)?

We do not believe that many consumers have a detailed understanding what CPI and RPI refer to, or the difference between them. We suggest using 'inflation' as a more general term.

4. Do you agree with the mitigating factors listed as having the potential to cause an advertiser to take additional action in order to ensure material information relating to incontract price increases is sufficiently clear?

We believe that the factors listed, if included in the guidance, could prompt advertisers to act differently. However, to provide a more meaningful answer to this question, we would need to see the potential factors listed in full.

5. Do you agree that in instances where multiple offers/products appear on one page (for example, on a telecoms provider's own website), it may be sufficient for prices to link or refer to a suitably-prominent single piece of information about mid-contract price increases, rather than including this information within each individual product listing?

Yes, we agree this would be helpful. This could be done using an asterisk or similar.

6. Do you have any other comments or suggestions in relation to the proposals?

G.Network would like to see the CAP and BCAP take a more definitive approach in this area.

While we understand that the approach to advertising regulation is designed to be neither proscriptive or prescriptive, we believe that more concrete guidance is required. For example, we would find it useful for approach to be less around the 'likelihood' or 'potential' for ad clearance problems. This would enable industry to engage more definitively with the CAP and BCAP about how these proposals could affect its advertising, and in turn, lead to the best outcomes for consumers.

Contact:

[REDACTED]