



Regulator concludes Interim Examination of Cable & Wireless Price Changes

The Regulator today (30th June 2003) published an Information Notice (Document OUR 03/17) on the conclusion of OUR's interim examination of price changes announced by Cable & Wireless Guernsey on 10th June last.

“The investigation was prompted by a concern as to the impact of the price changes on individual customers' bills, the ability of customers to understand those changes, and overall compliance with the company's licence and price control”, said Regina Finn, Director General. “When the OUR investigation identified that C&W was very unlikely to comply with the price control for the current period, the company decided to introduce these additional price reductions for certain services. In particular, further reductions have been introduced in national and Jersey calls, while the original increases in 0845 calls and short calls have been cut back somewhat.”

The OUR investigation commenced immediately after the price changes were announced in June 2003. An intensive review over a very short period of time confirmed that C&W was clearly at significant risk of not being in a position to comply with its price cap obligations for the current period. This was highlighted to the company, which accepted the validity of the OUR's concerns and has consequently decided to introduce further price changes on 1st July. The company is confident that this will put it in a position where it will comply with the price control.

“Cable & Wireless has the information needed to measure compliance in the first instance”, said Regina Finn, “and it is a matter for the company to ensure that it meets its obligations. When final compliance is being reviewed at the end the price control period we do not expect to see these kinds of difficulties repeated”.

With regard to transparency and the impact of the changes on customers’ bills, C&W is taking certain steps to inform customers of the impact of the changes including advertising in the press, updating its price list on its website and continuing to make the price list available on request from any C&W outlet.

“We will be looking at the information the company provides and considering whether there should in fact be changes in the requirements of the regulatory regime as to publication of customer information”, said Regina Finn. “Customer information is extremely important especially in a market where there is currently no choice of operator for certain core telephone services. It is important for users to realise that they can control, and may be able reduce their telephone bills by being more aware of the options available to them.”

The OUR Information Note encourages customers to examine their telephone usage by contacting C&W and seeking assistance and itemised bill information in the first place. Customers can then consider the options available to them to reduce their telephone bills. The information notice points out that making changes to calling habits and availing of alternative products such as ‘Shortcall’ may in fact provide certain customers with savings on their standard telephone bill.

The Information Notice also includes a list of the charges that have been changed compared to the former charges so that customers can understand the individual changes and consider their telephone usage in that light. The Information Notice is available from the OUR’s office or on its website (www.regutil.gg)

**ENDS/
30th June 2003**

For further information call the Office of Utility Regulation on 711120

The OUR Information Notice (Document **OUR 03/17**) is available from the OUR website (www.regutil.gg), or by contacting the Office on 711120.

Previous papers that may be of interest include:

OUR 01/22: Proposals for the Price Regulation of Fixed Telecommunications Services – Consultation Paper

OUR 02/11: Price Regulation of Fixed Telecommunications Services – Report on the Consultation and Decision Notice

OUR 03/15: Telecommunications Price Changes by Cable & Wireless Guernsey, Information Notice