ISPA Response to CAP/BCAP Consultation on speed claims in broadband advertising

Introduction

ISPA welcomes the opportunity to submit feedback on CAP/BCAP’s consultation on speed claims in broadband advertising. In preparing this response, we have consulted with our membership of over 200 members, 90% of which are SMEs, who play a fundamental role in delivering broadband and internet services across the UK to consumers and business.

While the UK has a highly competitive broadband market, concerns have been raised about whether consumers are fully aware of the speeds that they can receive when buying a broadband product. The current guidance for broadband advertising has played a significant role in creating this situation and has failed to deliver a satisfactory outcome for consumers and providers. Accordingly, we support the proposal to move away from the current “up to” speed advertising with a 10% threshold.

In one-to-many advertising in particular, the advertising of broadband products poses a number of challenges which need to be taken into account when devising policy on advertising and consumer information. We welcome the recognition in the consultation document that “a number of factors affect broadband speed, and the impact of these factors varies between technologies, service providers and between users of the same provider; the variations in speed can be negligible or significant. This means that no single figure can accurately describe the actual speeds likely to be received by all potential users of a service who might see a particular ad.”

The consultation comes at a time where, together with the relevant regulators, ISPs are actively developing and improving broadband speed and pricing information. We particularly support CAP’s suggestions that adverts should prompt consumers to ask providers for a more personalised speed estimate. Our members already provide this kind of information as part of their sales journey and alerting consumers to the availability of this type of information will help to overcome the limits that providers face in providing information that applies across their customer base in advertising, while giving prospective customers a better idea of the speeds they are likely to receive. We would also urge consumers to consider other factors such as brand, service quality, speed and the availability of bundled services when choosing their providers.

We have previously submitted a set of principles for the reform of broadband speed advertising guidance, including:

- Advertising guidance should be principles-based and mindful of the role of advertising in the customer journey – advertising is only one part of the customer journey and the guidance should be mindful that ISPs, under both self-regulatory and regulatory requirements, provide consumers with additional information about expected speeds etc.
• Advertised speeds should be available to most customers
• Advertising guidance should complement existing and upcoming rules and regulatory changes on broadband speeds
• Advertising guidance should allow providers flexibility in their approach to advertising
• Advertising guidance should build on established principles rather than completely replace them
• Advertising guidance should provide a level playing field for different types of broadband technology

We believe that either option A or B would meet these principles but there will be a need to ensure that the actual implementation of either approach does not negatively affect a particular type of connectivity technology or a particular part of the market.

Response to consultation questions

Respondents are invited to indicate which option they favour and their rationale for this. CAP and BCAP also invite respondents to provide reasons for rejecting options and alternative options / wording of their own.

ISPA strongly supports the adoption of option A or B and we do not regard the introduction of a speed range approach as a viable alternative:

• The provision of speed ranges in broadband advertising is highly likely to confuse consumers who would be required to process at least two or – in the case of multiple products being advertised in a single advert – even more speed figures in the often short time that they have available when viewing on advert.
• A speed range would further fail to achieve the stated consultation criteria that “[i]f an ad includes a numerical speed claim, that speed should be achievable by many or most customers”. This issue was also raised in the GFK Qualitative Research for Broadband Speed report which was conducted on behalf of the Advertising Standards Authority and which indicated that speed ranges were not particularly well favoured by consumers.
• Option A and B would preserve the use of a single speed figure in advertising as established by the current advertising guidance, and significantly increase the threshold in line with suggestions from ISPA but also various other interest groups, including Which?.

We note and support that there is no intention to change the current guidance’s general approach to substantiation, however, there are few areas where further clarification would be welcome:

• Some clarification or advice on transitioning away from the current approach would be useful, particularly for smaller providers.
The adoption of option A or B would make it more likely that advertised speeds would change over time, e.g. because a provider makes an upgrade in a certain part of their network or because of higher degree of churn in one service area than another – how frequently would providers be expected to update the speed estimates that they use in an advert?

The current guidance is almost exclusively written with ADSL services in mind and an update might be necessary to ensure that it adequately reflects the mix of connectivity products that is currently available in the UK.

**Do respondents agree that the scope of the guidance should be confined to business-to-consumer advertising of residential broadband services?**

ISPA strongly agrees that the guidance should be confined to business-to-consumer advertising:

- For consumers, speed is only one among many factors when choosing a broadband product but. However, for businesses looking to purchase business grade connectivity products, this is even more pronounced with numerous other criteria coming into play, e.g. guaranteed uptime, service level agreements or complementary products.
- Particularly for larger businesses, or those smaller businesses who are intending to purchase more complex and higher value connectivity products, advertising will play a smaller role in their purchasing decision (which also tends to involve multiple actors and decision-making phases).
- Some small and micro businesses tend to purchase consumer grade products and these types of businesses would still benefit from the exclusive focus on consumer grade products.