

TOTSCo Bulletin No 33
DATE: 25 October 2023
SUBJECT: 2024 Pricing and User Agreement

TOTSCo is pleased to announce the publication of the following:

1. One Touch Switch charging structure and pricing for 2024
2. User Agreement (including schedules) for signature

1. Charging structure and pricing from 1 Jan 2024

Executive Summary

For the calendar year 2024, we will charge communications providers:

- an annual subscription charge of **£350** per RCPID; plus
- an annual unit charge of **28 pence** per residential customer contracted with each RCPID at 30 June 2023.

This pricing applies to use of our hub by communications providers for residential One Touch Switch, and is based on their number of contracted residential customers in June 2023. The charging structure and pricing for managed access providers and non-residential (business) switching (if applicable) will be announced separately. Charges ex-VAT, which will be added at the prevailing rate.

We will invoice quarterly in advance, with payment due in 60 days. A £50 discount is available to communications providers who elect to pay annually in advance. The first invoices will be sent in November 2023.

Full details can be [found here](#).

Industry charging feedback and our response

On 25th July we requested industry feedback on the proposed charging model for hub use.

There were 27 responses across all constituencies. While there was little dispute that the mechanism proposed was straightforward to operate, and

there was widespread (but not universal) acceptance of a form of interim billing arrangements, some themes arose repeatedly in feedback:

- a. Some respondents wanted to incorporate a transaction element to pricing, at or soon after launch. Others requested gaining provider charges per switch. There were some comments that our proposal of two years for interim charging was too long.
- b. Many smaller CPs and their trade associations suggested that the proposed charges for smaller CPs were too high.
- c. Some respondents expressed a desire for greater transparency of TOTSCo's costs, and queried whether they were too high. We also had requests to understand what would happen to charges once the initial loans are repaid.
- d. There were several remarks about the billing frequency and associated charges.
- e. Commencement of charges: while many were supportive of the January 2024 date, others felt that charges should be from hub or OTS go live.

Our response to this feedback is:

- a. We do not consider that it is feasible or practicable to implement transaction based charging for our first year of operation. We will consult on long-term charging arrangements. Whilst it is our current intention to use the interim charging structure for our first two years, we will continue to listen to industry concerns.
- b. We seek to ensure that our charges are fair to all stakeholders. Our prices published today are at the lower end of the range previously communicated.
- c. We are publishing final prices for 2024 today in response to very strong industry feedback (including via our constituency directors) that price certainty is on the critical path to OTS implementation for our stakeholders. Our accounts for 2022-23 are currently being audited and will be presented to members at our AGM before the end of 2023. We will publish and consult on our 2024 budget before the end of 2023. Our charges will materially decrease after our start-up loans are repaid.
- d. We have decided that we will bill all communications providers quarterly, with the option of a discount for those opting to pay annually in advance. Our discount for annual billing (reflecting our avoided costs) is a significant proportion of our overall charge for the smallest communications providers.

- e. We built and paid for the development of our hub in 2023. Testing for our customers started on 28 July, integration testing was available from 4 September, additional industry requested functionality went live on 20 October and we will provide full functionality from 20 November. As we have already incurred hub development costs and have ongoing operational costs, on one view we should already be charging our customers. We have decided to not explicitly charge for testing or use of our hub in 2023. To ensure our financial stability, we need to charge from 1 January 2024, with invoices sent in November 2023.

2. Final user agreement and schedules

Executive summary

Our final user agreement and schedules can be [found here](#).

To sign the user agreement, you must first complete the onboarding process. To onboard [click here](#). For more information [click here](#).

For those who have already onboarded, our customer services team will reach out to you to provide instructions for signing the agreement.

Managed access providers will not sign this agreement but will instead sign our managed access provider agreement.

Industry feedback and our response

On 1 September we requested industry feedback on the proposed user agreement and schedules.

There were 15 responses across constituencies. There was broad support for our approach set out in the Annex to [Bulletin 25](#), and we used that framework to inform our revisions to the user agreement and schedules, striking an appropriate balance between the interests of our various stakeholders and seeking to address comments wherever possible.

There were some common themes in feedback:

- a. General dislike of exclusion of all liability when there was a ‘systemic failure’ and requests for additional areas to be subject to a (higher) indemnity cap.
- b. Requests that RCPIDs could be used for other purposes than OTS.
- c. Ensuring that the data protection schedule meets statutory audit requirements.

Our response to this feedback is:

- a. Whilst retaining the overall structure of a general liability cap and a higher cap for some liabilities we have:
 - i. removed the complete exclusion of liability for systemic failure;
 - ii. replaced the indemnity cap with a ‘*risk by risk*’ pass-through of indemnities and liability caps from our technology supplier, coupled with an obligation to maximise (and pass through) our recovery on your behalf in these circumstances; and
 - iii. lowered our residual liability cap to 100% of fees paid.
- b. Removed restrictions on the use of RCPIDs for purposes other than OTS whilst making it clear that we take no responsibility for other uses.
- c. Clarified that we will comply with statutory data protection audit requirements against the backdrop of our overall approach.

Redline mark-ups showing the changes to our user agreement and schedules (from those published on 1 September 2023) can be [found here](#).

Need Help or Have Questions?

Feel free to reach out to us at enquiries@totsco.org.uk, if you have any questions.

TOTSCo

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