

PRESS RELEASE

The CNMC urges Telefónica to modify or clarify the terms of the Fusión commercial offer that includes the rental of "smartphones "

- In 2015, the Commission authorised the concentration between Telefónica / DTS subject to a series of commitments related to pay television.
- Last April, Telefónica introduced in its Fusión offer (which includes, among other services, pay television) the monthly rental of a smartphone linked, in practice, to a 36-month stay.
- The offer could restrict clients' options to switch companies and could breach one of the commitments made in 2015.

Madrid, 10 August 2021.- The CNMC has published a resolution in which it urges Telefónica to clarify or modify certain terms of the conditions of their commercial offer Fusión launched last April. This enables its customers to lease mobile terminals " smartphones" in exchange for a monthly fee of 3 euros (in general) and a stay period, in practice, of 36 months. (VC/0612/14).

This resolution is part of the surveillance undertaken by the CNMC to verify that Telefónica complies with the commitments offered for the approval of the takeover of DTS (the former Sogecable) by Telefónica by acquiring the 56% of DTS that the PRISA group owned in 2015 ([press release](#)).

In this case, the CNMC has analysed the compatibility of the retail commercial policies of Telefónica's Fusion packages with the commitments adopted. The objective is to check if the operator fulfils the commitment not to impose stay period obligations on its clients in Spain associated directly or indirectly to pay television services (packaged or not), so it does not hinder switching to other competitors.

Fusión and rental of "smartphones"

On April 11th, 2021, Telefónica modified its Fusión packages offer and added the lease of a " smartphone " terminal to other pay TV services, fixed telephony, fixed broadband, and mobile lines, with a general increase in the monthly fee of 3 euros.

In the event that the client hires this new product, certain stay commitment and penalty for early withdrawal conditions will be applied for a period of 36 months.

The CNMC considers that the literal nature of these new conditions could limit customers changing to other companies, as their ability to subscribe to similar services with pay television offered by Telefónica's competitors is restricted.

Consequently, the CNMC considers that Telefónica must either adjust or clarify the general terms of the commercial conditions of these products to adapt them to the commitments.

The CNMC also urges Telefónica to communicate said clarifications or modifications *Unofficial document, intended for the media, and not binding on the CNMC. The text of the Resolution will be published on the website, once its confidential elements are eliminated* *Reproduction permitted only if the source is mentioned.*

to customers who had previously contracted any of these products and to the CNMC, to whom it will also have to communicate other modifications related to these packages before their commercial effectiveness.

(VC / 0612/14).

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