

Virgin Media and Sky Row Drags On

The dispute between Virgin Media and Sky over the rights to a number of non-premium Sky channels has dragged on over the weekend and now enters a crucial stage with the channels set to go off air for Virgin Media customers this Thursday (March 1).

The row regards the renegotiation between Virgin Media and Sky for the non-premium Sky channels, including Sky One, Two and Three, as well as Sky News, Sky Sports News and Sky Travel. The current deal is set to expire on Thursday and so far no agreement has been reached onto how much Virgin Media should pay to carry the channels for their customers.

Talks broke down last Friday morning with Virgin Media issuing a press release accusing Sky of "bullying" and "arrogance". They claim that Sky has doubled the asking price for these channels in a deliberate attempt to end negotiations. They also claim that this was premeditated as the company has broadcast several advertisements telling Virgin Media customers to contact the company pleading with them to keep the basic Sky channels. Virgin Media have therefore accused Sky of trying to poach its customers and by forcing them to switch provider in order to keep the basic Sky channels.

However, Sky has responded to the Virgin Media accusations by saying that it was surprised and disappointed" by the comments, and that it stood for "choice and competition". It went on to say that it wanted its basic channels to remain available to Virgin Media customers. It said in a statement: "Sky has negotiated with NTL/Virgin in good faith and has shown flexibility on price," the broadcaster said in a statement. We categorically reject their claims that we have broken off negotiations or that we are seeking to more than double the price of these channels."

Sky has today said that it is in its best interests to reach an agreement with Virgin Media as the loss of a potential 3.3 million customers could hit its operating profits by up to twenty million pounds. It has said that it is disappointed that Virgin Media has broken off the negotiations and that the increase in price for the channels was to reflect its heavily increased investment in them. Sky has said that the loss of up to twenty million pounds was down to the possibility of lower carriage fees and weaker advertising revenues.

The two companies only have until Wednesday to reach an agreement and the reaction to the news so far from Virgin Media customers has been mixed. Some have praised Virgin Media's stance against Sky whilst others have criticised the company and signalled their intention to join Sky if an agreement cannot be made.

Many in this second category has highlighted the years they have had as customers of NTL and Telewest with no problems before Virgin has joined and suddenly the problems have started. Also many customers are disappointed to be losing Sky One for programmes such as Lost and 24 which are currently mid-season. The same customers will not be pleased by the news that Virgin Media has no plans to reduce the price of its tariffs if it does not secure the Sky channels as it plans to invest this money in addition content and improved services. However many customers have said they see this as more investment in repeats and programmes which do not interest them.

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About the Author

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