

Virgin Media Customers Set to Lose Sky Channels

Virgin Media customers look set to lose a number of Sky channels after talks broke down between the two companies.

Virgin Media look set to drop the Sky Basics package, which includes such channels as Sky One, Sky News, Sky Sports News and Sky Travel, after Sky raised the fees it charges the cable company to carry them. Premium channels such as Sky Sports and Sky Movies are unaffected.

The news comes after weeks of negotiations and a hardline marketing campaign by the two companies. Virgin Media, which formed just weeks ago when the cable companies ntl:Telewest merged with Virgin Mobile, have accused Sky of "bullying" and "arrogance" by asking "nearly double" the price it had previously charged for the channels. It has said that although it increased its offer to keep the channels, if it had matched the Sky estimation it would have had no choice but to absorbing the significant costs and passing the price increase onto its customers which it was keen to do.

Sky have responded by saying that it feels Virgin Media should keep the their channels for its customers' sake and that "it would be sad if they failed to provide their customers with their best-loved shows".

Virgin Media have accused Sky of dirty tactics after advertising the fact that their customers may lose the Sky channels and it published a phone number for its customers to ring to ask the company not to lose these channels.

Virgin Media's chief executive Steve Burch has said: "We frankly believe they never had an intent to reach an agreement with us. All their actions - advertising, bullying tactics claiming we didn't care about Sky's basic package - and the price they asked was just so far out of reality, we just believe it was engineered so we wouldn't reach an agreement.

"We sat down and negotiated with them in good faith. Last night we made a final offer. They not only rejected it but indicated they were not going to go further with negotiations even though the contract didn't expire until next week. And they indicated to us that they had planned a PR campaign for this weekend to show we wouldn't be carrying Sky Basics any more."

Virgin Media have responded to the debacle with a message on their website to its customers. They have said that despite them continuing to offer its channels, including Living, Bravo and Challenge, to Sky customers, Sky seems insistent on withdrawing is channels from their customers.

They said that although they were willing to increase the price they paid to carry the channels in question, the price they was asking for beared no relation to the channels true market value and therefore "Sky have picked up their ball and gone home".

However, Virgin Media have said that they are confident that they can still compete with Sky even without such channels as Sky One and that they are "full of fresh entertainment and communication possibilities". In fact they end their statement by saying: "We're not scared of competition, we welcome it".

The bad blood between Virgin Media and Sky relates not only to the Virgin re-branding of the cable company earlier this month, but also to an incident last year when their biggest shareholder, Sir Richard Branson, was left infuriated by Sky's decision to buy more than one billion pounds worth of shares in ITV after Virgin Media had declared an interest in buying it. The Sky shareholding effectively blocked Virgin Media's takeover plans.

Source: <http://www.articlecircle.com>

About the Author

Guide to TV discusses television options for residential customers, primarily for the UK market. Find out more about getting the best option for your home at <http://www.guide-to-tv.com>