

## **Additional comments:**

### **Question 1: Do you agree with the consumer harm identified from Communications Providers? ability to raise prices in fixed term contracts without the automatic right to terminate without penalty on the part of consumers?:**

Yes I agree that harm is caused to consumers by the clause that exists in mobile phone contracts allowing rises in the cost of fixed contracts.

### **Question 2: Should consumers share the risk of Communications Providers? costs increasing or should Communications Providers bear that risk because they are better placed to assess the risks and take steps to mitigate them?:**

The Communications Providers should bear the risk totally. If they do not feel able to bear the risk should either arrange insurance tailored to their needs or not offer a fixed contract in the first place. They should offer a fix only over the period they can genuinely offer a service for a fixed price.

### **Question 3: Do you agree with the consumer harm identified from Communications Providers? inconsistent application of the 'material detriment' test in GC9.6 and the uncertainties associated with the UTCCRs?:**

I do agree with the consumer harm that is taking place. The fact that all major mobile providers have the same small print clause strikes me as collusion and an industry operating as a cartel.

The term 'material detriment' should be banned from use because the level of detriment is individual to each consumer. It should not be for the consumer to prove his or her level of financial distress each time a mobile provider wishes to raise more revenue. In fact this would not be workable given that there are millions of phone contracts.

### **Question 4: Should Communications Providers be allowed (in the first instance) to unilaterally determine what constitutes material detriment or should Ofcom provide guidance?:**

As stated above the term should not exist.

If it cannot be banned then Ofcom should give clear guidance on how a consumer's detriment can be measured.

£1 a month is nothing to an investment banker but to a person living on disability benefit it can cause a lot more harm.

### **Question 5: What are your views on whether guidance would provide an adequate remedy for the consumer harm identified? Do you have a view as to how guidance could remedy the harm?:**

I do not feel that guidance is helpful at all and misses the point completely.

Either a contract is fixed or it isn't. Communications providers should not be able to label a contract as fixed if they cannot commit to it.

**Question 6: Do you agree with the consumer harm identified from the lack of transparency of price variation terms?:**

Yes

**Question 7: Do you agree that transparency alone would not provide adequate protection for consumers against the harm caused by price rises in fixed term contracts?:**

It would not. Instead of a sneaky way of obtaining extra revenue and profit it would be done more overtly but would still be done.

**Question 8: Do you agree that any regulatory intervention should protect consumers in respect of any increase in the price for services provided under a contract applicable at the time that contract is entered into by the consumer?  
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Yes

**Question 9: Do you agree that any regulatory intervention should apply to price increases in relation to all services or do you think that there are particular services which should be treated differently, for example, increases to the service charge for calls to non-geographical numbers?:**

Regulatory intervention should apply to all charges which are part of the fixed contract.

**Question 10: Do you agree that the harm identified from price rises in fixed term contracts applies to small business customers (as well as residential customers) but not larger businesses?:**

Yes

**Question 11: Do you agree that any regulatory intervention that we may take to protect customers from price rises in fixed term contracts should apply to residential and small business customers alike?:**

Yes

**Question 12: Do you agree that our definition of small business customers in the context of this consultation and any subsequent regulatory intervention should be consistent with the definition in section 52(6) of the Communications Act and in other parts of the General Conditions?:**

Yes

**Question 13: Do you agree that price rises due to the reasons referred to in paragraph 5.29 are outside a Communications Provider's control or ability to**

**manage and therefore they should not be required to let consumers withdraw from the contract without penalty where price rises are as a result of one of these factors?:**

Consumers should be allowed to leave the contract without penalty as the provider has broken the contract by it not being fixed.

**Question 14: Except for the reasons referred to in paragraph 5.29, are there any other reasons for price increases that you would consider to be fully outside the control of Communications Providers or their ability to manage and therefore should not trigger the obligation on providers to allow consumers to exit the contract without penalty?:**

Aside for tax increases no other rises should be permitted.

**Question 15: Do you agree that Communications Providers are best placed to decide how they can communicate contract variations effectively with its consumers?:**

No they act only in self interest.

**Question 16: Do you agree with Ofcom's approach to liaise with providers informally at this stage, where appropriate, with suggestions for better practice where we identify that notifications could be improved?:**

No, formal rules are needed. Soft touch guidance leads to market failure and the consumer being abused as in Pay TV and in the energy market.

**Question 17: What are your views on Ofcom's additional suggestions for best practice in relation to the notification of contractual variations as set out above? Do you have any further suggestions for best practice in relation to contract variation notifications to consumers?:**

As stated above charge increases should be banned in contracts which are sold as fixed.

**Question 18: What are your views on the length of time that consumers should be given to cancel a contract without penalty in order to avoid a price rise? For consistency, should there be a set timescale to apply to all Communications Providers? :**

30 days should apply to all communication providers.

**Question 19: What are your views on whether there should be guidance which sets out the length of time that Communications Providers should allow consumers to exit the contract without penalty to avoid a price rise?:**

As above

**Question 20: Do you agree that this option to make no changes to the current regulatory framework is not a suitable option in light of the consumer harm identified in section 4 above?:**

Yes, if this option were chosen it would be against the consumer interest and would make the consultation a waste of time.

**Question 21: Do you agree with Ofcom's analysis of option 2? If not, please explain your reasons.:**

I agree with Ofcom's analysis of option 2.

**Question 22: Do you agree with Ofcom's analysis of option 3? If not, please explain your reasons.:**

I agree with the analysis. The industry as a whole is moving away from consumer interest and needs firm action.

**Question 23: What are your views on option 4 to modify the General Condition to require Communications Providers to notify consumers of their ability to withdraw from the contract without penalty for any price increases?:**

Yes, aside from banning price increases altogether this is the next best alternative, letting consumers leave if they are &quot;unavoidable&quot; price rises.

**Question 24: Do you agree with Ofcom's assessment that option 4 is the most suitable option to address the consumer harm from price rises in fixed term contracts?:**

Out of the 4 options it is the most suitable but I still feel that price rises should not be permitted at all.

**Question 25: Do you agree that Ofcom's proposed modifications of GC9.6 would give the intended effect to option 4?:**

Yes

**Question 26: What are your views on the material detriment test in GC9.6 still applying to any non-price variations in the contract?:**

&quot;Material detriment&quot; should not be a permitted term. It should not apply to anything because it is so subjective.

**Question 27: For our preferred option 4, do you agree that a three month implementation period for Communications Providers would be appropriate to comply with any new arrangements?:**

It should be one month. This is more than enough. It takes minutes to update websites and set up a contract. The longer you leave it the more consumers will be trapped in unfair contracts.

**Question 28: What are your views on any new regulatory requirement only applying to new contracts?:**

Not ideal, it should apply to all existing ones, but as most communication contracts are 1-2 years existing contracts would soon finish.