

**Additional comments:**

I took out a 24 month contract fixed at £25 a month with 3 on the 31/08/2011. On the 16/07/2012 3 increase my fee by 3.6%!!

**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, the playing field is obviously not level, & as a consumer who has been forced to pay the increase with no recourse I can just consider myself lucky the rpi based % increase was ONLY 3.6% & I was already half way through my contract & will be able to terminate my contract soon after the next potential increase. Others will be disgustingly unfortunate enough to be subjected to multiple rpi % based increases on a 'fixed' deal!

**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?:**

Providers should factor in whatever they need to factor in. Consumers should be able to enter a fixed price contract & expect it to remain fixed!

**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?:**

Yes, & it should be accepted that a surprise price increase in a fixed term contract will always be a 'material detriment' when the whole purpose for a consumer entering a fixed term contract is that the price will be dependable month after month. It is like paying for & going on an all inclusive holiday to then be charged a % increase when you are there!

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

Clear guidance should be provided.

**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?:**

Providing guidance for 'material detriment' is not an adequate remedy for the consumer harm caused by this back door tactic. The remedy I believe that will send out the clearest message would be for OFCOM to enforce the contract providers refund all the price increases paid above the original contract prices & that the contracts are honoured at that original price for their remaining contractual duration. Then set out guidance on how the industry must market its contracts to avoid these issues recurring.

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

Yes, this is what has caused all the issues. Personally I entered into a fixed deal (the same as I had always done before) & like countless others had a good look at 'price variation terms' when I was informed my price was going to increase. The contract provider was transparent in not making me aware of it!

**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?:**

No, if it is made clear at point of sale or at the absolute limit, in the cooling off period immediately after the contract is started that a fixed price IS subject to annual inflation linked price increases (or any other terms), I think that the consumer could not say that the increase was 'out of the blue'. I feel that hiding ambiguously worded small print in a contract though does not constitute 'make clear', Price increases risks/liabilities need to be listed on a single document.

**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?:**

I think that the intervention should be worded that the prices cannot be increased i.e. they are capped at the original terms. If the providers wish to lower the costs to the consumer in any aspect of the terms, I couldn't see any reason why any consumer would object!

**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?:**

No, I don't agree. It is detrimental to all.

**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?:**

No, it should apply to all!

**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?:**

No, it should apply to all!

**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?:**

No, communication providers should either factor in potential price fluctuations in the 'fixed price' contract or clarify the risks/price fluctuations if you sign up to a variable price contract. Don't sell a product as fixed if it is not!

**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?:**

No. 'Fixed is Fixed'

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

Yes.

**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?:**

Yes, co-operation is most desirable way of reaching a working solution, however with many contracts now being 24 months or under, any action that takes longer than 24 month from the date of the 1st increase (11/10/2011 for Vodafone) will result in no remedial benefit for those effected consumers.

**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?:**

Yes, 1 single document highlighting all possible price increases a contract entered on can result in you paying more!

**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? :**

Only if it is made clear by the provider that 'you have the right to cancel your contract due to a specific issue' should a timescale be allowed to be applied by the provider. If no communication is received from the provider then the consumer should have the right to end the contract as & when they feel it is suitable to.

**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?:**

Yes, set guidance.

**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, some action needs to take place, this is a worrying precedent for all consumers!

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

No, still leaves too much responsibility on the consumer to get legal advise before entering into the contract!

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

Yes, this is an acceptable option to businesses especially but not 1 I would be interested in myself.

**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?:**

Bravo, I would take this 1.

**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?:**

No, I would like the option to continue the contract I signed (with the fixed terms deal I signed up to) in good faith!

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

Yes, It will resolve any issues from the day of implementation but it does not address the issue(s) that people find themselves in at the moment. i.e. prior to signing a new deal.

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

It should be removed totally. Any change(s) that reduce your ability to use services that were available when you started your contract are materially detrimental.

**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?:**

Yes, It will take me to the end of my contract though!

'by the beginning of August 2012 nearly £35M will have been appropriated from customers'

<http://www.guardian.co.uk/money/2012/jul/20/mobile-phone-contract>

How much now? Can something be done about what HAS happened?

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

I would like to continue my existing contract but if the provider insists that it is not possible & needs a fresh start with these new terms I would grudgingly accept that, however would it be unreasonable to expect to be compensated then? Or at least receive a good deal on the redrawn terms, for loyalty after being treated pretty shoddily!