

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

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 shareholders of Communication Providers should bear that risk, which management should assess when setting their charges.

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

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

No. There should be industry wide standards. If the industry can't agree on the standards, OFCOM should set the standards and charge the communications industry the costs of so doing.

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?:

It would be difficult for guidance to 'remedy the harm'.

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?:

Yes. Transparency is often a misnomer. Often the best way to hide something is to put it in the open lost amongst several thousand

other words in unnecessarily long 'legal documents' which no-one apart from those setting them ever has time to read.

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?:

All services

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?:

Life would be simpler if the same rules applied to all customers independent of size.

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. See my answer to Q10.

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?:

See my answer to Q10

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?:

The Communication Providers should assess the risks and where they are unable to do so, should protect against that risk by taking out suitable insurance, so that they can operate without changing either the costs or level of services to their customers.

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. See my answer to Q13

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

Yes, but ideally there should be an industry standard way of communicating to make it easier for customers to compare and understand.

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?:

Possibly, but only for a limited time. If rapid progress is not made, then approach needs to be formal, backed by legislation if necessary.

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?:

No further comment

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? :

As I would not allow price rises for the duration of a contract, this would not apply. Price rises should only come in for a particular customer once the term of their contract has completed, at which point the customer has the option to go elsewhere.

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?:

See my answer to Q18

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, it is not a suitable option

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

Yes I agree that OFCOM should seek a more certain, comprehensive and likely effective solution.

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

Yes I agree with the analysis with the added proviso that this option is just too complicated.

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?:

This is the best option of the 4 considered.

However, as outlined in my answer to Q18 above I believe that a better option would be to prohibit price increases during a contract.

This would mean that customers would fall into tranches, depending on when they started the contract and how long the contract was for, paying different amounts, but this is much preferable to the alternatives.

It gives certainty to the customer, makes the whole thing simpler from the customer perspective, would force providers to consider what to offer customers when their contract lapses, and bring a necessary discipline to pricing by Communication Providers, forcing them to use financial instruments such as futures, insurance etc to provide pricing stability.

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?:

It is the best of the 4 considered, but see my responses to Q18 and Q23.

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

Not sure.

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

Why should there be any non-price variations in the contract?

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

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

Yes, new regulation should only apply to new contracts.
Keep it simple.