

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 risk should be borne by the Communication Providers as they are in a position to influence the level and extent of cost increases, something which the consumer has no direct influence over.

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?:

Mandatory guidance should be provided by Ofcom as the Communication Providers will normally determine such matters in the way most suited to themselves.

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?:

Any guidance should be mandatory and failure by the Communication providers to follow such guidance should be punishable by a fine and also provide appropriate redress for the consumer.

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?:

Transparency alone would not prevent the Communication Providers from unilaterally increasing prices or amending terms and conditions in a way which is to the consumers detriment.

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?:

Should apply to 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?:

The harm potentially applies to all consumers whether they be residential customers, small or large businesses.

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?:

No

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?:

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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 will tend to choose a method which is convenient (or cheapest) for them and not necessarily the most appropriate for individual consumers.

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. A more robust approach to Communication Providers needs to be taken.

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?:

Support

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? :

Price rises should not be allowed at all while a fixed contract period is in place. Any increases should only take place on contract renewal at which point the consumer should have a minimum of 1 months prior notice of any variations.

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 18 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

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

yes

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

yes

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?:

See question 18 above. There should be no price increases during a fixed contract period and the consumer should have a minimum of 1 months notice to withdraw from, or accept, any changes at the end of the contract period.

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, see questions 18 and 23 above

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

probably but this is inadequate

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

The test should still apply subject to mandatory guidance from Ofcom

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?:

It should apply to all contracts.