

## **Additional comments:**

1. With all due respect, given this consultation is about consumers, it's a pretty long document for consumers to read and properly comment on.
2. If my memory serves me correctly, then in the past these same operators have lowered prices to get new customers. These lower prices were not passed on to existing customers who were mid-contract. So are the providers trying to have their cake and eat it here?

### **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, and it also the case that, as a consumer, this feels like a change in the industry standard which was not highlighted to consumers. For example, I previously had a 'pay monthly' contract with O2 for around 10 years. Each year at renewal I would essentially bargain with them on the price of my contract for the year (or 18 months) ahead, with the knowledge that once we agreed a price it was set and that was that. More recently (and with a different provider [Vodafone], only about 6 or so months into my contract my price went up. This was completely unexpected, and as a consumer I went through my contract to find there was nothing I could do and indeed the terms of the contract were terrible for me (there is at least one clause around the ability to change terms and conditions which I don't believe would stand up in court as it is so weighted to the provider). Yes, it is my responsibility to read the contract at time of signing, but (a) most consumers don't, (b) most of the contract are the same so what choice do consumers really have, and (c) major changes to industry practices such as this should be very clearly highlighted in plain English. For Vodafone you need to read two clauses which are not even placed next to each other, so even if most people did read the contract I am not convinced they would understand the implications.

### **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?:**

Yes, the consumer should share the risk. However, the provider is best placed to understand this risk (I as a consumer cannot in a reasonable time). Therefore the provider should be using their risk analysis when setting the pay monthly contract prices at a given time. If this is done properly there is then no need for consumers to see price changes during their contracts. In other words, the contract should be fixed for the full term as the risk should have been factored into that 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 think so, but the question is actually difficult to understand.

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

No, providers should not be allowed to unilaterally do this, it a clear conflict of interest, and almost surprising you're even asking this question. Having actually dealt with the procurement department one of the providers I can assure you if they can find a way to make things better for themselves they will.

**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?:**

Guidance would of course be useful, but it really depends on how strongly it is followed up. And the problem with guidance is that it is only a guide, and so can usually be ignored if you want to ignore it.

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

Yes, as a consumer I have no idea why my bill was increased, beyond, "rising costs" and "I'm lucky because it could have been higher". Neither of these give me any insights beyond the fact my provider was unable to (a) forecast their costbase and (b) control their cost base. Neither of these should be my issue as a consumer - frankly if they go bust (unlikely of course) that's fine as I can more easily change provider then.

**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?:**

Indeed, this is correct. Transparency would only give me a reason, not any control to change contract.

**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?:**

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. If I sign a fixed term contract I'd expect it to be adhered to. To put it another way, if O2, EE, Vodafone, etc, sign a service contract with someone how would they react if their supplier tried to up prices mid-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, clearly this is true. A lot of small businesses have pretty tight margins, and should not be subject to unfair contracts. This is especially the case in these difficult economic times.

**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?:**

Not enough specific knowledge to comment.

**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?:**

Yes, these are beyond the providers control, and cannot be reasonably modelled into a risk analysis. I believe it is fair to pass these costs onto consumers.

**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

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

No, from my experience with Vodafone, the bill just seemed to go up. If they did communicate it to me I can safely say I didn't notice. They could have done it by a letter in the post. Given all my mail from them is electronic having a letter in the post would have meant I would have read it given it would have stood out - I mean, companies like telecoms providers send so many different types of e-mail it's difficult to distinguish between normal marketing and something actually worth reading.

**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?:**

This is probably the best approach, but it does of course depend on the outcome of this.

**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?:**

I'm not sure there should be any contractual variation beyond changes to tax. I mean, if my personal circumstances change I can't change my contract, so why should they be able to? To suggest so seems like assuming contracts can be onesided, which should be unacceptable.

**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? :**

This really depends on (a) EVERYONE in the UK being made aware that the game has changed, as a lot of people do not know that providers can change prices, (b) proper communication that prices have changed, (c) how easy providers make it to cancel contracts at this point.

If these three things are satisfied then, I think 60 days is fair. I'm sure providers will say 28 days, but this is far from ideal. People do take 3 week holidays, which with weekends on either side, means that's about 23 days, which gives people about 5 days to catch up on everything. This means that with 28 days some people will unfortunately not really get a chance to cancel a contract. Therefore 60 days gives people a proper chance.

**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, there should be, but again, depending on how seriously 'guidance' is taken.

**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 suitable

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

I think the providers would interpret this as putting more small print into contracts. This doesn't really help me as a consumer - you have to account for the fact that most people just

sign the contracts without reading them as all the providers essentially use interchangeable contracts, so the consumer is seemingly without choice.

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

Yes, I think your analysis is correct assuming that by 'consumers should information' means real meaningful information that is displayed and verbally provided, not just in a contract somewhere.

**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?:**

I like this option.

**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?:**

Yes

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

I don't understand the detail enough

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

I don't understand the detail enough

**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?:**

I think it should be retrospective back to when the industry changed its standard without adequately communicating this to its customers.