

### **Additional comments:**

The decision by Orange / Everything Everywhere to increase consumer bills during what is a Fixed Contract period is a flagrant disregard of consumer rights - Particularly as their employees within their shops don't mention this during their sales presentations

### **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?:**

It is harmful to the consumer and a flagrant breach of the standards expected from suppliers. The financial world is covered by the principle of 'Treating Customers Fairly', however it seems that a culture of being unfair to customers exists in the Mobile Phone Suppliers market.

### **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?:**

Communications Providers should bear that risk 100% as this is something they are best placed to address and include in their pricing model. As a customer you need to have the honesty of an up-front figure showing exactly what you are to pay. I am certain that if a Communication Providers costs were lower than forecast they would not reduce the monthly charge

### **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 - the way the price rises have been implemented seem random and capricious (albeit they are all designed to fall beneath RPI).

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

This should vest solely with OFCOM as the Communication Providers have shown they can't be trusted. You cannot expect them to be fair arbiters.

### **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 believe guidance is an adequate remedy. The sales staff of the Communications Providers either do not know or are prepared to lie about whether the monthly cost will increase, I fail to see that guidance alone would remedy this.

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

Yes - See comment to question 5.

**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, Transwould be a start, however concrete regulation forbidding price rises is the only answer. Even if this led to slightly increased charges initially this would at least enable fair comparison at point of purchase.

**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 - Wholeheartedly.

**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?:**

To be fair any regulatory intervention should only apply to price increases in the fixed element of the contract (i.e. Call charges, monthly rental, inclusive text messages etc.) as there is no choice as to whether this is paid. Customers have the ability to choose whether they make calls etc. over their inclusive limits and by this ability they can choose whether they pay the increases or not. Increases in call costs etc. should be kept to acceptable levels (i.e. RPI)

**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?:**

I believe it impacts all customers, residential, small or large businesses. The difference is that larger companies will have more clout in negotiations.

**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?:**

This would seem fair as they are factors the communications providers could not anticipate or control, however they would impact all communication providers and so they fall way out of the scope of the practices we have seen

**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?:**

Nothing comes to mind

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

yes, provided that these variations are effectively monitored by OFCOM

**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, I think the issue needs concrete action and informal liaison will not bring about a fair customer outcome. Everything Everywhere have already announced a price hike whilst knowing the consultation is ongoing and so have shown cavalier disrespect to OFCOM. I suspect a period of informal consultation would see more price rises.

**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?:**

Whilst this is all good process, the main problem is regarding notification of the ability to increase prices at the time of taking the contract out. This is the major issue

**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? :**

There should be a set timescale for all providers and it should be a minimum of 30 days. Any shorter is unfair to customers

**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?:**

Agree - Month is the right time

**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?:**

Agree - To make no changes would be unacceptable to customers

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

I agree 100% with OFCOM analysis on Option 2

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

Not fully convinced with OFCOMs analysis. I think that by implimenting Option 3 the market will see an end to the Variable contract as if a provider tried to make the fixed contract appear unattractive, market forces would prevail. Maybe the best option would just be ensuring that there are only fixed tarrifs available for the Contract Periods.

**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?:**

Whilst I personally believe the best option is for Fixed Contracts to mean just that and there to be no increases, of the four options considered number 4 provides probably the best customer outcome.

**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?:**

See comment in Question 23 - it is the best of the four.

**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?:**

I think this would be a mistake as it provides uncertainty for consumer and operator. The best way forward would be to treat 'non-price variations' in exactly the same way as 'price variations'. as failure to do this is likely to lead to more dissatisfaction if (when) the operators review this as being a way to recoup profit.

**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?:**

That would be the absolute maximum that would be reasonable

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

Disagree, the providers should be required to extend the reasonable changes to all customers who have current contracts. The consultation document clearly indicate the behaviour of operators is to the customer detriment and so protections should be given to all consumers. As an indication the PPI Mis-selling scandal does not limit to new customers and so this should not either.