

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?:

I agree that there is consumer harm related to a mid contract price raise; it shows poor business planning/forecasting and is being used as a way to generate income where consumers have no realistic chance of exiting the contract without penalty. The use of a clause in the contract small print for what they consider a normal increase is inappropriate; the use of the small print, whilst can be important, should be to relate to the occasional exceptions and not the norm, as in, in this case.

I selling a fixed contract, it goes against the nature, and common sense, to have a clause allowing an increase to price. I would say hiding a clause such as this in the small print would correlate to miss selling a product.

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?:

No, the large companies such as EE have adequate reserves, and will undoubtedly declare abnormal profit margins so should bear the risk entirely.

Recently there has not been any drastic changes to the RPI so their need to increase prices is through bad forecasting and financial planning.

If companies are not able to underwrite these risks, then they should not offer as lengthy contracts to consumers.

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?:

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

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?:

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 is not the key; the ability providers currently have to negate their type of contract by use of small print should be removed. A fixed price contract should remain that.

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, this is what regulatory bodies should be able to do; the individual consumers are likely to be unable to take on the large companies successfully themselves as they do not have the buying power and would be unlikely be able to justify legal costs associated.

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?:

Intervention should apply to all cases; many contracts/packages include features that would include special rates; if these 'rates' suffer an increase the consumer will be disadvantaged whilst being locked into a 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?:

No, all customers are consumers- the harm applies to all and typically other larger businesses would pass increases to their customers,

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?:

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?:

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?:

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

No, it should be a laid down method, usually in writing.

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, price increases are being forced through in April from companies like EE; formal direction is required.

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?:

Letters to consumers (not text messages or emails).

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? :

A 60 day period is appropriate for a 2 + year contract.

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, for simplicity and to avoid too shorter consultation periods, where a consumer who is away for a few weeks may miss out.

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?:

Changes should be made.

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?:

Yes, consumers must be clearly notified by letter.

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?:

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?:

Phone contracts are relatively short 1 or 2 years normally, therefore non-price variations should also count as a breach and give consumers the option to leave without penalty.

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?:

No, unless it would enforce a back date to take into account increases that Providers such as EE are implementing in April 2013. (new financial year)

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

Consumers on already long contracts would be disadvantaged, effort should be made to enforce to current contracts.