

**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?:**

Providers should bear the risk.

**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?:**

Not sure what this question means.

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

Ofcom should always provide guidance. Providers shouldn't be marking their own homework.

**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 don't understand this question.

**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?:**

Better up-front transparency would certainly help - so those signing contracts could have it pointed out to them explicitly (and not just in the small print) that price rises are possible during the lifetime of the contract.

However, it seems to me that that gives no incentive for providers to behave reasonably and your proposed changes are very necessary.

The current situation also involves an asymmetry of risk in the contracts: Providers can increase prices above what was first agreed, but Consumers cannot end the contract before time. Regardless of any harm, this is a basic unfairness.

**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?:**

Yes. Big organisations can mitigate risk and also have the muscle to negotiate bespoke contracts.

**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?:**

I don't know.

**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

**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.

Even if there are reasons for price increases that fall fully outside the control of Providers, this is not reason enough for them to be allowed to pass those price rises on to Consumers. As an analogy, if a Consumer loses his/her job and finds it hard to service the contract, they are still bound by its terms, even though their ability to pay has changed for reasons beyond their control. Natural fairness demands symmetry in these agreements: aside from tax increases, any rise should allow Consumers to exit 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

**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

**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?:**

The notification of contractual variations should include an equally prominent reminder of the consumer's right to exit the contract, as well as explaining how to do this.

**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? :**

Provided a prominent reminder of the consumer's right to exit the contract accompanies any notification of a price rise, 28 days would seem reasonable.

Yes, there should be a set timescale for all Communications Providers.

**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?:**

There should always be guidance. Ofcom's primary aim should be an efficient market in telecoms, for the benefit of consumers: that means consistent regulation for all providers, where the aim of the regulation is always to improve information to consumers and/or to minimise switching costs.

**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?:**

No changes is not a suitable option.

**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?:**

Providers should always have to notify consumers of their ability to withdraw from the contract.

This notification should be of equal prominence and in the same communication as the notification of a price increase.

**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 know.

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

Yes, the material detriment test should apply to any non-price variations: a decreased service for a fixed price is effectively a price increase.

**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 would be better if the new requirement applied to all contracts. If there is a very strong business reason for applying it to new contracts only, then that would be acceptable to me as a consumer.