

Additional comments:

n/a

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. The terms need to be fair for both parties (the business and the customer) If operators wish to change prices then where is the fair term to allow customers to do the same.

Customers obviously cannot force prices down, but if operators want them to go up, then consumers should be given an opportunity to leave to find a supplier at the same price. If operators want to increase prices its a risk they take, in that customers can leave.

The issue I see for operators is there inclusion of mobile handsets in contracts. I took out my contract because the cost of the phone separately with a PAYG monthly contract was more than a fixed contract with a phone. So if I can leave early there is the potential for loss. I.e. I am 12 months into a 24 month contract, which included a "at time of purchase" Ĭ phone. Even given large volume discounts the operator has only recently started to make a profit on my contract with them. Ive read before of customers with new Iphone's from 02 leaving contracts early due to changes and thus 02 taking a massive loss.

Customers and operators know the monthly price includes the cost of the handset. It is subsidised over the term of the contract, the phone is not "Free". Yet if you want to leave early the operator wants the phone back, however you know you have already paid for part or all the costs of the phone over however much of the contract you have already covered.

Therefore its my view that if a contract has a fixed term and includes a phone, then it should be a fixed cost. And its up to the operator to price accordingly for the length of the contract.

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?:

Mobile contracts are advertised as &#xpcm, they are not clearly advertised as a variable fixed term contract. It should be the responsibility that whilst in a fixed term contract the price remains the same. This is common price is many industries, i.e. car finance where by a yield factor is calculated and used to cover costs + profit over the term of the agreement. Once agreements become variable, i.e. mortgage products you are free to change without charge.

In a way operators already do mitigate the risks. A contract could give say 300 minutes and 1000 text messages. Yet 12 months later the same contract at the same price, gives 400 minutes and 2000 text messages. Yet those who signed up 12 months ago still get only 300 minutes etc. Whilst in places prices may not increase the usage on the network is already worked out at the time of purchase.

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?:

No comment

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

OFT and Ofcom should decide on material detriment. Im in a fortunate position of not leaving hand to mouth for budgeting. A €24 price increase of the term of my contract isn't going to break my bank. But for many people this isn't the case. Especially given job losses, people in fix term contracts may already be struggling to stay afloat. These people will already have budgeted a set price, where by an extra pound here or there can have terrible affects, i.e. overdrafts charges, and potentially other issues.

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?:

It should be upto ofcom to set minimum standards

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

Yes. I've had issues with phone companies before about them being unclear. Don't get me started on use of the term Unlimited, when Vodafone tried to charge me over €200 for ~280MB of usage. I won my case with trading standards! So much is hidden in contracts. Is there really, I mean really a need for pages of small print. It is really simple to put in plain english all the terms on the front page. €30/pcm variable*, rather than €30/pcm and then hidden on page 27 in a booklet the “right” to increase prices. Remove unlimited and put down the actual cap on usages, i.e. 3000 minutes/text, 5GB data. Fixed price, fixed term, fixed usage, simple. How often are older parents “conned” into agreements in phone shops for contracts they don't need.

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?:

If the main terms were transparent, I would have no issue. You should be able to make a decision based on one page of A4 paper, at normal sized font. If you agree to it then (rather than waiting 3 weeks for T“C's to arrive in the post) you have made your decision

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, only because the increases are not transparent. The small print is always in favour of the business. Whilst the terms never change, the terms do allow them to change nearly all aspects of the contract for their benefit. They can increase prices and remove services, and you have no choice in the matter. Fixed price, fixed term, fixed services. If they don't like it, don't offer it

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?:

Minimum standard for all pricing. If you leave one out, prices will be upped in one category to subsidise others that cannot be increased.

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?:

They apply to everyone. Orange's latest hike is bringing them in €52m extra a year. That €52m isn't printed money its taken from 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. It should apply across the board.

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, consistency is vitally important.

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?:

Other than government forced rises, i.e. VAT and other tax increases. All price increases should allow customers to terminate without paying exit fees. End of the day, prices can go up for new contracts, and existing contracts can be unchanged.

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?:

The main networks O2, Orange, 3, Vodafone have full control of their networks, they can work out prices and bandwidth available so I can't see a reason for price increases. With piggy back networks like Tesco, GiffGaff, I can see potential issues with Vodafone upping prices to them, however as the customer is in a contract with say GiffGaff, it's the business's risk not the consumers

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 have already proven they can't. Sending out text messages, or emails isn't suitable. It should for a contract change always be a written letter.

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?:

Phone operators have a long history of ignoring customers. A strong stance needs to be shown

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?:

no comment

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? :

Ofcom should set it, i.e. 60 days from date of alternation.

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?:

Should be set by ofcom, a consistent way to leave without having to argue with customer reps all day long.

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. Changes are needed.

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

no comment

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

no comment

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 agree

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 comment

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

no comment

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

no comment

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. Everyone needs time to react.

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

Should apply to all contracts