

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?:

Communications Providers should bear the risk. If they are able to predict profits a year in advance, they can certainly predict "inflation-hikes".

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

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

No. Ofcom should 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?:

Making the potential hikes clear is essential. At no point in the main contract wording (by this, I mean the material used to sell the contract) did it mention inflation hikes. In the letter I received from O2, they pointed to a clause buried deep within the contract. This is clearly deliberate on their part, and in my opinion, is an attempt to mislead consumers.

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?:

It depends if consumers are hit with other underhanded stealth rises.

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?:

No opinion.

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?:

I would guess so. Why should businesses suffer too?

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?:

No. Inflation is not new, but 24 month contracts are. Retention is clearly an issue for providers, but they should not a) make it more difficult for people to leave or b) charge more to those who buy into extended contracts.

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?:

Yes, but they clearly need a "helping hand" to ensure that these communications are transparent, as they are currently not.

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?:

I think this will be a drawn out process. The providers are clearly looking to use loopholes to claw back cash. This should not be a softly, softly approach.

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?:

N/A

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? :

If you have a 24 month contract, then you should be given a minimum of 2 months notice by the provider, and this will allow you to cancel the contract without penalty if a price rise occurs and shop around for a new deal. Alternatively, providers should be up-front and transparent about costs and let consumers make a decision at the POS.

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?:

As above.

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.

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?:

Agree completely.

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?:

It depends how serious the variations are.

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. They implemented the change quickly enough to sting consumers, it should be no problem to modify it.

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

Ideally it should apply to all contracts where consumers are at risk.