

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, unless they can point to something that has significantly increased their costs that could not reasonably have been foreseen and is outside of their control.

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?:

Ofcom should provide guidance, though it could ask industry bodies to draft what it considers reasonable first.

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'll leave that to you

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?:

Yes

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. I also strongly believe that this protection should be afforded to sole traders and small businesses as well. I am on a small business contract (for myself as one employee) and my mobile provider, Orange (now EE), raised the contract fee on me six months into a fixed two year term. We should be included in the definition of consumers in this case,

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?:

I think that providers should be able to offer changed terms for services such as these to customers, but the customer should be given the option to choose whether to accept or remain on the old tariff (or failing this be given the option to exit the contract without penalty).

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 strongly - see above. I think that larger businesses can generally negotiate bespoke contracts, but small businesses are equivalent to consumers. In fact they are sometimes more vulnerable as they are more focussed on generating revenue.

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?:

If you think so.

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, though if the future change is known about at the time the contract is entered into, then they should be required to disclose it.

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?:

It may be sensible to have a force majeure type clause for something unforeseen that allows them to apply to Ofcom to pass on the increased cost.

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 should be clear and fair in all they do and it should be done by post as well as any other methods used.

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?:

Yes

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?:

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? :

Three months and yes this should be consistent across the board. This length of time is the least required as the consumer / small business may be away and will also need time to research replacements and effect them before the existing service is removed.

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 there should

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?:

This is the right approach. I think it would be fine for providers to insist on the return of the equipment provided (at their cost) if it was part of the contract, though only with sufficient notice to allow the consumer to find a replacement, using the same number.

This should work with free phones as the payments already made should cover depreciation, but it would be interesting to see how many providers insisted on it given the cost of processing it.

I think it is more likely that interim price rises will just disappear, which is the right answer as these are generally short term contracts which then roll on when price rises can legitimately be imposed (and will probably harm some consumers, though this is another topic)

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?:

I think these should all be covered by minimum service standards set out by OFCOM unless the provider has committed to something higher in the contract, such as 24/7 support, next day phone replacement, insurance etc.

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?:

No - it should be backdated to all contracts currently in existence. There is no excuse for making changes to a fixed price contract, it is just profiteering and by not making it applicable to all contracts, Ofcom risks imposing additional harm on current consumers as providers may seek to get what they can while they can.

Ofcom should also consider requiring providers to provide redress to consumers over previous price rises to fixed term contracts, by cancelling the rises and refunding the excess money paid.