

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. Even taking into account the current guidelines where Orange claim to remain within inflationary increases I am soon to be paying 10% more than the original agreed price. £33 per month from £30. This increase is within 18 months of my 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?:

Communications providers should take liability for the risk. In entering into a contract consumers are seeking to mitigate the risk. Providers should be able to forecast the risk and include a mitigation in their pricing.

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, material detriment appears to be too broad and open to a wide range of interpretations on both sides of the argument

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

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?:

As a regulator it would provide you with a clear test from which to intervene

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 is dependent on its application. Your report seems to highlight an unwillingness upon the sector to behave transparently and as such we should expect that transparency would not be implemented within the spirit it is intended.

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 - the harm may be lessened for larger business as it may be mitigated and they have greater purchasing power and will have more influence on the provider. But it still wastes time, energy and must impact the bottom line.

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?:

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?:

yes, these are outside of control and capability to predict of the provider. However the provider should state the liability at time of issuing the contract.

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?:

No. Many people pay by direct debit and have to pay additional charges to receive paper bills as such the ability of the provider to hide charging increases is there. Through the recent enactment of the contract clauses to activate price increases I see no reason to think that the providers will act in good faith going forward. The reams of terms and conditions issued with a contract is agreed (often after the primary agreement is made) means they have ample opportunity to hide terms that seem unlikely to be activated.

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. This is having real harm to purchasers now. Even after this consultation has been launched providers have sent through another round of increases. One cannot expect them to behave in the interests of consumers.

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?:

We must insist on the best practice examples and this must include actual descriptions of the change to be enacted eg both the original price, the percentage change the new price and the dates from which the change will take place

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? :

Consumers should be able to cancel at any point in the notice period and up to three months after. This gives the consumer reasonable time to realise the impact the adjustment has caused.

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?:

yes

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 remain suspicious of material detriment. Variation should not occur.

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, There is no reason apart from obfuscation on behalf of the providers that they cannot implement the changes within 30 days.

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

This would be fair, as it is about terms and conditions of contract offers going forward. However I would hope that providers are encouraged to enact these recommendations retrospectively as well