

**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?:**

The Communications Providers are in business to provide a service to their customers and should be at least as adept at forecasting their costs of doing business as a company in any other sector.

They have chosen the business-model of providing a &quot;free&quot; phone for customers taking out a fixed term contract and the risk of future costs should lie with them, NOT with the customer.

**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?:**

There needs to be official rules around this. Otherwise a rainy day will provide the Communications Providers with enough to increase customer costs.

**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?:**

Guidance is inadequate - we need legislation.

There should be two options. Either:

Provide the service for a fixed price for a fixed period of time, at the end of which either side can terminate. Or

Allow a Communications Provider to increase prices but give the customer the right to terminate the contract and keep any mobile phone provided under the agreement - if a customer is, say, 18 months into a 24 month contract it is unfair to expect the to surrender equipment that has largely been paid for.

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

Yes absolutely. It is completely unrealistic to expect customers making a purchase to read and understand a lengthy document, written by a team of legal professionals with the main aim of protecting the Communications Provider's position.

Surely contract terms can be written in plain English using less words than Shakespear's work?

**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?:**

Utterly inadequate. It's questionable whether current agreements could contain unfair contract terms, so why should we believe that asking them to make the potential for price increases clearer will stop the marketing of

fixed term contracts with price increases still possible?

**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?:**

The prices for the supply of the service AND the services to be provided should be fixed for the duration of the contract.

If you legislate to stop line rental increases, I'm confident the Communications Providers will simply charge more for texts, calls, data, messages, etc.

**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?:**

Larger business are better placed to have legal advice before entering into the contract but, in reality, many won't bother for something like mobile phone contracts.

I believe that legislation should cover ALL 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.

**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. But the rules should apply to all customer, large and small, as well as consumers.

**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?:**

Government action like VAT IS beyond the provider's control and business-customers will already be aware of the fact that these costs may increase - though, many/most of those will be able to recover these costs while consumers cannot.

I would consider allowing the Communications Provider to cover any increase in costs resulting from VAT increases, but not for increases in Corporation tax (which Vodafone and HMRC seems to regard payment of as optional anyway!) or other taxes that all businesses might face - that is a risk of business. The Communications Provider should explain clearly to customers that this is an additional tax they are collecting on behalf of the Government, but I'd rather FIXED meant FIXED - maybe the Communications Provider's can lobby government to allow existing VAT rates in existing contracts to continue? If that makes things too complicated for them they should swallow the increase.

**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. All businesses operate with a certain amount of risk on future costs.

**Question 15: Do you agree that Communications Providers are best placed to decide how they can communicate contract variations effectively with its consumers?:**

They are best placed to do the actual communication, but I'm not convinced they would voluntarily choose the best way.

**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. I can't believe you allowed these contracts to exist in the first place and firm action needs to be taken immediately.

**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?:**

Outlaw contract variations unless the customer has an absolute right of withdrawal.

**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? :**

Customers should have at least 30 days notice of any price increase, and should be free to cancel at any point from then, up to and after the date of the price increase. The same rules should apply to all Communications Providers and customers.

**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?:**

We don't want  
&quot;guidance&quot; we need rules.

**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.:**

This option is weak and inadequate.

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

A tick-box that will never be properly explained to customers. That will work - NOT!

**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?:**

Absolutely required.

**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?:**

No. Costs of compliance with new rules is giving the Communications Providers a blank cheque.

They should be allowed to vary for VAT and NOTHING else.

**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 don't understand why there needs to be any provision for variation of the terms of an agreement?

**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?:**

I would say they could move faster than that - they have all had their price increases now, and further delay just increases the chance that they squeeze in another increase ahead of any changes.

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

Realistically, that is the most likely outcome, though I would prefer to see rule-changes applied to existing contracts. I have NO expectation that the rules will be applied retrospectively to increases that have already gone through, but would like to think they might!