

**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. Fixed term contract should mean precisely that. Fixed term and fixed price.

**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 guide.

**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 should be such that fixed term contracts which allow the provider a guaranteed income over a fixed term should be rigorously enforced with no wriggle room for the provider to increase prices during the contract period.

**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.

**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?:**

Should apply to all services where a fixed price was agreed at the start of the contract.

**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 is to all who agree a fixed price but are then subject to increases during the contract period.

**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?:**

No. If they have the security of fixed term contracts then they should take the risk of variations in their own costs. They can't be allowed to have their cake and eat 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?:**

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.

**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. An informal liase is not what you are funded to provide. It does not guarantee protection and is unlikely to provide it. A formal and enforceable agreement should be put in place with powers to fine offenders.

**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 fixed term contract should be allowed where variations in price can still take place during the period of the contract.

**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? :**

At least 3 months and they should be notified in writing.

**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?:**

They shouldn't be simply guided. They need to be coerced with legal force.

**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?:**

It's the least that should be done, but ideally they simply should not be allowed to increase prices on a fixed term contract.

**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?:**

At least that much should be done.

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

Perhaps.

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

A fixed term contract should not have variable options in it. The public expect a fixed term contract to mean a fixed price for services for a fixed term.

**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?:**

14 days should be enough.

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

It should apply retrospectively. It was what the regulations were intended to provide in the first place and the providers have simply tried to get around the restrictions whose intention was very clear. Protection of consumers from unfair price increases.