

Inflation-linked in-contract price rises

Qualitative research report
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1. Executive summary

Research approach

- In Summer 2023 Community Research conducted research with the public on behalf of Ofcom to explore awareness and understanding of inflation-linked in-contract price rises in relation to mobile and broadband contracts, the impact of these terms on consumers, and attitudes towards potential remedies.
- This research consisted of an online forum, followed by 8 online focus groups with general consumers and 8 depth interviews with more vulnerable consumers. Participants were recruited to represent a spread of demographics, contract types and mobile / broadband providers.
- The research team reviewed participants' purchase journeys and the extent to which inflation-linked in-contract price rises were factored into decision making. They explored participants' views of these types of price rises and how any negative consumer impacts could potentially be addressed by Ofcom.
- Throughout the report, behavioural science concepts have been utilised to help contextualise or inform the understanding of participants' decision making in relation to inflation-linked in-contract price rises.

In-contract price rises as part of decision making

- The research showed that the process of researching new mobile or broadband contracts was **time consuming** and **confusing**. Participants spent considerable time reviewing different options on different provider and price comparison websites, and had to weigh up multiple factors when choosing between contracts.
- As such, and despite the fact that they considered price to be one of the most important drivers, the vast majority of participants did not factor inflation-linked in-contract price rises in their decision making. In the context of an already confusing marketplace, these price terms were not something that they considered important in their original search parameters, and nor did they tend to notice small print about these terms during their research or at the contract summary stage.

Awareness and understanding

- Although some participants previously had no awareness of inflation-linked in-contract price rises prior to this research, most had **some vague awareness** of their existence.
 - However, few people understood much about why and how they worked, and many struggled to calculate the likely impact of an inflation-linked price rise on the cost of a monthly contract. The research showed that a significant minority overestimated their ability to accurately calculate price rises.



- Most participants were **resigned** to in-contract price rises – they often assumed that all providers applied these terms, and therefore they had no alternative but to accept them. Most participants felt that the actual level of the price rises had been low and manageable for them, although some had noticed more significant increases in their monthly bills this year.
 - That said, in-contract price rises were seen as an issue by several participants who were on low and / or fixed budgets / incomes.
- Participants did feel **annoyed** that they were being **taken advantage** of by providers – they felt that these terms were made deliberately confusing and hidden away (and presented inconsistently across providers). They questioned the additional percentage that providers have added to price rises on top of inflation.
- Although participants felt that most consumers would be negatively impacted by inflation-linked in-contract price rises, because so few were engaging with these terms, it was felt that those on low and / or fixed budgets / incomes (for example pensioners / students) would be at particular risk of being negatively impacted by unexpected price rises.
- Some participants felt that consumers may not engage with information about impending price rises (after they have signed up to a contract), due to the high volume of correspondence they received from providers.
- None of the participants in this sample reported having seen worked examples as part of their contract summary (most admitted that they rarely looked at contract summaries), but welcomed the examples when they were shown in the research.¹
- Similarly, participants were positive towards requirements to make inflation-linked in-contract price rises clear and unambiguous in advertising (as per the Committee of Advertising Practice (CAP)'s guidance)², but felt that they would still need more help to understand what such a price rise would mean in practice.

Response to remedies

- Participants were asked for their responses to four potential remedies:
 - Better point of sale information about inflation-linked in-contract price rises
 - Greater choice of fixed price and / or 12-month tariffs
 - Right to exit when price rises are applied
 - Prohibition of the use of inflation-linked in-contract price rises (e.g. price rises in £/p only or fixed price tariffs only)
- Overall, participants were looking for **certainty, consistency** and **transparency** when it came to in-contract prices rises, and the remedies that were seen to address those needs resonated most strongly.

¹ Please note that some participants will have entered into contracts before Ofcom rules required providers to give customers a contract summary (June 2022).

² CAP *guidance on the presentation of mid-contract price increases in advertising for telecoms contracts* [<https://www.asa.org.uk/static/46a96782-028a-4f5a-ad3a2ad01c149324/Guidance-on-the-presentation-of-mid-contract-price-increases.pdf>]



- **Certainty**
 - Participants believed that offering consumers a greater choice of fixed price and / or 12-month tariffs, and prohibiting the use of inflation-linked in-contract price rises (either presenting price increases in £/p or prohibiting them altogether) would allow consumers to budget, safe in the knowledge that they would not be encountering unexpected price increases (or in the case of 12-month contracts, that they would not be tied into unaffordable contracts in the longer term).
 - Participants felt that giving consumers the opportunity to exit their contract when price rises were applied was largely too impractical to offer certainty – while participants disliked being stuck in inflexible long-term contracts, they expected that leaving their provider would be a hassle.
 - Providing better point of sale information was also thought to offer little in way of certainty as inflation-linked in-contract prices rises would still be based on estimates and would remain difficult to calculate for many consumers.
- **Transparency**
 - Participants appreciated the transparency offered by both fixed price tariffs and £/p price increases as they could clearly understand what they were agreeing to from the outset of the contract.
 - Better point of sale information about inflation-linked in-contract price rises was also felt to go some way towards meeting people’s need for greater transparency, but as a sole remedy, participants queried just how effective it would be. They raised concerns about when the information would be presented within the purchase journey and how prominent this information would be in the purchase journey.
- **Consistency**
 - Participants had little faith that providers would take the same approach in implementing any of the remedies, However, participants were particularly concerned that point of sale information about inflation-linked price rises (including personal estimates of price rises) would be presented (and calculated) differently across providers. Participants were also concerned that consumers would still not be able to make meaningful comparisons between contracts if better point of sale information about inflation-linked in-contract price rises was the sole remedy.



2. Background and approach

2.1 Background and objectives

Many communications providers include annual inflation-linked in-contract price rise terms in their consumer contracts, typically in the formula of Consumer Prices Index (CPI) or Retail Prices Index (RPI) plus X% (where X is almost universally 3.9%). This, in combination with fast-rising rates of inflation, has led to large and likely unexpected price rises in 2022 and 2023 for many fixed broadband and mobile customers and for some pay TV customers.

Price rises usually take effect in March or April each year and apply to all customers on contracts with relevant price rise terms, regardless of when they signed up to the contract. Providers can offer contracts with a commitment period of up to 24 months, which means that customers on contracts with price rise terms could face up to two annual price rises while they are in-contract.

Ofcom wanted to assess the impact of these price rise terms on consumers, including on their ability to understand and choose the right deals for them and, how this in turn may impact the effective functioning of markets more generally.

As part of their wider review and evidence gathering, Ofcom wished to conduct a piece of qualitative work to explore levels of current knowledge, consumer journeys and to test potential remedies.

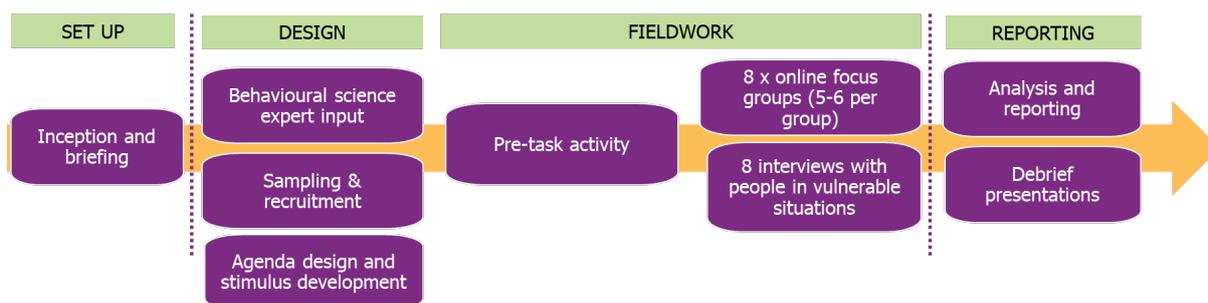
The main research objectives were to:

- Uncover the extent to which consumers **understand the possible impact** of in-contract price rises on their monthly payment.
- Understand the extent to which they **engage with these terms** during the purchasing process.
- Understand the **impact of price rises** on the consumers themselves.
- Gauge whether an inability to understand the possible magnitude of a price rise will lead to them not being able to make an **informed decision**.
- **Test potential remedies** that could facilitate better consumer awareness and understanding of annual inflation-linked in-contract price rises and/or address other consumer harms identified.

2.2 Approach

In order to meet the objectives, a multi-stage mixed-method research approach was designed; an overview of the end-to-end process is provided below:





Fieldwork took place between July and August 2023 and consisted of:

A pre-task activity

- An online forum for all participants (3 individuals completed a pen and paper version) with a series of individual exercises including:
 - A screen recording exercise in which participants took the research team through the mobile / broadband contract research and decision-making process;
 - Information provision about inflation-linked in-contract price rises and initial responses;
 - Price increase calculation exercise.

Followed by online focus groups and individual depth interviews

- Eight online focus groups with participants split by age and socio-economic background, in which participants:
 - Discussed their more considered views on inflation-linked in-contract price rises and their potential impact;
 - Responded to four proposed remedies aimed at reducing potential negative harms on consumers.
- Eight depth interviews with people who may be more vulnerable to these harms, exploring the same topics as in the focus groups in a one-to-one environment.

The discussion guide for the groups and depths can be found in the appendices of this report.

Fieldwork took place after price rises would have been applied, making it likely that many in-contract participants would probably have experienced a price-rise and/or been aware of publicity surrounding the practice.

Sample

The 54 participants who formed this research sample represented a broad range of demographics. Minimum quotas were set to ensure a good spread of age, gender, socio-economic group and location across the UK.

All participants were recruited as people with an existing mobile or broadband contract. Quotas were also put in place to ensure a broad range of providers, contract types and packages, including some bundled with pay TV. A good spread of contract values, from under £10 per month to over £60 a month were represented across both mobile and broadband customers. To ensure the topic had some salience, all



participants had either recently renewed or started a new contract or were planning to do so within the next six months.

Depth interview participants were recruited to be split equally to represent consumers who were more financially vulnerable, and consumers with lower literacy / numeracy skills.

A full sample breakdown is provided [in the appendices](#).

2.3 A note on the research report

As this was a qualitative study, this research cannot – and does not set out to be – representative of the wider population. Instead, what we aimed to do was sample participants purposively in order to highlight a diverse range of views and circumstances. Specifically, this study aimed to explore awareness and understanding of inflation-linked in-contract price rises amongst consumers with mobile and broadband contracts. The recruitment specification aimed to represent a broad range of contract types, both with and without these terms applied. However, because proportionately fewer providers offer contracts without these terms, there were only a handful of these types of consumers represented in the research; the majority had contracts with inflation-linked in-contract price rise terms.

When analysing the data we were not seeking to establish prevalence – as with a quantitative survey – but rather to understand what underpinned people’s experiences. The online forum did include some polling to quickly ascertain the spread of people’s experiences and views. We report on these findings using raw numbers, rather than percentages, to underline the fact that – while true of this cohort of participants – the findings do not claim to be more widely representative.

It is worth noting that, in contrast to quantitative research (which provides a broad understanding of the population at large), qualitative research provides depth and granularity to gain insight into people’s lives, thinking, and motivations. This can be used as evidence to develop hypotheses and inferences – about mobile and broadband contract purchases in this project. In the report, we aim to distinguish between what participants said and did, and any inferences that we – as researchers – have drawn from the evidence.

Throughout the report, quotes have been included to illustrate particular viewpoints. It is important to remember that the views expressed do not always represent the views of all who participated.

Behavioural science

While this project was not intended to be an in-depth study of consumer behaviour, there are a number of behavioural science concepts that may provide context to and / or inform our understanding of participants’ decision making in relation to in-contract price rises.



Firstly, it should be noted that research that relies on claimed future behaviour is vulnerable to bias. In this instance we need to be aware of the empathy gap³ that exists between the 'cold' mindset that people are in when asked to predict their future behaviour, and the 'hot' mindset that they will actually be in when purchasing a new contract. The empathy gap means individuals are likely to make incorrect predictions about their future behaviour and tend to overestimate how much their future self will share the same conclusions and preferences as their current self. Added to that is an optimism bias where individuals see future selves in the 'best' most, positive environment and therefore are unable to factor the barriers that they might face (even if those barriers are different than the ones they face today).⁴

These potential biases should be borne in mind in relation to research participants' responses to the remedies they were shown and the impact they claimed they might have on their future behaviour.

Throughout this research report, where we have drawn upon other behavioural concepts that may help to contextualise or deepen our understanding of the research findings, these notes will be shown in shaded boxes like this.

³ Loewenstein, G. (2005). Hot-cold empathy gaps and medical decision making. *Health Psychology*

⁴ *On the psychology of self-prediction: Consideration of situational barriers to intended actions | Judgment and Decision Making | Cambridge Core*



3. Inflation-linked in-contract price rises as part of decision making

3.1 Current contracts

Participants were recruited to be either intending to buy or a renew a mobile or broadband contract within the next six months, or to have done so in the past six months. Most of those who had started a contract in the last six months had stuck with their previous supplier rather than move to a new provider. Across the sample, most reported that they were happy or very happy with their current contract, as shown in Figure 1 below. Of the five individuals who said they were unhappy, only one of these attributed this to a price rise (for the others, this was due to poor broadband speeds or feeling that they were not getting value for money with their mobile contract).

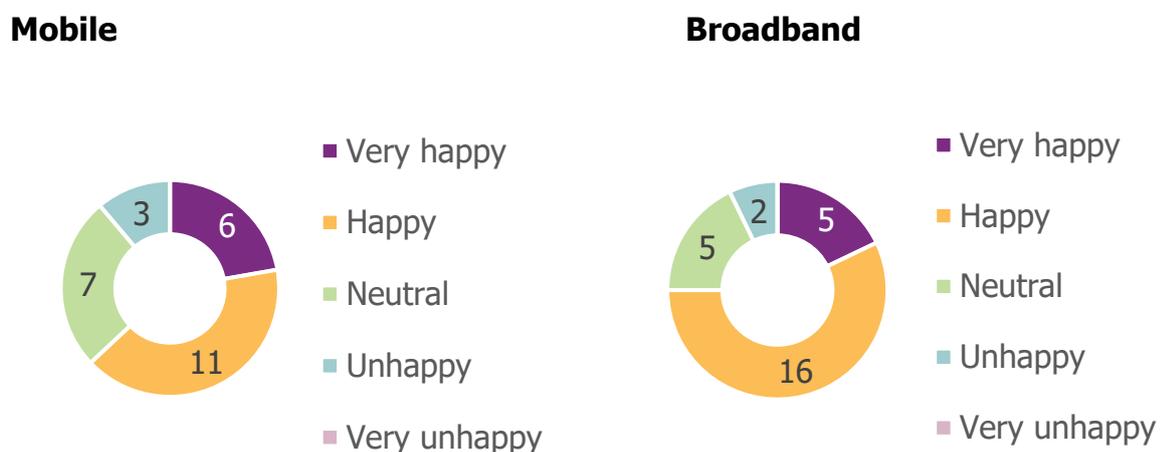


Fig 1: How happy participants were their current contract. Base = 27 mobile customers, 28 broadband customers

3.2 Researching contracts

The vast majority of participants reported that they look online to research mobile and broadband contracts. Most said they go to multiple different sources of information as part of their search process.



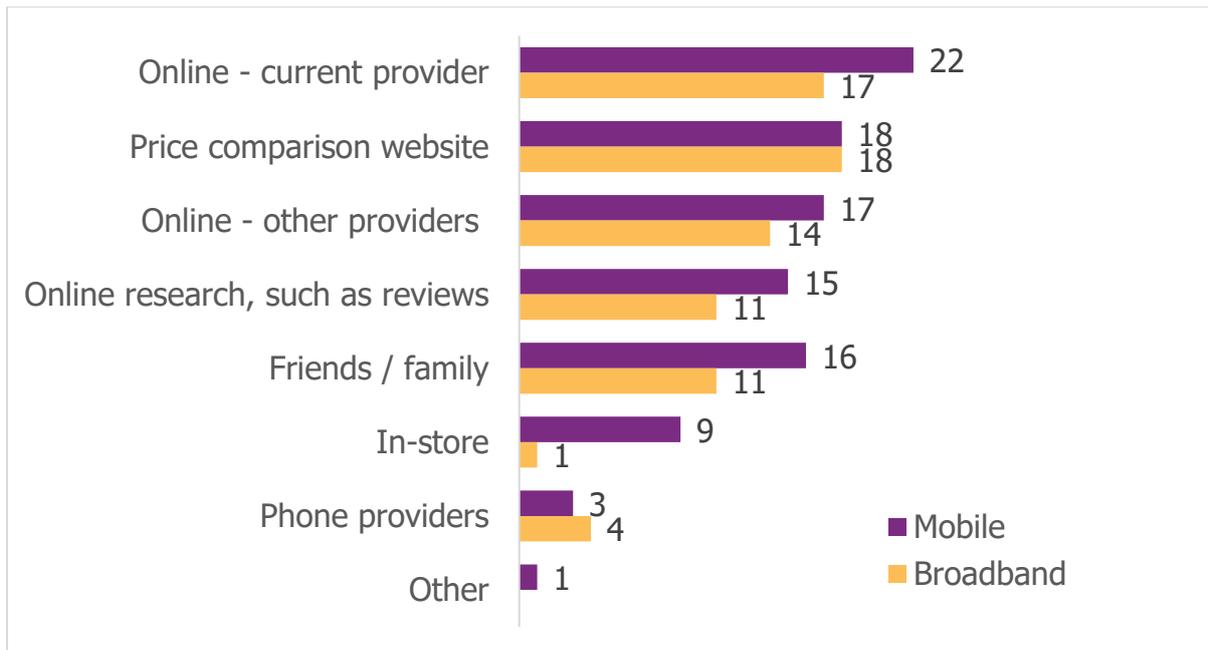


Figure 2: Where participants would look if researching a new mobile / broadband contract (Base: 26 mobile customers, 25 broadband customers)

"I go through Money Supermarket & Compare The Market as my first two websites, looking through the plans shown to me there. I then visit VOXI's website and peruse the plans they have until there's a package I like."

Mobile, 18-24, ABC1

"I start by looking with my current provider, Sky, and see what deals they have online, if the prices don't look too good I would ring them up and see what they could offer on the phone. I also just search for internet providers on Google and seeing what pops up and what prices."

Broadband, 29, Low literacy/numeracy

As part of the pre-task activity, participants were asked to show us how they would go about researching a new mobile or broadband contract online, and to record their online research activity and talk through their thought process as they did so. From observing these recordings, two main themes emerged about their experiences – this research was **time consuming** and it was **confusing**:

Time consuming

Overall, the process was labour intensive, with participants visiting and browsing multiple sites to research potential contracts. Participants were asked to limit their videos to 20 minutes, and it was clear that some would easily have been able to carry on researching far beyond this time frame.

Most participants started the process with a fairly clear idea of the parameters within which they were searching, for example, a minimum broadband speed, or a certain mobile handset, and a price range they were comfortable with. However, even within these parameters, there were usually several choices presented to consumers.



Furthermore, it was rare that participants visited a single site to look at contracts; the majority visited multiple price comparison sites (to make comparisons and seek out exclusive deals) as well as providers' own websites (to see how / if offers varied). Some sought out further reassurance and information from customer review sites such as TrustPilot, Reddit and Which?. They would often have several tabs open and flick between sites.

Observations indicated a number of different ways in which the process became increasingly time consuming:

- Although participants may have started the process with a relatively clear idea of what they were looking for, they were often distracted by special offers, for example, vouchers or add-ons such as Spotify or Apple TV subscriptions.
- People would 'quickly check' a price or an offer against another provider or site, and become side tracked by new and different exclusive offers, that then had to be weighed up against the original choice.
- Additional information, for example, if an external site highlighted a provider's poor customer service, could result in participants having to re-think their decisions and restart their journeys.
- For broadband customers, research involved having to enter their details several times to look at what was on offer from different providers in their area.

"For me, it's just incredibly complicated, because even though I look only at O2, because I've got an account with them, so I get discounts every time I refresh the contract with them. But when I'm even just comparing three phones in there, there's like six different contracts for each of the phones, but they only compare their opinion on what the best contract for you is, so you'd have to go into each phone and manually compare it. And that's just on one website; then it's trying to compare it to all the other possible websites out there. Even the websites that will compare the different websites for you, they still occasionally up charges on there, so it's actually cheaper to go to them anyway, or if they didn't get the exact same thing that you were looking for, it can be a lot of legwork."

Mobile, 18-29, C2DE

Confusing

Because of the sheer volume of information they were having to sift through and because the information was often provided in different ways on different websites, it was not straightforward for participants to differentiate between contracts, even in terms of comparing headline prices. There were so many variables, just in terms of search parameters, and special offers, discounts and added bonuses only added to the confusion.

"Compare websites which I use don't always give you something to compare it with; it's not eggs with eggs, because you really have to write things down and dig around and open lots of tabs."

Broadband, 45-59, C2DE



"Each contract had a different thing, like money back or all this stuff, instead of being just simple and after a while, you just got a sore head looking at it all. It was all so complicated."

Mobile, 45-59, C2DE

As discussed above, most knew the criteria they wanted to search on, for example, they would start by narrowing their search criteria to a certain type of mobile handset or minimum broadband speed. In the screen recordings, contract length was a key consideration for many. Some people, particularly those living in rural areas, were restricted by limited network coverage to a small number of providers, which limited their options considerably. Participants were often suspicious of new or unknown providers; sometimes they noticed a particularly tempting deal but would be put off by not having the reassurance of a well-known brand.

In-contract price rises were rarely mentioned during the screen recordings as a factor affecting contract choice. Across the 40+ videos, only a handful of people commented on them in their research or paused to look at information provided on them. The vast majority of participants simply scrolled past any mention of these terms (indeed, they scrolled past most small print). In the discussion groups later, most participants admitted that they tended not to spend much, if any, time looking at the small print.

"I used Uswitch and I was reading and it wasn't mentioning any information like that .. and then I went onto each provider's website, to see if the deal was better than what Uswitch was offering. But I didn't see any information about price increase or anything like that and I feel like it would be actually useful to mention that before you take out a contract, because that could maybe be something that sways people's opinion. But the only thing I was seeing was if it included roaming or if it included free Apple Pay was the only thing that was clearly shown, when I was searching."

Mobile, 18-29, C2DE

3.3 Drivers of decision making

When asked directly what they were looking for when choosing a contract, participants were most likely to cite price as the main factor – not necessarily the lowest price, rather, the price level they were aiming to stick to. The other factors that people claimed were driving their decision making when choosing a contract were the data/voice minutes allowance for mobile, speed for broadband, and the coverage, signal and reliability for both. Contract length was less likely to be cited by participants, in contrast to what was noted when reviewing their screen recordings, when many were actively seeking out shorter contracts.

Only two individuals spontaneously mentioned price rises as a factor that they actively looked for when choosing a contract. One broadband customer said she looked for "guarantees of no price increase" and one mobile customer sought out "a low price or fixed price contract (knowing that the cost will rise every year otherwise)".



By the time they had reached the stage of signing up to a contract, it appeared most participants had invested quite a bit of time and effort in the decision-making process. By contrast, they claimed to spend minimal time reviewing contract terms at the end of this journey. The vast majority reported that they would not notice or consider information about inflation-linked in-contract price rises at this stage i.e. at the point of receiving a contract summary. Those signing up to contracts by phone reported having the contract summary emailed during the sign-up process but not reviewing it and/or having their key points read out to them and 'switching off'.

"And it's all in the small print and no one's explaining it and it's at the bottom of the page of loads and loads of things that you're not reading through, and you just say, accept, accept, accept."

Broadband, 30-44, C2DE

Anchoring

Anchoring describes how initial exposure to a piece of information serves as a reference point and influences subsequent judgments. Even if new information is offered in the same process, people don't absorb or 'adjust' to it, believing that the anchor information is the most relevant point.⁵ In this instance, the marketing of contracts often focuses on the headline price and therefore people become anchored to the headline prices that they believe they will be paying (rather than factoring in what they will be paying after future price rises).

This may be compounded by the fact that many are not even aware of the potential for price rises so won't even be contemplating the need to adjust their decision – i.e. they don't have the knowledge to allow them to be self-aware and monitor their response and stop themselves from anchoring to the information.

Bounded rationality

The number of choices that consumers are presented with when deciding between mobile and broadband contracts can lead to 'choice overload'. A complicated choice architecture such as this can result in bounded rationality: when people are faced with cognitive and physical limitations, people will respond to those restrictions by making choices that are merely satisfactory rather than continuing to search for the best option.⁶ In this instance, when faced with so many similar and complicated choices, participants know that they can't wade through every single option available, so settle for a choice that is 'good enough' for them.

Present bias

Present bias refers to the tendency of people to give stronger weight to payoffs that are nearer in time when considering trade-offs between two future points, i.e.

⁵ Epley & Gilovich. (2006). *The Anchoring-and-Adjustment Heuristic: Why the Adjustments Are Insufficient*

⁶ Simon, H. A. (1982). *Models of bounded rationality*. Cambridge, MA: MIT Press



overvaluing immediate rewards, while putting less weight on future consequences. Here, we saw that people would choose low headline prices and special offers over contracts that were potentially lower priced over time.

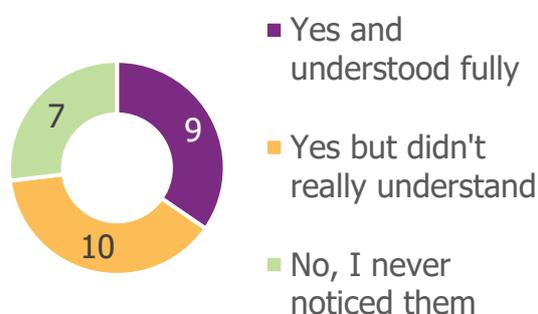


4. Awareness and understanding

4.1 Awareness and understanding of in-contract price rises

Reflecting Ofcom’s own quantitative research,⁷ levels of awareness of in-contract price rises tended to be relatively low amongst this qualitative sample. In the pre-task exercise, participants were provided with an explanation of in-contract price rises and asked if they had ever noticed them when looking at contracts in the past. Similar proportions of people said that they had noticed them and had fully understood them as said they had noticed them but didn’t really understand them. Broadband customers were somewhat more likely than mobile customers to say they had never noticed in-contract price rises.

Mobile



Broadband

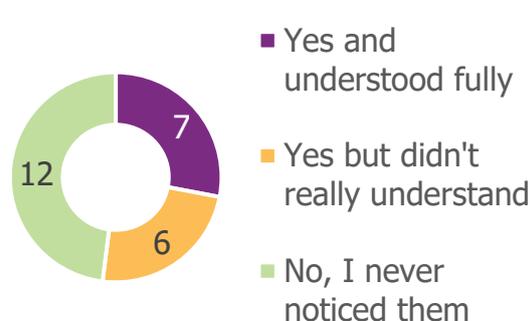


Figure 3: Proportion of participants who said they had noticed in contract price rises when looking at contracts in the past. Base = 26 mobile customers, 25 broadband customers

"I knew they could rise due to inflation I had not considered the additional percentage."

Mobile, 18-29, ABC1

"I knew about them but very vaguely and hadn't read much about them and how they are applied."

Broadband, 18-29, ABC1

Qualitatively, levels of awareness and understanding of in-contract price rises ranged from those for whom they were simply not on the radar, to those with a good level of understanding.

Not on radar

There was a small group of people who had not had any awareness of in-contract price rises prior to taking part in the research study. On a personal level, they hadn't

⁷ See [Ofcom, Inflation-linked price rises: Summary of quantitative research findings \(Mobile\), 2023](#) and [Ofcom, Inflation-linked price rises: Summary of quantitative research findings \(Broadband\), 2023](#). Online omnibus research (phase 1), among 4213 UK Adults aged 16+. Fieldwork conducted 6-11 January 2023. Online omnibus research (phase 2), among 4232 UK Adults aged 16+, Fieldwork conducted 18-23 October 2023.



noticed any price rises on their own bills, and they admitted that they did not tend to read the small print on contracts. Even after taking part in the research, some participants were still unsure as to whether their contracts had inflation-linked in-contract price rises. There were also some who were sure that their contracts did not have these terms, although recruitment criteria about their provider and length of contract would indicate that they would be likely to.

"I didn't know if that's a new thing or something that's happened in the last couple of years, or if that's always been there and I've just not been aware of it."

Broadband, 45-59, C2DE

Some awareness but low understanding

The largest group in the research were those people who had noticed price rises in their bills but weren't really sure what they were about. They knew that their bills rose on an annual basis, but not why, and many assumed that it was something that all providers did. Some thought it was a relatively new practice; others thought it had been happening for years. They may have noticed small print about the terms but hadn't understood or explored in any depth. Because most of them considered the price rises to be minimal, they often did not investigate further; however, a handful had experienced more significant price rises this year, which had heightened their awareness.

"It was new to me that there's some sort of standard formula of an increase, because I just thought it was at their own will."

Broadband 45-59 C2DE

"I didn't realise that that was something that was actually set. I thought that you had really bad luck if you got the increase, but I thought the increase was just they pick a number out of a hat."

Broadband, 18-29, ABC1

High awareness

The final group of participants were aware of in-contract price rises, and that these were due to inflation. However, many hadn't noticed the additional percentage charged by providers on top of the inflation rate. While they may be aware of in-contract price rises and understand the reasons for them, this did not necessarily mean they knew by exactly how much their bills would increase. In one or two cases, high awareness was due to participants having been previously 'stung' by an in-contract price rise.

"I was aware of the in-contract price increases. It is my understanding the price increase is in line with the retail price index which is normally around 3.9%."

Mobile, 30-44, ABC1

"My decision-making process when it comes to mobile contracts has been significantly impacted by in-contract pricing increases. I now make sure to



properly study the terms and conditions of any contract before I do a checkout of it, and I keep an eye out for any price increases that may have occurred during the course of the agreement. Prior to [starting] a contract, I also try to check pricing from several providers. I'm more likely to select a supplier without in-contract price increases."

Mobile, 30-44, ABC1

4.2 Ability to calculate price rises

Participants were asked to imagine they had a monthly contract for £40, with the terms in figure 4 below, and asked to work out what the monthly cost would be when the price rise was applied in April 2024. They were told that the CPI in January 2024 was 8.5%.

A note about our prices

The monthly plan price and all out of bundle charges and add-ons, will be increased April each year by the Consumer Price Index (CPI) rate of inflation published in January that year plus 3.9% (rounded down to the nearest whole pence).

Figure 4: pre-task exercise

Participants were asked how easy or difficult to calculate what the monthly cost of the contract following the price rise would be for them. Around half thought it was easy to do this (a quarter thought it was difficult and a quarter were neutral). However, when looking at the actual responses given, only around a third were able to give the correct price, suggesting that some may be overestimating their ability to calculate price rises (of the seven individuals who said it was 'very easy' to calculate, only three gave the correct price). Around a third of participants gave the price with the CPI increase only, not noticing the additional 3.9% (the remaining third gave another answer altogether). Of the seven vulnerable customers who did the exercise, five reported that the calculation was difficult or very difficult for them.

"Trying to work this out in my head is a mathematical impossibility. I would try work this out with my phone and the cost would be £43.40."

Broadband, 18-29, ABC1

When discussing this task in the focus groups, participants commented on how hard they had found it.

"I definitely struggled when it came to all the different percentages and adding everything together and trying to work out what it was going to be. And that's only just for year one. And then working out for year two, if it's a 24-month contract, on top of your first calculations, again, what that might be."

Mobile, 18-29, ABC1

"It's not obvious and it's not easy to understand, unless you're some mathematician. And if you happen to start your contract in the middle of the



year and they are doing their increases in a financial year, you've got pro-rata rates; you can't just calculate it across your 24 months. It makes it really intimidating and really tough."

Mobile, 60+, ABC1

4.3 Engagement with in-contract price rises

Engagement with contract terms

As seen previously, most participants said that they rarely looked closely at the small print either when researching the detail behind a new contract or at the end of the process, having chosen a specific contract and been sent/made aware of the contract summary. Even if they did attempt to look at the terms, they often found the language and terminology ambiguous and / or difficult to understand.

"I can honestly say, I've probably never read one of those things. They look awful to read. They're not very like ... The information, like if they just had the basics of what you need to know instead of this whole 12-page, very small terms and conditions, then maybe I might."

Broadband, 18-29, ABC1

When asked to look more closely at how in-contract price rises were described in one of the pre-task exercises (please see [page 61](#) for further details), they also felt that information was provided inconsistently, thereby making it difficult to compare between providers.

"They are all telling you the price will go up during the contract and not giving you a clear indication of how much because it is saying based on inflation. One is saying it will give you 30 days' notice of price increase so more notice than the others. [It's] very hard to know what you will actually be paying in a year's time."

Mobile, 45-59, C2DE

Communication from providers

Participants often felt that they received so much correspondence from providers that even though they may have received communication giving them advance notice of impending price rises, these were often missed.

Some recalled receiving emails, but not bothering to engage with them, while others reported never having had any prior warning.

"If you're paying £30 and then you look next month, and it's gone up to £35... You don't really know why it's gone up to £35; there's no communication or anything."

Mobile, 18-29, C2DE

"Normally, I get an email, I ignore it and then jump up and down when I get a price increase."



Acting on in-contract price rises

Even among those who were aware of in-contract price rises before taking part in the research, few acted on that awareness: for example, by seeking out contracts without price rises, or even looking closely at the terms when choosing a contract. This was generally because they either assumed that all providers imposed these terms and therefore they had no choice in the matter, or they felt that the price rises were relatively minimal and so not worth the hassle of investigating an alternative. During the focus groups, many acknowledged that they would be unlikely to look at the terms of their contracts in relation to inflation-linked in-contract price rises, even after taking part and learning more about them.

"I knew that in April, yes, there's a price increase; but I've never really reflected on it. I just let it come and I just pay the extra, whatever. It's a bit annoying and frustrating, but I feel like, as a customer, I'm not really that informed, so I don't choose to kind of go above and beyond and find out."

Broadband 30-44 C2DE

"You just accept them. I mean, I think you don't really have ... I mean, I don't really have a huge amount of choice, so you just accept it. And I guess it's really just a part of business, really."

Broadband 60+ ABC1

"It doesn't go into my decision making. I know it's there, so I suppose maybe, in the back of my mind, I know it's going to happen. It doesn't really affect me. I know what the price is going to be, I know it's going to go up, maybe by about £3. It doesn't bother me that much."

Mobile, 30-45, ABC1

A handful of individuals in the research study, including those on lower incomes, did engage more with in-contract price rises. For example, some had actively sought out providers that offered contracts without them, and one participant made a point of avoiding getting a new contract in March (as many providers apply their price rises in April).

"It increased my payment by around £5 per month, and I felt it was such a rise that I have actively looked into switching since. The impact I felt was heightened by the cost of living crisis and an already heavy burden as a result of other rising costs, I felt this rise when stretched across a 12 month period was a hefty increase for a reasonably good deal and service."

Broadband, 18-29, ABC1

"As a rule, I'll never renew a contract in March, because I know the price that they will offer me in March isn't the price I'll be paying throughout"

Broadband, 32, low literacy/numeracy



4.4 Attitudes towards in-contract price rises

Resigned

Participants were largely resigned to in-contract price rises (hence the majority of people being unlikely to engage meaningfully with them). This was because, as discussed above, they did not feel they had any alternative options, and because the price rises still felt relatively minimal for many, especially in the context of rising bills across the board. Mobile customers in particular reported relatively low monthly bills (most were between £20 and £30), so even with higher inflation rates, they were still only seeing proportionally small price rises.

"I think quite often, there might be a slight, maybe an increase; but normally, I wouldn't say it's a big amount that would make me notice it."

Mobile, 30-44, ABC1

"I knew it was probably going to increase at some point and with BT, I've never had a massive increase; it's maybe been between £3 and £5, because I've been quite lucky with it. It's not a huge issue to me."

Broadband, 18-29, ABC1

Some had noticed that price rises had felt more significant in the last year, and therefore less easy to just 'shrug off'.

"It's only this year that the annual rise has seemed unfair. With previous rates of inflation etc. then the cost has increased by a pound or even less. It's only now that people are seeing significant rises from one year to the next. When your broadband bill rises by £3, £4, £5 and your mobile bill rises by a similar rate, then it becomes noticeable."

Broadband, 60+, ABC1

As shown earlier, participants generally reported being happy with their current contract (even though most in this research sample would have had contracts with inflation-linked price rises), and even when people know about these terms, it doesn't feel like a pressing concern.

"I've mentioned it to people that I've known, about the price thing and they've just gone ... A lot of them, even if they know, they'll either forget or they don't even take it into consideration when they're doing it [choosing a contract] at the time, because it's not something that they've actively thought about. Or it's just that they consider the mobile phone a necessity, so if they have to pay the price, they have to pay the price; they just don't care. ... Even people who I know, who can sometimes struggle from month to month, they'll still go: 'Oh, well, it's the phone. That's an important thing I need, so if the price goes up, I guess that's it.'"

Mobile, 18-29, C2DE



Annoyed

Although they were largely resigned to these price rises, when the research prompted them to think about it more deeply, participants did also feel taken advantage of by providers. Some felt that the providers were deliberately hiding their terms from consumers and making it unnecessarily complicated for them to understand and work out the price rises (by for example not adding a round figure to the inflation rate), in order to obfuscate what is happening. A few felt that it was even more important to be transparent about these terms nowadays, since contracts had gotten longer and so people were more likely to be impacted by price rises.

"It's really strange that that price rise is not a round figure and it's almost as if they're saying: 'We're going to put this price rise on, but it's really difficult for you to actually calculate exactly how much that is, because we've gone for 3.9% rather than 4%.' And it's almost like: 'Well, call it 4%; just make it one round figure, then I can actually work that in my head a hell of a lot easier.' So I felt that's part of the trickery that's going on, is that it's not a direct, clear, 'This is what it's going to cost you.'

Mobile, 45-59, C2DE

"Going through the providers' websites, it's like they're trying to hide the information that you want to look for. So, like price increases, things like that, you've really got to dig about. I don't want a Marks & Spencer voucher; I want to know how much you're going to hike it by when it goes up again, in March. But that tends to be squirreled away somewhere in a dropdown. It's not very clear and it's not very up-front."

Broadband, 45-59, C2DE

Some felt that the providers were using inflation as an excuse to tack on price rises that they should have already taken into consideration when setting their prices.

"With inflation on the rise now, which it hasn't been for many years, it just looks like a bit of a money grab and it looks like some sort of agreement: 'We'll all do it, so there isn't any options for consumers then.' Because if everyone's going to do it, then you're stuck with it really."

Broadband, 45-59, C2DE

"The rest of us have to live with inflation and suck it up; I think global companies can too."

Mobile, 60+, ABC1

Exploited

When participants were provided with additional information about in-contract price rises in the discussion groups, they became more questioning about providers and their motives. They felt that the providers' rationale behind their price rises was unjustified, particularly the additional percentage on top of the inflationary increase.



"What's the point of getting a 24-month contract? It just means that I can't do anything about what they charge me for 24 months. If I get a 12-month contract, at least I will have one price rise and I can get out if I want to. Instead, I'll be stuck for two years paying what they decide they want to charge me and there might actually end up being a better deal out there, which I can't get because I'm in the minimum contract."

Broadband, 18-29, ABC1

"Yes, all right, the cost could go up, obviously, in line with inflation, I can understand that part of it. But the plus 3.9%? No, I think that's just getting profits; I think that's just for extra profits for the company really, the different companies. So it could go up in line with inflation; but why the extra 3.9%? And if inflation comes down, will the prices come down? Probably not; I wouldn't imagine so. So the extra 3.9% as well doesn't seem justified, really. I can understand the costs, that yes, provider's services could go up with inflation, because like your salaries and things have to go up; but I don't understand why they can justify the extra 3.9%."

Broadband, 59, financially vulnerable

4.5 Impact of in-contract price rises on vulnerable audiences

Participants singled out certain groups who they thought would be most likely to be negatively impacted by in-contract price rises:

- People on lower incomes
 - Unsurprisingly, people felt that those who were least able to afford their bills would be most likely to be impacted by in-contract price rises.
- People on fixed budgets
 - Relatedly, people on fixed incomes (for example, pensioners and students) were seen as being particularly vulnerable to price increases because their circumstances meant they lacked any flexibility when it came to budgeting.
- People less able to understand the terms
 - People who did not understand the terms were seen to be vulnerable because they were less likely to be able to make an informed choice and more likely to be caught unawares by unexpected price rises.

"It's the same for students, you know: they're given a student loan for the year and actually, the price goes up and with everything going up out of a fixed budget ... I think anyone on some sort of fixed budget."

Mobile, 18-29, C2DE

"My dear friend, she's 83. With the best will in the world, she wouldn't be able to cope with this, mentally or physically. Again, she's on pension credit, but I don't think she would even understand the premise of this, really and the way it's put out. Some of them seem very complicated and I just wondered if the elderly would be marginalised even more now, with this sort of thing coming in."

Broadband, 60+, ABC1



Depth interviews with financially vulnerable people reinforced this concern that such consumers would be more likely to be negatively impacted by in-contract price rises.

"I would definitely, definitely notice it. I mean 3.9 wouldn't be so bad, but that rate of inflation, it would be extremely concerning, yes."

Broadband, 49, financially vulnerable

"I'm also on Universal Credit and a single mum, so it would affect me quite a lot, I am on a tight budget, so even if it goes up by a couple of quid a month, to the provider, it might not seem like a lot; but to somebody like me, who's on the tight budget, that £2 can pay for some extra gas or some extra electric or I can put it towards some extra food in the cupboards, so it definitely will have a big impact on me. I'd rather it be in my pockets than theirs."

Mobile, 49, financially vulnerable

One participant was already taking steps to protect themselves by looking at contract-free SIM deals, and another had made sure that their current provider did not impose in-contract price rises.

"The contract I've got now, well I took it out and that was one of the questions I did ask, actually. I said with the provider I'm with now: 'Can you reassure me that there won't be any in-contract price rises within at least the next two years?' and they kind of promised me yes, at the time that I took it out; but I have been affected, in the past, with the in-contract price rises."

Mobile, 49, financially vulnerable

The depth interviews with people with lower literacy or numeracy skills showed that, as expected, such consumers may be unlikely to engage with or understand inflation-linked in-contract price rises. However, this audience was not significantly different from many other consumers in general in that respect, many of whom struggled to understand the terms of their contract. To varying degrees, all consumers could appear vulnerable when taking out a contract because so few are reading (let alone comprehending) the small print. Even where participants, who potentially were less able to read written contracts, had contract terms read out to them, they tended to switch off.

"They've got to, legally or whatever, read out whatever sort of things they have to read out. And it seems to be the generic sort of, like the small print, when you're Just that you're half paying attention; but you've already finalised it by then, so you're just going through the motions. Yes and in terms of being sent anything, I don't look through it."

Broadband, 29, low literacy/numeracy

"Well you know when you have to listen to them go: 'I've got to tell you this,' and you just switch off until they've finished? Well I don't know if she mentioned it or he mentioned it in that."

Mobile, 54, low literacy/numeracy



4.6 Worked examples

Participants were shown two examples of worked examples that would be given to consumers as part of the contract summary (see Figures 5 and 6 below). None of those taking part in our research remembered having seen anything like this before.⁸ However, they were generally seen as containing useful information.

All packages include unlimited minutes and texts unless otherwise stated. *Each April, the Monthly Charge will increase by an amount up to the December CPI rate plus 3.9%. An example of how this increase will work is set out below.		
Monthly Price until March 2024	Monthly Price from April 2024 to March 2025	Monthly Price from April 2025 to March 2026
Price A	Price A plus an amount up to December 2023 CPI +3.9% (= Price B)	Price B plus an amount up to December 2024 CPI +3.9% (= Price C)
We've set out an example below, showing how this would work, if your Monthly Charge is £30 and CPI is 10% in December 2023 and 5% in December 2024.		
£30.00	£30.00 + £4.17 (13.9% of £30.00) = £34.17	£34.17 + £3.04 (8.9% of £34.17) = £37.21
You can create personalised example of what your new Monthly Charge will be after each increase, by using the calculator found on the Bills & Contracts pages on our website.		

Figure 5: Worked example A

A note about our prices
The monthly plan price for the service, and all out of bundle charges and add-ons, will be increased on or after 31 st March each year by the Consumer Price Index (CPI) rate of inflation published in January that year plus 3.9% (rounded down to the nearest whole pence). Learn about our annual price changes and find out what they mean for you.
Example calculation
If CPI were 10.5% (this was the CPI rate published in January 2023 that was used for our increase in March 2023), the total price increase would be 14.4%. If your monthly plan price was £40/month, it would increase to £45.76 after that change. Out of bundle charges and add-ons would also increase by CPI + 3.9%, so in this example, by 14.4%. The CPI rate fluctuates over time, so the applicable CPI rate and actual price increase each year could be higher or lower than in this example.

Figure 6: Worked example B

Participants particularly liked the first example, that provided information in a table format – this was felt to be more likely to stand out, and therefore consumers might be less likely to skip it. They also liked the fact that the second example provided information with the actual CPI; they appreciated being given real world examples (although the actual style was felt to be too text heavy by most).

"This [worked example B] is a lot easier to skim over and ignore, I think, because the numbers aren't as obvious, because they're hidden, I guess, in paragraphs. But in the table, it's very clear this happens and then this calculation happens."

Broadband, 18-29, ABC1

⁸ Please note that some participants will have entered into contracts before Ofcom rules required the provision of the contract summary (June 2022).



"I particularly like the second version, where you're using the example of what happened in real terms the previous year or to date; I think that gives you an idea of, realistically, what is happening in the market and in the economy. So the inflation rate isn't easy to understand, sometimes for a layperson like me, but to see it broken down like that, rather than an example of if it had been this figure; but a realistic figure is quite nice to see, I think."

Broadband, 45-59, C2DE

"I feel a table's going to stand out more, it's going to be clearer and I'm going to be more inclined to read that than just words on a contract. So if that was maybe put in that format I would be more likely to look at it, Whether or not I'd understand it, I don't know."

Broadband, 42, financially vulnerable

However, most admitted that they rarely read the small print in their contracts or provided on websites (and given the fact that none of the participants remembered having seen anything similar themselves previously), there was a general agreement that while the information was useful, it was unlikely to significantly raise engagement levels.

4.7 Committee of Advertising Practice (CAP) guidance

When shown an example of how mobile and broadband contract prices may be advertised in the future, as shown in figure 7, participants were of the view that it was better than nothing, but unlikely to make them engage with and act upon inflation-linked in-contract price rises in choosing a service.

£48/month until April 2023 (Monthly price will increase each April by the Retail Price Index rate of inflation published in January +3.9%)

Figure 7: Example given to participants of how in-contract price rise information could be shown on advertising⁹

They felt that it was useful to have additional information; however, more prominent information at the point of sale (both on providers' and price comparison websites and on contract summaries) would also be required to reinforce it. Furthermore, although such messaging may go some way to raising awareness, participants felt that the information would still confuse people, if, for example, they didn't know what CPI or RPI were.

⁹ Taken from CAP [guidance on the presentation of mid-contract price increases in advertising for telecoms contracts](https://www.asa.org.uk/static/46a96782-028a-4f5a-ad3a2ad01c149324/Guidance-on-the-presentation-of-mid-contract-price-increases.pdf) [https://www.asa.org.uk/static/46a96782-028a-4f5a-ad3a2ad01c149324/Guidance-on-the-presentation-of-mid-contract-price-increases.pdf]



"I think it's helpful, but I don't think it's ... in itself, it's not enough, because I think you tend to think: 'What is it now?' And again, people don't really know retail price ... unless they've worked in finance or something, the retail price index; they won't know what that is."

Mobile, 59, financially vulnerable

4.8 Communication in Welsh

Welsh participants were asked how important it was that price rise information be provided in Welsh. The participants that took part in this research were themselves content with this information being provided in English; however, they largely agreed it was important to provide it in Welsh for those whose first language is Welsh.

"Maybe for some people, that do speak a lot of Welsh, they might not know what the little terms are: the English ones; they might need the Welsh ones to understand properly."

Mobile, 18-29, C2DE

4.9 Participants' spontaneous suggestions

When asked what could be done to help raise awareness and ensure people aren't adversely affected by in-contract price rises, participants focused on the provision of information.

They felt that information about in-contract price rises should be provided to consumers earlier in the decision-making process, and for the information to be made more visible (i.e. not hidden in the small print or behind an asterisk).

"You'd want it early on, wouldn't you? Obviously, you'd want to pick your handset and go: 'Right, OK, I want the latest iPhone.' And then, I'd probably say, early on, say: 'Listen, it's going to be this much; be aware of this.' Because then you could probably go: 'Right, OK; maybe I'm looking a bit too expensive; maybe I should go for something a little bit less expensive.' At least they won't get their hopes up, then. They can make that decision, then and go: 'Right, OK, maybe it's a bit out of my price range,' instead of getting all the way to the end and going: 'No, actually; that's a little bit expensive; I've got to start again.'"

Mobile, 34, low literacy/numeracy

They also had a number of specific suggestions for the type of information that they would like to see provided:

- Information about current inflation rates – rather than tell people what the inflation rate *might* be, some consumers felt that information should be based on real world examples, ideally, what the most recent rate of inflation *had* been.
- Total contract cost – many participants used total contract costs to help them choose between contracts, and would like in-contract price rises to be included in those totals (although there were concerns raised later about use of estimates).



- Second year monthly cost – similarly, participants would like to know what the monthly costs would be in the second year of a contract, not just the first year.

Some would like providers to offer tools to enable consumers to calculate the projected cost of a contract with different rates of inflation.

"I mean, the technology is there for them to quite easily put it into ... their websites, where you could say: 'Look, this is me, this is the calculator and how would, then, my contract, if I took it out now; how ... would it increase over the year? And you could go by saying: 'Oh, if the inflation is at 5%, it will be this; if it's at 10%, it's this. And then it just gives you in pounds and pence. And I think that if you put that up, right at the beginning.'"

Broadband, 49, financially vulnerable

Overall, participants felt that providers were perfectly capable of making information about in-contract price rises clearer for consumers.

"Companies, regardless of where they are, they put money into marketing, they know how to make things clear, they know how to draw people in with special offers and they also know how to hide this, so it feels unfair, I think, if they know how to make people aware of things and they know how to make their pricing super clear if they want to."

Broadband, 18-29, ABC1



5. Response to remedies

Participants were shown four potential remedies in the focus groups and asked to feed back their views on them. The order in which the four remedies were shown was changed in each session to help to avoid order bias. The four potential remedies were:

- Better point of sale information about inflation-linked in-contract price rises
- Greater choice of fixed price and / or 12-month tariffs
- Right to exit for price rises
- Prohibit use of inflation-linked in-contract price rises (e.g. price rises in £/p only or fixed price tariffs only)

Because the order of being shown the four remedies varied, participants sometimes responded to remedies in light of what they had previously seen, for example, fed back on the idea of better point of sale information in relation to consumers having a greater choice of tariffs.

5.1 Response to Remedy 1: Better point of sale information about inflation-linked in-contract price rises



The slide has a teal header with the text "Require better point of sale information about inflation-linked in-contract price rises". Below the header is a grey box containing a bulleted list:

- For example
 - A **personalised estimate** of the **range** of the customer's future price to demonstrate the impact of inflation – e.g. "from April 2024, if the Consumer Prices Index (CPI) is 3%, your price will increase to £x per month; if CPI is 7%, your price will increase to £y".
 - Providers to give an estimate of the **average** monthly price across the duration of the contract term (taking into account any price rises based on inflation forecasts), to enable comparison across all tariffs and providers.

Figure 8: Remedy 1

Most participants liked the idea of better point of sale information about inflation-linked price rises and felt that more and better information could only be a good thing. It was felt to go some way to help address issues around transparency because it aimed to provide information in a clearer way. Specifically, participants liked the idea of providing consumers with personalised information. They found it helpful that they would get a sense of the range of prices they might have to pay in the future.

"It's a lot of text, to be fair and people will probably skip through it; but I think the idea is perfect – especially the top one, where it actually gives an example of what the price could be. Because they're giving examples of the CPI which they're telling them: if it's 3%, people could look around and go: 'Right, OK, yes, it is actually 3%,' and they'll know, then, what it's going to be."



Participants had already seen greater transparency in the information provided to consumers in other markets: for example, credit cards were cited as a market which had had to be clearer about its terms.

"If you're looking at a credit card deal, it's got the APR and everything on it now; it's got the information on the bottom of the screen, so it's all there, all quite clear. But on some of the websites I was looking at, if you wanted to find the price increase, you have to find the dropdown that the information was stored in. So it is like it's being buried."

Broadband, 45-59, C2DE

While participants liked the remedy in principle, they were concerned about how effective it would be in actually protecting consumers from inflation-linked in-contract price rises.

They felt that the information would need to be made extremely obvious to consumers if it were to have any chance of being noticed (i.e. be shown earlier in the purchase journey and more prominently) – and even then, it would be just one more factor to weigh up in an already complicated purchase decision.

"For people who aren't necessarily spending a little bit of time on it, it may similarly, be easier to gloss over online. Or yes, if you're going into a shop and the salesperson is just reeling off these numbers at you, you probably will zone out a bit and just not pay attention and you'll be saying, 'Well, just tell me what I pay at the beginning and I don't care about the rest.'"

Mobile, 30-45, ABC1

Participants did not like the idea of estimated monthly averages (taking into account price rises based on inflation forecasts). These were felt to be unclear at best, and at worse misleading, and unlikely to actually help people with their budgeting.

"I can't afford to have averages, if we're going to be totally honest. Do you know what I mean? You can't afford it; every penny counts."

Broadband, 49, financially vulnerable

Participants questioned whether providers would all present this point-of-sale information in a consistent manner. They were concerned that they would use different calculations, thereby making it difficult to compare like with like, and potentially negating any benefits of providing the information in the first place – by not allowing for comparisons to be made across providers.

They also wondered whether providers might make the top of the range unrealistically high in order to 'cover their backs', particularly if this remedy was applied in conjunction with the Right to Exit remedy (which would allow consumers to exit a contract if the actual price rise was higher than estimated).



"The only way they'll give you a set price estimate is if they put it at the high end of what it would be."

Broadband, 60+, ABC1

In order for this remedy to have the best chance of making a difference, participants thought it was important for the information to be shown as early as possible in the purchase journey (i.e. when comparing contracts, not just in contract summaries) – and be made clearly obvious, rather than hidden in the small print. They also wanted to see this information provided on price comparison sites so that contracts with price rise terms in them could be compared.

"You don't want to go through, basically, all of the steps of providing all your details and, I don't know, 'We will offer you insurance for this or blah ...' you know, all of those different steps and then be provided with that information. And then you'll probably, at that point, be like, 'Well, I've gone through all this anyway and I'm pretty much signed up and the last thing I've got to do is provide my bank details or my card details, to pay.' And then, if you're provided with that information, at that point, you're probably more likely to ignore it."

Mobile, 30-45, ABC1

"If it was rolled out as information that needed to be provided by all providers and not just some, then it would create a bit more competition between them, to provide us, as customers, with better prices overall."

Broadband, 45-59, C2DE

Ideally participants wanted to see a price based on 'today's' rates provided as well as an estimate of CPI/RPI.

5.2 Response to Remedy 2: More choice

2. Ensure there is greater choice of fixed price and / or 12 month tariffs

- For example
 - Require all providers to offer a **greater choice of 12-month contracts** and make sure these are prominent for consumers. A 12-month contract would likely mean **only one price rise** during a contract.
 - Require all providers to offer **fixed price tariffs** across a range of its products/services and make sure these are prominent for consumers. In the fixed price tariffs, **no price rises** would be allowed during the minimum contract period

Figure 9: Remedy 2



Participants welcomed the idea of being given more choice of fixed price and shorter contracts and overall saw it as one of the most effective remedies (alongside remedy 4 - Prohibiting inflation-linked in-contract price rises).

They felt that this remedy offered consumers the potential for more security in that they wouldn't need to be tied in long term to an unaffordable contract. However, they felt that this remedy needed to be combined with better information about in-contract price rises, in order that people took advantage of this choice, rather than automatically going for the lower headline prices.

"That if you were giving a fixed price tariff, they'd have to have that quite high and prominent on the tariff, so they knew that was the fixed price one and the other one was like a discount start or, with a price rise and the people would know which was which."

Mobile, 59, financially vulnerable

"I would definitely rather have more choice, if the choices benefit me, like these do."

Mobile, 18-29, C2DE

Participants appreciated both the access to more fixed price tariffs and shorter contracts that this remedy offered. As we saw from the pre-task exercise, consumers often sought out shorter contracts because they did not like the idea of being tied into something longer term. The appeal of shorter contracts was not just in relation to price rises; they generally preferred the flexibility that was provided by them. They also liked the idea of fixed price tariffs for offering the security of knowing that their monthly price would stay constant over the course of the contract. There was no clear preference for one over the other; participants found access to both appealing.

"You know what you're getting into over ... you know how many years you're going for, you know what you're going to be paying today, you're going to be paying it in 3 years' time. It might be a bit more than you really thought you should be paying today; but you know what the figure is, there's no guesswork to it and no nasty surprises down the line."

Mobile, 60+, ABC1

"I think the concept of having 12-month contracts, I think, is really important for us to have a choice."

Broadband, 45-59, C2DE

Participants also noted that they were already familiar with navigating choice in other markets. For example, they were used to deciding on their own appetite for risk with mortgage and energy markets, and for shopping around for new insurance products on an annual basis. Because they felt that the wider mobile and broadband markets were already extremely crowded and confusing, they did not feel that this additional choice would make it much more confusing.



"If you've got a 12-month contract, you've only got one price rise to worry about and if it looks really bad after the 12 months when you want to renew, you can then go and research and find somebody else to go to. It's going to give you a good starting rate. So it's like jumping mortgages, you know: who's going to give me a fixed mortgage at the lowest rate possible for 12 months, two years, whatever? And that's why I tend to like that. I'd rather pay a pound or two more every month and have that surety that it's not going to change."

Broadband, 60+, ABC1

"A lot of people – especially with gas and electric and also, broadband; most people have to change on a yearly basis anyway, because they always increase by year."

Mobile, 18-29, C2DE

While the remedy had broad appeal, participants raised several issues in connection to the remedy.

Participants recognised that fixed price or 12-month tariffs may be more costly than those subject to price rises, both during and after the contract has ended. However, they also said that they were prepared to pay more during the course of the contract as long as that increase was minimal.

"I just feel as though the price would be quite expensive if it is going to be fixed, as with other things I've seen, like with energy and stuff."

Broadband, 30-44, C2DE

"It might be a bit more than you really thought you should be paying today; but you know what the figure is, there's no guesswork to it and no nasty surprises down the line."

Mobile, 60+, ABC1

Participants also had some specific queries about the practicalities of this remedy. For example, how long would fixed tariffs be for? And was there a danger that people could get tied into overpriced contracts if inflation were to fall?

They also discussed (and this was a wider concern with regards to contracts more generally) their concerns in relation to what would happen when a contract came to an end. They expected prices to increase when contracts ended, and although providers are required to notify consumers when contracts are coming to an end, many participants assumed that providers would not go out of their way to make consumers aware when this happened, for example, it would not be differentiated from any of the many emails received or sent as a text alert.

Finally, participants felt this remedy still exposed some consumers to risk as inflation-linked in-contract price rises were still permitted. There was an assumption amongst some participants that inflation would be likely to come down, and so it may be worth taking the 'risk' of inflation linked in-contract price terms if offered the choice.



"At the moment, we're all hoping this time next year, the inflation's going to go down, so if you bind in now at two years, well, the chances are, things are going to improve, rather than get worse."

Broadband, 60+, ABC1

Participants felt that this remedy could be optimised by combining it with better information about in-contract price rises, and by ensuring that as well as being able to filter by contract length on providers' and price comparison websites, consumers should be able to filter by whether or not a contract is fixed price.

5.3 Response to Remedy 3: Right to exit

3. Right to exit for price rises

- For example:
 - Customer is given the right to exit if the actual price rise exceeds any personalised price projection/estimate given to the customer at the point of sale.
 - Customer is given the right to exit following the application of an inflation-linked price variation term (even if the inflation rate that was going to be used to calculate the price rise had been published when the customer signed up).

Figure 10: Remedy 3

Overall, this remedy had the least appeal amongst participants. Although they liked the idea of allowing people to exit a contract if prices had risen in principle, it was not seen as a practical solution. Participants did not see that the remedy could work in practice, particularly if providers had made the price rises clear at point of sale. They thought that in reality, rather than trying to terminate a contract, consumers would be more likely to go back to their providers and use price rises as leverage to negotiate prices down (like some had previously done with their Sky contracts¹⁰).

"I just don't know how practical that is. I think once you introduce that, especially because the price rise happens at the same time every year, the cost to the companies is going to be much higher if they're having to deal with people exiting or people joining every day. And that cost impact upon them is just going to hit all of us."

Broadband, 45-59, C2DE

"If it acted as a break on the mobile phone providers, those suppliers playing games and putting in price increases, then yes, more as an incentive to them"

¹⁰ Sky does not apply inflation-linked in-contract price rises, but has raised prices for in-contract customers periodically, while offering them a right to exit without penalty.



not to do stuff. But like I say, just in practice, I just wonder how workable and how many people would actually go through with it. Well, (A) – know that they've got it, because again, this is going to be buried on page 7 of 11 of small print. And secondly, like I say, just the actual practicality of making it happen.” Mobile, 45-59, C2DE

Participants liked the flexibility that being able to leave a contract offered; however, in many cases, the appeal of this was less about in-contract price rises per se, and more about the possibility of leaving a contract due to a change in circumstances (for example, if someone lost their job or moved home) so that they were no longer in a position to pay for a contract.

This was the remedy that participants had most questions and concerns about. They did not see how it would be feasible to leave a contract if you were having to pay off a mobile handset, or if you had been provided with broadband equipment. An additional complication raised by some participants was the fact that because the price rise is always applied at the same time in the year, there would be a deluge of consumers trying to exit their contracts all at the same time, and providers would be overwhelmed.

Some participants were sympathetic to providers and felt that the concept meant that the whole idea of a contract would be negated, if you were able to leave it early without paying a penalty (and had been made aware of the inflation rate that would be used for the calculation). They also assumed that providers would need to increase prices for all consumers because of the insecurity.

*“What’s the point of having a contract for two years if you can exit it after one?”
Mobile, 45-59, C2DE*

“As long as the information is communicated to them correctly and whatnot, I believe you've signed up to a contract and that's it. Just because you don't like it sometimes, doesn't mean you can just exit it.”

Mobile, 34, low literacy/numeracy

Participants assumed that providers would not make it easy for consumers to leave a contract and so would put in place different ways to prevent them from doing so, for example, inflating estimated prices at point of sale just to ensure that consumers' price rises never rose above them. They questioned the logistics of 'proving' that the estimates (that they would hypothetically have been given as per the better point of sale information provided in Remedy 1) were different from the actual price rises and assumed that the onus would be on them as consumers of having to go back to their original paperwork to check.

*“They can give you whatever price projection and estimate they want. They could make it as high as they want, meaning that if it does go up by 10%, but they estimated it would go up by 13%, you're stuck, even, with a really high increase.”
Broadband, 18-29, ABC1*



The potential for consumers to experience difficulties when exiting a contract was a significant concern when it came to mobile and broadband contracts, as people did not want to run the risk of being without access to these services. Many had had negative experiences of trying to exit contracts previously: for example, it being made difficult for them to keep their phone numbers. They also assumed that even if you were able to leave a contract, you may not be able to find an alternative contract that was any better.

Participants felt that ensuring consumers had already completed a minimum term of their contract before being allowed to exit could go some way towards addressing some of the concerns they had about this solution.

"Would they have a minimum period of contract? You can't just agree for three months and then decide to leave; that doesn't make sense."

Mobile, 60+, ABC1

5.4 Response to Remedy 4: Prohibit inflation-linked in-contract price rises

4. Prohibit use of inflation-linked in-contract price rises

- For example:
 - **Allow price rises that are specified in £/P only** e.g. Your monthly price will be £30 to April 2024, increasing to £32 from April 2024 to April 2025.
 - **Prohibit all price rises** during minimum contract period (except time limited discounts e.g. £20 for the first 6 months of your contract and then £40 thereafter).

Figure 11: Remedy 4

This remedy was broadly welcomed by participants and, alongside remedy 2 (more choice), was a preferred remedy for many.

The transparency and certainty that would be provided by inflation being taken out of the equation appealed to many participants. They felt that having price rises specified in £/p only or prohibiting price rises altogether (and therefore making prices 'fixed') would make it easier for people to plan and budget. In particular, participants appreciated the idea of a price staying fixed for the duration of the contract (some opined that that's what they had previously assumed they had).

"The fact that they're not hiding away from the increase and they're not waffling percentages, you know; some people can't work out percentages in their head and then they can't be bothered and then they'll just go for a contract that they can't afford in a year's time. At least with this, it's plain and simple: it's going to go up."

Mobile, 45-59, C2DE



We asked participants about the idea of giving consumers information about the average monthly price during the minimum term of the contract (in combination with a fixed price rise in £/p). Participants were generally not sold on the idea. Although some could see how it might be useful to have this information provided on price comparison sites, many simply could not see the point of this – they did not understand why, if providers could be required to present information as a *fixed* average, they could not just be required to set the actual price (i.e., a fixed tariff) over the course of the contract (rather than increase the price in the second year by a fixed amount).

There were some queries from consumers about this remedy, although these were less pertinent than for some of the other remedies. Some participants questioned how the price increases would be calculated if not based on inflation rates, and worried that they could be quite arbitrary (while they didn't necessarily like inflation linked price rises, at least that made sense as a rationale).

There was some discussion in the groups about what the likely impact on prices would be if inflation-linked in-contract price rises were prohibited. Some assumed that all prices would end up being higher, because providers would be trying to hedge against the risk of higher inflation. By contrast others thought that they would result in lower prices, because they expected the increased transparency would make it easier for consumers to compare between contracts thereby resulting in greater competition.

Consumers thought it was important that information about the reason for price rises was provided for those who wanted to know (even though they assumed that most people wouldn't necessarily care or bother to look into it further).

There was an assumption regardless, that at the end of the contract period, the price would increase. They also thought it was important that providers make an effort to warn consumers if and when prices would be rising at the end of a contract. Some felt that vulnerable consumers needed additional protection from potentially high out of contract prices.

"I think with any fixed term contract, I think it's almost a given that once you get to the end of your period, that the price is then going to go up."

Broadband, 30-44, C2DE

5.5 Needs to be addressed

When considering what remedies might best address the issues they had identified in relation to in-contract price rises (namely, how confusing and unclear it was felt to be), three overarching needs emerged from discussions. Participants valued remedies that they felt went some way towards meeting those needs:

- Certainty
 - People said that they would like to have some certainty in relation to prices, and that they would be willing to pay a little more for the security of knowing that they would not encounter any unexpected price rises. Remedies 2 (more



choice) and 4 (prohibit inflation-linked in-contract price rises), because they either removed or limited the link to inflation, were felt to offer some certainty to participants, as they would make it easier for them to plan ahead.

"I would take a slightly higher initial monthly cost if it was guaranteed not to increase over the life of the contract."

Mobile, 45-59, C2DE

- Consistency

- They also wanted to be able to make meaningful comparisons between providers, and so for information to be presented consistently across the market. Participants had little faith that providers would take the same approach in implementing any of the remedies, thus potentially hindering them from making any significant impact. For example, it was felt that the examples in Remedy 1 (better point of sale information) would only be useful if providers (and price comparison websites) presented the information in a uniform way so that consumers could compare like for like.

"If it was rolled out as information that needed to be provided by all providers and not just some, then it would create a bit more competition between them, to provide us, as customers, with better prices overall."

Broadband, 45-59, C2DE

- Participants did not all support the provision of *estimated* average monthly costs as a means of achieving greater consistency across providers. They believed that *estimated* averages could inadvertently mislead customers and have a negative impact on household budgets (if underestimated).

- Transparency

- Participants wanted to be sure that they got what they were expecting when they took out a contract and to avoid any surprises. They felt that this information was currently hidden, and price rises were not made clear and understandable for consumers. Remedy 1 (better point of sale information on inflation-linked price rises) would go some way towards addressing this need, depending on how prominently and consistently information is provided to consumers. The 12-month contracts and fixed price tariffs in Remedy 2 (more choice) as well as Remedy 4 (prohibit inflation-linked in-contract price rises) would also offer transparency vis a vis contracts with inflation linked in-contract price rises. Participants considered that, in these cases, out of contract prices needed to be made equally transparent.

"I think everything has to be crystal clear, that everybody is absolutely certain to what they're signing up for."

Broadband, 60+, ABC1



5.6 Viewing responses to remedies in context

It is important that responses to the remedies be viewed in context:

- Many consumers may not consider the issue of inflation-linked in-contract price rises a priority. As discussed above, many participants were resigned to price rises and so this was not seen by everyone as an urgent issue to resolve. A few also assumed that with inflation likely to fall in the future, these terms would become less onerous.
- The concept of inflation linked in-contract price rises is difficult for many to fully understand. Even by the end of the research, having been provided with information and taken part in discussions, it was apparent that some participants remained unclear about how inflation-linked in-contract price rises worked in practice, for example, they did not necessarily know what inflation was.

As discussed earlier, and bearing in mind this context in which people are making their decisions, people may not accurately predict their behaviour. The above responses to the remedies may benefit from being considered using the lens of behaviour science:

Loss aversion

Loss aversion describes how the pain felt from loss is more powerful than the reward from an equivalent gain, which leads humans to avoid loss,¹¹ and this may lead to people making suboptimal decisions in the longer term. Mobiles and broadband are seen as necessities – and people did not want to run any kind of risk of being without them. The fear of losing them (even for a short period of time) could override consumers' ability to make a choice that could lead to a greater potential gain in the long run. Participants' responses to Remedy 3 (right to exit) should be considered in light of this – people were nervous about the potential to be without their mobile or broadband if exiting a contract was made difficult by providers.

Status quo bias

Linked to loss aversion is a status quo bias whereby people feel emotionally safer to stick with an existing situation rather than actively choose change. This is why people choose the default option of staying with the same provider or contract rather than shopping around; it simply feels easier and less risky than navigating something new. While many participants said in relation to Remedy 2 (more choice), that they would like to choose a shorter contract or a fixed term contract (and would be prepared to spend more money on this for the security), behavioural science suggests that in reality they may be likely to stick with their current contract length.

While participants claimed during the focus groups/depth interviews that they would be willing to pay more for the certainty of prices staying fixed, results from one of the pre-task exercises indicated that this may not be the case. Participants were asked to choose between three different contracts, where the only differences were the price

¹¹ Kahneman, D., & Tversky, A. (1979). *Prospect theory: An analysis of decision under risk*. *Econometrica*



terms (and for broadband, contract length). While some chose the option without inflation-linked price rises (but higher headline price), plenty did not. This suggests that, as the behavioural science indicates and despite what they told us in the groups, present bias is likely in play, and people will often choose the immediate rewards of the lower upfront price. (For full details of the research exercise, please see [Appendix 7.2.](#))

6. Conclusions

Barriers to engaging with inflation-linked in-contract price rises

Few consumers understand the possible impact of inflation-linked in-contract price rises on their monthly payments or engage with these terms during the purchasing process. As such, it is relatively rare that people are making a truly informed decision when entering into a contract with inflation-linked price rises.

Overleaf, we have used the COM-B model¹² of behaviour change to summarise the barriers to consumer engagement with in-contract price rises.

¹² The model suggests that to engage in a behaviour (B), a person needs to have the capability (C), opportunity (O), and motivation (M).



	Capability	Opportunity	Motivation
		<i>If they are aware of inflation-linked in-contract price rises...</i>	<i>If they are aware of inflation-linked in-contract price rises...</i>
<i>What this means in relation to inflation-linked in-contract price rises</i>	<p>Can consumers make an informed decision about contracts?</p> <ul style="list-style-type: none"> Do they know to look out for these terms? Can they work out the price impact? 	<p>Can they do anything about them?</p> <ul style="list-style-type: none"> Can they make an informed choice between different types of contracts? Can they choose alternative contracts? 	<p>Do they want to do anything about them?</p> <ul style="list-style-type: none"> Is it a pertinent issue?
<i>Summary</i>	Limited awareness and understanding	(Perceived) limited agency	Limited desire
<i>Description</i>	<p>Many consumers are unaware of in-contract price rises, and even if they know of their existence, they don't always know the reason for them.</p> <p>Consumers may not be able to calculate the likely impact on their monthly bills of in-contract price rises.</p>	<p>Choice overload when deciding between contracts confuses and overwhelms. Most do not engage with the information about price rises during the purchase process that might help them to make informed decisions.</p> <p>Where they do engage with the information, consumers do not feel that information is provided in a consistent and clear way in order for them to compare and contrast between contracts / providers. Many assume that all providers implement these terms</p>	<p>Many consumers do not feel that the potential price increase warrants the effort it would take to find alternative contracts.</p> <p>As such, they make the choice they deem to be satisfactory (based on key parameters), rather than research the one that might truly be the best option for them.</p> <p>They also assume that inflation rates are falling and so in-contract price rises will not be so high in future.</p>



Responses to potential remedies

We cannot predict if the proposed remedies will bring about behaviour change; however, some remedies resonate more strongly with consumers than others, due to their potential to address their need for certainty, consistency and transparency.

- Remedies 2 (more choice) and 4 (prohibit inflation-linked in-contract price rises), because they give consumers the chance to choose fixed price contracts or contracts with a known price increase (in £/p), have the potential to offer certainty and are transparent (clear and easy to understand).
- Remedy 1 (better point of sale information) is also welcomed for having the potential to address calls for transparency in relation to in-contract price rises, provided information is provided early and prominently in the purchase journey.
- Remedy 3 (right to exit) is not seen to address a specific need, and providers are not trusted to implement it in a way that would truly benefit consumers.

Ultimately, a combination of remedies may go some way to address the issues identified, with the caveat that behavioural science indicates that consumers may not behave in the way they predict.



7. Appendices

7.1 Sample breakdown

Demographics

Category	Characteristics	Number of participants
TOTAL PARTICIPANTS		54
Gender	Man	27
	Woman	27
Age	18-29	13
	30-44	14
	45-59	15
	60+	12
Socio-economic group	ABC1	28
	C2DE	26
Ethnicity	Minority ethnic group	13
Socio-economic group	AB	28
	C1	39
	C2	14
	DE	19
Location	England	32
	Scotland	8
	Wales	10
	Northern Ireland	4
Urban/rural/suburban	Urban	17
	Suburban	21
	Rural	16
Disability / health condition	Presence of disability / health condition	16

Contract type

Category	Characteristics	Number of participants
Broadband/mobile	Broadband	26
	Mobile	28
Contract stage	Planning to renew / change in next 6 months	28



Category	Characteristics	Number of participants
	Had renewed / changed contract in past 6 months	26
Bundle	Had bundled package	18
	Had TV included	6
Mobile provider	BT	1
	EE	4
	GiffGaff	1
	O2	8
	Plusnet	1
	Sky	2
	Smarty	2
	Tesco	7
	Vodafone	2
Broadband provider	BT	6
	EE	1
	Onestream	1
	Plusnet	3
	Shell	1
	Sky	5
	Three	1
	Utility Warehouse	1
	Virgin Media	4
	Vodafone	3



7.2 Recruitment screener

Overview for recruiters

We are recruiting for two different streams for this project:

- **'Mainstream' consumers**
 - 5-day online pre-task
 - 90-minute online discussion group
- **'Vulnerable' consumers**
 - 8 depth interviews (phone/Zoom/F2F), preceded by online pre-task where possible

Screener

Ofcom, the regulator for the communications industry in the UK, has commissioned Community Research to do some research with members of the public on mobile and broadband contracts. They want to find out more about how people make decisions when it comes to renewing or changing mobile and broadband providers. If you take part, it would involve taking part in a short online forum, followed by an online focus group or depth interview.

ASK ALL

Q1 Would you be interested in taking part in this research?

Yes	1	CONTINUE
No	2	CLOSE

ASK ALL

Q2 Do you or any members of your immediate family or close friends work in, or have ever worked in, any of the following areas, either in a paid or unpaid capacity?

READ OUT

Journalism/the media/radio/TV	THANK AND CLOSE
Market research	
A company that provides or retails mobile or broadband (e.g. BT, EE, Vodafone, O2, Sky, Virgin)	
None of the above	

ASK ALL

Q3 Have you participated in a group discussion or interview for an opinion or market research company in the last 6 months?

[SINGLE CODE ONLY]

Yes	1	THANK AND CLOSE
-----	---	-----------------



No	2	CONTINUE
----	---	----------

PLEASE READ THIS PRIVACY NOTICE BEFORE STARTING

- Community Research is a market research agency.
- We would like to collect the following personal data from you now:
 - Your name, phone number and email address.
 - Other information about you (including your income, ethnic origin and whether you have a disability or health condition).
- The personal data we collect will be used for market research purposes only, it will allow us to contact you about this research only.
- What you say now and, in the interview, will be kept anonymous and confidential. Your name and personal details will not be passed on to Ofcom (or to anyone else) and you will not be named in our report. To collect this information from you we need your consent. You can always withdraw your consent at any time by emailing Community Research at info@communityresearch.co.uk
- We will be using your personal data for the duration of the research and will store it for a maximum of 1 year from the end of the project for client contractual obligations and for quality control. After that it will be securely destroyed.
- For further information about how and why we use your personal data and your rights please visit Community Research's website <http://communityresearch.co.uk/privacy-policy/> and Ofcom's website <https://www.ofcom.org.uk/about-ofcom/foi-dp/general-privacy-statement>

CONFIRMATION OF INFORMED CONSENT

RESPONDENT TO CONFIRM:

I agree to my personal details being recorded and processed by Community Research for the purposes described to me.

Yes
No

ASK ALL

Q4 Which of the following do you have?

[MULTI CODE OKAY]

A mobile phone <u>contract</u> that I am solely / jointly responsible for (NB this must be a monthly contract rather than a pay-as-	1	CONTINUE
---	---	----------



you-go mobile phone, pre-pay or top up plan)		
A broadband contract that I am solely / jointly responsible for	2	CONTINUE
None of the above	3	CLOSE
Don't know	4	CLOSE

ALLOCATE TO 'MOBILE' OR 'BROADBAND' GROUP AND ASK FOLLOWING QUESTIONS ACCORDINGLY.

ASK ALL

Q5 Who made the decision to enter your mobile / broadband contract?
[SINGLE CODE ONLY]

Me	1	CONTINUE
Me, jointly with someone else	2	CONTINUE
Someone else	3	CLOSE

ASK ALL

Q6a Do you take any other services bundled together in a package from the same provider as your mobile/ fixed broadband service? NOTE: A bundle is when you purchase two or more of your telephone, internet or other communications services from the same provider, either on the same contract or on contracts that are linked. For example, the contracts may be linked because the provider requires you to purchase one service to receive the other, or because you receive a discount for purchasing them together. If the bundle includes a mobile service, you may also be required to pay the remaining balance of any mobile phone handset costs in full if you decide to end the mobile service contract.

[SINGLE CODE ONLY]

No	1	CONTINUE to Q7	
Yes	2	ASK Q6b	At least 15 across the sample to be on a bundled package



Q6b If yes, please select the services bundled with your broadband/mobile below (Select all that apply).

Mobile phone service	1	
Broadband service	2	
Landline phone (i.e. home phone) or line rental	3	
A pay-TV service (via cable, satellite or broadband connection)	4	At least 5 to have Pay-TV included in their bundled package
Another type of bundle (please describe)	5	

ASK ALL

Q7 What stage in your mobile / broadband contract are you at?

[SINGLE CODE ONLY]

I renewed my contract / got a new contract in the past 3 months	1	Half to have got new contract in past 6 months
I renewed my contract / got a new contract in the past 3-6 months	2	
I renewed my contract / got a new contract over 6 months ago and still have over 6 months remaining on my current contract	3	CLOSE
My current contract is up for renewal in the next 6 months / I intend to take a new contract in the next 6 months	4	Half to be getting new contract in next 6 months

ASK ALL MOBILE PARTICIPANTS

Q8 Who is your mobile provider?

[SINGLE CODE ONLY]

EE	1	Max of 2 participants in each group to hold a contract with same provider i.e. at least 3 different providers
iD mobile	2	
O2	3	
Plusnet	4	
Talkmobile	5	



Tesco mobile	6	represented in each group
Three	7	
Virgin	8	
Vodafone	9	
Sky	10	2-3 participants across the sample to hold contract with Sky or Lycamobile
Lycamobile	11	
ASDA mobile	12	No more than 3 across the sample to hold a contract with these providers.
Giffgaff	13	
Utility warehouse	14	
Lebara	15	
Smarty	16	
Voxi	17	
Other (please state)	18	Please check eligibility

ASK ALL MOBILE PARTICIPANTS

Q9a Which of the following best describes your data usage?

[SINGLE CODE ONLY]

<p>High - I rely on my phone for both entertainment and work'</p> <ul style="list-style-type: none"> • I send and receive quite a few emails daily, often with attachments. • I watch videos online several times a week and am likely to download a lot of applications and games as well as music for my phone. • I make extensive use of streaming services, such as Netflix and Spotify. • My contract is for 15GB or more per month 	1	Ensure a mix across the sample
<p>Medium - 'I need data for my email, social media and entertainment'</p> <ul style="list-style-type: none"> • I send and receive personal emails on my phone 	2	



<ul style="list-style-type: none"> • I spend quite a bit of time browsing the internet and download a few games or applications a month. • I like to watch video on online streaming sites such as YouTube every so often and perhaps download a few songs now and then too. • My contract is for 5-14 GB per month 		
<p>Low - 'I use my phone every so often, to keep up with friends and interesting news</p> <ul style="list-style-type: none"> • I don't play a lot of games on my phone or download music directly on the phone. • I occasionally use my mobile for chatting online or watch the odd video clip. • I am unlikely to use the internet for more than an hour a day on my phone. • My contract is for less than 5GB per month 	3	

ASK ALL BROADBAND PARTICIPANTS

Q10a Who is your broadband provider?

[SINGLE CODE ONLY]

BT	1	Max of 2 participants in each group to hold a contract with same provider i.e. at least 3 different providers represented in each group
EE	2	
Vodafone	3	
Now	4	
Plusnet	5	
Shell Energy	6	
Sky	7	
SSE	8	
Talk Talk	9	
Utility warehouse	10	
Virgin Media	11	
Hyperoptic	12	2-3 participants across the sample to hold contract with Hyperoptic,
YouFibre	13	
Zen internet	14	



		YouFibre, or Zen Internet
Other (please state)	15	Please check for eligibility

Further detail about the research

The research will consist of an online forum followed by either a 90-minute online focus group or a depth interview. The online forum will run over a 5-day period, and the focus group/depth interview will take place the following week. As part of the forum, you'll be expected to log in around 3 or 4 times to answer questions and complete short exercises. The total amount of time you spend on the forum should be no more than 90 minutes. You can log in and comment at any time during the day (there won't be specific times when you have to log-on). There will be observer(s) from Ofcom logging into the forum from time to time to see how the project is progressing. They will see only your username and not your true identity.

One of the exercises will require you to browse websites of mobile phone / broadband providers and record your screen. We will show you how to do this, so don't worry about the technical aspect of this exercise.

This task may involve you entering some personal details such as your postcode, street address and phone number. You will not have to sign up for anything and you will not have to provide any financial details. You will only be asked to provide as much information as you feel comfortable with, but if you feel at this stage that you would not be comfortable with entering any of your personal details, then please do not agree to participate in this research. Ofcom observers will not be able to see you take part in this exercise.

The reward for taking part will be **£100** and the incentive will be paid by Community Research after completion of the online forum and focus group / depth interview (as a bank transfer or by emailing you a shopping voucher).

Q11a Are you happy to take part on this basis?

Yes	1	Ask Q11b
No	2	CLOSE

Please be aware that by entering some personal details such as your postcode, street address and phone number during the exercise in the online forum you may invite unsolicited marketing i.e. you may receive emails, phone calls or mail from mobile/broadband providers with offers relating to their products and services. You are generally able to opt out of such communications but please be aware that you



will be responsible for opting out and that neither Ofcom nor Community Research will be able to assist you with this.

Q11b Are you still happy to take part in this research?

Yes	1	Continue
No	2	Close and monitor objections

Q11c And can I check, will you have access to the following for the online forum?

A PC or laptop with one of the following browsers - Microsoft Edge, Google Chrome, Mozilla Firefox.	1	Majority of sample must have access to a PC
Smartphone or tablet	2	

Demographic questions – ASK ALL

We are looking for particular groups of people; therefore please answer some questions about yourself.

ASK ALL

Q12 Recruiter code gender

[SINGLE CODE ONLY]

Man	1	RECRUIT TO QUOTA
Woman	2	
Non-binary	3	
Prefer to use my own term (PLEASE SPECIFY)	4	
Prefer not to say	5	

ASK ALL

Q13 Please select your age range

[SINGLE CODE ONLY]

Under 18	0	CLOSE
18 to 29	1	RECRUIT TO QUOTA
30 to 44	2	
45 to 59	3	
60+	4	



ASK ALL

Q14 Do you have any children under 16 living in your household?

[SINGLE CODE ONLY]

Yes	1	Ask Q15
No	2	Skip to Q16

Q15 What ages are the children?

[MULTICODE OKAY]

Aged 0-8	1	
Aged 9-16	2	

ASK ALL

Q16 Which, if any, other adults live in your household?

[SINGLE CODE ONLY]

I live on my own	1	
Partner / spouse	2	
My child / children (16 or over)	3	
Other relatives	4	
Friends / housemates	5	
Other	6	

FOR Q14-16 ENSURE A SPREAD OF HOUSEHOLD TYPES / LIFESTAGES

ASK ALL

Q17 At the next question, we would like you to choose from a list of options to describe your ethnic group or background. Do we have your permission to ask you this question?

Yes	1	Ask Q18
No	2	Skip to Q19

ASK ALL

Q18 How would you describe your ethnicity?

[SINGLE CODE ONLY]

WHITE		
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A. English/ Welsh/ Scottish/ Northern Irish/ British	1	RECRUIT TO QUOTA
B. Irish	2	
C. Gypsy or Irish traveller	3	
D. Roma	4	
E. Any other White background (WRITE IN)	5	
MIXED/ MULTIPLE ETHNIC GROUPS		
F. White and Black Caribbean	6	
G. White and Black African	7	
H. White and Asian	8	
I. Any other Mixed/ multiple ethnic background (WRITE IN)	9	
BLACK OR BLACK BRITISH		
J. Caribbean	10	
K. African	11	
L. Any other Black/ Black British/ African/ Caribbean background (WRITE IN)	12	
ASIAN OR ASIAN BRITISH		
M. Indian	13	
N. Pakistani	14	
O. Bangladeshi	15	
P. Chinese	16	
Q. Any other Asian background (WRITE IN)	17	
OTHER ETHNIC GROUP		
R. Arab	18	
S. Any other background (WRITE IN)	19	
Prefer not to say/ Refused	20	

ASK ALL

Q19 Where in the UK do you live?

[SINGLE CODE ONLY]

Scotland	1	RECRUIT TO QUOTA ENSURE A SPREAD OF REGIONS
Northern Ireland	2	
Wales	3	
North West England	4	
North East England	5	
Yorkshire & Humberside	6	
East Midlands	7	
East Anglia	8	
South East England	9	
Greater London	10	
South West England	11	
West Midlands	12	



ASK ALL

Q20 Do you live in an urban / suburban (e.g. in a city, town or surrounding suburban area) or a rural area (e.g. in a village, hamlet or in the countryside)

[SINGLE CODE ONLY]

Urban	1	ENSURE A SPREAD
Suburban	2	
Rural	3	

ASK ALL

Q21 What is the occupation of the MAIN INCOME EARNER in your household? If now retired, please select the most appropriate option that fits the job performed prior to retirement. If currently unemployed for under 6 months, please select the most appropriate option that fits the job performed prior to becoming unemployed [SINGLE CODE ONLY]

- Higher managerial/ professional/ administrative**
E.g. established doctor, Solicitor, Board Director in a large organisation (200+ employees, top level civil servant/public service employee)
- Intermediate managerial/ professional/ administrative**
E.g. Newly qualified (under 3 years) doctor, Solicitor, Board director small organisation, middle manager in large organisation, principle officer in civil service/local government
- Supervisory or clerical/ junior managerial/ professional/ administrative**
E.g. Office worker, Student Doctor, Foreman with 25+ employees, salesperson.
- Skilled manual worker**
E.g. Skilled Bricklayer, Carpenter, Plumber, Painter, Bus/ Ambulance Driver, HGV driver, AA patrolman.
- Semi or unskilled manual work**
e.g. Manual workers, all apprentices to be skilled trades, Caretaker, Park keeper, non-HGV driver, shop assistant, pub/bar worker.
- Full time education**
- Full time responsibility for the home/ family**
- Unemployed for over 6 months**

CODE SOCIAL GRADE FROM; ABOVE DO NOT ASK

AB	1	RECRUIT TO QUOTA
C1	2	
C2	2	
DE	3	



ASK ALL

Q22 Which of the following best represents the total annual income for your household, before deductions tax and National Insurance?

[SINGLE CODE ONLY]

Per week	Per year	1	POTENTIALLY RECRUIT FOR DEPTH INTERVIEWS
Up to £199	£10,399 or less	2	POTENTIALLY RECRUIT FOR DEPTH INTERVIEWS IF LIVING WITH PARTNER/CHILDREN (SEE Q16)
£200-£299	£10,400-£15,599	3	
£300-£499	£15,600-£25,999	4	
£500-£699	£26,000-£36,399	5	
£700-£999	£36,400-£51,999	6	
£1,000-£1,499	£52,000-£77,999	7	
£1,500 and above	£78,000 or more	8	

ASK ALL

Q23 Which of the following statements best applies to your household?

I/We are quite comfortable financially, and even have enough savings for a rainy day or a large purchase	1	POTENTIALLY RECRUIT FOR DEPTH INTERVIEWS IF INCOME ALLOWS (see Q22)
I/We are quite comfortable financially, and even have some savings	2	
I/We are comfortable financially, but we don't have much/any savings	3	
I/We are neither struggling, nor comfortable financially	4	
I/We are just about managing financially	5	
I/We are in financial difficulty	6	



ASK ALL

Q24 At the next question, we would like to ask you about any issues that impact your daily activities or the work you can do. Do we have your permission to ask you this question?

Yes	1	Ask Q25
No	2	Skip to Q26

ASK ALL

Q25 Which of these – if any – impact or limit your daily activities or the work you can do?

Hearing? Poor hearing, partial hearing, or are deaf	1	RECRUIT TO QUOTA
Eyesight? Poor vision, colour blindness, partial sight, or are blind	2	
Mobility? Cannot walk at all/ use a wheelchair or mobility scooter etc., or cannot walk very far or manage stairs or can only do so with difficulty	3	
Dexterity? Limited ability to reach/ difficulty opening things with your hands/ difficulty using a telephone handset/ television remote control/ computer keyboard etc.	4	
Breathing? Breathlessness or chest pains	5	
Mental abilities? Such as learning, understanding, concentration, memory, communicating, cognitive loss or deterioration	6	
Social/ behavioural? Conditions associated with this such as autism, attention deficit disorder, Asperger's, etc.	7	
Your mental health? Anxiety, depression, or trauma-related conditions, for example	8	
Difficulties with speech, e.g. due to stroke, stutter or stammer	9	
Other illnesses/ conditions which impact or limit your daily activities or the work you can do (please specify)	10	
Nothing – no impairments or conditions impact or limit your daily activities or the work you can do (SINGLE CODE)	11	
Prefer not to say (SINGLE CODE)	12	
Don't know (SINGLE CODE)	13	



ASK ALL

Q26 What is the highest level of education you have attained? [MATCH RESPONSE TO LEVEL BELOW – NO NEED TO READ OUT DETAIL]

Lower level qualifications (<i>NVQ or SVQ level 1, GNVQ Foundation level, GSVQ level 1, GCSE or O level below grade C, SCE Standard or Ordinary below grade 3, CSE below grade 1, BTEC, RSA Stage I, II, or III, City and Guilds part 1, Junior certificate</i>)	GO TO Q27
GCSE A*-C Grade/ O Level /Trade Apprenticeships (<i>including GCSE/O Level grade A*-C, vocational level 2, NVQ or SVQ level 2, GNVQ intermediate or GSVQ level 2, RSA Diploma, City & Guilds Craft or Part II (& other names), BTEC, O level or GCSE grade A-C, SCE Standard or Ordinary grades 1-3</i>)	GO TO Q28
A levels, vocational level 3 and equivalents (<i>including A level or equivalent, AS level, SCE Higher, Scottish Certificate Sixth Year Studies or equivalent, NVQ or SVQ level 3, GNVQ Advanced or GSVQ level 3, OND, ONC, BTEC National, SCOTVEC National Certificate, City & Guilds advanced craft, Part III (& other names), RSA advanced diploma</i>)	
Other Higher Education below degree level (<i>including Diplomas in higher education & other higher education qualifications, HNC, HND, Higher level BTEC, Teaching qualifications for schools or further education (below Degree level standard), Nursing, or other medical qualifications not covered above (below Degree level standard), RSA higher diploma</i>)	
Higher Education & professional/vocational equivalents (<i>including Degree or Degree equivalent, and above, Higher degree and postgraduate qualifications, First degree (including B.Ed.), Postgraduate Diplomas and Certificates (including PGCE), Professional qualifications at degree level e.g. graduate member of professional institute, chartered accountant or surveyor, NVQ or SVQ level 4 or 5</i>)	GO TO Q27
Other qualifications (<i>including other vocational or professional or foreign qualifications</i>)	
No qualifications	

ASK ALL WHO ANSWERED 'NO QUALIFICATIONS', 'OTHER QUALIFICATIONS', 'LOWER-LEVEL QUALIFICATIONS' AT Q26

Q27 How far do you agree or disagree with the following statements?

RANDOMISE ORDER

Numbers = scores	Agree strongly	Agree	Disagree	Disagree strongly
I usually have a book on the go and I read most days	0	0	1	2
I hated maths in school	2	1	0	0
I usually need help if someone hands me a long form to complete	2	1	0	0
I have always struggled, more than other people, with numbers	2	1	0	0



I have always struggled, more than other people, with reading and writing	2	1	0	0
I prefer to speak to someone over the phone than to email them because I find writing difficult	2	1	0	0

SCORE OF 6 OR ABOVE QUALIFIES FOR LOWER LITERACY/NUMERACY DEPTHS

IF ELIGIBLE FOR ONLINE FORUM:

Based on your previous responses, you would be eligible to take part in this research.

The online forum will run for five days from the 24th July and the focus group will take place the following week or the week after.

Q28 Can you commit to these dates?

Yes	1	CONTINUE
No	2	CLOSE

Q29 All focus groups will be recorded and transcribed for analysis purposes but no comments will be attributed to individuals. Are you happy with this?

Yes	1	CONTINUE
No	2	CLOSE

IF ELIGIBLE FOR DEPTHS:

Based on your previous responses, you would be eligible to take part in this research.

The online forum will run for five days from the 24th July and the depth interview will take place the following week or the week after.

Q30 Can you commit to these dates?

Yes	1	CONTINUE
No	2	CLOSE

Q31 We will conduct the interviews by Zoom or by telephone or, depending on where you live, potentially in person. Zoom is easy to use - if you haven't used Zoom before we can give you clear instructions or do a quick trial run if you want. You don't have to have your camera on.

Would you prefer Zoom, telephone or face-to-face?



[SINGLE CODE ONLY]

Zoom	1	
Phone interview	2	
Face-to-face	3	Confirm where participant lives and ask for back up preference if F2F not possible

Q32 All interviews will be recorded and transcribed for analysis purposes but no comments will be attributed to individuals. Are you happy with this?

Yes	1	CONTINUE
No	2	CLOSE

ASK ALL

Q33 Finally, please provide your contact details

NAME:

EMAIL

PHONE NO



7.3 Contract comparison exercise

As part of the online forum participants were shown some key contract information and asked a series of questions. The contract summaries and an overview of the questions asked are outlined below:

Mobile contracts

Imagine you were helping a friend choose a 2-year mobile phone contract. They already know what type of phone they would like and how much data and storage they would need, but have to decide between different contracts. Please review the following example contracts, and answer some questions on how they compare.

Please note that for the mobile phone plans we are about to show you, you would need to take out two contracts – one for the handset/device and one for your usage. What you will see in the figures presented is the total price for taking out both the Device Plan and the Data/Airtime Plan

- Overall, how do the contracts compare to one another?
- What, if anything, stands out about any of the contracts? Anything that you particularly like or dislike about any of the contracts?
- What, if anything, is unclear?
- If you had to recommend one contract to your friend, which would it be and why?

PROVIDER 1

- Handset: Apple iPhone 14
- Storage: 128 GB
- Unlimited calls and texts
- Data: Unlimited
- Contract length: 24 months
- Upfront fee: £50
- Monthly fee: £45*

*Monthly price shown plus all out of bundle charges will increase each April by the Consumer Price Index rate published in January of that year + an additional 3.9%.



PROVIDER 2

- Handset: Apple iPhone 14
- Storage: 128 GB
- Unlimited calls and texts
- Data: Unlimited
- Contract length: 24 months
- Upfront fee: £0
- Monthly fee: £50.88*

*Each April from 2024 your monthly price will increase by the Retail Price Index rate of inflation announced in February +3.9%. We'll give you 30 days' notice of the exact increase.

PROVIDER 3

- Handset: Apple iPhone 14
- Storage: 128 GB
- Unlimited calls and texts
- Data: Unlimited
- Contract length: 24 months*
- Upfront fee: £0
- Total Monthly fee: £52.00

*Your monthly price will not increase during your new or existing minimum term. Other prices may increase and services may vary, including during your minimum term. We will let you know about any material changes before we make them.

Broadband contracts

Imagine you were helping a friend choose a broadband contract. Please review the following example contracts, and answer some questions on how they compare.

- Overall, how do the contracts compare to one another?
- What, if anything, stands out about any of the contracts? Anything that you particularly like or dislike about any of the contracts?
- What, if anything, is unclear?
- If you had to recommend one of these contracts to your friend, which would it be and why?



PROVIDER 1

- Average download speed: 65 Mbps
- Contract length: 18 months
- Set up costs: £0
- Monthly fee: £26*

*Prices may change during this period

PROVIDER 2

- Average download speed: 65 Mbps
- Contract length: 24 months
- Set up costs: £0
- Monthly fee: £25*

*Each April, your monthly plan charge will increase by an amount equal to the Consumer Price Index rate published by the Office for National Statistics in January (CPI rate) plus an additional 3.9% on top of the CPI rate. We will apply that CPI rate plus 3.9% adjustment from your April bill. In the event that the CPI rate is negative, this will be ignored but the additional 3.9% will still apply.

PROVIDER 3

- Average download speed: 65 Mbps
- Contract length: 18 months
- Set up costs: £15
- Monthly fee: £27*

*The monthly price for your broadband plan will increase each year from April 2024 by the rate of inflation (the Consumer Price Index rate, published in January each year) plus 3.7%.



7.4 Groups / depth discussion guide

The following discussion guide is the version used for the focus groups. Tailored discussion guides following the same structure but adapted in places to be appropriate for the individual participant were used for the depth interviews.

Time	Purpose	Discussion areas
5 mins	Welcome and introductions	<p>The moderator will:</p> <ul style="list-style-type: none"> • Introduce themselves and any Ofcom observers • Thank participants for taking part in pre-task • Introduce overarching objectives of the research • Stress that there are no right or wrong answers and that everyone's opinion is equally valid • Reassure about confidentiality of responses and data privacy • Request that the interview can be recorded • Reconfirm consent (taken at recruitment and as part of Recollective pre-task) <p>Participants to briefly introduce themselves:</p> <ul style="list-style-type: none"> • First name and something about themselves i.e. occupation, family, interests • What type of contract they have and with which provider
20 mins	<p>Explore take-aways from pre-task</p> <p>STIMULUS 4 – WORKED PRICE EXAMPLES</p>	<ul style="list-style-type: none"> • Overall takeaways <ul style="list-style-type: none"> • Any surprises in the contract research exercise? How did final contract prices compare to initial expectations? Did they rely on the 'headline' price or did they read the small print? Was it clear what they would pay across the duration of the contract? • How much time and effort did it take to review contracts and / or compare deals? • How did people feel about idea of inflation linked in-contract price rises? Did they notice information about them when looking at contracts themselves? • Had they known about them / experienced them before? Did anyone actively seek out information about these? • Comprehension <ul style="list-style-type: none"> • What are people's views on how these are currently presented to consumers – to what extent are they clear/transparent, understandable, predictable etc. • How easy / difficult did they find it to calculate the inflation linked price increase set out in the pre-task exercise? What, if anything, made it difficult to work out what the final price would be?



		<ul style="list-style-type: none"> • How easy is it to compare prices across different providers and find the best deal? • Behaviour <ul style="list-style-type: none"> • How much do people tend to review the contract details that are shown towards the end of the transaction before making a final purchase i.e. in the contract summary? (Moderator to explain that a worked example is included in contract information provided before the customer signs up) • Do they recall seeing any worked examples of how the price might increase during the contract? To what extent did they engage with these examples? (Moderator to prompt with stimulus highlighting worked examples) • What impact do in-contract price rises have on purchase decisions? Have people factored them into decision making in the past? Would they in the future? To what extent do they think they would have chosen differently if they had understood pricing better? PROBE around importance / attractiveness of price certainty vs low headline costs with an uncertain increase in future (<i>do customers understand that contracts with price variation terms are likely to have lower upfront prices? Do they think that lower headline prices would be more appealing even though they will be subject to one or more price rises?</i>) • Do they think other people are aware / think about them when choosing between contracts? (<i>briefly</i>) • To what extent do they feel people are currently given the right information and tools to make a decision about the best deal for them when signing up for contracts?
15 mins	<p>Explore views in more detail and explore spontaneous ideas of how the issue should be addressed</p> <p>STIMULUS 5 – informatio</p>	<ul style="list-style-type: none"> • Moderator to read out following information and show on screen: <div data-bbox="612 1632 1391 2058" style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p style="text-align: center;">Inflation linked in-contract price rises</p> <ul style="list-style-type: none"> • Since the end of 2020, many providers include a term in their contract which allows them to apply annual price rises based on inflation with an additional percentage on top. • Many providers use CPI+3.9%, where the December or January Consumer Prices Index (CPI) rate of inflation is used to calculate the price rise which is then applied in March or April every year. • The rate of inflation increased significantly last year and remains high into this year. This resulted in price rises of up to 15%+ for customers this year • Research indicates that consumer awareness and understanding of in-contract price rises is low. • Customers who are in their minimum contract period would have to pay an early termination charge if they want to leave their provider to avoid the price rise. • Providers say they need to have in-contract price rises to cover their own costs which are subject to inflationary pressures and to fund their own network and other improvements. </div>



	<p>n about ILPVT and why it's become more of an issue</p>	<ul style="list-style-type: none"> • What are their views on these terms, now that we've provided more information? • What impact might these price rises have on people? How might people manage these impacts? • Who / which groups in society might be particularly impacted by these? <i>Moderator to write a list of different types of consumers suggested by participants.</i> If not mentioned PROMPT around: people on low incomes, people with low literacy / numeracy etc. • What do people think should happen to ensure that people are made aware of/not adversely impacted by in contract price rises? What rules should be put in place to protect customers who are taking out a new contract? • Going forward it has already been decided that mid-contract price increases need to be included in any advertising e.g. <i>£48/month until April 2023 (Monthly price will increase each April by the Retail Price Index rate of inflation published in January +3.6%)</i> <ul style="list-style-type: none"> • Is this enough or should more be done to protect consumers?
<p>45 mins (c.10 per remedy)</p>	<p>Explore response to remedies</p> <p>STIMULUS 6 - REMEDIES (ROTATE THE ORDER THAT REMEDIES 1-4 ARE SHOWN ACROSS THE GROUPS BUT ALWAYS FINISH ON REMEDY 5)</p>	<ul style="list-style-type: none"> • Introduce remedies as high-level concepts • For each remedy: <ul style="list-style-type: none"> • Overall views • Perceived advantages / disadvantages • What impact might this have on their own behaviour? • What impact might this have on other consumers' behaviour? [Remind of types of people who might be impacted from earlier discussion e.g. people on low incomes, people with low numeracy/literacy skills etc] <p>Specific prompts for each remedy if not mentioned spontaneously</p> <p>REMEDY 1 - Require better point of sale information about inflation-linked in-contract price rises</p> <ul style="list-style-type: none"> • To what extent do they think that people would notice this information, even if clearer information is provided at point of sale? • How/when should this information be presented to ensure that people would notice it?



- The exact price rise would still be uncertain because price rises are based on a future rate of inflation which is unknown – how much does this matter?
- What is the value of having a personalised estimate of future price rises? How does this compare to what they receive currently (refer back to worked examples)?
- To what extent would providing an average monthly price in £/p (across the duration of the contract) allow them to compare across providers)?
- What impact, if any, might clearer information have on behaviour? PROBE around lack of choice / alternatives if most providers have same price rise, even if information is clearer.

REMEDY 2 – Ensure greater choice of fixed price and / or 12 month tariffs

- The choice of a fixed price contract would mean having the option of certainty across the full length of a minimum contract. How important is having this choice?
- The choice of a 12-month contract would mean having the option of a product that would increase in price only once during the minimum commitment period (as opposed to potentially two rises with an 18 or 24 month contract). How important is having this choice?
- Explore the extent to which participants are willing to trade potentially lower initial tariffs that will increase in future for the certainty of a fixed price tariff that stays the same over the contract?
- Explore the extent to which participants value only having one price rise in their minimum commitment period? Would they be willing to pay more in the short term?
- Explore extent that greater choice would create confusion for consumers. How helpful would it be to have more options? If they took the option of a 12-month contract to minimise in-contract price rises, how would they feel about changing contracts (and researching the market) every 12 months? PROBE around hassle vs convenience of not having to engage with market
- IF TIME In some countries, customers have a period of protection from any price rises (except time limited discounts) for example, 12 months. How do participants feel about this option?



REMEDY 3 – Right to exit for inflation-linked in-contract price rises

- How likely do they think customers would be to re-contract on a new deal with their provider or move to a different provider if there was an in-contract price rise? Why? How would they feel about the potential hassle? What factors might prevent or encourage people to exercise this right to exit? Moderator to probe on any comments relating to bundled deals.
- Should the right to exit apply for any inflation-linked price rise or should it only be applied if the actual price rise exceeds any personalised projection given to the customer at the point of sale?
- Is right to exit enough to limit impact of unexpected price rise on people due to inflation? PROBE explain this allows people to change their mind, but they may still face uncertainty around ILPVTs when they signed up and when looking for new deals.

REMEDY 4 – Prohibit use of inflation-linked in-contract price rises

- Overall appeal of prohibiting any inflation linked price rise during minimum contract term. Moderator to explain that there would still be price rises during the contract period, but these would be fixed i.e. customers would know in advance how much their monthly contract would rise by (compared to now, when it depends on the inflation rate)
 - To what extent would participants find it helpful to be given information about the average monthly price during the minimum term of the contract **in addition** to the £/P fixed price rises?
- Moderator to explain that prohibiting any inflation-linked in contract price rise could result in providers increasing all upfront subscription prices, price would remain the same for minimum contract period but potential risk for higher prices for those who are out of contract and explore participants reactions to this.
- To what extent would it be helpful to have certainty around price rises? Do they have any concerns about the lack of transparency for price rises that are not linked to inflation? e.g. it could result in price rises higher than inflation.
- IF TIME Explore any difference in attitudes between fixed £/p increases vs fixed % increases



		<ul style="list-style-type: none"> • IF TIME Explore attitudes to idea of prohibiting ALL in-contract price rises (except time limited discounts / initial offer periods e.g. £20 for the first 6 months of your contract and £40 thereafter). Would people prefer the idea of a fixed cost that doesn't change throughout the minimum contract period (even if upfront cost is higher initially – and prices might be even higher when out of contract period)?
5 mins	In summary	<ul style="list-style-type: none"> • How do participants feel about in-contract price rises now they know more about them? • Overall, which of the potential solutions / or combinations of solutions do they think would be best for consumers and why? <i>Each participant to say their own preference</i> • <i>For participants based in Wales</i> – Based on everything discussed today how important is it that information about price rises is provided in Welsh? Why do you say that? • Thank and close

