Additional comments:

Question 1: Do you agree with the consumer harm identified from Communications Providers? ability to raise prices in fixed term contracts without the automatic right to terminate without penalty on the part of consumers?:

Yes

Question 2: Should consumers share the risk of Communications Providers? costs increasing or should Communications Providers bear that risk because they are better placed to assess the risks and take steps to mitigate them?:

Communications Providers should bear that risk. In excatly the same way that I bear the risk that my circumstances may change such that I need to use more or less of my allowance each month or that my disposable income will rise or fall over the duration of the contract.

Question 3: Do you agree with the consumer harm identified from Communications Providers? inconsistent application of the ?material detriment? test in GC9.6 and the uncertainties associated with the UTCCRs?:

Question 4: Should Communications Providers be allowed (in the first instance) to unilaterally determine what constitutes material detriment or should Ofcom provide guidance?:

Ofcom should provide guidance, otherwise the Communications Providers are likely to attempt to include loop holes for themselves.

Question 5: What are your views on whether guidance would provide an adequate remedy for the consumer harm identified? Do you have a view as to how guidance could remedy the harm?:

Guidance would not provide an adequate remedy - it is likely to mean that the communications providers simply add a warning that prices may rise when you sign up to a fixed term deal.

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

Yes

Question 7: Do you agree that transparency alone would not provide adequate protection for consumers against the harm caused by price rises in fixed term contracts?:

Yes - as mentioned earlier. It should be possible to move to a reduce price contract without penalty if prices to a fixed term contract change. Equally if the users circumstances change such that the contract is no longer suitable for them they should be allowed to change contract without penalty in the same way that the Communications Provider is able to change the price of the contract following a change in their circumstances.

Question 8: Do you agree that any regulatory intervention should protect consumers in respect of any increase in the price for services provided under a contract applicable at the time that contract is entered into by the consumer? :

Yes

Question 9: Do you agree that any regulatory intervention should apply to price increases in relation to all services or do you think that there are particular services which should be treated differently, for example, increases to the service charge for calls to non-geographical numbers?:

It should apply to price increases for all services - all prices should remain fixed for the duration of the contract.

Question 10: Do you agree that the harm identified from price rises in fixed term contracts applies to small business customers (as well as residential customers) but not larger businesses?:

No, it applies to all customers. However, larger businesses have a better position to negotiate from to reduce or remove any increases applied by the Communication Provider.

Question 11: Do you agree that any regulatory intervention that we may take to protect customers from price rises in fixed term contracts should apply to residential and small business customers alike?:

Yes.

Question 12: Do you agree that our definition of small business customers in the context of this consultation and any subsequent regulatory intervention should be consistent with the definition in section 52(6) of the Communications Act and in other parts of the General Conditions?:

Yes

Question 13: Do you agree that price rises due to the reasons referred to in paragraph 5.29 are outside a Communications Provider?s control or ability to manage and therefore they should not be required to let consumers withdraw from the contract without penalty where price rises are as a result of one of these factors?:

No - this is a risk they take when entering into a fixed term contract. Obvioiusly the longer the fixed term contract is the higher their risk. This is balanced by the confirmed business they have for a longer period of time from the consumer.

Question 14: Except for the reasons referred to in paragraph 5.29, are there any other reasons for price increases that you would consider to be fully outside the control of Communications Providers or their ability to manage and therefore should not trigger the obligation on providers to allow consumers to exit the contract without penalty?:

No. However, if price rises are allowed for reasons outside the Communications Providers control are allowed then equally it must be allowable for the consumer to exit without penalty following reasons beyond their control - unexpected change of circumstances such as losing a job or a new child.

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

Yes

Question 16: Do you agree with Ofcom?s approach to liaise with providers informally at this stage, where appropriate, with suggestions for better practice where we identify that notifications could be improved?:

No - the charges levied by the CPs should be reversed plus interest first and the practice of increasing charges mid way through the contract should be banned.

Question 17: What are your views on Ofcom?s additional suggestions for best practice in relation to the notification of contractual variations as set out above? Do you have any further suggestions for best practice in relation to contract variation notifications to consumers?:

Fixed should mean fixed. It is unacceptable for one party in a fixed contract to be able to change an aspect of the contract when the other party in able to make changes without financial penalty.

Question 18: What are your views on the length of time that consumers should be given to cancel a contract without penalty in order to avoid a price rise? For consistency, should there be a set timescale to apply to all Communications Providers? :

A consumer should be allowed 30 days from the implementation of a price rise to exit a contract without penalty.
At this point the handset will be part owned by the consumer and part owned by the Communications Provider. If the Communications Provider requires the return of the handset they should reimburse the consumer for the percentage of the market value that has been paid for.

e.g. if the price rise occurs midway through the contract, the consumer has paid for half of the handset. Should the handset be sold on the second hand market it would be worth a set ammount. The consumer should be paid this by the CP if they return the phone. Equally if the consumer wishes to keep the phone they should pay the CP the remainder of the cost of the phone.

Question 19: What are your views on whether there should be guidance which sets out the length of time that Communications Providers should allow consumers to exit the contract without penalty to avoid a price rise?:

This should be mandatory to avoid CPs giving minimal notice to consumers.

Question 20: Do you agree that this option to make no changes to the current regulatory framework is not a suitable option in light of the consumer harm identified in section 4 above?:

Yes

Question 21: Do you agree with Ofcom?s analysis of option 2? If not, please explain your reasons.:

Yes

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

Yes

Question 23: What are your views on option 4 to modify the General Condition to require Communications Providers to notify consumers of their ability to withdraw from the contract without penalty for any price increases?:

This should be a requirement of any contract that allows for price rises.

Question 24: Do you agree with Ofcom?s assessment that option 4 is the most suitable option to address the consumer harm from price rises in fixed term contracts?:

Yes.

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

Yes

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

None.

Question 27: For our preferred option 4, do you agree that a three month implementation period for Communications Providers would be appropriate to comply with any new arrangements?:

Yes, however, it should be backdated to include any price rises which occured in the previous 12 months.

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

No, it should apply retrospectively. In a similar way to mis-selling PPI this was something that was not highlighted to customers at the start of their contract and would have changed their views before they signed up.
The companies involved should reimburse customers for these charges and implement the recommended changes going forward.