Additional comments:

Background

24 month contract with Orange started last year - approx 9 months remaining.

Received inflation price rise notification today taken contract from £31/month to £31.99/month

This is on top of rises last year just after taking out my new contract.

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. When looking at a contract the first consideration is knowing how much you will be paying over the contract period, especially if you are on a tight budget.

In terms of rates, you tend to find that you pay less for taking out a longer contract, i.e. a 24 month contract costs less a month than an 18 month contract. Therefore the ability to raise the base price of a 24 month contract mid term, seems nothing more than a con and may mean you pay more than you would if you had originally gone for an 18 month rate.

The whole thing appears to be a cynical con to make profit under the excuse of an inflation based rise.

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?:

My issue is where the communication provider states the rise is happening, where your bill will change automatically but you have no recourse to either change you base contract terms or move suppliers without incurring a penalty. To change the terms of the contract, you should have agreement and confirmation of such between both parties.

If the service I am getting is within my personal definition of suitable and meets my needs, and the increase is explained and reasonable, then I am more likely to agree to accept the shared responsibility if I have a choice.

In the current situation, we don't have any option but to accept the rise or take a penalty, which again impacts those on limited resources. This only serves to alienate customers, and even reasonable rises, such as the one from Orange today for an additional £0.99 per month on a 24 month (9 months remaining) £31.00/month contract makes you angry and want to change supplier just out of principle. Even if I have to wait to the end of the contract, Orange have lost my trust and I'm now more likely to switch next year.
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Question 3: Do you agree with the consumer harm identified from Communications Providers? inconsistent application of the ?material detriment? test in GC9.6 and the uncertainties associated with the UTCCRs?:

Yes, inconsistency is poor for everybody, and is actually detrimental to the communication providers as well as the consumer.

If you recieve a poor service, you're going to tell people, so any bad deals you get will get passed to others who may then decide not to place their business with the communication sprovider in the future,

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

I think Ofcom should provide guidance as a minimum, if not specific rules. I don't think the communication providers will put their paying customers above share holders regardless of moral obligations.

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?:

It should be standardised and clearly published, available before anyone signs a contract and in plain english.

It needs to clearly detail entitlements and the cirmstances where these are applicable

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. If it is clearly stated up front that during the period of a fixed term contract that there could be a price rise, the consumer should still have the right to be able to terminate without penalty.

The terminolgy of Fixed Term implies that the price you pay should be the price you pay over the term and it is fixed.

Transparancy over pricing will help make the initial decision, but will not help the consumer on tight budgets 14 months into their contract.

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, in language that allows the consumer to reject the revised increases without penalty.

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

All price increase should be included, otherwise the communication providers will just raise prices this way and cirmvent everything the regulation is trying to counter.

After all, you enter into these agreements knowing what your expected costs will be for the period, including voice mail, calling abrod, text, data etc.

It's analogous of going to garage to pay for a full service, where you know up front what is included, only to get a call mid way through the service saying that the price of brakes pads and oil has gone up and they need to now charge you an extra £50 on top of the service, which has also been put up by the price of inflation.

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 should apply to everyone.

If a big business can't budget effectively, they can't spend in other areas, which impacts on the small business they can no longer afford to use, which impacts on the individual that no longer has a job, as a result of no work from the small or large company.

It's self defeating in the long term for everyone concerned, including the communication providers.

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?:

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?:

Not as such. I think the communication providers should allow people to switch to a cheaper contract for the remainder of their term (receiving the appriate service for the new cost). If the consumer then decides not to take advantage of this offer, then yes, they should pay any exit penalties.

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

No

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

No, it is for the recipient to decide the best method for them, but as this is not practical, then the 3 common methods of post, email and text need to be used.

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

No, I think this should be a formal approach before we end up with a legal challenge that opens the industry up to PPI type claims, which puts the prices up for everybody

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?:

Make the contracts simple, cut down on the jargon (plain english) and make them comparable - same terminology used across suppliers so you know that X means X whether from O2 or EE

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? :

minimum 6 weeks. SO, it they send a letter, 1st March, I have until mid April to accept, negotiate or leave. Thsi would give enough time for people who may have just gone away for a few weeks holiday to come back and action withou penalty.

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?:

Make it a rule. less chance of abuse.

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. This has to change, especially in the current economic climate.

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

No, just because it's transparent, doesn't make it right. It takes two people to agree a contract, especially one where the main selling point is the price stucture initially offered.

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

No. If you have the opt-out choice to a proce rise, you will take it, so it make the whole exercise of implementing this and the ongoing management of this a watse of time and resources, which will end up costing the consumer.

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?:

I think this is the best option. It would then be for the communication providers to convince the customer why they should pay the increase and stay with them. To do this they will need to offer something above their rival firms, and therefore drives up standards overall.

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?:

At the moment, concentrate on the pricing issues, as this impacts the consumer most.

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

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

For consumers, No. This should be retrospective to any contract that started within 24 months (or longest available term at the time) from the date the new regulation comes in so that all existing fixed term contracts are covered.

For businesses, they should be able to negaotiate their own terms and if sensible, should have taken this into account.