

Reference: 01406664

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4 February 2022

Freedom of Information request: Right to know request

Thank you for your request for information concerning Ofcom's budget and Plan of Work. Your request was sent to our Consumer Contact Team on 10 January 2022 and was passed to this team to consider under the Freedom of Information Act 2000 (the 'FOI Act').

Your request & our response

- *A link to Ofcom's 2022/23 budget*
- *What amount has been budgeted to be spent on the 'Plan of Work' for the period 2022/23*
- *Please provide a matrix showing the estimated monetary amount that each task or action will cost to carry out – [Ofcom will by now have decided which tasks or actions to add to the 'Plan of Work' for the 2022/23's budget]*

We do not currently hold all the above information.

The current published consultation on our website is a proposed Plan of Work for 2022/23, and needs to receive the appropriate governance approval before it is finalised and the final version published. As referenced in section 4.26 of the Plan of Work 2022/23 consultation, the UK Government agrees a spending cap for Ofcom's budget and we are in discussions with DCMS and HM Treasury for a revised cap for both our existing duties and proposed new duties in online safety and telecoms security, which we are expecting to receive shortly.

The detailed budget will be published alongside our Plan of Work statement in our tariff tables by 31 March 2022.

The tariff tables will be published on our website here: [Tariff tables - Ofcom](#)

- *Please provide a matrix showing the estimated monetary consumer or business saving, for each task or action added to the Plan of Work.*

We do not hold such a matrix. The FOI Act does not require organisations to create information for the purposes of an FOI Act request.

- *The Risk or Reward principal should show that if the estimated £182m additional cost of staying in a contract because the customer has not been given the statutory end of contract notification and the cost of enforcement was say £10m and the service providers were fined say £5m, then for a cost of £5m the saving to customers could be £182m, a reasonable Risk and Return calculation. This Risk or Reward principal, shows the estimated cost of every task or action and estimated reward that can be obtained.*

This is not a valid request under the FOI Act for information held.

- *What is the monetary amount allocated in the 'Plan of Work' from the 2022/23 budget – to force any telecom providers, to carry out their statutory requirement, to send out end of contract notices and take legal action against any service provider that has not adhered, to the February 2020 licencing requirement ?*

We do not hold the figure you have requested. In principle, we have an overall budget for enforcement (which is yet to be agreed for 2022/23) and we spend this as we consider appropriate over the course of the year rather than having money set aside for enforcing particular issues.

- *We believe that the difference of a sim only card contract and a handset contract is often in the region of at least £20.00 per month, how was the extremely low estimated figure of only £182m arrived at, in Ofcom's report ? There are very few contracts that for a few pounds can allow the customer to get a reasonable handset. If consumers and businesses are not be notified that they are 'out of their contract', it could easily be costing them hundreds of pounds a year difference, from a sim only contract.*

The detail about how we calculated our 2019 estimate of £182m overpayment among bundled out-of-contract mobile customers is set out in our July 2019 publication, [Helping consumers to get better deals in communications markets: mobile handsets](#). We have since published our updated 2020 estimate of overpayment, using the same methodology. We estimate that overpayment among bundled out-of-contract mobile customers more than halved to £83m in 2020. Further detail can be found in our November 2021 publication, [Helping customers get better deals - A review of the impact of end-of-contract notifications and pricing commitments by broadband and mobile providers \(ofcom.org.uk\)](#). As you note, the requirement on telecoms providers to send end of contract notifications (ECNs) took effect in February 2020 – so ECNs, along with other changes in the market, took effect between our two estimates of overpayment among bundled out-of-contract mobile customers.

- *What amount of the 2022/23 budget is being spent on investigating service providers, that are not carrying out their obligation, to notify all customers in advance, of the 'end of their contract' ? [Ofcom's estimate is £182m]*

We do not hold the specific monetary amount you have requested. As advised above, we have an overall budget for enforcement and we spend this as we consider appropriate over the course of the year rather than having money set aside for enforcing particular issues.

- *From February 2020, failing to carry out this statutory requirement, would be a breach of the licencing conditions, if the service provider, failed to give their customers notice, before the end of their contract, that they will be out of their contract, these service providers, are clearly doing this.*

It is now nearly two years ago that this requirement was brought in and not a single service provider has been fined. Many millions of pounds has been collected by these service providers that they are not entitled to demand as their customers were 'out of their contract' and Ofcom has failed to stop this unlawful process, which means the service providers are pocketing millions of pounds, at the expense of the poorest consumers and struggling businesses, that have been badly affected by the virus epidemic. Plan of Work 2021/22 9 3. Our goals and priorities for 2021/22 3.1 "Ofcom's purpose is to make communications work for everyone. Our duties are set out in a number of acts of Parliament". "Our principal duty is to 'further the interests of citizens and consumers in relation to communications matters, where appropriate by promoting competition". Further information about our statutory duties is set out in Annex 1. If so many service providers have now had nearly two full years to be complying with these end of contract warning notices, required by their licence, why is Ofcom not vigorously chasing all of these companies, to comply with Parliament's instructions?

Ofcom's Enforcement team is currently investigating whether Sky may be contravening our rules by not sending end-of-contract notifications to its pay-TV customers. You can read further about this investigation [on our website](#). Where we obtain evidence that other providers may not be complying with our rules, we will investigate those cases as appropriate.

If you have any further queries, then please send them to information.requests@ofcom.org.uk quoting the reference number above in any future communications.

Yours sincerely

Zach Westbrook

If you are unhappy with the response you have received in relation to your request for information and/or consider that your request was refused without a reason valid under the law, you may ask for an internal review. If you ask us for an internal review of our decision, it will be subject to an independent review within Ofcom.

The following outcomes are possible:

- the original decision is upheld; or
- the original decision is reversed or modified.

Timing

If you wish to exercise your right to an internal review **you should contact us within two months of the date of this letter**. There is no statutory deadline for responding to internal reviews and it will depend upon the complexity of the case. However, we aim to conclude all such reviews within 20 working days, and up to 40 working days in exceptional cases. We will keep you informed of the progress of any such review. If you wish to request an internal review, you should contact information.requests@ofcom.org.uk

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF