

Reference: 1989613

Information Requests
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22 May 2025

Freedom of Information request: Right to know request

Thank you for your request for information about consumers and phone contracts in the UK.

We received this request on 23 April 2025 and we have considered your request under the Freedom of Information Act 2000 ("the FOI Act").

Your request

I would like to use the freedom of information request, to better understand what information you have around how many consumers are currently paying for phones that they have already paid for and are now paying over the odds on their contract in the UK?

Our response

There are three broad contract types available to pay-monthly mobile customers:

- a contract that bundles the handset and airtime together.
- split contracts for handset and airtime.
- SIM-only contracts for airtime.

Providers cannot offer residential customers airtime contracts with a fixed term that exceeds 24 months. Where a provider bundles the handset and airtime together and the handset element is for a longer period than 24 months, the contracts must de-link no later than the 24-month point. This means that after 24 months, customers will be able to leave the airtime element of the contract without incurring an additional charge.¹

Data published in our Pricing Trends reports highlight that many mobile customers no longer have contracts that bundle handsets and airtime. Separate contracts for handsets and airtime and SIM-only deals have grown in popularity in recent years. Our [2024 Pricing Trends report](#) shows that the most frequently used type of mobile service is now SIM-only (where the user buys their airtime from a mobile provider and uses it with a handset that had been acquired separately). In 2024, SIM-only customers accounted for 56% of pay-monthly mobile subscriptions (up from 52% in 2023).

Our [Helping customers get better deals report](#) reviewed the impact of the introduction of end-of-contract notifications. In relation to contracts that bundle the handset and airtime, it found that the amount by which these out of contract customers overpay, relative to comparable SIM-only prices, had reduced significantly from £182m in 2018 to £83m in 2020. We set out in that report that we

¹ Relevant GCs for contract duration are C1.11 – C1.13.

anticipated this overpayment would continue to decline as a result of end-of-contract notifications and as the market moves away from contracts that bundle handsets and airtime.

As part of our Pricing Trends data collection, we collect data on the number of mobile customers with a combined mobile handset and airtime contract who are in-contract and out-of-contract and the average spend for each type of customer. However, this does not tell us how many out-of-contract customers with a combined handset and airtime contract continued to pay the same price at the end of their minimum contractual period, and therefore this information is not held.

However, we published some information that may be useful in the [2024 Pricing Trends for Communications Services report](#):

- Figure 22 on p34 shows that 19% of mobile customers with a combined handset and airtime contract were out-of-contract at the end of Q2 2024.
- Figure 24 on p36 shows that length of time that out-of-contract pay-monthly mobile customers had been out of contract fell in 2024 (noting that this does not just include those with a combined handset and airtime contract).

Ofcom has put in place a range of consumer protections to help ensure customers have access to information that allows them to make informed choices. We have rules around providers notifying their customers when their fixed contract period is coming to an end (see [General Condition](#) (GC) C1.21 to C1.29). In brief, the notification must include:

- when the fixed contract ends;
- what the customer has been paying and what they will pay once the fixed contract period ends;
- any notice period for leaving the provider; and
- the provider's best deals (tariffs).

Any customers who remain out of contract must then receive an annual reminder that includes details of their provider's best deals (GC C1.30).

We have published a [guidance under General Condition C1 – contract requirements](#) that you may find helpful.

Our rules also require providers to give customers, on request, and at no extra charge, access to adequate and up to date billing information that allows them to monitor their usage and expenditure (GC C3.7 – C3.10).

We hope this information is helpful. 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,

Information Requests

If you are unhappy with the response you have received to your request for information, or think that your request was refused without a reason valid under the law, you may ask for an internal review. If you do, it will be subject to an independent review within Ofcom. We will either uphold the original decision, or reverse or modify it.

If you would like to ask us to carry out an internal review, you should get in touch within two months of the date of this letter. There is no statutory deadline for us to complete our internal review, and the time it takes will depend on the complexity of the request. But we will try to complete the review within 20 working days (or no more than 40 working days in exceptional cases) and keep you informed of our progress. Please email the Information Requests team (information.requests@ofcom.org.uk) to request an internal review.

Taking it further

If you are unhappy with the outcome of our internal review, then you have the right to [complain to the Information Commissioner's Office](#).