

Communications Consumer Panel and ACOD's response to Ofcom's consultation on prohibiting inflation-linked price rises

About us

The Communications Consumer Panel, established by the Communications Act 2003, is a group of independent experts with direct sectoral experience. We ensure the voice of UK consumers, citizens and micro-businesses is represented in communications policy development.

The Panel's job is to ensure that the sector works for consumers, citizens and micro businesses - and in particular, people who may be in a more vulnerable position in society. We commission research, provide advice and encourage Ofcom, governments, industry and others to look at issues through the eyes of consumers, citizens and micro businesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of micro-businesses, which have many of the same problems as individual consumers.

Four members of the Panel also represent the interests of consumers in England, Northern Ireland, Scotland and Wales, respectively. They consult with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel's consideration of issues. Following the alignment of ACOD (the Advisory Committee for Older and Disabled people) with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Our response

We welcome action by Ofcom to promote and monitor fair treatment of all consumers - particularly consumers who are not the target of competition in the market, such as people on lower incomes or with less financial flexibility. While we continue to urge Ofcom to promote and monitor fairness to consumers more broadly and transparently - and we will continue to do so - we welcome specific, tailored interventions to tackle known issues in the market that are causing harm to consumers.

We support Ofcom's proposal to require providers to ensure that the following information is **drawn prominently to the customer's attention in a clear and comprehensible manner** before a customer is bound by a contract:

- i) the Core Subscription Price;
- ii) if the Core Subscription Price is to change during the Commitment Period, that changed Core Subscription Price, in pounds and pence; and
- iii) the date from which any changed Core Subscription Price shall have effect.

Furthermore, we would encourage Ofcom to continue its work on understanding what works for communications consumers in terms of making communications providers' consumer information easy to understand and to act upon, so that communications providers understand what is meant by 'clear and comprehensible'.

Communications is a sector full of jargon, legalise and technical terminology, as Ofcom recognises. We supported Ofcom's recent work on broadband information for consumers - and we would like to see Ofcom require more from communications providers across the board, in terms of delivering communications that do not use jargon or legalise or terms that would provide a barrier to understanding before a consumer could interpret what the information means for them and the bills they can expect to pay. Information about pricing should, we believe, be easy to understand by anyone who is eligible to pay for communications services.

Terms such as 'core subscription price' and 'commitment period' should therefore be assessed with a range of intersectional consumers before Ofcom requires communications providers to use such language in contracts and communications providers should be able to justify the language they use by documenting how they have checked their customers' understanding. It should not be left to private individuals such as Martin Lewis to do the work of communication providers in deciphering what their consumer information means.

We would add the word 'accessible' to the above requirement - the information should be clear, comprehensible and accessible to consumers using a variety of channels to access information, such as consumers who have additional access requirements, such as requiring alternative formats.

We agree that the above listed information, in a clear, comprehensible and accessible format, should be required to form part of the Contract Summary, as well as in the Contract Information.

In summary, the information should be drawn to consumers' attention in a clear, comprehensible and accessible way and should be in a clear, comprehensible and accessible format.

We welcome Ofcom's requirement to provide the above information in pounds and pence, as we are aware that consumers with a lower level of numeracy may find percentages less relatable than most people. We agree with Ofcom's vision to make communications work for everyone and support the inclusivity that this small, but important change may bring.

Proposed modifications to the preamble to GC C1

We support Ofcom's addition of the words: *"...information about any changes to the price that consumers and end-users will face during their contract, in order to provide them with certainty as to the amounts they will be required to pay."* We believe that certainty and transparency are key for all consumers, but even more so for consumers living on a low or unpredictable income, as featured in our consumer research, who are less likely to be able to absorb sudden changes in expenditure¹.

¹ <https://www.communicationsconsumerpanel.org.uk/research-and-reports/social-tariffs-keeping-people-connected-when-money-is-tight->
<https://www.communicationsconsumerpanel.org.uk/research-and-reports/dont-cut-me-off-the-experiences-of-communications-consumers-living-in-low-income-households-in-the>

Proposed modifications to the title appearing before GC C1.3

We welcome the addition of the words “...information to be provided at point of sale and before customer gives consent to enter a contract” to ‘Contract Information’. The point at which a consumer receives information price expectations is important, given that some consumers are less confident in approaching their communications provider for assistance, or to make a complaint, as seen consistently in our consumer research.²

Proposed modifications to GC C1.3

We applaud Ofcom’s addition of helpful and appropriate detail to guide communications providers to better protect consumers before they enter into a contract. The current GC C1.3 provides little protection in advising that: “Before a Relevant Customer is bound by a contract for a Relevant Communications Service, Regulated Providers shall provide that Relevant Customer with the Contract Information set out in the Annex to Condition C1 to the extent that it relates to a service they provide.”

The proposal to expand this to the following is in our view much enhanced:

C1.3 Before a Relevant Customer is bound by a contract for a Relevant Communications Service, Regulated Providers shall:

(a) ensure that the following information is drawn prominently to the Relevant Customer’s attention in a clear and comprehensible manner (including during a sales call or other verbal sale such as an in-store sale):

- (i) the Core Subscription Price;
- (ii) if the Core Subscription Price is to change during the Commitment Period, that changed Core Subscription Price, expressed in pounds and pence; and
- (iii) the date from which any changed Core Subscription Price(s) referred to in Condition C1.3(a)(ii) above shall have effect; and

(b) provide that Relevant Customer with the Contract Information set out in the Annex to Condition C1 to the extent that it relates to a service they provide.

We would simply suggest taking note of our earlier comments around accessibility and including the requirement that communications providers regulated by Ofcom evaluate the comprehensibility of the wording of their contract information and contract summaries with consumers.

² <https://www.communicationsconsumerpanel.org.uk/research-and-reports/getting-up-to-speed-while-staying-at-home-uk-consumers-digital-connectivity-challenges>
<https://www.communicationsconsumerpanel.org.uk/research-and-reports/dont-cut-me-off-the-experiences-of-communications-consumers-living-in-low-income-households-in-the>
<https://www.communicationsconsumerpanel.org.uk/research-and-reports/contacting-your-provider>

We are pleased to see that the requirement covers verbal communication, such as by phone or in person - access to retail shops was important to consumers in our above-referenced research as a way to check and compare pricing details - and we would encourage Ofcom to be even more inclusive, in requiring this information across channels such as web chat, video relay and text relay.

While we welcome there being more information made prominently available to consumers, about pricing, we would also like to make a last point in this response, about the risk of overwhelming consumers with information - and how this situation can be best handled.

We recommend that Ofcom and communications providers work together to consider the regulatory requirements around the sharing of information with communications consumers and the way this information is delivered to consumers, so that priority information is fully digestible and can be acted on. Information should not be conflated with education or engagement. To empower consumers to make informed choices in the market, we believe it is vital that information that may affect a consumer's decision in relation to pricing are highlighted, not lost in an extensive list of terms and conditions that a consumer may ignore - and that consumer understanding and engagement is checked. As we have stated earlier in this response, we are pleased to see that Ofcom has proposed a requirement that the additional information referred to in the consultation is made available to consumers by verbal means and not just in writing. We welcome this, but in the same way that a line on pricing could be lost within terms and conditions, if the same information is provided in a scripted and unrelatable way, it may not be received as Ofcom intends.

We will soon be publishing our consumer research among young consumers aged 16-24 which contains insights on young consumers' journeys through the communications market, including the ways this cohort prefers to receive and engage with information and advice on pricing and contracts, which we are happy to share with Ofcom's policy teams.