

Question	Your response
<p>Question 1: Do you agree with the conclusion in our Equality Act impact assessment</p>	<p>Confidential? – No</p> <p>Yes, agree there are no adverse impacts from the proposed intervention on specific groups. Any impact on specific groups will not place them at a disadvantage compared to the wider / general population.</p>
<p>Question 2: Do you agree with our assessment of the potential impact of our proposal on the Welsh language? Do you think our proposal could be formulated or revised to ensure, or increase, positive effects, or reduce / eliminate any negative effects, on opportunities to use the Welsh language and treating the Welsh language no less favourably than English?</p>	<p>Confidential? – No</p> <p>No comment in relation to the potential impact on Welsh language.</p>
<p>Question 3: Do you agree with our assessment of the consumer harm arising from inflation-linked price variation terms?</p> <p>We invite evidence from respondents on the matters addressed in section three.</p>	<p>Confidential? – No</p> <p>Yes, we agree with the conclusion (para 3.77) that the scale of consumer harm across the mobile and broadband markets is substantial due to inflation linked price contracts.</p> <p>Clear, consistent, comprehensive and complete pricing information is essential to support consumers effectively engage with the mobile and broadband market. Confidence in the accuracy and completeness of pricing information is critical at all times, but especially now as households deal with ongoing cost of living pressures.</p> <p>It is clear that inflation linked price contracts add a significant layer of complexity and confusion for consumers when considering mobile and broadband services. This is particularly relevant to Northern Ireland where there are lower levels of financial capability and financial literacy. This added complexity can lead to consumers becoming disengaged with the market for mobile and broadband services. As a result, consumers may end up paying more, receive an inferior service, or not be provided with all the support they are entitled to.</p>

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	<p>Interestingly (and unusually), it could be argued that in relation to inflation-based pricing there is a risk of consumer harm both at a pre-contractual stage and in-contract stage. The complexity, lack of certainty and requirement to understand specific terms (relating to inflation) can leave it difficult for consumers to identify and select deals most appropriate to their needs, whether this is when considering a new deal or renewal offer from a service provider.</p> <p>Consumers must have confidence and certainty in the price they pay for services. They need to understand the approach to pricing, the impact on cost, and be able to use the information to compare the market or have reassurance they are on the best deal. As the consultation document highlights this is not happening with the current approach to inflation linked pricing due to the inconsistency of information presented to consumers across service providers.</p> <p>It is clear inflation linked pricing is a complicated pricing structure requiring consumers to not only understand terms such as CPI/RPI, but to also consider the potential impact on the future costs of any deal.</p> <p>It is important to emphasise that it is not only the pricing model that can lead to consumer detriment. The consultation highlights that pricing information is often poorly presented and explained to the consumer. Details regarding how pricing is linked to inflation is often introduced late in the sales process, receives limited focus and often consumers are not presented with clear information regarding the potential impact. This only reinforces the confusion and negative impact felt by consumers.</p> <p>In summary, we agree with the assessment of consumer harm presented in the consultation document. We feel these are well founded and if anything, conservative in their view of the level of detriment caused by the current approach to inflation linked pricing practices.</p>

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<p>Question 4: Do you agree with the conclusion in our impact assessment?</p>	<p>Yes, we agree that there is a clear level of consumer detriment caused by the current approach adopted by service providers in relation to inflation linked pricing contracts.</p> <p>We recognise the challenge for OFCOM in balancing the need to protect consumers, ensure clear pricing models, increase comparability but to also allow for innovation and market developments around pricing models. However, with regard to this issue we agree additional regulatory protections are required to address the current level of consumer detriment.</p>
<p>Question 5: Do you agree with our 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?</p>	<p>Yes. The current protections in place with regard to the clarity and transparency of pricing information (and price rises) should be updated to address the consumer harm identified in relation to inflation linked price contracts.</p> <p>We agree with the information to be presented at a pre-contractual stage. The guidance (GC C1) details the information to be presented and the stages of the sales process at which this information is required. As the evidence confirms (Q3: consumer harm) information regarding inflation linked price rises is currently often introduced late in the sales process or with insufficient detail. It is essential this information is presented in a complete, consistent and timely manner across all service providers.</p> <p>The consultation document does not focus on the role of third-party sales agents or price comparison sites (PCWs). Consumers often use these services to compare deals and to sign up to a new contract. It would be important to consider how information relating to inflation linked price contracts are displayed on these services.</p>
<p>Question 6: Do you agree with our proposal to require providers to include in the Contract Summary: 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</p>	<p>Yes. We agree that a requirement to improve the completeness and clarity of information provided to consumers in the contract summary is an important step. This can support consumers review the details of their contract and if they wish to cancel a contract within the statutory cooling off period.</p>

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from which any changed Core Subscription Price during the Commitment Period shall have effect?	
Question 7: Do you agree with our proposal to require providers to include in the Contract Information: i) if the Core Subscription Price is to change during the Commitment Period, that changed Core Subscription Price in pounds and pence, and ii) the date from which any changed Core Subscription Price during the Commitment Period shall have effect?	<p>Yes, we believe placing a responsibility to inform consumers regarding any changes to the core subscription price during the contract period supports clarity and transparency.</p> <p>Any known changes should be communicated to consumers in straightforward terms (i.e. price in £/p) so they can make an informed decision regarding the service.</p>
Question 8: Do you agree with our proposed additions and amendments to GC C1 (see detailed amendments in annex 5)?	<p>Yes. We have no additional observations in relation to suggested text changes. All appear in line with providing additional clarity regarding the requirements placed upon service providers.</p>
Question 9: Do you agree with our proposed additions and amendments to existing GC C1 guidance to clarify our expectations on how providers could comply with the new requirements (see detailed amendments in annex 6)?	<p>Yes. We agree with the proposed additions to ensure clarity regarding the information to be provided to customers before they are bound by a contract, including information in relation to the Core Subscription Price, and how and when it might change.</p> <p>Proposed 1.43 relates to the <i>context of an online sales process</i>. This does not specify if it only relates to an online sales channel exclusively operated and managed by the service provider or wider sales channels, including 3rd party / PCWs.</p>
Question 10: Do you agree with the proposed implementation period of four months from publication of the statement and the changes to GC C1 and guidance?	<p>Yes, we agree an implementation period of 4 months is reasonable for service providers.</p> <p>We seek clarity on whether third-party sites / PCWs that operate on behalf of service providers will be bound by these requirements. Given the high volumes of consumers who use these services it is important they do not provide an avenue for service providers to step back from the responsibilities that will be placed upon them.</p>

Please complete this form in full and return to cameron.bailey@ofcom.org.uk.