

Press Release

Strictly embargoed until 00.01 10 November 2010

Consumer Panel action means it will be easier to cancel your mobile contract if you don't get coverage

Mobile operators and retailers surveyed in a Consumer Panel mystery shopping exercise are changing their contract cancellation policies to make it easier for customers who experience coverage problems.

Panel Chair Anna Bradley said “we are delighted that the mobile operators are making changes to their policies following pressure from the Consumer Panel. This is great news for consumers”.

Carphone Warehouse introduced a 14-day coverage returns policy in September 2010 and Phones4u will introduce a new 14-day returns policy for coverage in 2011. Both retailers are committed to training their sales advisors to understand and explain their policies. Third party retailer policies had been confusing for consumers and sales staff alike. Contracts were based on which network a customer wanted*, and whether they were bought in-store, online or through distance selling.

Vodafone has made its in-store coverage returns procedures consistent with its website and telesales policies. This means that wherever they buy their contract, consumers can cancel their contracts within seven days for any reason, including if they get poor coverage.

Orange still does not currently have a formal returns policy for coverage for contracts bought in store. But, it has already given store managers greater power to make decisions on returns, which should make the process more straightforward for consumers. T-Mobile has retained its seven-day cancellation period for customers who experience poor coverage. However, Everything Everywhere, the new parent company of Orange and T-Mobile, has committed to reviewing both policies in the first half of 2011.

02, Tesco Mobile, Virgin and 3, which already had cancellation returns policies that met the Panel's recommendation for a 14-day minimum returns period, have announced they are retraining all their sales staff to improve their understanding of company policy. 3 will cancel a contract because of poor coverage at any time, but does not advertise this.

While welcoming Vodafone's move to make its returns policy consistent for customers who buy in-store, online and over the phone, Anna Bradley expressed disappointment that the

operator “has implemented a seven, rather than 14-day returns period for customers to cancel their contracts if they have problems with coverage. I would also like to see T-Mobile and Orange implement 14-day returns policies when they review their policies in the New Year, and I urge 3 to make information about its cancellation policy better known to consumers”.

Ends

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NOTES TO EDITORS

*Each mobile operator agrees contract cancellation terms with third-party retailers. These cancellation terms are not necessarily the same as those that the operators offer to their own customers and will vary depending on the operator. So, if a retailer decides to offer different terms to its customers from those that it has agreed with the operators, it is liable for the difference.

The Communications Consumer Panel was established to advise Ofcom on the consumer interest in the markets it regulates. The Panel is independent and sets its own agenda. Visit www.communicationsconsumerpanel.org.uk for more information.

The Panel's members appointed by Ofcom are:

- Anna Bradley (Chair)
- Fiona Ballantyne (member for Scotland)
- Colin Browne
- Roger Darlington (member for England)
- Maureen Edmondson (member for Northern Ireland)
- Bob Warner

Communications Consumer Panel follow-up statement on mobile coverage cancellation policies is available on our website at www.communicationsconsumerpanel.org.uk

The Panel commissioned a mystery shopping exercise in early 2010 to test whether the major UK operators and mobile-phone retailers were giving consumers accurate information about their existing policies on cancellation. The exercise was concerned with policies that applied to problems consumers had with coverage for voice and text services. The Panel published the results of the exercise in the report 'Can I cancel? Mobile coverage and contract cancellation' in July 2010.

Can I cancel? Mobile coverage and contract cancellation is available on the Panel website at <http://www.communicationsconsumerpanel.org.uk/smartweb/research/can-i-cancel>

Can I cancel? found that over a half (56%) of people buying a mobile phone contract in-store did not receive accurate information about cancellation policies. Many were not able to cancel their contracts in the event of coverage problems, and did not have enough time to test coverage in the places where they wanted to use their phone.

Following the launch of *Can I cancel?*, the Consumer Panel published a series of recommendations. The Consumer Panel called on operators and retailers to give consumers:

- a minimum 14-day time limit cancellation policy for poor or no coverage
- the right to cancel their contract if coverage doesn't meet their needs
- consistent cancellation policies within individual operators and retailers
- accurate in-store information
- staff trained to explain company policies correctly.

Overview of changes to operator and retailer cancellation policies for customers who get poor coverage since the publication of the Communications Consumer Panel's research in July 2010:

	Cancellation policy details for contracts
H3G	<ul style="list-style-type: none"> • Retains policy to allows customers to cancel contract at any time if they get poor coverage. • Applicable only to coverage problems • Applicable to contracts bought in-store, over the phone or online
O2	<ul style="list-style-type: none"> • Retains 14-day cancellation policy • Applicable for any reason • Applicable to contracts bought in-store, over the phone or online
Orange	<ul style="list-style-type: none"> • Committed to introducing formal returns policy for contracts bought in a store in first half of 2011 but currently has no formal returns policy in place • Store managers given discretion to authorize returns for customers who get poor coverage • 7-day returns allowed for any reason when contracts bought online or over the phone
Tesco Mobile	<ul style="list-style-type: none"> • Retains 14-day cancellation policy • Applicable for any reason • Applicable to contracts bought in-store, over the phone or online
T-Mobile	<ul style="list-style-type: none"> • Retains 7-day cancellation policy • Applicable for coverage only when bought in store, any reason when bought online or over the phone
Virgin Mobile	<ul style="list-style-type: none"> • Retains 28-day cancellation policy • Applicable for any reason • Applicable to contracts bought in-store, over the phone or online
Vodafone	<ul style="list-style-type: none"> • Aligned 7-day cancellation policies across sales channels • Now applicable for any reason • Now applicable to contracts bought in-store, over the phone or online
Carphone Warehouse	<ul style="list-style-type: none"> • Introduced 14-day cancellation periods for all contracts bought in store • Applicable only to coverage problems • Applicable to contracts bought in-store, over the phone or online
Phones4u	<ul style="list-style-type: none"> • Committed to introducing 14-day cancellation periods in 2011 for all contracts • Applicable only to coverage problems • Applicable to contracts bought in-store, over the phone or online

Please note that the operators and retailers whose cancellation policies apply only to coverage problems will often require proof of coverage problems before terminating a contract, in order to ensure that the return is legitimate. This usually means that the operator will analyse the customer's usage patterns to see if they have been having trouble making or keeping a connection.