

Press Release

For immediate release 25 January 2012

Consumers may face stealth price hikes for phones as providers use small print to raise fees

The Communications Consumer Panel is concerned by the trend for some communications providers to use the small print in contracts to increase fees, which some consumers say is causing them hardship. Therefore, the Panel has welcomed plans by Ofcom to investigate General Condition 9 - the condition that relates to contracts between communications providers and consumers.

Panel Chair, Bob Warner said he was concerned that the price increases could be seen as sharp practice: "People are likely to have made a decision to buy a phone service based on the cost quoted at the time when they took out the contract - but they may not have looked at the small print. If operators believe that they must impose these charges, we would like to see them give consumers better information about the changes along with advice on how people can cancel their contracts if they wish."

Recent price rises in the fixed and mobile telecoms market have taken two forms: a percentage increase in monthly fees during the life of a pre-existing contract; and the removal of a previously applied discount for online billing. Both have resulted in higher prices for consumers. Although these are commercial decisions for the operators, the Panel thinks that price changes within the life of a contract will be contrary to the expectations of most consumers.

Bob Warner said: "It also seems unreasonable to penalise affected customers by imposing early termination charges if they decide to cancel their contracts."

Ends

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NOTES TO EDITORS

The Communications Consumer Panel encourages Ofcom, Government, industry and others to look at issues through the eyes of consumers and citizens and protects and promotes their interests. The Panel is independent and sets its own agenda.

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