

Communications Consumer Panel and ACOD's response to CAP and BCAP's consultation on guidance on the presentation of mid-contract price increases in telecoms advertising

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 carry out 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 liaise 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 CAP and BCAP's consultation and the opportunity to write in support of the proposed guidance principles.

The Communications Consumer Panel has previously highlighted to Ofcom and communications providers, the impact of mid-contract price rises. However, we note that Ofcom's remit does not extend to pricing and that Ofcom can only urge communications providers to make clear their policy on any such rises in their consumer communications, while having no specific remit to advise on advertising.

We have advised Ofcom on consumer communications such as end of contract notifications, annual best tariffs notifications, broadband speed codes for residential and business customers and during the first lockdown, its Staying Connected guide, making information on communications services, technology, pricing and contracts clear to all communications consumers. Our responses to Ofcom's consultations¹ and summaries of our

¹**Consultation responses - Communications Consumer Panel** (consultation responses, including responses and statements as long ago as 2012 ('Consumers may face stealth price hikes for phones as providers use small print to raise fees'); and to Ofcom's consultations on end of contract and out

National Hub meetings², where we hear from consumer representatives from across the UK can be found on our website.

We listen to the voices of a wide range of consumers and micro business owners across the UK through independently commissioned research. We also listen to representatives of UK consumers who are less likely to be heard in policy-making - older people, carers, people with sensory loss, people who have We have also advised Ofcom early in its policy development on its Treating Vulnerable Customers Fairly guide³ and its Fairness Commitments.

Fair and transparent pricing is vital, particularly where inflation can affect the price a consumer has signed up to, in a climate where inflation rates are volatile. This is now more important than ever, given the context of a cost-of-living crisis and consumers' increasing reliance on these services.

We believe that the communications sector must play its part in ensuring that citizens and micro businesses who wish to use communications services (communications consumers) have fair and easy to understand information on pricing, to prevent them from falling into debt, being disconnected, or having to miss out on other essentials. Consumers have to navigate the complicated contractual landscapes of not only communications, but various other industry sectors and cannot be expected to recall the policies and practices of all of these.

Price rises are often rendered opaque by breaking them down into percentages or numbers that the consumer has to be able to add up in order to get clarity. Not every consumer is in a position to be able to make these calculations and in a cost-of-living crisis where every penny is precious and costs are rising beyond consumers' control, we believe UK citizens have a right to plan their budget with ease. The use of acronyms such as CPI and RPI can add a further layer of mystification.

We believe that for communications providers to profit from consumers' lack of awareness of these price rises may constitute 'unjustified enrichment'. We have previously set ourselves, as a statutory consumer panel, a specific objective to tackle unjustified enrichment⁴ and we continue to monitor for examples of this in the communications sector.

Clarity and simplicity in the first place will be important in delivering this and clarity and simplicity of guidance principles will be key to ensuring there are no excuses across our industry. Within this, we include the principle of accessibility of format and language, so that consumers who have additional communication or language requirements are not excluded from important messaging.

We welcome collaboration with organisations such as CAP and BCAP who can help us to provide a voice for communications consumers and protect them from unfair practices.

of contract notifications ([ccp-acod-response-to-ofcom-consultation-on-end-of-contract-and-out-of-contract-notifications-october-2018.pdf](#) ([communicationsconsumerpanel.org.uk](#)))

² **National Stakeholder Hubs** - Communications Consumer Panel

³ [ccp-acod-response-to-ofcoms-review-of-measures-to-protect-people-in-debt-or-at-risk-of-disconnection.pdf](#) ([communicationsconsumerpanel.org.uk](#))

⁴ [Final workplan 17-18](#) ([communicationsconsumerpanel.org.uk](#)) page nine.

Summary

We strongly agree with the principles set out, that:

- Information indicating the presence or possibility of a price rise is immediately adjacent to the initial price claim.
- The nature of the price rise is featured prominently within the main copy of the ad, where relevant.
- Descriptions of future price rises and terminology used are clear and simple to understand.
- Advertisers take care to distinguish the full contractual price that applies before the tiered increase from any other introductory discounts that may apply.
- Advertisers are mindful of the timing of publication relative to the publication of rates of inflation linked to annual price increases.