

Communications Consumer Panel and ACOD response to Ofcom's consultation on end-of-contract and out-of-contract notifications

The Communications Consumer Panel, established by the Communications Act 2003, is a group of independent experts with direct sectoral experience. We ensure the citizen and consumer voice 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, the EU, 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.

Response

The Panel has previously highlighted the harm to consumers and micro businesses of a lack of clarity in the terms and conditions in telecoms contracts, and those terms and conditions being too burdensome for most consumers to fully absorb and understand. We consider that Ofcom's consumer research shows further clear evidence that residential consumers and small businesses (including micro businesses) suffer the harms outlined by Ofcom in the consultation document as a result of a lack of communication from Communications Providers ("CPs") about the end of their initial contract term.

The Panel is strongly in favour of consumers receiving clear, timely, communication from CPs regarding their current contract status and the end of their current contract term. We are, however, mindful of the need to guard against overloading consumers, especially those who may become overwhelmed by large volumes of correspondence, with information that may not be directly helpful in terms of making informed choices. A balance needs to be struck between the current absence of relevant information and so much information that a consumer is unable to engage with it.

We agree with Ofcom's proposal that notifications should be sent to all residential and small business customers who take Public Electronic Communications Services.

End of contract notifications

In general terms we agree with Ofcom's proposals concerning the content of end of contract notification. We would, however, encourage Ofcom to ensure that CPs communicate to consumers in plain language. It is also paramount that end of contract (and out of contract) notifications should not be classified by CPs as marketing communications, so that there is no possibility that consumers who opt out of marketing communications miss out on information about tariffs that might benefit them.

Out of contract notifications

We agree with Ofcom's proposals on the content of the out of contract notification but would strongly encourage Ofcom to reconsider the implementation period for these notifications.

The harm to be avoided by notifying consumers approaching the end of their contract is already being experienced by out of contract consumers and that has been the case for quite some time for a large number of those people; so we believe that CPs should notify those consumers within the same timeframe as those approaching the end of their contracts.

We consider that out of contract notifications should be introduced following an implementation period of no longer than six months rather than the proposed nine. This should be workable for CPs as data concerning out of contract consumers is binary in nature (consumers are either in or out of contract) whereas information about consumers approaching the end of their contract is phased and changing. This information should also be readily accessible to CPs without requiring new or complicated systems of retrieval.

As highlighted above, we strongly encourage Ofcom to ensure that CPs send communications that are readily understood and not written in jargon-laden language or which are sent with an overwhelming frequency.

If the implementation period for both end of contract and out of contract notifications is standardised to six months, then we are of the view that Ofcom's proposals represent the minimum intervention necessary to achieve the stated objectives.

In order for the proposals to be both effective and the minimum necessary to achieve the stated policy objectives we believe that the issue of the impact of non-coterminous contract end dates, and the way in which consumers should be notified of these, must be included. The consultation does not specifically address this, which is in our view an oversight.

We agree with the identified impacts and welcome Ofcom's approach of quantifying these impacts through input from various stakeholders and sources.

We welcome the proposed amendments to the draft condition set out in Annex 9 to the consultation document and the inclusion of end of contract notifications and out of contract notifications within the scope of communications that must be offered by CPs in

an accessible format.

Further comments

As mentioned earlier, the Panel notes that the consultation does not consider the issue of communications concerning bundles that include non-coterminous contract end dates. This is an important issue which we believe falls squarely within the scope of end of contract notifications. Consumers are at a high risk of lacking engagement/understanding in relation to non-coterminous contracts - this is an opportunity to mitigate consumer harm. The Panel is of the view that the proposed changes to required communications from CPs to consumers should include clear and unambiguous communications in respect of non-coterminous contract end dates and should, ideally, seek to minimise the occurrence of such end dates within bundled contracts.

We would also welcome further detail on how Ofcom will monitor implementation of the proposals; and how success will be measured.

Summary

The Panel strongly supports Ofcom's proposals and we favour a solution that ensures customers are clearly notified of contract end dates via a durable medium using the customer's preferred contact method.

We strongly urge Ofcom to reduce the implementation period for out of contract notifications to no longer than six months; and we similarly urge Ofcom to address the issue of non-coterminous contract end dates within bundles.

Finally, we look forward to further detail on the monitoring of implementation and measurement of success.