

## Communications Consumer Panel and ACOD response to Ofcom's Consultation on helping consumers to get better deals in communications markets: consultation on end-of-contract and annual best tariff notifications, and proposed scope for a review of pricing practices in fixed broadband

---

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

In order to illustrate the Panel's position, in this response we use quotes from respondents who took part in the Panel's research '[Still Going Round in Circles](#)' published in 2018 and '[Digital Footprints](#)' (2016).

We would also encourage Ofcom to consider the [research](#) undertaken by Ofgem's Behavioural Insights Team in 2018 to test and implement communications to improve customer engagement, including testing the effectiveness of sending letters to consumers showing the cheapest deals available to them. This research presents a clear view of the type of communications from providers that can significantly increase consumer engagement with their services.

### ***Requirement to provide end-of-contract notifications in terms of the services they should cover***

The Panel supports Ofcom's proposals to require all providers of public electronic communications networks and/or public electronic communications services (as currently defined in the General Conditions) to send end-of-contract notifications and out-of-contract notifications to their residential and small business customers.

It is important to consider this issue from the point of view of the consumer and to understand that it is highly unlikely that consumers will distinguish between different CPs,

or indeed between the different services that they may receive from the same CP, on the basis of legalistic definitions. Pay TV falls within the consumer experience of communications products and is, in the Panel's view, rightly included within Ofcom's proposals on end-of-contract notifications.

***End-of-contract notifications should be sent to end-users before the expiry of a fixed commitment period, if the contract will be automatically prolonged after that point***

The Panel supports the proposal that notifications should be sent in enough time for the consumer to take action before the expiry of a fixed commitment period, if the contract will be automatically prolonged after that point. This is crucial to assist consumers' timely awareness of, and engagement with, their current communications contracts. Sending a notification before the end of the initial term of a contract helps consumers to understand the pricing structure of contracts and helps them to avoid any loyalty penalty incurred by simply rolling on to a different ongoing tariff - which they may have not chosen and may not suit their needs. It is for this reason, among others, that it is important that consumers must be made aware of the date on which the fixed commitment period of their contract will end.

***Proposal not to specify in a prescriptive way the words and language used in end-of-contract notifications***

We agree that prescriptive language is not necessarily helpful but at the same time the Panel strongly advocates the use of plain language in end-of-contract notifications, so that consumers are able to use the information being communicated effectively.

We support Ofcom's proposals concerning the wording of end-of-contract notifications. We believe that the inclusion of certain information must be required in order for CPs to provide consistent information to consumers. There needs to be a clear statement that the consumer's contract period is ending and options given - not a marketing message. We do, however, believe that an overly prescriptive approach may lead to a reliance on technical wording and phraseology that does not help consumers. This can be seen in the way that terms and conditions, privacy notices and accessibility statements are often worded. A lack of understanding may account for the declining engagement of consumers with terms and conditions, which we found in our [Digital Footprints](#) research: "in terms of awareness of the Terms and Conditions that they were agreeing to when purchasing online, 64% of respondents in 2011 said that they read such statements. By 2016, this had dropped to 50%".

We would like to see bill clarity improved across the sector and would urge Ofcom to challenge CPs to think about this overall when designing these notifications and other consumer communications. One in six UK adults struggles with literacy and 1.2 million people in the UK have a learning disability<sup>1</sup> (according to Mencap) or a learning difficulty<sup>2</sup> such as dyslexia (the British Dyslexia Association estimates that 10% of the UK is dyslexic;

---

<sup>1</sup> "a reduced intellectual ability and difficulty with everyday activities – for example household tasks, socialising or managing money – which affects someone for their whole life" (Mencap). Mencap states that just 1 in 3 people with a learning disability take part in some form of education or training

<sup>2</sup> Dyslexia is defined as a disability under the Equality Act 2010; unlike a learning disability, it does not affect a person's intellect.

4% severely so). We believe that companies should aim for a maximum readability age of 12 years old.

***Proposal for the end-of-contract notification to include details of the services which the provider currently provides to the end-user under the relevant contract and other contracts***

The Panel supports the proposal that end-of-contract notifications should include details of the services that the CP is providing under the contract that is currently about to come to an end.

The Panel also supports proposals to require CPs to inform consumers of the details of other outstanding contracts that the consumer has with the CP, which are not about to end (non-coterminous contracts). Ideally, the Panel would like to see an end to non-coterminous contracts. These contracts have the negative consequence of preventing consumers from switching services as a bundle without potentially incurring an early termination charge on at least one of the services in that bundle. However, an interim step of making consumers aware of the different contracts that they have with the same CP would at least increase consumer awareness of their relationship with providers.

It is important that when giving information concerning the details of services being provided that CPs make clear the date on which the initial term of the contract for the relevant services ends; any notice periods in relation to this date which will apply to changing or switching contracts; and any charges that a consumer will incur if they terminate their current contract or contracts early. This information is all necessary in order to allow consumers to calculate the financial pros and cons of switching services separately, and perhaps not benefitting from a more cost-effective bundle, or switching to a bundle, but incurring the penalty of extra charges before the end of their contract(s) terms. This situation requires thought and effort on the part of consumers, so it is vital that they are able make a fully informed decision. Clear, unambiguous, language from CPs will help.

***Proposal that the end-of-contract notification must include information regarding how to terminate the contract***

In order to encourage active engagement from consumers in response to end-of-contract letters the Panel believes that the inclusion of details about how to end a contract is imperative. This should include details of alternative methods so as to take into account the different levels of comfort of fluency that different consumers will have with different methods. CP's call centre agents must also be able to explain clearly the position to customers who call in.

*"[The websites] are really bad. Hard to find things. They aren't designed with disabled people in mind. I will make a call instead, but then, I prefer calling anyway. It's easier to talk to someone to get answers."*

*John, 37, mobile, London, visual impairment*

*"You dread having to call."*

*Greg, 64, broadband, ongoing, Swansea*

### ***Proposed implementation on the timing of the end-of-contract notification***

The Panel welcomes the amended proposals concerning the timing of the end-of-contract notification. In order to encourage consumer engagement, the required time period must be close enough to the end of the initial contract period so as to be a relevant communication and also allow consumers time to consider their options and make any required changes to their contract within any required period of notice, so as not to inadvertently incur any early termination fees.

Consumers in vulnerable circumstances often have a greater level of dependence on their communications services and as such any potential change or interruption to the service (even if only perceived by the consumer) may cause serious anxiety:

*"I don't get to see or hear from anyone very much these days. I couldn't live without my TV. It's like a lifeline."*

*Jonny, 79, pay-TV, very low income, Manchester*

*"I need my landline. I couldn't do without that. My alarm system is tied to that phone. It's connected to the smoke alarms. That's a big worry."*

*Cynthia, 74, landline, mobility and dexterity impairment*

Ofcom's consultative process around the timing of notifications should take specific note of the needs of vulnerable consumers who may need more time than others and should consider best practice in other markets.

### ***Proposed implementation regarding the form of the end-of-contract notification***

The Panel supports an element of flexibility in the form that end-of-contract notifications may take if this is shown to be in the interests of consumers and it increases consumer engagement. Where consumers use certain specified forms of communication due to their access needs then the Panel is of the firm view that end-of-contract notifications must be delivered in this format. This is in keeping with the requirements Condition C5 of Ofcom's General Conditions. We would suggest taking this further; all notifications should offer contact in a number of ways if consumers have any queries or questions. This could be in the form of a standard paragraph offering alternative format versions and including a free phone number.

### ***Proposals to ensure accessibility of the end-of-contract notification***

We welcome Ofcom's focus on the needs of consumers in vulnerable circumstances in relation to the proposals concerning end-of-contract notifications. The Panel supports the general approach stated in the consultation document that it is "*preferable not to define vulnerability in a limited way, but instead to approach it broadly to capture all consumers who may be living in vulnerable circumstances, and to acknowledge that these consumers are unlikely to experience vulnerability in the same way*". The Panel does however wish to ensure that in giving a flexible definition of vulnerability Ofcom does not create a category that is too diffuse or insufficiently defined that it leaves CPs unable to enact concrete safeguards to provide for the needs of consumers who are currently in vulnerable circumstances.

There is also a risk that CPs may base their approach on a narrow definition of a particular disability or condition, rather than the effect of that disability or condition. We ask that Ofcom urge CPs to keep this at the front of their thinking when dealing with consumers who may be in vulnerable circumstances.

The Panel is of the view that end-of-contract notifications should be included within the ambit of General Condition C5.13 in order to ensure that consumers with access needs can receive notifications in a format that they can use.

### ***Proposed implementation regarding yearly best tariff notification***

The Panel supports moves to ensure that consumers continue to engage with CPs over the life of their contracts in order to get the best available deal. The Panel does however caution against excessive or potentially confusing communications from CPs that may create concern among consumers, particularly those living in vulnerable circumstances. In implementing the required best tariff notification process the Panel encourages Ofcom to consider the purposes for which notification is being given to the consumer. The Panel sees these purposes as being clarity of information, encouraging active consumer engagement, and offering easy communication between consumers and CPs. This means that best tariff notifications must be clear, free of confusing or technical jargon and marketing blurb, and give an easy way for consumers to follow up on the information provided if they have questions.

### **Summary**

- We encourage Ofcom to consider all of the consumer insight available through research and behavioural insights in this and other sectors to inform its consumer empowerment work;
- End-contract notifications need to be sent to consumers within enough time for them to act - particularly where vulnerable consumers are concerned - but without pressure or a risk of disruption to the service;
- Language should be clear and easy to understand and not annexed or formatted in a way that might be easy to ignore;
- While CPs should have flexibility to communicate with their customers in a way that suits their customers, they should be prevented from communicating in a way that is too legalistic and is unclear to consumers;
- End-of-contract notifications should include details of the services that the CP is providing under the contract that is currently about to come to an end - and of other contracts held with the same provider;
- Information on how to terminate the contract and any charges to be incurred, should be provided in the notification;
- It must be possible for CPs to issue notifications in formats that are accessible to all customers, including people with additional communication support needs - and end-of-contract notifications should be covered by the obligations set out in General Condition C5.13;
- All notifications must be clear, free of confusing or technical jargon and marketing pitches, and give an easy way for consumers to follow up on the information provided if they have questions;

- All notifications should offer contact in a number of ways if consumers have any queries or questions. This could be in the form of a standard paragraph offering alternative format versions and including a free phone number.