

**Mobile charges (e.g. handsets) must be unbundled**

Further to our release last year - [Fair pricing for mobile phones - handsets, connection and use](#), the **fair telecoms campaign** welcomes two moves from **Ofcom** and will be responding at length to both consultations:

 [Helping consumers to get better deals in communications markets - mobile handsets](#)

 [End-of-contract and out-of-contract notifications](#)

The issue of customers continuing to pay for a handset after they have fully paid for it is a disgraceful scandal and must be brought to an end.

This is however not the only issue that needs to be addressed.

There is no problem whatsoever with providers offering discounts to customers who purchase multiple items or services, but this should not be used to damage the market, by hiding charges within a bundled price.

A competitive market that works for customers relies on transparency. This applies not only to the way in which prices are presented, but also to the underlying terms of the contract.

For this reason, it is imperative that a deal to purchase a handset over 24 months does not have to be linked to an airtime deal covering the same period. Providers may wish to offer a discount for such an arrangement. This must be done with the cost of the component elements (as well as any discount) shown separately, both at the time of accepting the deal and on billing throughout.

When the mobile market was new, it was perhaps reasonable that providers offered only a total service, but that stage was passed many years ago.

We believe that the mobile telephony market needs to be seen as having the three components which consumers pay for:

- A handset, purchased outright or over a period.
- Cellular network connection. There are currently four separate cellular networks, delivered and maintained by two companies. There should be only one cellular network, for many reasons.
- Airtime services. Transmission of calls, text messages and data is delivered by a wide variety of service providers, through unlimited, limited and pay-per-use arrangements.

It is our view that delivery of mobile telephony, in a now mature market, should reflect this reality. This is essential to ensure efficiency in delivery and the open competitive market which is required to deliver maximum benefit to consumers.

Customers being unnecessarily locked into uncompetitive deals and over-paying for handsets are but two examples of how the current situation is failing.

Through its excellent work on Simplifying Non-Geographic Numbers (known as [UK Calling](#)), **Ofcom** demonstrated a clear commitment to the principle of a process based on transparency. We look for **Ofcom** to take forward a similar approach to the delivery of mobile services.

This is not just about one very serious issue.

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