



Ofcom consults on freeing consumers from mid-contract price rises - a good start to what will be a good year for Ofcom

Ofcom has today launched a consultation¹ on its proposal to ensure that customers are able to exit telecoms service contracts without penalty in the event of a price rise.

This is a very welcome move, which will end the existing tolerance of penalty charges on those who wish to terminate so-called fixed price arrangements when price increases allegedly do not cause “material detriment”. **Ofcom** currently regards general price inflation as not causing “material detriment”! Such nonsense must be ceased.

The consultation invites providers to make a case for being allowed to invite consumers to opt-in to variable price contracts. Given that such an exceptional arrangement is very clearly advertised for what it is, we see no reason why this should be totally prohibited. That is however not what is happening at present; **providers must make a very strong case for this option to be permitted.**

We are a little surprised to find **Which?** opposed to the possibility of consumers being offered the choice of a properly explained variable price arrangement, as this potentially could enable lower prices. If prices have to include a hedge against future cost inflation, there is a danger that the initial price may be raised excessively.

The start of a good year for Ofcom

A far more radical positive move from **Ofcom** will follow very shortly, probably later this month.

We understand that an announcement of the regulatory provisions to complete the project to “**Simplify Non-geographic Numbers**”² is almost ready for publication. This will confirm that calls to 080 numbers will become free to all callers, including those from mobiles.

The more significant element will be introduction of the “**unbundled tariff**”. This will expose the scandal that is presently in place with improper use of 084 and 087 numbers. The “**Service Charge**” from which the person called benefits will have to be declared on these, as well as with the other ranges which are formally defined as being used for “**Premium Rate Services**”.

The requirement for users of 0845 and 0844 numbers to declare the “Service Charge” from which they benefit, will **force those who wish to continue using these numbers to justify it.** In many cases, users of these numbers will be unable to provide a justification and will therefore have to switch to numbers that do not include a “Service Charge”, i.e. those beginning 01, 02 or 03.

Although a long period will be allowed for the necessary changes to be, we look forward to this announcement, as it will expose the deceit practiced by those who deny the fact that they benefit from use of 084 numbers at the expense of callers. A more detailed briefing on this issue will be published shortly. Please [contact us](#) for more information and see [our comments](#) on the issue.

Notes

1. The consultation on mid contract price rises is [published here](#) and [announced here](#).
2. The most recent description of the proposals on “Simplifying non-geographic numbers” is [published here](#).

