

## Your response

### **Citizens Advice response to Ofcom's 2019/20 work plan consultation**

We welcome the opportunity to comment on Ofcom's proposed work plan. We support Ofcom's strategic aims to protect and further the interests of consumers in the post and telecoms markets. We particularly welcome Ofcom's focus on vulnerable consumers. We have outlined specific comments on relevant projects below.

**3.11 - Improving pricing for bundled mobile airtime and handset contracts** - *We will work to ensure fairer, more transparent prices for customers who pay for mobile handsets and airtime within the same contract. We will publish a statement in Q3.*

**3.12 - Differential pricing practices** - *We will assess the fairness of pricing practices which result in consumers paying more for communications services due to their contract status, length of tenure or other characteristics.*

As in our response to Ofcom's consultation on mobile handsets, we see a clear solution to the unacceptable practice that sees consumers paying for handsets they already own. Ofcom must ensure that providers selling bundled contracts are clear about the respective costs of the airtime and handset elements and automatically apply a handset discount at the end of the minimum term. We look forward to Ofcom's statement on this issue.

We note, however, that Ofcom's [14 December consultation](#) on broadband pricing practices includes a timeline that indicates a statement on the mobile handset loyalty penalty would instead be published in March 2020 (page 11) rather than Q3 as outlined in this draft work plan. As we said in our response to this consultation, this is too slow given the clear evidence of the problem, and we would welcome clarity from Ofcom on current plans (we understand that Ofcom have brought forward the initial reporting deadline from September to June). The only justification for such a long overall timeline would be if Ofcom is planning - as we believe they should - to introduce the most effective intervention as outlined above. We recommend that Ofcom bring forward action on the loyalty penalty in both mobile and broadband sectors promptly.

**4.5 - Monitoring the postal market and Royal Mail's performance** - *We will continue to monitor Royal Mail's performance on efficiency and quality of service, the financial performance of the universal service network, and competition in parcels and letters. We will also monitor consumers' experiences in the postal sector.*

As the statutory postal consumer advocate, we welcome and support the monitoring work that Ofcom undertakes. While we recognise the importance of monitoring the financial performance of the products and services provided by Royal Mail under the USO, particularly given recent figures on letter volume decline, we would welcome additional scrutiny from Ofcom on the mail redirection service given sustained and historic price increases. As we noted in our 2018 [report](#), the price of the cheapest 3-month redirection has increased 74% since 2012 - 6 times faster than the price of second class stamps. The

cost and lack of affordable payment options are discouraging certain vulnerable consumer groups from using this essential service on which Royal Mail has a monopoly: people who find it hard to make ends meet are nearly 5 times more likely to say they wouldn't be able to afford the service at current prices.

**4.7 - Future of consumer data** - *We are working to ensure consumers have the right information on availability, speeds and own usage of communications services so they can make informed decisions about the products and services that best suit their needs. We will consider how to implement this in our sectors and will work with stakeholders to deliver it.*

We welcome Ofcom's work in this area. Our evidence shows that many consumers find telecoms a difficult market to navigate, and often are on deals that do not match their needs. While greater information and transparency will help consumers in this respect, Ofcom should also explore how other remedies could help disengaged consumers.

**4.25 Vulnerable consumers** - *We support and protect the needs of consumers whose circumstances make them vulnerable. We are monitoring the impact of our General Condition on vulnerability (GC C5) and will identify examples of best practice. We are also working closely with UKRN and other regulators to deliver a programme of work looking at minimum standards to support customers with mental ill health, cognitive impairments and dementia and at best practice in supporting vulnerable consumers.*

We welcome Ofcom's work in this area - our research shows that vulnerable consumers are less likely to be able to engage effectively with the telecoms market, and are disproportionately affected by the loyalty penalty in mobile and broadband. We also welcome the focus on people with mental health problems. We look forward to continuing to engage with Ofcom and other regulators on our work on minimum standards of support for people with mental health problems, as well as specific work relating to how telecoms providers can better support their vulnerable consumers in line with GC C5.

**4.26 Strengthening the consumer voice in telecoms.** *From April, we will strengthen the Communication Consumer Panel, the independent consumer body for the telecoms sector, to advocate on behalf of consumers with a stronger voice.*

The budget of the Communication Consumer Panel has been reduced by 61% since 2007. We therefore welcome proposals to strengthen the CCP, particularly in the context of Ofcom removing support for the Consumer Forum for Communications.

We believe that the CCP performs an important function, by providing advice to Ofcom, participating in industry and consumer roundtables, and delivering its annual research plan. However, telecoms consumers need an independent, statutory, consumer-facing advocate, as in other essential service sectors. A better-resourced CCP will not plug this structural gap.