

Vonage Limited (“Vonage”) welcomes the opportunity to respond to Ofcom’s Consultation “Helping consumers to engage in communications markets; Consultation on end-of-contract and out-of-contract notifications” dated 31st July 2018.

1. Vonage is a VoIP telephony service provider of cloud based hosted voice services to small business customers and also a provider of over the top (“OTT”) voice telephony services to consumers across their broadband, 3G and 4G connections.
2. Ofcom is consulting on changes that will require Communications Providers (“CPs”) to notify their consumer and small business customers (10 employees/volunteers or less) that their minimum contract term is coming to an end and to notify those already out of the minimum term that this is the case. Ofcom’s rationale for this is that some CPs ramp up charges to customers once the minimum term of their contracts expires; customers may face a price increase, or elements of the deal they originally signed up to may change. Ofcom is proposing that CPs will be required to send (i) an end-of contract notification to their customers, 40-70 days before the end of their minimum contract period, which allows customers sufficient time to take action and gives providers some flexibility on when to send the notification; and (ii) a one-off, out-of-contract notification to customers who are already out-of-contract and have not previously been informed about their contract coming to an end.
3. This “one size fits all” approach is disproportionate. Not all CPs adopt the practice of increasing prices and changing elements of the service upon expiry of minimum contract terms. Ofcom’s proposals should be targeted only at those CPs who adopt these practices. It is disproportionate that CPs not guilty of this behaviour should be targeted (and that they should bear the associated administrative burden and overhead costs) when they do not expose their customers to these bad practices. For those CPs that do make changes after the end of the contract minimum term that are likely to cause customers material detriment, rather than a requirement to give notice 40-70 days before the end of the minimum contract period, if termination is available immediately on request after the end of the minimum term, why would it be necessary to give 40 to 70 days’ notice of the end of the minimum term? In other words, customers would be adequately protected if they were given the automatic right to terminate at any time for any reason after the end of their contract minimum terms.
4. We would contend that General Condition C1.6 provides sufficient protection to customers. General Condition C1.6 states that CPs must give at least one month’s notice of any changes that are likely to be of 'material detriment'. Coupled with this is a right of the customer to terminate without penalty if the customer will suffer material detriment; the CP’s notice must also expressly tell customers of their right to terminate and the notice must be given in a prominent manner so that there is no doubt what the notice is about. If CPs are complying properly with the requirements of notice under General Condition C1.6 customers will be properly notified of any potential material detriment and will be made aware of their express right to terminate without incurring any liability.
5. To conclude, (a) why should all CPs be penalised because of the bad behaviour of a few; the new rules should only apply to those CPs that will ramp up prices and change service elements automatically after the end of the minimum term; (b) General Condition C1.6 provides sufficient protection anyway without the need for more regulation; and (c) why not consider offering customers an automatic right to terminate at any time without liability at the end of their contract minimum term?
6. We hope that Ofcom finds this response constructive and of use. Should you require any elaboration on this response please let us know.

Vonage Limited
9th October 2018