

Your response

Question	Your response
<p>Question 1: Do you agree with the way we propose to implement the requirement to provide end of contract notifications in terms of the services they should cover?</p>	<p>This is a prudent approach and will provide consumers with the necessary information to make an informed choice.</p>
<p>Question 2: Do you agree with the way we plan to implement the requirement to send end of contract notifications to consumers and businesses?</p>	<p>The purpose here is to review the scale of harm from pricing practises and so the differentiation between consumers and business is an important one as the types/levels of harm are different. This also fits with Ofcom's research that consumers are confused by the options available to them, and so it makes sense to provide consumers with more information.</p>
<p>Question 3: Do you agree that 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?</p>	<p>Furthermore, the Advisory Committee for Scotland believe the timescales should be sufficient to allow the consumer to shop around and still give notice to move provider in line with their notice period so as not to suffer financial detriment.</p>
<p>Question 4: Do you agree with our proposal not to specify in a prescriptive way the words and language used in end-of-contract notifications?</p>	<p>The rationale in the proposal for this is sound; however, the ACS believe that some specific aims around the words and language being plain, simple and jargon free would support better consumer outcomes.</p>
<p>Question 5: Do you agree with our implementation proposal for the end-of-contract notification to include the date on which the fixed commitment period will end?</p>	<p>There is potential here to highlight also the earliest date which the consumer should arrange a switch of provider so as not to incur a charge. This is often the day after the end of the fixed commitment period.</p>
<p>Question 6: Do you agree with our implementation 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?</p>	<p>The consumer must have all the relevant information to make an informed choice and so full details of the contract and linked services is vital.</p>
<p>Question 7: Do you agree with our implementation proposal that the end-of-contract notification must include information regarding notice periods?</p>	<p>Again, set out in a clear and simple way.</p>
<p>Question 8: Do you agree with our implementation proposal that the end-of-</p>	<p>Again, there is potential here to highlight also</p>

<p>contract notification must include information regarding early termination charges?</p>	<p>the earliest date which the consumer should arrange a switch of provider so as not to incur a charge. This is often the day after the end of the fixed commitment period. As ETCs seem to be commonly misunderstood there is a necessity here to make this clear and simple in the communication, the requirement for a specific example would be welcomed.</p>
<p>Question 9: Do you agree with our implementation proposal that the end-of-contract notification must include information regarding other contracts which the provider currently provides to the end-user?</p>	<p>However, the guidelines and requirements here need to be considered with caution to ensure consumers are clear which contract is coming to an end and which contracts are ongoing. There is a danger of consumers being overloaded with information.</p>
<p>Question 10: Do you agree with our implementation proposal that the end-of-contract notification must include information regarding how to terminate the contract?</p>	<p>Moreover, there should be several different options offered to consumers on how to terminate a contract and these should be straight forward. The switching process should also be clear and not prohibitive for consumers.</p>
<p>Question 11: Do you agree with our implementation proposal that best tariff advice should include the monthly price currently paid, and any changes after the end of the fixed commitment period?</p>	<p>This is essential to give the consumer a direct comparison to make an informed choice.</p>
<p>Question 12: Do you agree with our implementation proposal that best tariff advice should include changes to the service provided because the fixed commitment period is ending?</p>	<p>It is essential the consumer has the full picture.</p>
<p>Question 13: Do you agree with our implementation proposal that best tariff advice should include the date on which the fixed commitment period ends for financially linked or otherwise dependent contracts taken with the same provider, for subscribers on residential contracts?</p>	<p>However, the presentation of this information in a clear and concise manner is also important to avoid consumer confusion.</p>
<p>Question 14: Do you agree with our implementation proposal that best tariff advice should include the options available to the subscriber after the fixed commitment period has ended?</p>	<p>Moreover, the proposal that options are based on previous usage where appropriate is fundamental to prevent financial detriment for consumers. The proposal for business here however makes a lot of assumptions about skills and resources in small businesses. Whilst the ACS accept the differences in residential and business contracts, the guidelines should still promote</p>

	<p>positive outcomes for business. The lack of information for business at the end of a fixed commitment period could become prohibitive for business to manage a contract or make an informed decision about switching provider.</p>
<p>Question 15: Do you agree with our implementation proposal that best tariff advice should include the provider’s best tariff and with our draft guidance for subscribers on residential contracts that:</p> <ul style="list-style-type: none"> a) providers should give residential consumers at least one and up to three best tariffs options; b) the tariffs should be based on similarity to the consumer’s previous usage where relevant and otherwise based on service packages that are most similar to what the consumer currently receives; c) one tariff should be the cheapest tariff available to the consumer receiving the advice; d) one tariff should be the cheapest tariff available to any consumer (if not the same as in (c)); e) one tariff can be the cheapest upgrade tariff; f) one tariff should be a SIM-only tariff where the consumer has a bundled handset and airtime contract; and g) tariffs should be for a bundle of services where the consumer receives them under a single contract with the provider or has financially linked or interdependent contracts with the same provider and where the fixed commitment period(s) is about to end or has already ended. 	<p>While the ACS agree that in principle the consumer should be given these options, it is worth noting that the consumer should only be given options which are available to them. Without specifying this in the guidelines there is an unintended consequence that a consumer may be presented with an option which they are unable to take up. For example, by proceeding with d) (the cheapest tariff available to any consumer) there is the potential that the consumer is made aware of a tariff which they are not entitled to. This does not contribute to a positive outcome for the consumer.</p>
<p>Question 16: Do you agree with our proposed implementation on the timing of the end-of-contract notification?</p>	<p>For residential consumers the research supports the proposed timescales. However, the ACS strongly suggest that minimum timescales should be imposed for businesses similar to that for residential consumers.</p>
<p>Question 17: Do you agree with our proposed implementation regarding the form of the end-of-contract notification?</p>	<p>This should be determined by the consumer wherever possible when they register their communication preferences with the provider. There is no need to be prescriptive on how this</p>

	<p>is communicated so long as the content is appropriate, and no consumer harm arises from different methods of communication. The examples provided here are excellent.</p>
<p>Question 18: Do you agree with our proposals to ensure accessibility of the end-of-contract notification?</p>	<p>This is essential to protect vulnerable consumers. It should also be considered whether different timescales should be implemented for vulnerable consumers (in terms of the end of contract notification) as they may require extra time to decide or switch. Or, if an end of contract notification is subsequently requested in braille or large print for example, should an onus be placed on the provider to follow up with that consumer rather than simply allowing the contract to roll over.</p>
<p>Question 19: Do you agree with our implementation proposal that annual best tariff notifications to be sent only to end-users who are outside of their fixed commitment period?</p>	<p>This is a common-sense approach, however, the ACS do not agree with the timescales of the first notification - see response to Q22.</p>
<p>Question 20: Do you agree with our proposed implementation of the requirement to send annual best tariff notifications by specifying that providers must inform end-users of:</p> <ul style="list-style-type: none"> a) the fact that they are not within a fixed commitment period for the relevant contract or contracts; b) the services which the provider currently provides under that contract or contracts; c) any applicable notice period(s); d) details of other contracts the end user has with the provider; e) the monthly subscription price(s); and f) the options available; 	<p>This format is consistent with the end of fixed commitment notification and the ACS believe that consistency is key to consumer understanding.</p>
<p>Question 21: Do you agree with our proposed implementation of the requirement to send annual best tariff notifications by specifying that providers must inform end-users of the provider's best tariffs and with our draft guidance for subscribers on residential contracts that:</p> <ul style="list-style-type: none"> a) providers should give residential consumers at least one and up to three best tariffs; b) the tariffs should be based on similarity to the consumer's previous 	<p>With the same caveat as the end of commitment notification that consumers should only be advised of options which are available to them.</p>

<p>usage where relevant, and otherwise based on service packages that are most similar to what the consumer currently receives;</p> <ul style="list-style-type: none"> c) one tariff should be the cheapest tariff available to the consumer receiving the advice; d) one tariff should be the cheapest tariff available to any consumer (if not the same as in (c)); e) one tariff can be the cheapest upgrade tariff; f) one tariff should be a SIM-only tariff where the consumer has a bundled handset and airtime contract; and, g) tariffs should be for a bundle of services where the consumer receives them under a single contract with the provider or has financially linked or interdependent contracts with the same provider and where the fixed commitment period(s) has ended. 	
<p>Question 22: Do you agree with our proposed implementation on the timing of the annual best tariff notification?</p>	<p>The ACS believe that 12 months from the end of the fixed commitment period is too long and that this should be reviewed. Between 3 and 6 months feels more appropriate as this gives consumers the opportunity to review earlier if they are unaware that their contract has ended.</p>
<p>Question 23: Do you agree with our proposal to implement the annual best tariff requirements by specifying that providers should combine the best tariff information in a single notification for those end-users who have two or more contracts outside of their fixed commitment period?</p>	<p>It is essential that it is clear to the consumer that their fixed commitment period has ended and, therefore, this seems like a prudent approach to address this. However, as we have said above, the ACS believe the timescales regarding this communication requires further review. Alternatively, it could be a requirement for providers to highlight specifically on billing statements that there is no fixed commitment period in place with a call to action to find out more about alternative options.</p>
<p>Question 24: Do you agree with our implementation proposals regarding the form of the annual best tariff notification?</p>	<p>As with the end of commitment notification, this should be driven by consumer preference.</p>
<p>Question 25: Do you agree with our implementation proposals for the timescale within which providers must comply with the end-of-contract and annual best tariff</p>	<p>Although the timescales for implementation seem sensible, it is unclear how much work providers will be required to complete in order</p>

notification requirements?	to implement this change effectively and therefore whether this timescale is achievable.
Question 26: Do you agree with the way we plan to monitor the effectiveness and impact of end-of-contract and annual best tariff notifications?	However, the ACS would like to see the focus on field trials and consumer research so that the monitoring focuses on the consumer and not the provider. A provider could make the required changes internally, but the measure of success is how this lands with consumers to know whether the guidelines are working effectively.
Question 27: Do you agree with the impacts from the introduction of end-of-contract notifications we identify in our assessment?	The impacts identified are comprehensive.
Question 28: Do you agree with the impacts from the introduction of annual best tariff notifications we identify in our assessment?	The impacts identified are comprehensive.
Question 29: Do you have any comments on the draft general conditions, set out in Annex A6 to this document?	No comments.

Additional comments:

This is a well-constructed and comprehensive proposal and overall delivers the objective of helping consumers to get a better deal and mitigating against consumer harm from pricing practises. There are a few points the ACS believe are worth making with regards to additional considerations and specifically Scotland's consumers.

This consultation does not address the danger of the consumer purchasing the wrong contract to begin with. The focus is on the end of commitment period and whilst it is great to see a requirement here to offer the consumer a new contract in line with their previous usage, at the initial stage of signing up to a new contract the ACS think providers should have a requirement to ensure this contract meets the consumers needs thereby preventing harm.

The ACS would also like to see additional focus on the simplicity of the switching process; giving consumers options to move to another provider is important but if the process of leaving their current provider is prohibitive then consumers are less likely to move and therefore there is an increased risk of consumer harm.

The flexibility of communication options available to the consumer is welcomed, however there is the opportunity to extend this to ensure providers must make the selection of a new contract available online to those consumers with online accounts. The simpler providers make the selection of options and switching available to consumers the more likely consumers will choose a new contract which is right for their needs; again, mitigating against consumer harm.

For Scotland consumers there are some specific concerns to raise. Firstly, there is a lack of competition, in particular for rural communities and so there is still potential for serious consumer harm through lack of choice of provider. This also indicates that the providers in these markets

can set higher tariffs because of lack of competition and so consumers suffer financially despite all the requirements set out in this consultation. In this sense, the consultation does not address how pricing practises affect all consumers.

Secondly, the report focuses on vulnerable consumers and there is a case for including low income rural consumers in this bracket.

Thirdly, we expect the new 'Consumer Scotland' body to look at precisely these sorts of issues and so the ACS would suggest that Ofcom explore the opportunity for collaboration here between this new body and Ofcom. There is a risk of overlapping work (in reserved areas); without collaboration and agreement as to what message is being communicated to Scottish consumers, there is a risk that the new body and Ofcom could be inadvertently giving different messages. The ACS think this could cause serious consumer harm and would therefore expect this concern to be addressed before change is implemented.