

Your response

Question	Your response
<p>Question 1: Do you agree with the concerns we have identified in relation to bundled mobile airtime and handset contracts?</p>	<p>Confidential? – Y / N</p> <p>Yes, I fully agree with these concerns.</p> <p>The problem identified (where the customer continues to pay the full bundled amount after the handset has effectively been paid off) is a common one, and has affected me personally.</p> <p>I was sold a bundled handset and contract by EE in June 2016. This was my first purchase of a bundled handset and contract. At time of purchase (from Carphone Warehouse), I was assured by the sales representative that the contract to "pay off the phone" would last 2 years. After this period, I was told "you would only be paying for the mobile contract and not for the phone at all". Furthermore, the sales rep said that "EE will let you know when your contract comes to an end (after two years)".</p> <p>From June 2018 - September 2018, I went through a difficult time, which involved caring for my disabled partner, dealing with other personal problems, and securing new employment after my job came to an end.</p> <p>After reading the BBC article about Ofcom's consultation in September 2018, I checked my bank statements and realised that EE had been charging me the full bundled amount for the last 3 months.</p> <p>When I called up EE to complain about the "overpayment", explaining how the bundled handset and contract had been sold to me (and the assurances provided at the time), I was told by customer services that I could terminate the contract and switch to a new one, but would be unable to recover any money from the "overpayment" because I had "signed up to the contract".</p> <p>After staying on hold and escalating the complaint up two tiers of management (which</p>

took over an hour), I was finally offered £30 credit with EE and the offer of switching to a new cheaper phone tariff (which was £10 per month). I accepted this as the credit compensation covered the overpayment amount.

The trouble didn't end there. When I was transferred to the sales team to switch my contract to the cheaper tariff (I asked for a "month to month contract"), I was informed by the sales rep that "the best contract for me" based on their analysis of my data usage was a contract of this type for £20/month for 10 GB and unlimited calls/texts.

Somewhat suspicious, I asked the sales rep to run through all the available options, as my data usage was typically 2-3 GB per month. I discovered that there was a 2 GB plan for £15/month (with unlimited calls/texts).

When I was directed to an online portal to formally agree to the contract, I was shown a page of 5 key terms of the contract. Crucially, this did not include the length of the contract term - merely a brief clause saying that cancellation had to be given subject to a "cancellation period" otherwise certain fees would apply.

When I questioned the sales rep, he stated that the contract would be an annual one but still pushed me to agree the contract. I held back and asked about cancellation charges – i.e. what the cancellation period would be. The opaque response was that the cancellation period would be "a year". I had to pose a scenario for him (e.g. if I was 6 months through the contract at £15/month, and wanted to cancel, how much would I pay) before he confirmed, reluctantly, that I would have to pay for the remaining 6 months (i.e. £90) as a cancellation fee.

Only when I reiterated that I had requested a month to month contract that the sales rep offered me alternatives. It transpired, after much discussion, that there was a 3GB per month plan available (with unlimited

	<p>calls/texts), which could be cancelled at a month's notice, for £20/month.</p> <p>This was much more suitable to my needs, and so after nearly 2 hours on the phone, navigating aggressive customer service and sales reps, I managed to switch my contract.</p> <p>This aggressive sales technique is legally questionable – with the failure to highlight key clauses to the consumer, and misrepresentations by default, EE is opening itself up to unfair contract challenges (which many consumers will not have the stamina or knowledge to pursue).</p> <p>Not everyone i) has the ability to stay on hold and to argue their way into recovering unfair charges, and ii) the wherewithal and familiarity with contracts to fend off a "quick sell" on the phone - so it is right that, in light of phone companies' refusal to provide Ofcom with firm assurances to improve, that Ofcom regulates in this area.</p> <p>I am a solicitor and deal with contracts daily - and even I got caught out. I knew how to fight for my rights and remedy the situation. What hope for other less sophisticated consumers?</p>
<p>Question 2: Do you agree with the options we have outlined as potential remedies for the concerns identified?</p>	<p>Confidential? – Y / N</p> <p>Yes</p>
<p>Question 3: Do you have views on additional solutions we should consider, including on split contracts?</p>	<p>Confidential? – Y / N</p> <p>Split contracts would be a good step.</p> <p>As a minimum, the policy of O2 (to notify consumers when the bundled contract is coming to an age) should be imposed.</p> <p>Ideally, bundled contracts should terminate at the end of the stated period, with consumers automatically switched onto a cheaper SIM-only contract that accurately reflects the cost</p>



incurred by the phone provider IF the customer does not request a phone upgrade.