



CICRA media release

3rd April 2014

CICRA ensures fixed means fixed on telco contracts

CICRA (the Channel Islands Competition and Regulatory Authorities) has instructed telecommunications operators to allow consumers to break their fixed-term contracts on mobile, broadband or fixed lines if the terms are changed during the contract period.

In an Initial Notice sent to operators, CICRA has directed Sure, JT, Newtel and Airtel Vodafone to provide consumers with an opt-out when the terms of their contracts have been altered during the fixed period.

CICRA interim chief executive, Michael Byrne, said: "There are weaknesses in the current arrangements.

"Local operators' decisions to vary a product offering during a fixed-term period, without recourse, negatively impacts on those consumers. For instance, if the amount of data included free in a mobile contract is reduced, during the fixed term, the end result is customers have to pay more for what was originally agreed.

"We are proposing to modify the licences of JT, Sure Jersey, Jersey Airtel and Newtel to reflect a more transparent and equitable method for variations," he said.

Ofcom was investigating the same issue. It published its findings on 23 October 2013 and confirmed that UK consumers and small businesses should be allowed to exit their landline, broadband or mobile contract without penalty if their provider increased the cost of their monthly deal.

“The same options should also be available to consumers and small businesses in the Channel Islands,” Mr Byrne said.

CICRA’s proposal provides for a new licence condition that directs the operators to give consumers not less than two calendar months written notice of any increases to the unit price of services and, in turn, gives the customer the right to terminate the contract without penalty if the proposed variations are not acceptable to the customer

“We have also included a direction in the new licence condition that, at the same time as giving notice of the change, operators must inform consumers of the right to terminate,” Mr Byrne said.

The Initial Notice and the Draft Decision can be viewed at www.cicra.je or www.cicra.gg

ENDS

About CICRA:

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) (formerly the Office of Utility Regulation). The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001, and the GCRA was established under The Guernsey Competition and Regulatory Authority Ordinance, 2012. In Jersey, the telecoms and postal sectors are regulated by the JCRA, which is also responsible for administering and enforcing the Competition (Jersey) Law 2005. In Guernsey the telecoms, postal and electricity sectors are regulated by the GCRA, which is also responsible for the administration and enforcement of the Guernsey competition law since it came into force on 1 August 2012.

By working together and sharing resources and expertise between the islands, CICRA strives to ensure that consumers in all the Channel Islands receive best value, choice and access to high quality services.