

# Guidance on the presentation of mid-contract price rises in telecoms ads

Committee of Advertising Practice and Broadcast Committee of Advertising Practice consultation on new guidance on how to present information about mid-contract price rises in ads for broadband and mobile services

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## Executive summary

**The Committee of Advertising Practice (CAP), author of the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (the CAP Code), and the Broadcast Committee of Advertising Practice, author of the UK Code of Broadcast Advertising (the BCAP Code), are consulting on guidance that would require mid-contract price rises to be more prominently stated in telecoms advertising across media.**

CAP is the self-regulatory body that creates, revises and enforces the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (the CAP Code). BCAP is the regulatory body responsible for maintaining the UK Code of Broadcast Advertising (the BCAP Code) under agreement with the Office of Communications (Ofcom). The Advertising Standards Authority (ASA) is the independent body responsible for administering the CAP and BCAP Codes and ensuring that the self-regulatory system works in the public interest. The Codes require that all advertising is legal, decent, honest and truthful. For more information see the website:

[How the system works](#)

[The CAP Code](#)

[The BCAP Code](#)

CAP and BCAP have set out a number of principles that they consider are likely to cause an ad to be more likely to comply with the Codes and less likely to mislead consumers in its presentation of information about mid-contract price increases. These are summarised below:

- Information indicating the presence or possibility of a price rise is immediately adjacent to the initial price claim.
- The nature of the price rise is featured prominently within the main copy of the ad, where relevant.
- Descriptions of future price rises and terminology used are clear and simple to understand.
- Advertisers take care to distinguish the full contractual price that applies before the tiered increase from any other introductory discounts that may apply.
- Advertisers are mindful of the timing of publication relative to the publication of rates of inflation linked to annual price increases.

CAP and BCAP have decided to consult for the following reasons:

- Limitations to a casework-led approach to address the complex range of factors that need to be considered in the presentation of information on mid-contract price rises in this sector.
- Existing guidance that is ambiguously worded in places and does not clearly align with the position taken in previous ASA rulings.
- While a change to the advertised price during the term of the contract would be material information under any circumstances, rises in inflation mean that such increases are likely to have an even greater impact on consumers.

CAP and BCAP are seeking views on these principles through a consultation.

Respondents are invited to indicate whether they agree or disagree with CAP and BCAP's proposed principles and provide their rationale for this.

**The consultation will close at 5pm on 17 November.**

## Key principles and rules

The Consumer Protection from Unfair Trading Regulations 2008 (the CPRs) prohibit unfair marketing to consumers, including misleading or aggressive advertising. Whenever it considers complaints that a marketing communication misleads consumers or is aggressive or unfair to consumers, the ASA will have regard to the CPRs. That means it will take factors identified in the CPRs into account when it considers whether a marketing communication breaches the Codes.

The Codes state that ads should not materially mislead consumers, or be likely to do so. The likely effect of a marketing communication is generally considered from the point of view of the average consumer whom it reaches or to whom it is addressed. The average consumer is assumed to be reasonably well-informed, observant and circumspect.

In some circumstances, a marketing communication may be considered from the point of view of the average member of a specific group:

If it is directed to a particular audience group, the marketing communication will be considered from the point of view of the average member of that group.

If it is likely to affect the economic behaviour only of a clearly identifiable group of people who are especially vulnerable, in a way that the advertiser could reasonably foresee, because of mental or physical infirmity, age or credulity, the marketing communication will be considered from the point of view of the average member of the affected group.

Marketing communications are misleading if they

- are likely to deceive consumers and
- are likely to cause consumers to take transactional decisions that they would not otherwise have taken.

A "transactional decision" is any decision taken by a consumer, whether it is to act or not act, about whether, how and on what terms to buy, pay in whole or in part for, retain or dispose of a product or whether, how and on what terms to exercise a contractual right in relation to a product.

That can include decisions prior to the act of purchase, such as the decision to visit a shop or click on a link to enquire further. Thus material information that is likely to affect a consumer's transactional decision needs to be made sufficiently clear in the advertising material itself.

Marketing communications can deceive consumers by ambiguity, through presentation or by omitting important information that consumers need to make an informed transactional decision, as well as by including false information.

Specific rules relevant to this consultation:

The following Code rules are most relevant to the ASA's regulation of the presentation of mid-contract price increase information in advertising:

**CAP Code:**

- 3.1 Marketing communications must not materially mislead or be likely to do so.

3.3 Marketing communications must not mislead the consumer by omitting material information. They must not mislead by hiding material information or presenting it in an unclear, unintelligible, ambiguous or untimely manner.

Material information is information that the consumer needs to make informed decisions in relation to a product. Whether the omission or presentation of material information is likely to mislead the consumer depends on the context, the medium and, if the medium of the marketing communication is constrained by time or space, the measures that the marketer takes to make that information available to the consumer by other means.

3.9

Marketing communications must state significant limitations and qualifications. Qualifications may clarify but must not contradict the claims that they qualify.

3.10

Qualifications must be presented clearly.

3.17

Price statements must not mislead by omission, undue emphasis or distortion. They must relate to the product featured in the marketing communication.

3.18

Quoted prices must include non-optional taxes, duties, fees and charges that apply to all or most buyers. However, VAT-exclusive prices may be given if all those to whom the price claim is clearly addressed pay no VAT or can recover VAT. Such VAT-exclusive prices must be accompanied by a prominent statement of the amount or rate of VAT payable.

### **BCAP Code:**

3.1 Marketing communications must not materially mislead or be likely to do so.

3.2 Marketing communications must not mislead the consumer by omitting material information. They must not mislead by hiding material information or presenting it in an unclear, unintelligible, ambiguous or untimely manner.

Material information is information that the consumer needs to make informed decisions in relation to a product. Whether the omission or presentation of material information is likely to mislead the consumer depends on the context, the medium and, if the medium of the marketing communication is constrained by time or space, the measures that the marketer takes to make that information available to the consumer by other means.

3.10

Advertisements must state significant limitations and qualifications. Qualifications may clarify but must not contradict the claims that they qualify.

3.11

Qualifications must be presented clearly.

### 3.18

Price statements must not mislead by omission, undue emphasis or distortion. They must relate to the product or service depicted in the advertisement.

### 3.19

Quoted prices must include non-optional taxes, duties, fees and charges that apply to all or most buyers. However, VAT-exclusive prices may be given if all those to whom the price claim is clearly addressed pay no VAT or can recover VAT. Such VAT-exclusive prices must be accompanied by a prominent statement of the amount or rate of VAT payable.

## Background

### Policy challenge and scope

Many contracts for broadband and mobile phone services are subject to mid-term increases in the monthly price of the contract. The aim of this consultation is to ensure that ads for telecoms services, which include, or have the potential to include, mid-contract price increases, comply with CAP and BCAP rules preventing misleading advertising, including by not omitting material information.

While this approach to pricing is not uncommon across the telecoms market, particularly among larger providers, the variety of contract types, product bundles and media involved can provide a challenge to how this information is presented. In 2021, the ASA Council closed two investigations looking into the presentation of mid-contract price increases in telecoms ads and referred the matter to CAP and BCAP for consultation: they did so on the basis that there were limitations to the ability of individual rulings to address the implications of the various considerations involved and to ensure that information about mid-term price rises is delivered to consumers clearly and consistently in advertising.

The question of whether advertising material is misleading is determined by whether it will cause consumers to take a different transactional decision. Information about price increases during the term of the contract is always material to consumers' transactional decisions, regardless of the broader economic environment. However, it is also relevant to acknowledge the wider context of the current cost of living situation. A combination of factors have led to rising inflation, with a resulting increase in the cost of essential goods and services placing a strain on consumers' finances, particularly those on the lowest incomes. Clearly, a rise in the monthly price of a contract is going to have a greater impact on consumers when inflation is increasing at the highest rate in decades.

The consultation will be focussed on business-to-consumer advertising for telecoms contracts that include broadband and/or mobile services, either on their own or as one part of a package or 'bundle'.

Ofcom's General Conditions<sup>1</sup> define a 'bundle' as a contract, or two or more closely related or linked contracts, at least one of which relates to the provision of an internet or phone service. The other services/contracts which may comprise part of a 'bundle' include content services or terminal equipment (such as mobile handsets). Further guidance on the types of linked contracts that are likely to be seen as a 'bundle' can be found in the statement linked below<sup>2</sup>.

CAP and BCAP are conscious that principles of any resulting guidance may also have relevance to other types of contracts that involve mid-term price increases, such as those that involve paid-TV services that are not bundled with mobile or broadband services, or other types of utilities contracts. CAP and BCAP consider that telecoms contracts of the type described above have the potential to involve a complexity of product combinations that can make them more difficult for consumers to understand, compared to other types of utilities contracts. Which research<sup>3</sup> has suggested that perceived complexity of such

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<sup>1</sup> [General Conditions of Entitlement](#)

<sup>2</sup> [Fair treatment and easier switching for broadband and mobile customers: Implementation of the new European Electronic Communications Code](#)

<sup>3</sup> [Gigabit Take-up Advisory Group - Which? Consumer Insight, Broadband Engagement \(which.co.uk\)](#)



contracts can act as a barrier to consumer engagement with accessing the best options for their needs.

Although not the key focus, principles of any resulting guidance will likely be applicable to business-to-business advertising as well.

Ofcom rules require that certain material information must be provided to consumers, in a specified format, before they can agree to enter into a contract for phone or broadband services.

The presence and, if it can be anticipated, the nature of a price rise that will or may be applied to a monthly contract price constitute material information that consumers need in order to make an informed transactional decision, which can include decisions prior to the act of purchase. Therefore, it is important that advertisers and consumers have clarity on how that information should be presented in ads.

### Types of contract

Some telecoms contracts are **fixed**, meaning that the monthly cost is set for the duration of the contract term and is guaranteed not to rise during that period.

This consultation will focus on two other broad types of contracts, as described below.

A **tiered** contract includes an annual increase in line with:

- the Consumer Price Index (CPI) or Retail Price Index (RPI) rate of inflation published that year;
- the rate of inflation plus an additional set percentage, or;
- a set percentage that is not tied to inflation.

**Variable** contracts may include a clause providing that the monthly price may rise in future; however, the amount by which the price might increase is unknown. In such instances, under Ofcom rules, the customer must be informed about any increase with one month's notice and has the right to terminate the contract without penalty.

### Bundles

As stated above, broadband and mobile services are often offered in a package with other products or services. Those may include:

- credit plans for devices (such as mobile phones or tablets)
- content services (such as broadcast TV channels, video or music streaming)

The components of a bundle may be included within the same contract, or two or more linked contracts (see above).

There may be differences between different products within a bundle in terms of, for example:

- Contractual duration
- Introductory discount duration
- Whether or not they are subject to mid-contract price rises

### Media types

Different media types have different attributes that may affect how information is communicated. For example:

- Printed material that consumers handle directly generally allows a greater opportunity for consumers to read qualifications, for instance, those contained in a footnote. That is less likely to be the case for media or ad types viewed from a distance (for example posters) or limited by time and space (for example audio-visual communications).
- Posters and ambient media are likely to be viewed from a significant distance. Marketers should ensure that text used is likely to be of an appropriate size and to be clearly legible to the average consumer reading the marketing communication once from a reasonable distance and at a reasonable speed. Where a post appears on a digital outdoor site, marketers should further consider the implications for consumers of the marketing communication appearing only for a set period of time.
- Online and other non-broadcast audio-visual marketing communications often allow for information to be presented visually and in audio, as well as at different times during the communication. Marketers should ensure that qualification text included in video or other moving image formats is:
  - sized appropriately (in other words clearly legible to the average consumer reading the marketing communication once from a reasonable distance and at a reasonable speed),
  - displayed on screen long enough for consumers to read it; and
  - sufficiently clear in relation to the imagery of the main creative (for example the text should be presented with appropriate contrast to avoid it being obscured, avoiding difficult to read contrasts such as light-on-light colour combinations), and
  - Marketers should also consider the need for certain particularly significant qualifying information to be emphasised using both visual and audio channels where the latter is available.

Similar considerations should be observed in relation to broadcast TV ads (in conjunction with [superimposed text guidance](#)).

In small-format online ads genuinely limited by space, it may be necessary to place some additional information one click away, but consumers should be clearly signposted to that information.

#### Existing CAP position

CAP's position on this issue has been mostly developed through ASA rulings. However, general guidance on presenting complex offers, packages and non-optional charges applies to the telecoms sector.

The ASA has previously ruled that where the price of the contract may or will increase during the minimum term, advertisers must make consumers aware of this information in a prominent manner. The ASA Council confirmed that it was likely to consider an ad misleading if the presence or possibility of a price increase was not immediately adjacent to the initial price claim.

A subsequent Enforcement Notice issued to the advertisers by CAP's Compliance team stated:

*If the contract being offered is a tiered contract, when the price rises occur and by how much should be made sufficiently clear.*

*If the price being paid per month is variable, a qualification directly after the price per month should make it clear that prices may rise.*

Further Supplementary Guidance expanded on this to explain that, as best practice, advertisers were recommended to immediately state after the headline price of a non-fixed contract that prices would or may rise, if that was the case.

At a minimum, the Guidance stated that a clear asterisk should be used immediately after the headline price of a contract linking to a qualification when that headline price was not a fixed price contract to establish immediate, adequate prominence.

The wording describing the minimum standard and what level of prominence is likely to be regarded as sufficient, direct qualification is somewhat ambiguous and could be interpreted as requiring a minimum standard that is less strict than the position previously taken by the ASA Council.

#### Other relevant guidance

[CAP Guidance on the use of qualifications](#) makes clear that marketers should ensure that claims – particularly those that feature prominently in marketing communications – are either:

- worded to reflect in full the point that the marketer wishes to make about the product, service or promotion; or
- suitably qualified with additional information to ensure that consumers are not likely to be misled.

While the first approach is the most straightforward, CAP and BCAP recognise that there are occasions where marketers may choose to convey significant information using qualifications.

In such instances, the ‘qualifying ladder’ is a useful tool for marketers to understand the ASA’s likely expectations of the necessary prominence of qualifications.

Most claims in marketing communications fall into one of four categories from the most to the least prominent:

- headline;
- sub-heading;
- body copy; and
- footnote.

Where there is doubt, CAP advises that a qualification be moved up the ladder. It is possible to move up or down the “qualifying ladder”. For instance, if a primary claim in a headline requires a particularly significant qualification (for example in a sub-heading immediately following it), it is reasonable to expect that were that same primary claim to appear in a sub-heading it can then be qualified in the body copy.

[CAP Guidance on the presentation of compulsory charges in telecommunications contracts](#) states that a marketing communication will be more likely to comply if:

- It presents all compulsory elements of the total financial commitment (up-front costs, ongoing costs and contract length) together, avoiding undue emphasis on any one element.
- It presents one inclusive price for compulsory up-front costs and an inclusive price for a consumer's ongoing monthly cost (combining the line rental and broadband cost where line rental is offered by the provider).
- It makes clear if an introductory discounted price for one/some of the elements applies and, if so, for how long.

The CAP Code, and Advice Online on [non-optional charges](#), [delivery charges](#) and [ticket pricing](#) make clear that quoted prices must include non-optional fees or charges that apply to all or most buyers, for example compulsory delivery charges, booking costs on ticketing websites or credit card fees.

#### Statutory regulations for telecoms services

The remit of the ASA is limited to the content of marketing communications. However, there are also statutory requirements on information disclosure in relation to telecoms contracts that are important to take account of.

Ofcom's General Conditions of Entitlement<sup>4</sup>, with which all communications providers in the UK must comply, set out statutory rules on contractual information and how it is communicated to consumers.

New rules took effect on 17 June 2022, which state that before they are bound by a contract, customers must receive a detailed set of contract information in a clear and comprehensible manner and on a durable medium. This should include information on prices (including price variation clauses), the length of the contract and the process for cancelling.

If the contract contains a price variation clause, the providers should set out an example estimate in the contract summary and contract information of how an inflation increase will impact the customer's future monthly price (e.g. using a CPI value of 5%, this would mean the monthly price of £40 would increase to £42 from April the following year). Simply stating that there will be an (unspecified) uplift to the monthly price in line with a particular inflation index is unlikely to be sufficient.

Customers must also be given the right to exit their contract without penalty if a change has been made to the contract, unless the change is:

- exclusively to the benefit of the customer;
- purely administrative with no negative effect on the customer; or
- directly imposed by law.

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<sup>4</sup> [General Conditions of Entitlement](#)

If a provider increases any prices beyond what was agreed at the point the customer signed up, it must give the customer at least one month's notice of the price rise and allow the customer to exit the contract without penalty.

Further guidance on the Ofcom rules is linked below<sup>5</sup>.

Notwithstanding the above rules, which relate to information disclosure more broadly, the CAP, BCAP and the ASA look at whether advertising is likely mislead consumers.

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<sup>5</sup> [Revised guidance on GC C1 Contract requirements June 2022](#)

## Decision to consult and guidance proposal

Toward the end of 2021, the ASA raised concerns around a small group of investigations into the portrayal of mid-contract price increases in ads for several different telecoms providers, some of which involved competitor complainants. They questioned whether an individual casework approach was sufficient to address the issue in the round, given the different types of contracts available and their implications for consumers. CAP and BCAP agreed to examine the issue more comprehensively through a consultation process.

Through pre-consultation engagement with stakeholders representing views from industry, consumer groups, and regulators, CAP and BCAP identified the following key areas of concern:

- Consumer research on broadband shows that perceived complexity of products and potential for exposure to unexpected costs, and resulting lack of trust, can be a barrier to consumer engagement with these products and their ability to obtain the right product for their needs<sup>6</sup>.
- Rising inflation means consumers are experiencing a squeeze in the cost of living across all essential expenditure, including utilities, with low-income groups the hardest hit. In that context, it is even more important that consumers are presented with clear and prominent information in advertising about what their contract will cost them throughout its term.
- Inconsistent approaches to presenting information between providers.
- Inconsistent approaches to presenting information in different media. TV, marketers' own websites, online ads in third-party space and paid-for search results were highlighted as formats where more clarity was needed.
- A sense that the current position was too 'one-size-fits-all', suggesting the need for a more nuanced approach that would take account of differences between contracts and their implications for a consumer's rights under statutory regulations, as well as statutory requirements on the disclosure of information at the point of sale.
- The variety of products available, comprising different combinations of mobile and/or broadband services with or without other services that may have varying durations and conditions, can add to the complexity of material information that needs to be conveyed, and standards should acknowledge that.
- Division in the market between larger, leading providers that increasingly tend to include some form of mid-contract increase, and smaller players that are less likely to do so (and may make this a selling point of their offering).

### Analysis and recommended position

CAP and BCAP consider that:

- a) the existence or known possibility of a mid-contract price increase; and
- b) if known, the nature of that price increase

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<sup>6</sup> [Gigabit Take-up Advisory Group - Which? Consumer Insight, Broadband Engagement \(which.co.uk\)](#)

constitute material information that a consumer requires in order to make a transactional decision, including the decision to enquire or otherwise engage further in the sales process. Therefore, ads that omit that information or present it in an unclear, unintelligible, ambiguous or untimely manner are likely to mislead consumers.

In principle, tiered mid-contract price increases that consumers are contractually obliged to pay are analogous to other types of compulsory charges addressed in CAP Advice online, such as delivery charges and booking costs. The initial price period preceding the obligatory rise can be seen as functionally the same as an introductory discount period (how it interacts with intentional introductory offers, which are portrayed as such, is discussed later in this section).

If a tax, duty, fee or charge cannot be calculated in advance, for example, because it depends on the consumer's circumstances, the marketing communication must make clear that it is excluded from the advertised price and state how it is calculated. In the case of a variable contract, the application and potential nature of a price rise is not certain, but information about it will still be material to a consumer's transactional decision. In line with advice on delivery charges and other costs, it is reasonable to consider that ads for variable contracts should state that mid-contract increases may be payable alongside the price, with details of the nature of the possible increase, if known.

Overall, products in the sector have a potential to be complex and require consumers to engage with multiple different discrete pieces of information in order to determine what their monthly cost will be. Advertisers should ensure that all material information relating to the cost of a package is made sufficiently clear to consumers in marketing communications. Therefore, CAP and BCAP are mindful that guidance on this topic should not have the inadvertent effect of causing other material information to be less prominent.

CAP and BCAP consider that placing information on the presence or possibility of a mid-contract price increase directly adjacent to the initial price, would not give it undue prominence compared to other information. Monthly cost is likely to be one of the key considerations for consumers when choosing a telecoms package, and so it is reasonable to consider that the fact that price will or may not remain the same throughout the contract should be as up-front as possible, to enable consumers to make properly-informed decisions between packages. There are a variety of succinct ways that could be achieved, for example (but not limited to):

- starting at £X
- £X (2022-2023)
- £X until April 2023

Having had their attention drawn to the increase in the initial price claim, it is likely that consumers will be sufficiently motivated to refer to additional, more detailed information about how the price increase will or may be calculated at a slightly lower level of prominence, particularly if linked to the primary claim via an asterisk.

As above, in a variable contract, statutory regulations provide that the customer must be informed about any increase not described in the contract with one month's notice and have the right to terminate the contract without penalty fees. Some stakeholders have argued that this means information about price rises for this type of contract is of less importance than for a tiered contract.



However, the test that CAP and BCAP must consider is whether the ad is likely to cause the consumer to have taken a different transactional decision than they would have otherwise.

Despite the statutory rights accorded to the consumer, the fact prices may go up, which is something consumers will need to be alert to in order to make sure they exit in time and go through the effort of finding a new deal, is significant to their transactional decision to enquire further about the advertised service.

While CAP and BCAP acknowledge that some ads may be genuinely limited in the amount of information they can include and be able to place some information one click away, consumers must not be misled by omission into clicking on the link. The information indicating that the headline price will or could rise is material and CAP and BCAP consider that its omission is likely to affect a consumer's transactional decision to click the link. If information indicating the presence of a rise can be included, then further detail about the nature of the rise (where known and relevant) will not add greatly to the length of the ad.

Given the position previously taken by the ASA Council, and CAP and BCAP's understanding that consumers need as much material information as possible to enable them to make a transactional decision to enquire further, CAP and BCAP consider the model recommended is the least likely to mislead consumers. CAP and BCAP also recommend that the guidance should treat ads for both types of contracts equally, in terms of the level of prominence with which information about mid-contract price increases is expected to be displayed.

Note that ads for telecoms contracts may include additional introductory discounts for a limited period, separate to the initial price before an in-contract price increase. For example, a package on a 24-month contract may be offered at £10 for the first six months, and thereafter at £20 until the next annual tiered increase. Where different types of increases will apply during the contract term, advertisers should make sure they are clear what they are and when they will apply.

### **Terminology**

Some stakeholders have questioned the extent to which consumers understand what initialisms like CPI and RPI refer to, and indeed their understanding of inflation measures more widely. On balance, we consider that ads are less likely to mislead consumers where they write out the initialisms in full and also make clear that the term used refers to a measure of inflation.

### **Timing**

The ASA has received complaints in the past from consumers who saw a monthly price for a tiered telecoms contract advertised shortly before the annual price increase in April, meaning that the initial price only applied for a month or two. Contracts frequently have durations of 18 months or more. It is advisable that marketers take extra care when advertising close to a tiered price increase, to ensure it is clear to consumers that the price will go up imminently.



### Guidance proposal

CAP and BCAP have set out a model which they consider is most likely to comply with the Codes and least likely to mislead consumers into making a transactional decision they would not otherwise have taken. The model is not intended to prescribe or proscribe any particular approach. However, CAP and BCAP consider that by conforming with the principles outlined, marketers are less likely to be in breach of the rules and that approaches where the information about mid-contract price information is not in line with these principles carry a greater risk of breaching the rules.

The model accounts for a variety of media, and both tiered and variable contract types. Guidance would expand on this and could include more detailed examples illustrating how price-rise information might be presented alongside other elements of compulsory information (seen in Appendix).

The model places information indicating that the price will or could rise immediately adjacent to the price claim, with further details placed one step away, linked by an asterisk. This reflects the position confirmed by the ASA Council in relation to previous rulings.

As ever, ads will be assessed by the ASA on a case-by-case basis, taking into account factors including the likely audience, medium and context in which the ad appears.

An ad is more likely to comply when:

- Information indicating the presence or possibility of a price rise is either part of the price claim, or placed immediately adjacent to it.
- If known, information about the nature of the price rise is featured prominently within the main copy of the ad.
  - In static-format ads, no lower than one 'step' below the initial price claim and linked by an asterisk to the main price claim.
- Descriptions of future price rises and terminology used are clear and simple to understand, and initialisms like RPI are written out in full the first time they are used in an ad, and appended with 'rate of inflation' to aid understanding.
- Advertisers take care to distinguish the full contractual price ahead of the tiered increase from any other introductory discounts that may apply.
- Advertisers are mindful of the time of year the ad is being published, relative to the timing of any compulsory or potential annual inflation-linked increase (usually April) to avoid misleading consumers.

Where a product listing is included on a webpage with multiple other listings, then it may be sufficient to link each price statement to one or more qualifications providing further information, lower down the page – provided the qualification is sufficiently prominent.

In the presence of mitigating factors, advertisers may need to consider taking further action in order to ensure material information relating to in-contract price increases is sufficiently clear.

These may include:

- a larger quantity of compulsory information
- additional emphasis on price ("only £30 a month" or similar)
- a smaller physical size or shorter length of an ad

- emphasis on the minimum contract term in close proximity to the price, such that it implies that price will apply throughout the minimum period (“£30 a month for 24 months)

Please see examples in Appendix.

## Consultation questions

1. Do you agree with the guidance principles set out above?
2. Do you agree with taking the same approach to ads for both tiered and variable contracts, in terms of the level of prominence expected for information about mid-contract price increases?
3. Do you have any comments on the use of terms used to describe rates of inflation such as CPI and RPI, and the level of understanding consumers have of these terms (including when they are referred to using an initialism only)?
4. Do you agree with the mitigating factors listed as having the potential to cause an advertiser to take additional action in order to ensure material information relating to in-contract price increases is sufficiently clear?
5. Do you agree that in instances where multiple offers/products appear on one page (for example, on a telecoms provider's own website), it may be sufficient for prices to link or refer to a suitably-prominent single piece of information about mid-contract price increases, rather than including this information within each individual product listing?
6. Do you have any other comments or suggestions in relation to the proposals?

## How to respond and next steps

CAP and BCAP are committed to considering all responses carefully and with an open mind. CAP and BCAP would particularly welcome responses from stakeholders with an interest in telecommunications.

The following summarises the consultation process and subsequent stages of CAP's consideration of the proposed changes to the Code:

- the consultation will run for 10 weeks, closing at 5pm on 17 November;
- CAP will consider each response carefully and evaluate all significant points explaining the reasons behind the decisions they make; and
- the evaluation will be published on the CAP website when the outcome of the consultation is announced.

### How to respond

CAP and BCAP invite written comments and supporting information on the proposals contained in this document by 5pm on 17 November.

Responses via email with attachments in Microsoft Word format are preferred to assist in their processing.

Please send responses to: [AdPolicy@cap.org.uk](mailto:AdPolicy@cap.org.uk)

If you are unable to respond by email you may submit your response by post to: Regulatory Policy Team, Committee of Advertising Practice, Castle House, 37-45 Paul Street, London EC2A 4LS

### Confidentiality

CAP and BCAP considers that everyone who is interested in the consultation should see the consultation responses. In its evaluation document, CAP will publish all the relevant significant comments made by respondents and identify all non-confidential respondents. The evaluation and copies of original consultation responses will be published with the outcome of the consultation.

All comments will be treated as non-confidential unless you state that all or a specified part of your response is confidential and should not be disclosed. If you reply by email or fax, unless you include a specific statement to the contrary in your response, the presumption of non-confidentiality will override any confidentiality disclaimer generated by your organisation's IT system or included as a general statement on your fax cover sheet. If part of a response is confidential, please put that in a separate annex so that nonconfidential parts may be published with your identity. Confidential responses will be included in any statistical summary of numbers of comments received.

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