

VodafoneThree's submission to CMA's consultation on price transparency guidance (CMA209con) [NON-CONFIDENTIAL VERSION]

1. Executive summary

We appreciate the further consideration that the CMA has given to its approach on the enforcement of price transparency, and we are of the view that this work has resulted in improved guidance which better reflects the needs of consumers.

While VodafoneThree agrees with the majority of the CMA's proposals, we believe that some further clarification and evolution is needed to ensure that the rules pertaining to pricing transparency do not duplicate existing regulation, and enables the telecoms industry to implement it in such a way that reflects the nuances of such a complex market.

We set out below our comments in more detail. Our submission to this consultation focusses mostly on "Q5 (d)" and "Q6" of the "Consultation document".¹

2. Areas requiring further consideration

2.1 One-off fees

UK consumers are accustomed to evaluating mobile and broadband offers based on one off cost, monthly pricing and contract duration. This model is long-standing and sits within a mature regulatory framework, namely:

- Ofcom's General Conditions
- CAP and BCAP guidance
- FCA consumer credit rules

These frameworks ensure that VodafoneThree's current advertising practices—displaying monthly pricing alongside clearly stated upfront costs and appropriately placed contract duration—are fully compliant with all applicable consumer protection laws and sector-specific regulations. We are concerned that the CMA's guidance, as currently articulated, could be implemented in such a way that would cause confusion for customers. As such, for the reasons set out below, we believe that the CMA should clarify the genuine upfront costs that represent a payment towards the product or service itself should be advertisable on the basis of being an upfront payment.

How one-off payments in telecoms differ from the gym membership example:

VodafoneThree fully supports the concept of cost transparency, and the need to ensure that all fees that a customer will pay are clear. We agree with the CMA that companies should not be able

¹ [Consultation on draft guidance for businesses on the price transparency provisions of the Digital Markets, Competition and Consumers Act 2024, 3 July 2025](#) : "Is the guidance on how businesses should present 'monthly pricing' clear? Do you have any comments on the illustrative examples provided in the Draft Guidance?"

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to "hide" administrative or joining fees from a customer, as clarified in its gym example. However, we recommend that the CMA should clarify the difference between such fees which are paid when supply commences versus genuine one-off costs which might be divorced from the supply of any product or service.

The CMA's example of a gym membership examines a scenario where a customer must essentially pay an administrative fee for their contract to commence immediately, despite that fee not being a payment towards an element of the service. It is therefore entirely reasonable in this scenario that that payment be included in the first month's cost.

The CMA has said where there is an initial upfront payment "*the trader must provide...a total monthly price for the first month that includes those fees*".

In telecoms, it is typical for a payment to be made at the point of sale, but:

- these are not administrative fees, but rather payments made directly towards the service or device being purchased;
- the payment may take place more than a month in advance of the service commencing; and
- in some cases the customer may decide themselves whether to pay at the point of sale or to include in the first months' bill.

As a result, this could mislead a customer around the timing of when payments will be made in a way that the CMA does not intend. This is shown in the below examples.

Example 1: Purchase of a handset and airtime contract where device is not immediately available:

In many situations, a customer may purchase a handset which is not immediately available. This is not uncommon in the mobile handset market, where newly released, popular handsets can be subject to supply limitations.

A customer places an order on 1 August for a handset and airtime contract. The handset is not immediately available due to stock limitations. The customer's purchase requires an upfront payment of £50 towards the phone, and a recurring payment of £10 per month for the airtime contract and £20 a month for the handset loan. In line with the CMA's guidance, the customer is advised that they will pay £80 in their first months bill.

However, the customer's upfront payment is made on 1 August. Their device is shipped on 1 September, and the supply of their service for airtime commences on 3 September once the customer has received their device and activated their airtime contract. The customer will not receive their first bill until their service has commenced in September.

Including the upfront cost in the first month's advertised price would misrepresent the actual billing structure and confuse consumers in such scenarios, as they have made their initial payment of £50.

Example 2: Customer purchases a handset and airtime but chooses a payment date late in the month:

A customer is purchasing a handset loan and an airtime contract from VodafoneThree. The customer's purchase requires an upfront payment of £50 towards the phone, and a recurring payment of £10 per month for the airtime contract and £20 a month for the handset loan. The customer is purchasing this contract on the 1st September.

If we were to combine the upfront cost and customer's first monthly payment for the airtime and handset loan, the customer will be told that they will pay £80 in their first month's bill.

When completing their purchase, the customer may set their billing day at the end of the month, e.g. 28 September, to account for their income being paid at the end of the month. The customer may need to do this in order to ensure that they have sufficient funds to meet their outgoings throughout the month. Because the customer has been told that £80 will be paid in their first bill in advertising and other touch points, they do not expect that an immediate upfront payment will be taken on 1st September and this subsequently impacts their ability to afford other services and goods for the remainder of September. This could be avoided if it is made clear throughout that the upfront payment is due immediately, rather than as part of the first monthly bill.

Example 3: Broadband installation fee:

When installing broadband for a customer, a broadband retailer is required to pay an installation fee to its wholesale supplier. Some broadband retailers charge the end customer a connection fee upfront to cover this cost, either in part or in full. As such a installation fee may be paid immediately at point of purchase. However, due to complexities in supply, installation and commencement of service may not occur for weeks (or longer in exceptional cases), meaning that billing may commence significantly after the initial payment has been made.

Take a customer who is purchasing broadband on 1 December. They are required to pay an upfront installation cost of £20, and their monthly price will be £30. Under the CMA's guidance, the customer is informed that their first monthly bill will be £50.

The customer's installation fee payment is taken immediately upon completion of purchase, 1 December. However, due to a shortage of engineers, the wholesale supplier is not able to connect the customer until 1 January. As such, their service does not start until a month after this initial payment has been made, and their first bill does not fall until a month after the initial payment has been made. As a result, the customer has been given incorrect information about how their payments will fall, which could be avoided if the upfront cost was separated from the monthly bill.

Potential to make price comparison harder:

Including the upfront charge in the first month's price significantly increases the cognitive burden on consumers, creating challenges in comparing advertised price points in the market. We believe that this could be counter to the CMA's intention of ensuring that customers are able to easily compare deals in the market and ensure they are receiving the best deal for them.

For example, consider two tariffs for the same level of service:

- Tariff 1 which has an upfront cost of £20 and a recurring monthly payment of £10; and
- Tariff 2 without any upfront payment and a recurring monthly payment of £20.

Under the CMA's guidance, Tariff 1 will advertise two price points, £30 in month one, £10 every month after. Tariff 2 will advertise a single price point of £20.

When individuals are presented with multiple numerical variables—especially those that are not intuitively comparable—it becomes harder to process and evaluate options effectively. Cognitive overload can then lead to decision fatigue or reliance on mental shortcuts, such as focusing solely on the headline price. It is reasonable to assume that there are scenarios than when presented with multiple price points in relation to a monthly price for Tariff 1 as against Tariff 2 that a customer could incorrectly conclude that the price for Tariff 2 is cheaper, despite Tariff 1 offering better value for money overall.

By comparison, separating the upfront cost into a separate, clearly described price point, and maintaining a single price point for the monthly price, the customer remains able to compare the usual monthly price of each contract, while retaining the ability to understand their overall payment. We are therefore of the view that by including the upfront cost into the first month's figure, the pricing presentation becomes less transparent and more difficult to interpret, increasing the risk that consumers will misunderstand the true monthly cost. We bring the above to life in the last paragraph of our submission.

Inclusion of one-off upfront cost: principle vs. practicality:

VodafoneThree fully supports the principle that all mandatory charges should be disclosed clearly and upfront. Transparency is essential to consumer trust and informed decision-making. We recognise and agree with the CMA's position that "*the total monthly price should include all the mandatory charges which will fall due for payment in that month.*" This principle will help to significantly reduce harm in markets where administrative fees are obscured from the customer.

However, we believe that the interpretation of this principle—particularly in relation to upfront costs—requires greater flexibility in the telecoms context. Folding genuine up-front charges into the first month's advertised price does not reflect the actual payment schedule and risks confusing consumers rather than informing them. The principle ("include mandatory charges falling due that month in the monthly price") should be interpreted to preserve billing truth and consumer clarity.

This point is all the more relevant when we consider that, unlike in the gym example, in the telco market, upfront costs are variable and highly dependent on the customer's choices and specific circumstances (e.g. handset choice). Because of this variability, it will be harder for customers to reverse-engineer their upfront cost when it is aggregated into the first month's cost. VodafoneThree is of the view that this is unlikely to aid customers in understanding their purchase. Provided costs are transparent, as they must be under existing sectoral regulation,

implementing the requirements around upfront costs will likely only serve to create more transparency issues.

In view of the above, we ask the CMA to amend its draft guidance to allow flexibility in how providers present one-off fees - whether as a separate line item, a combined first-month figure, or alongside the monthly price and contract duration - provided the presentation is clear, prominent, and not misleading.

2.2 Device cost disclosure

VodafoneThree acknowledges the CMA's position² that device plans—such as handset or tablet purchase agreements—are distinct from rolling monthly service contracts and should be treated as standalone credit arrangements. We agree that consumers should be provided with the total cost of the device in a clear and accessible manner. However, it is important to recognise that this requirement is already embedded in the Financial Conduct Authority (FCA) financial promotion rules and the Consumer Duty:

FCA financial promotion rules mandate that any promotion for a regulated credit agreement must include:

- The total amount payable;
- The monthly instalments; and
- A representative example where applicable.

These disclosures must be made at the point of promotion whenever cost or credit terms are referenced.

Under the Consumer Duty, firms must ensure communications enable customers to make effective, timely, and properly informed decisions. This includes avoiding behavioural biases—such as omitting the cumulative cost of borrowing—which could lead to consumer detriment. The FCA has explicitly stated that failing to present the full cost of the device (and instead only showing monthly instalments) risks misleading consumers and undermining fair value assessments. VodafoneThree already complies with these obligations.

Our advertising and purchase journeys for device plans (i.e. Consumer Credit agreement) present the total amount payable, monthly instalments, and a representative example wherever device financing is promoted. These disclosures are made clearly in advertising materials and during the online purchase journey. The total device cost is included in the FCA-mandated credit table, or other appropriate location which is shown to customers before they enter into any agreement. Importantly, in our view, the FCA does not prescribe a fixed location for the total cost disclosure (e.g., homepage vs product page), but requires that it be prominent and likely to be seen.

² Paragraph 4.33 of the [Consultation document.pdf](#) "For completeness, the CMA notes that the 'device plans' sold in the telecom sector (eg contracts for the purchase of a handset or tablet) are not contracts for the provision of a rolling monthly service but separate agreements to pay for the purchase of the device. As such, the reasoning at paragraph 4.31 above does not apply to these types of products. For device plans, the total cost of the product must be provided in the same way that it should be for any other product purchased on finance (eg a sofa). The total cost of the device does not necessarily have to be the most prominent price, as long as it is presented clearly and in a way the consumer is likely to see it"

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VodafoneThree meets this standard by integrating the total cost into the customer journey in a way that is clear and accessible.

To conclude this point, we support the CMA's objective of transparency but believe the proposed requirement is already satisfied under existing FCA rules and our current practices. Any additional formatting or placement requirements on device total cost should be carefully considered to avoid duplication, regulatory conflict, or unnecessary operational burden—particularly where no evidence of consumer harm has been identified. We recommend that the CMA revises its guidance to clarify that compliance with FCA requirements governing financial promotions and consumer credit disclosures will be sufficient to satisfy the total price transparency requirements.

2.3 Complexity of dual tenure

Paragraph 5.31 of the Draft Price Transparency Guidance ³ states that pricing should be presented "*alongside a prominent statement of the number of months the consumer is committed to pay that price for.*" While we support the principle of ensuring consumers are aware of the duration of their financial commitments, this requirement does not necessarily align with the structure of the typical airtime and consumer credit propositions found in telecoms, such as Vodafone EVO.

Vodafone EVO is composed of two separate agreements:

- An airtime contract (typically 24 months), and
- A consumer credit agreement for the device (typically 36 months).

Each component has its own pricing, terms, and regulatory obligations. Requiring a prominent statement of the number of months the consumer is committed to pay "that price" for becomes problematic in this context, because there is no single price that applies across both tenures. Instead, the consumer is paying two different prices over two different durations. Attempting to summarise this in a single statement would either:

- Oversimplify and mislead, or
- Add unnecessary complexity and cognitive load.

This complexity is already addressed in detail through Vodafone's FCA consumer credit table, which is provided to the consumer at the point of advertising, during the customer journey and at the point of checkout. This information sets out the monthly cost and duration of each component, the total cost, and any applicable upfront charges.

Please find below a current example which is present in all of Vodafone's current advertising:

Device	Duration of Credit Agreement	Monthly	Credit Amount	Upfront Cost	Total Cash Price	Representative APR	Airtime Plan	Duration	Monthly	01-Apr-26	01-Apr-27
Phone X 60 Pro	36m	£15pm	£540	£10	£550	0%	Ult'd Max	24m	£5pm	£6.80pm	£7.60pm

³ [Draft Price Transparency Guidance \(CMA209con\)](#)

In addition, the customer journey and checkout process have been carefully designed to support consumer understanding. At each stage, the consumer is presented with a breakdown of the two components, including the respective monthly costs, contract lengths, and total payable amounts. This is reinforced through visual separation and clear language.

Introducing an additional requirement to display a prominent statement of the number of months alongside the advertised price that the consumer is committed to pay “that price” for risks duplicating existing disclosures, creating confusion, and undermining the clarity our customer journey already provides.

It is our view that ensuring compliance with existing regulation achieves the same positive customer outcomes that the CMA is achieving through the Guidance. We therefore urge the CMA to further consider the regulatory and structural realities of dual-tenure propositions and avoid imposing a format that oversimplifies or distorts the nature of the consumer's commitment, and ensure that there is sufficient flexibility to enable this approach to continue.

3. Implementation costs, Operational impact, and Timeline feasibility

Requiring one-off fees to be folded into the “month one” price and/or attempting to deal with dual tenure propositions in a single statement would represent a fundamental redesign of pricing architecture across VodafoneThree's entire ecosystem. Sadly, this will not be a simple content update. Amongst other things, it would require:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

VodafoneThree operates across multiple brands and channels—web, app, retail, telesales—each with distinct pricing architectures and customer experience flows. Implementing these changes would require:

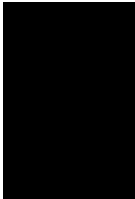
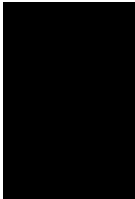
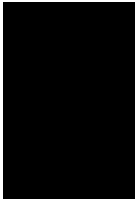
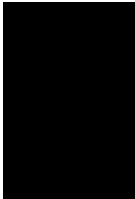
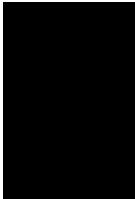
- [REDACTED]
- [REDACTED]
- [REDACTED]

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As you can appreciate, this is a multi-month programme, with a multi-million pound implementation, requiring cross-functional governance, budget allocation, and phased rollouts to avoid inconsistencies that could confuse consumers and undermine trust.

Even under optimal conditions, delivering these changes would require:

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For VodafoneThree, this equates to a minimum lead time of 9–12 months from publication of final guidance to full implementation across all channels.

Should the CMA proceed with its proposal, we strongly recommend:

- A clear and extended implementation window following publication of final guidance
- Industry engagement to co-develop a realistic transition timeline
- A phased or optional approach for complex propositions such as dual-tenure contracts
- Alignment with existing regulatory frameworks (Ofcom, FCA, ASA) to avoid duplication and unnecessary operational burden

4. Recommendations

In light of the above, we respectfully urge the CMA to refine its proposals to:

- ensure flexibility in how providers present transparency around genuine upfront costs to the service which may not be paid as part of a monthly bill, device cost disclosure and dual tenure contracts —provided the presentation is clear, prominent, and not misleading.
- recognise that compliance with sector specific regulation on price transparency can achieve the same ends;
- provide an implementation period (we propose 9–12 months) from publication of final guidance, plus a grace/monitoring period before enforcement, given the breadth of journey, pricing-system, and credit-disclosure changes required.

8 September 2025

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Annex A

In this Annex, we have included an illustrative example to aid in the CMA's consideration of our submission. Please refer to the below, which demonstrates our current advertising approach. All pricing information is presented with clarity and transparency, including monthly cost, contract duration, upfront cost, total device cost, and annual price adjustment. These elements have been clearly highlighted for ease of reference. We therefore ask the CMA to allow us to continue with our current approach.

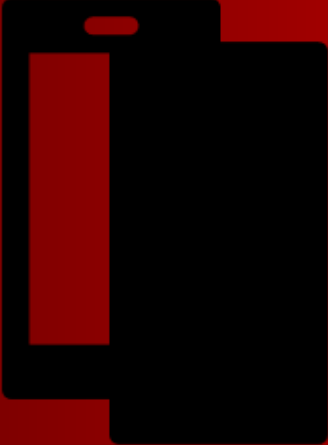
Please note that the template provided is for illustrative purposes only and may contain minor numerical inaccuracies.



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Device	Duration of Credit Agreement	Monthly	Credit Amount	Upfront Cost	Total Cash Price	Representative APR	Airtime Plan	Duration	Monthly	01-Apr-26	01-Apr-27
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