



Melanie Dawes
CEO, Ofcom

25 November 2025

Dear Melanie,

Telecoms Pricing and Transparency

We are writing in light of recent developments in the telecoms market concerning mid-contract price rises, and the important role Ofcom continues to play in protecting consumers in this sector. This builds on correspondence you have already exchanged with the DSIT Secretary of State.

We welcome the action Ofcom took in January to increase transparency around how in-contract price changes are presented to customers entering new contracts and note your recent statement expressing disappointment with O2's decision to increase prices. We share your concern that these price rises run counter to the spirit of your previous regulatory changes and are particularly disappointing in the context of ongoing cost of living challenges facing many consumers.

As you are aware, inflation remains a key challenge for the government, and we are determined to bear down on it wherever possible. The impact of rising costs on consumers, including in essential services such as telecoms, must be minimised.

The DSIT Secretary of State wrote to you recently requesting an assessment of the impact of the January rule change, as well as consideration of further measures to strengthen consumer protections and transparency in pricing. HM Treasury supports this approach, and we understand that Ofcom is due to publish a report in February outlining trends in switching across telecoms services, as well as data on consumer engagement and confidence in the market.

Building on this work, we would ask that Ofcom produces an interim review of the impact of the January 2025 changes by Spring 2026 with a full review due in 2027.

Separately, we would also ask that Ofcom review the suitability of the current 30-day notice period rule. Specifically, we would welcome Ofcom's assessment on whether the current rule sufficiently enables consumers to exit their contracts at the point when a price increase takes effect. As we are sure you would agree, it is vital that customers can move to other providers as easily as possible in the face of uncontracted price increases.

This government is keen to play a convening role with industry to underline the importance we attach to these issues. We will be seeking voluntary commitments from industry to protect consumers from unfair pricing practices and would be grateful for Ofcom's support in the coming weeks regarding this.

Ensuring fairness in the telecoms market is vital to supporting consumers and maintaining trust in the sector. Our officials stand ready to discuss these matters further, we are open to further suggestions you may have to improve consumer outcomes in this sector.

Yours sincerely,

A handwritten signature in dark ink that reads "Rachel Reeves". The script is fluid and cursive, with the first name and last name clearly distinguishable.

RT HON RACHEL REEVES MP
Chancellor of the Exchequer

A handwritten signature in dark ink that reads "Liz Kendall". The script is cursive and somewhat stylized, with the first name and last name clearly distinguishable.

RT HON LIZ KENDALL MP
Secretary of State for Science,
Innovation and Technology