citizens advice

Digital Economy Bill: New Clause - Bill limits for mobile phone contracts [after Clause 2]

Citizens Advice helps people find a way forward.
We advocate for our clients and consumers on the issues that matter to them.

Why are bill limits for mobile phone contracts needed?

- **Citizens Advice helped 40,000 customers** with their mobile phone debt last year. Of these, almost a third were young people under 30.
- **Mobile phones are no longer a luxury product - they are an essential part of modern life.** Therefore, the potential implications of mobile phone debt and disconnection are severe.
- **Low income households are more reliant on their mobile phone than other households** - they are five times more likely to be mobile-only (no landline or broadband) than the highest earning groups.
- **A major cause of mobile phone debt is unexpectedly high bills**, which are usually caused by consumers using services not included in their standard monthly tariff.
- **These unanticipated bills can make it harder for consumers to budget**, especially if they are on a low income.
- **Unexpected bills can exacerbate a consumer's debt problems** - 70% of Citizens Advice clients who receive mobile phone debt advice, also receive advice on other debts.

What will the new clause do?

Bill limits for mobile phone contracts would ensure that:
- All consumers have the option to put a cap on their monthly mobile phone bill.
- The consumer bears no cost for the supply of any service above the cap.
- Consumers are able to budget more effectively.
- Consumers can avoid unaffordable debt.

Case study

Dennis*, who is in his 80s, was shocked to find his monthly mobile phone bill was £124.81 instead of his normal contract fee of £8. His mobile phone provider said it was because he had called an expensive service number. His phone was disconnected until he paid a reconnection fee.

A cap on bills would help to ensure that consumers are not hit by unexpected debt that they are unable to pay back.

*Name has been changed to retain confidentiality

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