Mobile users ‘stuck between mid-contract hikes and exit fees of more than £400’

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obile phone users are facing the option of “exorbitant” mid-contract price rises or exit fees of more than £400, a consumer group has warned.

Which? is calling on providers to reconsider price rises – regardless of whether they are “transparent” – as consumers grapple with the ongoing cost-of-living crisis, and allow customers to leave their contract without penalty if charges are hiked mid-contract.

It has also urged them to cancel 2023’s inflationary-charged hikes for financially vulnerable consumers.

The “big four” mobile firms – EE, O2, Three and Vodafone – raise prices every April in line with the Consumer Price Index (CPI) or Retail Price Index (RPI), plus an additional 3.9%.

With many households struggling to make ends meet, it is completely unfair that people are trapped in this situation

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EE, Three and Vodafone use CPI – leading to price increases of more than 14% this year, while O2 uses the higher [RPI](#) measure, meaning some customers will face hikes of more than 17%.

As the price rises are often applied mid-contract, customers either have to accept them or pay exit fees to leave.

The price hikes are highest for bundled contracts when the customer pays for both usage and the handset.

Which? calculated that the average EE customer on a bundled contract would see an annual increase of £66.36, while the typical Three customer would see a hike of £56.40.

The same EE customer would face exit fees of £424.67 to leave a year early and Three's customer would need to pay £379.46 to leave their contract.

Additionally, using the example of an EE customer who took out a 36-month contract for an iPhone Pro Max with unlimited data, Which? estimated the customer would pay an additional £105 for the handset over the next year due to the price increases.

It calculated that the Three customer with the same contract would pay an estimated £86 extra for the handset over the next year.

For O2 and most Vodafone contracts, only the airtime part of a contract is subject to inflation.

An average SIM-only customer with EE would see a potential annual increase of £46.20, followed by O2 and Vodafone customers who would see annual price hikes of £42.72 and £42.36 respectively. The average customer with Three would see the lowest annual increase of £25.20.

EE SIM-only customers would face the highest exit fees of £295.36 if they wanted to leave a year early, followed by Vodafone and O2 customers at £287.88 and £237.08.

Three customers face the lowest exit fees of £169.59 for leaving their contract a year early.

Ofcom is currently investigating mid-contract price rises and their fairness for consumers.

Rocio Concha, Which? director of policy and advocacy, said: “It’s hugely concerning that many mobile customers could find themselves trapped in a Catch-22 situation where they either have to accept exorbitant – and difficult to justify – mid-contract price hikes this spring or pay costly exit fees to leave their contract early and find a better deal.

“With many households struggling to make ends meet, it is completely unfair that people are trapped in this situation. Which? is calling on providers to act quickly and reconsider any price rises. Firms should cancel 2023 hikes for financially vulnerable consumers and allow all customers to leave without penalty if they face mid-contract price rises.”

An EE spokesperson said: “We strongly refute the research methodology used by Which? to compare SIM only and handset plans to calculate inflation related price rises. This figure was calculated using a SIM only deal, when in fact we do offer a limited number of plans where customers can pay for their handset and monthly line rental separately.

While price rises are never welcome, we do feel this year’s increase, of around £1 per week for the average customer receiving the rise, reflects incredible value given the cost increases we’re facing, the considerable investments we’re making, and ultimately the additional data that’s being consumed month on month by our customers

Financially vulnerable customers are protected through our market leading social tariffs. Any customer worried about paying their bills should contact us and we will help find a solution which works for them.”