

Price Increase – Misleading End-Users, Clear Agreements and End-User Rights

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Why is it important to talk about prices and clear agreements?

- Market dynamics
- Technology advancements
- Development of bundles and new services
- End-users' needs and expectations
- Cost predictability
- End-user protection
- Prevention of misunderstandings
- Improved relations among end-user, service provider and regulator
- Maintenance of stable business environment

Relevant aspects

End-users

- Cost predictability
- Right to informed decision
- Trust in services they use

Service providers

- Less complaints and refunds
- Lower churn rates
- Stronger market reputation

Regulator (RATEL)

- Stable and predictable market
- Less disputes and interventions
- Alignment with the EU practice and recommendations

Increase of electronic communication service prices: challenges and optimal solutions

Challenges



- What changes?
- When?
- Consequences?

Notification

Regulation



- Law on Electronic Communications
- Law on Consumer Protection
- Rulebook on information on contract terms that a provider of publicly available electronic communications services is obliged to publish, the manner of their publication and deadlines, the contract summary form and the content of the notification of the intention to unilaterally change the contract terms and the end-user's right to terminate the contract before the expiry of the period for which it was concluded

Role of RATEL and the line ministries in the context of price increase

RATEL

- Out-of-court dispute resolution
- Price trend analysis

Ministry of Information and Telecommunications

- Acting upon Regulator's requests
- Inspection supervision

Ministry of Internal and Foreign Trade

- Carries out supervision over the implementation of the Law on Consumer Protection

Practice in the EU and the region

In some European countries, the following principles are combined to maintain market stability:

1

Transparent information to end-users

- Notifications about price changes must be clear, simple and timely.
- In most EU countries notifications are sent 30 days in advance – a standard also applied in Serbia.

2

Predictability through clear formulas

In Europe, it is increasingly common for service providers to incorporate transparent price indexation formulas (e.g. inflation-related) into contracts, which allows end-users to know in advance under what conditions price increases may occur.

3

Right to terminate contract without penalties

In accordance with the EU practice, end-users must be able to terminate the agreement if the changes significantly affect the price or quality of service – a principle already applied in Serbia (LEC, Art. 131).

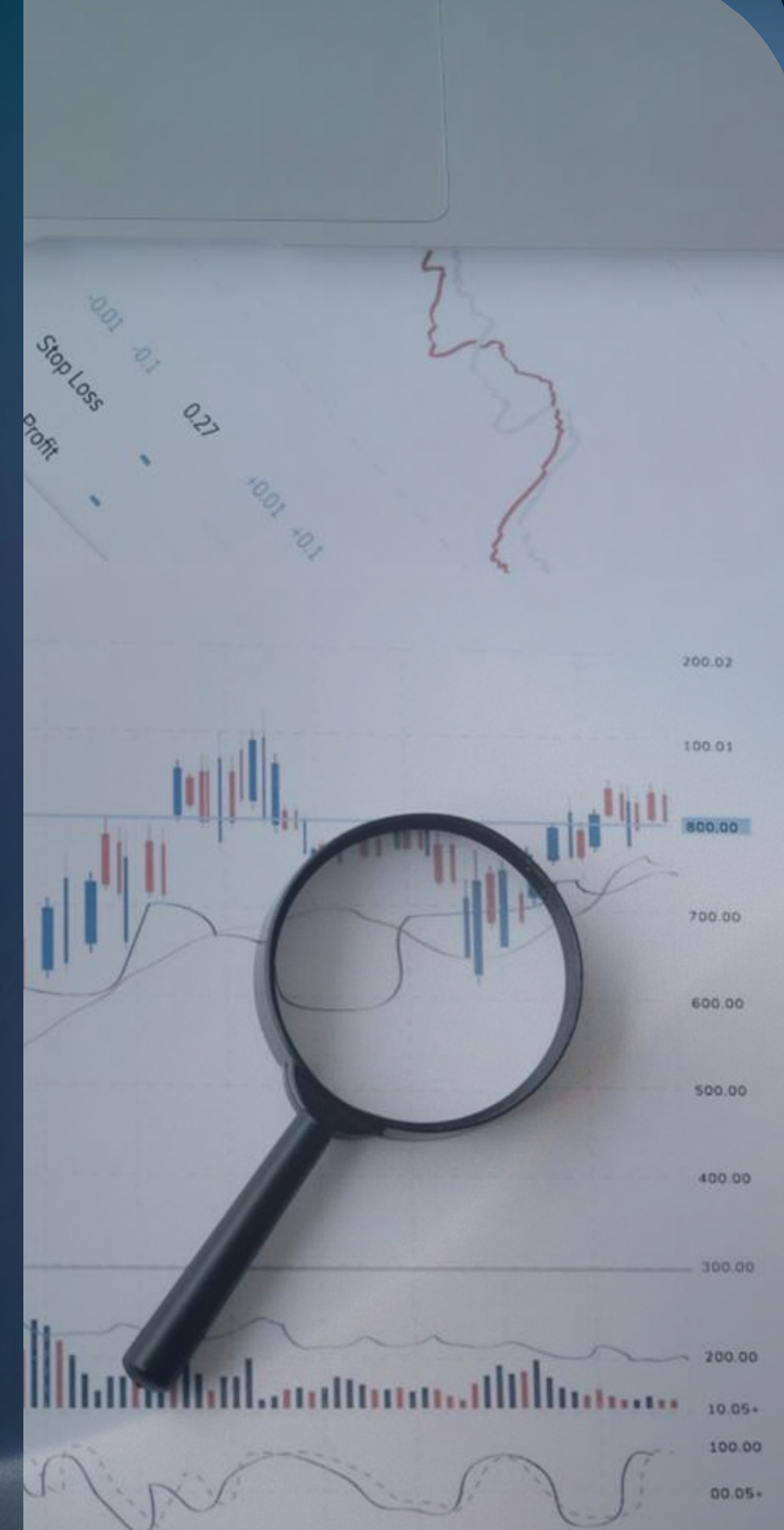
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Education and comparative offers

Regulators in the EU and the region are developing online calculators and interactive tools that allow end-users to compare prices and packages offered by different operators – which directly increases market competitiveness.

Misleading end-users – the most frequent problems in the Republic of Serbia

- Notifications without clearly stated termination deadline and consequences
- Mixed marketing messages and notifications
- Inaccurate representation of packages
- Unclear distinction between permanent and promotional prices
- Incomplete information about additional costs
- Roaming – notifications on prices and excessive consumption
- Activation and use of value-added services



End-user FAQs

Misconception by end-users	Actual legal explanation
„Any price increase is illegal.“	Price change is allowed. If the change in the terms of the contract is significant and to the detriment of the user, the end-user has the right to terminate the agreement without having to pay any costs (LEC, Art. 131).
„The service provider must seek my consent for any change.“	The law does not require consent, but rather timely notification (30 days in advance) + the right to terminate.
„If the agreement term is 24 months, the price is unchangeable.“	The duration of the contract does not exclude changes to the terms. If the change is to the detriment of the user → the right to terminate without obligation to pay additional costs.
„Notifications via SMS or e-mail are not valid.“	SMS/e-mail are valid channels if they contain all mandatory elements and deadlines (Rulebook on information on contract terms, Art. 14–16).
„If I do not accept the price increase, the service provider must charge me the old price.“	The end-user has the right to terminate the contract without having to pay additional costs, but not the right to insist on the old price of the service.
„If I terminate the agreement due to a price increase, I do not have to return the equipment.“	The end-user must return the terminal equipment (modem, router, STB). If it is not returned within the deadline → penalty fee applies (Rulebook, Art. 14–16).
„All promotional features are permanent part of the package.“	Promotional benefits (e.g. extra GB, TV channels) are time-limited. When they expire, it is not a price increase, but the end of the promotion.

Consequences of misleading end-users:

- Financial loss for end-users (unexpected costs)
- Additional resources employed by service providers and the Regulator
- Weakening of confidence in the market
- Increased number of requests for termination of end-user agreements
- Large number of complaints and requests for out-of-court dispute resolution before the Regulator

Statistics of complaints/requests for out-of-court dispute resolution submitted to the Regulator:



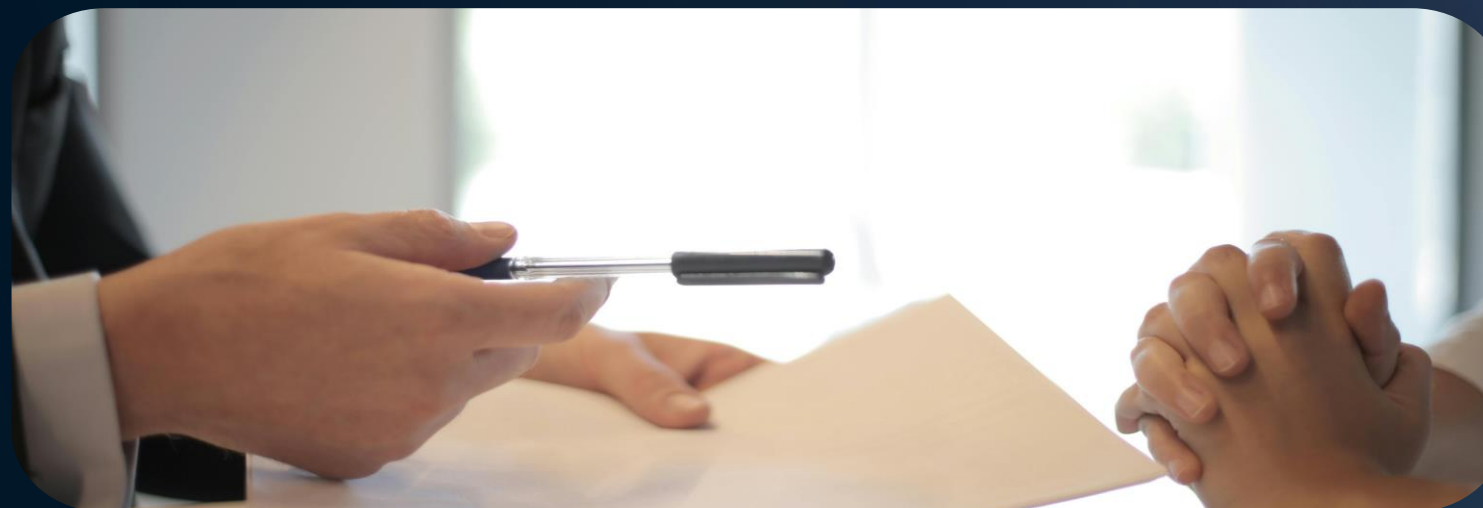
The reason behind the increased number of complaints/requests:

Inadequate information to end-users about service price increases

From problem to solution – Role of clear contracts

To ensure contract transparency and clear communication between end-users and service providers, RATEL has adopted:

Rulebook on information on contract terms that a provider of publicly available electronic communications services is obliged to publish, the manner of their publication and deadlines, the contract summary form and the content of the notification of the intention to unilaterally change the contract terms and the end-user's right to terminate the contract before the expiry of the period for which it was concluded (in application as of 1. 9. 2025)



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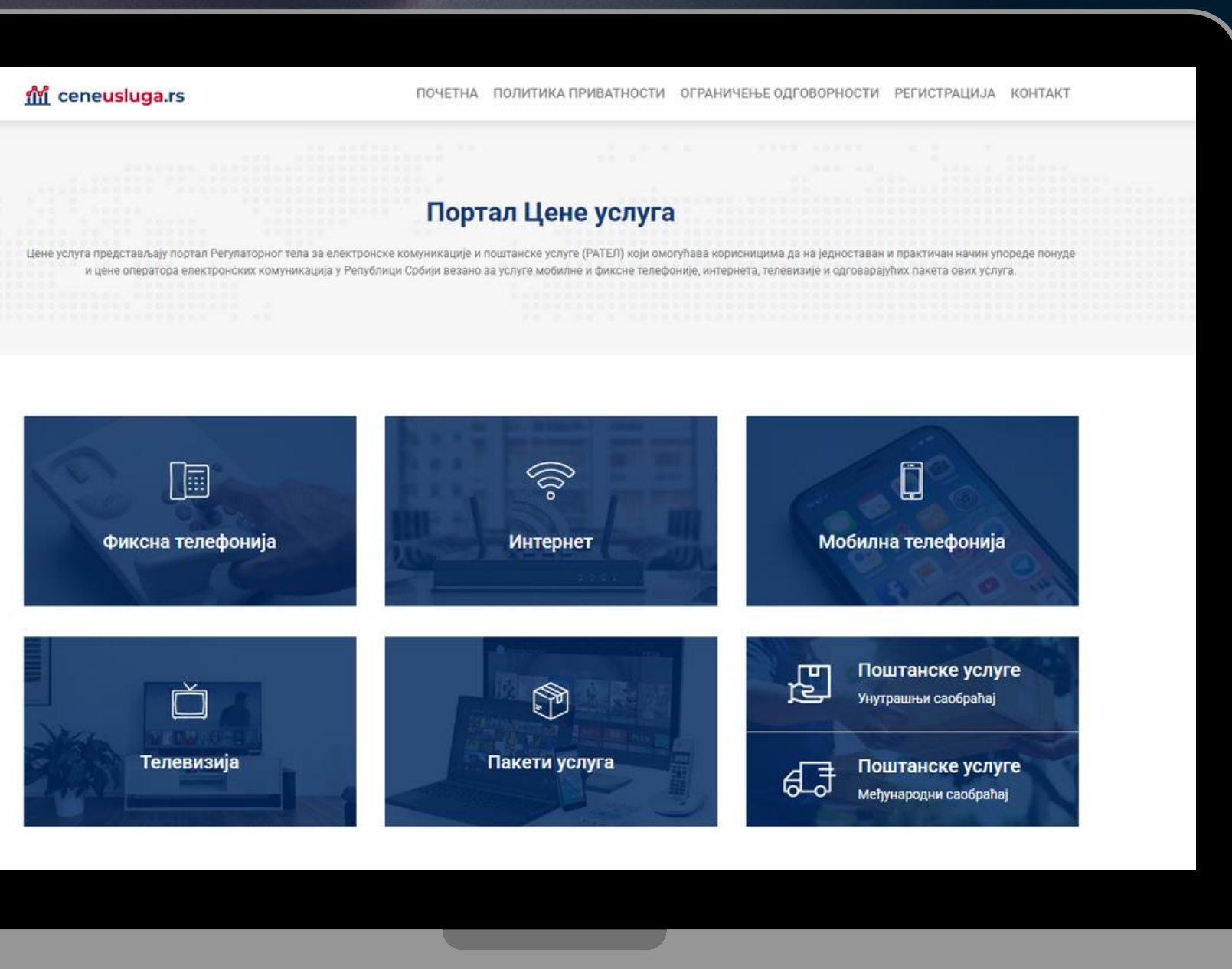
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The Rulebook stipulates:

- Information on contract terms that service provider is obliged to publish in accordance with the provisions of LEC;
- Manner of their publication and deadlines;
- Contract summary form;
- Content of the notification of the intention to unilaterally change the contract terms;
- End-user's right to terminate the contract before the expiry of the period for which it was concluded, without paying termination-related penalties.

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Portal „Price of Services“



As of 2020, end-users can obtain information about the prices of publicly available services in the field of electronic communications offered by operators, providers of publicly available electronic communications services in the Republic of Serbia on the "Price of Services" web portal, available at www.ceneusluga.rs



End-user rights (key points)

- Right to clear and full information before and during the term of the agreement
- Right to be notified 30 days in advance about any change of terms/prices
- Right to terminate the agreement without penalties if the change is to their detriment
- Right to protection via a Regulator-mediated procedure
- Right to transparent and comparable information (Portal „Price of Services“)

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Conclusion

User protection is not an obstacle to the market, but the basis of its development. Everyone benefits when agreements are clear, notifications are timely and information is available: end-users develop trust, service providers gain loyal clients, and the market gains stability. In the end, the highest price is the price of misunderstanding – and that is why our common task is to minimize misunderstandings, because trust is the most important currency in the electronic communications market.

Thank you!

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