

Consumers who stayed on Combined Handset and Airtime Contracts after the contractual minimum term ended could benefit from the following claims

This is a legal notice

- The Competition Appeal Tribunal (“**Tribunal**”) has decided that claims filed against (1) Vodafone Limited and Vodafone Group Plc (“**Vodafone**”) (2) EE Limited and BT Group Plc (“**EE**”) (3) Hutchison 3G UK Limited (“**Three**”) and (4) Telefonica UK Limited (“**O2**”) (together, the “**Defendants**” or the “**MNOs**”¹) may proceed to a full trial. Together, the four claims described above are referred to as the “**Four Related Proceedings**”. Individually, each of the claims is referred to as the “**Proceedings**”.
- The central basis for each of the Proceedings is the same and common.
- Mr Justin Gutmann will act as the class representative on behalf of the “classes” of persons who, it is alleged, have each suffered losses due to the Defendants’ abusive conduct.
- Mr Gutmann brings the Four Related Proceedings on behalf of natural persons (including sole traders but excluding natural persons in a business partnership), who entered into at least one contract for the supply of mobile telephone services with one of the Defendants, under an Included Brand pursuant to which the customer:
 - (a) agreed to make regular payments over a minimum contractual term (“**Minimum Term**”) for: (i) a mobile telephone handset or device (“**Handset**”); and (ii) telephony services (allowing the customer to make telephone calls, send text messages and/or use mobile data) (“**Airtime Services**”); and
 - (b) continued, even after the Minimum Term had expired, to be required to pay, and to pay, an amount in excess of the sum payable in respect of the supply of Airtime Services.

¹ MNOs (also known as ‘mobile network operators’) are telecommunication service providers that operate their own mobile networks and offer wireless voice and data communication services for their mobile customers on their respective networks.

- Included Brand means:
 - (a) in the claim against Vodafone: the 'Vodafone' brand;
 - (b) in the claim against EE: the 'EE', 'Orange' or 'T mobile' brands;
 - (c) in the claim against Three: the 'Three' brand; and
 - (d) in the claim against O2: the 'O2' brand.

- Given that these contracts provide for periodic payments to be paid in consideration for the Handset supplied under the contract (in addition to payments made in respect of the supply of Airtime Service), they are referred to as **"Combined Handset and Airtime Contracts"** or **"CHA Contracts"**.

- To provide further information on the nature of the CHA contracts with which the Four Related Proceedings are concerned and Mr Gutmann's allegations in relation to the same:
 - (a) The CHA Contracts included provision for a Minimum Term and for periodic payments to be made to the relevant Defendant.

 - (b) Each single periodic payment related to both (i) the Handset and (ii) the Airtime Services provided over the period to which the payments related, with the periodic charges set at a level to ensure that, at the end of the Minimum Term, the Handset would have been paid for.

 - (c) During the Minimum Term, the customer had to continue to pay the periodic payments, unless they chose to end the CHA Contract by paying an early termination fee. Customers who cancel their CHA Contract within the Minimum Term are able to retain the Handset, subject to the payment of the early termination.

 - (d) At the end of the Minimum Term, unless the customer terminated the CHA contract, the customer was contractually required to continue to pay the Defendants charges at a rate that did not reflect the fact that the Minimum Term had expired and the customer had already paid for the handset.

- Accordingly, Mr Gutmann alleges that customers who did not immediately terminate their Combined Handset and Airtime Contracts at the end of the Minimum Term were required to overpay, and did overpay, for the Airtime Services that they continued to receive. This is because their periodic charges were not reduced at the end of the Minimum Term to the relevant SIM-only price and were maintained at the same level as had been set during the Minimum Term to pay for both a Handset and the Airtime Services, despite the Handset having already been paid for over the Minimum Term. Mr Gutmann refers to this overpayment as a **"Loyalty Penalty"** and to multiple periodic payments (normally monthly) of a Loyalty Penalty as

“Loyalty Penalties”.

- Mr Gutmann further alleges that the charging of Loyalty Penalties by the Defendants to customers is an unfair and anticompetitive practice that breached (and, unless and until terminated, continues to breach) competition law. In particular, Mr Gutmann alleges that:
 - (a) the charging of Loyalty Penalties infringes the prohibition against abuses of a dominant position pursuant to section 18 of the Competition Act 1998 and, in the period prior to 31 December 2020, Article 102 TFEU; and
 - (b) the MNOs infringed competition law on two alternative bases:
 - (i) each of the MNOs abused an individually held dominant position on the market for their own customers on CHA Contracts after the expiry of the Minimum Term; and/or
 - (ii) the MNOs abused a collective dominant position on the broader market for the provision of retail mobile telecommunication services.

The classes of persons on whose behalf the Four Related Proceedings are brought:

In each of the four separate claims against the four MNOs, Mr Gutmann makes the same core allegation, namely, that the Defendants breached competition law by charging Loyalty Penalties pursuant to CHA Contracts, whereby at the end of the Minimum Term, unless the customer terminated the CHA Contract, the customer was contractually required to continue to pay the relevant Defendant’s charges at a rate that did not reflect the fact that the Minimum Term had expired and the customers had already paid for the Handset. Accordingly, the class definitions in each of the four claims are identical save that the class definition in each claim focuses on the customers of the specific MNO named as the Defendant in that claim, i.e., the customers of each of Vodafone, EE (including Orange and T-Mobile), Three and O2 brands respectively.

Following on from the summary above, in more detail, persons on whose behalf Mr Gutmann brings the Four Related Proceedings are:

Any Relevant Customer who in the Relevant Period (i) entered into at least one Combined Handset and Airtime Contract with one of the Defendants (and/or any other company which was, from time to time, within the same corporate group as the Defendants) under an Included Brand and (ii) pursuant to the Combined Handset and Airtime Contract(s), made one or more periodic payments in excess of the SIM Only Price after the expiry of the Minimum Term; or, in the case of such a deceased Relevant Customer, the Personal Representative of that deceased Relevant Customer.

“Relevant Customer” means a natural person (including a sole trader but excluding a natural person in a business partnership) who enters into a personal or business Combined Handset and Airtime Contract for the supply of mobile telecommunications services during the Relevant Period.

“Relevant Period” means 1 October 2015 to 31 March 2025.

“Combined Handset and Airtime Contract” means a contract offered to customers in the United Kingdom for the provision of both (i) a Handset and (ii) Airtime Services, pursuant to which the customer makes an indefinite sequence of single periodic payments in respect of the cost of both the Handset and Airtime Services at a rate calculated to pay for the Handset over the Minimum Term.

“Handset” means a mobile telephone device or another device which, with a SIM card, enables the user to access a mobile communications network; this definition encompasses mobile telephones, smartphones and tablets.

“Airtime Services” means retail telecommunication services that enable customers, through a SIM card, to use their Handsets to make and receive telephone calls, send and receive text messages and/or use mobile data.

“Included Brand” means:

In the claim against Vodafone: the “Vodafone” brand;

In the claim against EE: the “EE”, “Orange” or “T-Mobile” brands;

In the claim against Three: the “Three” brand; and

In the claim against O2: the “O2” brand.

“Minimum Term” means the period during which the customer is liable to pay a charge for early termination of a Combined Handset and Airtime Contract.

“Defendant” means:

In the claim against Vodafone: Vodafone Limited and Vodafone Group Plc;

In the claim against EE: EE Limited and BT Group Plc;

In the claim against Three: Hutchison 3G UK Limited; and

In the claim against O2: Telefonica UK Limited.

“SIM Only Price” means the periodic charge payable to the Defendants (and/or any other company which was, from time to time, within the same corporate group as the Defendants) in respect of Airtime Services only (i.e. without the supply of a Handset).

“Personal Representative” means the representative of the estate of a deceased Relevant Customer.

- If you are a person who falls within the class definition described above in respect of one or more of the MNOs then (i) subject to the points noted under Question 6 below, you will automatically be part of one or more of the Four Related Proceedings, and (ii) in this document, you will be described as a member of the applicable ***“Classes”***.

- It is possible that you will fall within more than one of the Four Related Proceedings described above. For example:
 - If you took out a CHA Contract with EE and you made payments after the expiry of the Minimum Term of that CHA Contract, you would fall within the class in the Proceedings against EE.
 - If you also took out a separate CHA Contract with Three and you made payments after the expiry of the Minimum Term of that Combined Handset and Airtime Contract, you would also fall within the class in the Proceedings against Three.
 - Consequently, in this example, subject to the points noted in Question 6 below, you would have two opportunities to seek damages as part of the Four Related Proceedings: one opportunity in the Proceedings against EE and another opportunity in the Proceedings against Three.
- No money is available now and there is no guarantee that money will be available in the future. The Four Related Proceedings will have to succeed in the Tribunal at trial or be concluded by way of an earlier settlement.
- You have important legal rights related to the applicable Four Related Proceedings. Exercising these rights could affect your ability to get a payment in the future. This notice explains the Four Related Proceedings, who is covered by each of the Proceedings, your rights in relation to the applicable Proceedings, how to exercise these rights and any related deadlines. Please read this notice carefully as your decisions about the Four Related Proceedings will have legal consequences. To read the Tribunal's full Collective Proceedings Order and judgment, which allows the claim to proceed, visit www.loyaltypenaltyclaim.com or www.catribunal.org.uk

YOUR LEGAL RIGHTS AND OPTIONS	
Stay in the claim(s)	If you are currently living in the UK as of 25 November 2025 and are a member of one or more of the Classes, you do not need to do anything at this time to be eligible to claim a share of any money that may become available in the future. By doing nothing, you give up the right to make an individual claim (or individual claims) against the Defendants in respect of the matters that are the subject of the Four Related Proceedings described above and you agree to be bound by judgments the Tribunal may issue in the Proceedings in which you are a member of the applicable Class(es).

Opt-out	If you are currently living in the UK as of 25 November 2025 you have the right to “ opt out ” or request to be excluded from the applicable Four Related Proceedings by 25 February 2026. By opting out you keep the right to bring your own separate claim (or claims) against the Defendants; Mr Gutmann is not able to advise you in respect of any such separate claim or claims against any of the Defendants. However, if you opt out you will not be able to get any money from the applicable Proceedings in which you are a member of the Class(es). More information on how to opt out can be found at www.loyaltypenaltyclaim.com .
Opt in	If you are living outside the UK as of 25 November 2025, you will need to “ opt in ” to the applicable Proceedings, if you wish to be eligible to claim a share of any money that may become available in the future as part of the Proceedings. If you do nothing, you will not be eligible to claim a share in any such money. You can complete an opt -in form by visiting www.loyaltypenaltyclaim.com . The deadline for opting in is 25 February 2026.

GENERAL INFORMATION

1. Why has this notice been issued?

The Tribunal has directed that this notice be issued following the Collective Proceedings Orders made on 25 November 2025. The Collective Proceedings Orders allow the Four Related Proceedings to proceed on a collective basis on behalf of eligible members of the Classes. To read the Orders, visit www.loyaltypenaltyclaim.com.

This notice has been issued to inform you of important legal rights you have related to the Four Related Proceedings. Exercising these rights could affect your ability to get a payment in the future. This notice explains the Four Related Proceedings, who is covered by each Proceedings, your rights in relation to each Proceedings, how to exercise these rights and any related deadlines. Please read this notice carefully as your decisions about the Four Related Proceedings will have legal consequences.

2. What is the Competition Appeals Tribunal?

The Tribunal is a specialist tribunal based in London that covers the whole of the UK and hears disputes such as these. The Tribunal publishes its Rules and Guidance, together with information about what it does, on its website www.catribunal.org.uk.

3. Who are these Four Related Proceedings against?

The Four Related Proceedings are brought against the four MNOs operating in the UK namely, Vodafone; EE; Three; and O2.

Whilst Mr Gutmann has issued separate claims against each of Vodafone, EE, Three, and O2, the central basis for each claim is the same and common to the four claims. (See Question 4 below.)

4. What did the Defendants do wrong? What are the claims?

Mr Gutmann alleges that, in breach of section 18 of the Competition Act 1998, each of the MNOs abused a dominant market position by charging a Loyalty Penalty in that they required customers who did not immediately terminate their CHA Contract at the end of the Minimum Term to overpay for their Airtime Services.

Mr Gutmann alleges that the MNOs infringed competition law on two alternative bases: (1) the MNOs each abused an individually held dominant position on the market for their own customers on CHA Contracts who continued to make payments under those contracts after the expiry of the Minimum Term; and/or (2) the MNOs abused a jointly held dominant position on the broader market for the provision of retail mobile telecommunication services.

5. Who is the class representative?

The class representative in each of the Four Related Proceedings is Mr Justin Gutmann.

Mr Gutmann has spent a large part of his professional life dedicated to public policy, market research and, specifically, to consumer welfare. His final posts prior to retirement were as Head of Research and Insight at Citizens Advice, the UK's statutory consumer champion.

As the class representative, Mr Gutmann will conduct the Four Related Proceedings against the Defendants on behalf of all members of the Classes (see Question 6 below). Mr Gutmann has instructed lawyers and experts, and he will make decisions regarding the conduct of the Four Related Proceedings, and, in particular, whether to present any settlement proposal(s) to the Tribunal for its approval.

During the case, Mr Gutmann will be responsible for communicating with members of the Classes and for issuing formal notices such as this notice. Mr Gutmann will update members of the Classes about the Four Related Proceedings on the website www.loyaltypenaltyclaim.com, through the media and on social media.

WHAT DOES THE CLAIM ASK FOR?

6. Who is in the class?

The Consumer Rights Act 2015 (the “**2015 Act**”) introduced into the UK Competition Act 1998 a collective proceedings regime, whereby claims are able to be brought on behalf of a group of individuals who are alleged to have suffered a common loss. The group is the ‘class’ and all individuals within the group are ‘class members.’

Through the collective proceedings regime, groups of persons who have all suffered a similar loss, do not each need to bring an individual claim to obtain compensation. Instead, these persons may all receive compensation through a single, collective claim brought on their behalf by a class representative.

All Four Related Proceedings are brought on an ‘opt-out’ basis on behalf of people who fall within the Classes described above, in respect of one or more of the Four Related Proceedings against the four MNOs respectively.

As explained above, it is possible that the same person could fall within the Classes covered by more than one of the Four Related Proceedings.

For each of the Four Related Proceedings, members of the Classes who are domiciled in the United Kingdom as at 25 November 2025 (the “**Domicile Date**”) will remain within the Classes unless they opt out by 25 February 2026. Members of the Classes who are not domiciled in the United Kingdom as at the Domicile Date will only become part of the Classes if they opt in to one or more of the Proceedings) by 25 February 2026. See Questions 11 to 17 below for more information on how to opt out or opt in.

The following persons are excluded from the Classes of persons on whose behalf the Four Related Proceedings are brought:

- members and staff of the Tribunal and any other court assigned to the Four Related Proceedings or related proceedings;
- officers, directors or employees of:
 - the Defendants,
 - any entities which have a (direct or indirect) interest in any of the Defendants that give rise to significant control, and
 - any entities in which any of the Defendants have such an interest; and
- Mr Gutmann’s and the Defendants’ respective legal representatives as well as any experts or other professional advisers instructed in the Four Related Proceedings, including the professional staff assisting them.

- Mr Gutmann himself, as the class representative, has decided to exclude himself from the Classes.

7. Are Businesses included in the Classes?

Mr Gutmann is bringing the Four Related Proceedings on behalf of Relevant Customers who are defined as natural persons (including sole traders but excluding natural persons in a business partnership) who purchased mobile telecommunications services under a personal or business CHA Contract.

Accordingly, both incorporated businesses and natural persons in business partnerships are excluded from the Four Related Proceedings.

Conversely, natural persons (including sole traders) who used their mobile phone in the course of business are included within the Four Related Proceedings.

8. How much money does the claim ask for?

The Four Related Proceedings seek compensation for all those who have been affected by the Defendants' allegedly anti-competitive behaviour, from 1 October 2015 to 31 March 2025. The aggregate damages sought in the Four Related Proceedings is in excess of £1.141 billion excluding interest or £1.250 billion including interest. These figures are preliminary estimates calculated using publicly available data from Ofcom, and are subject to change.

The preliminary damages estimated in each of the Four Related Proceedings can be summarised as follows:

- (a) In the Proceedings against Vodafone, at least: £510 million excluding interest or £557 million including interest;
- (b) In the Proceedings against EE, at least: £381 million excluding interest or £418 including simple interest;
- (c) In the Proceedings against Three, at least: £179 million excluding interest or £196 excluding interest; and
- (d) In the Proceedings against O2, at least: £71 million excluding interest or £79 million including interest.

If the Four Related Proceedings (or any one of the Proceedings) are successful, all persons who have an eligible claim in one or more of the Proceedings will be able to seek a payment from the final damages figure.

9. How do I get a payment?

No money is available now and there is no guarantee that money will be available in the future. Each of the Four Related Proceedings will have to succeed before the Tribunal, unless a settlement can be agreed.

The progress of Four Related Proceedings can take time, so please be patient. If and when money becomes available, members of the Classes will be notified about how to obtain a payment. Please register at www.loyaltypenaltyclaim.com to stay up to date.

10. What does it mean to be a class member?

If you are a member of the Classes who satisfies the Domicile Date requirements (see Question 6 above), and if money becomes available, you will be eligible to receive a payment. You will also be legally bound by all Tribunal judgments in the relevant Proceedings in which you are a member of the Classes.

Whether Mr Gutmann wins money for the Classes or not, unless you opt out of the relevant Proceedings in which you are a member of the Classes, you will never be able to make your own claim(s) against the Defendants in respect of the matters alleged in any of the Four Related Proceedings.

11. Am I part of any of the Classes and eligible to receive payment if the relevant Proceedings succeed?

As explained above, to be eligible for payment in the event the Four Related Proceedings (or any one of the Proceedings) are successful:

- you must be a member of one or more of the Classes and
- either
 - (i) if you were domiciled in the UK as of 25 November 2025, you must not have opted out of the Proceedings in which you are a member of the applicable Classes by 25 February 2026; or
 - (ii) if you were not domiciled in the UK as of 25 November 2025, you must have opted in to the Proceedings in which you are a member of the applicable Classes by 25 February 2026.

12. Am I domiciled in the UK?

For the purpose of this case, you will be domiciled in the UK if you are resident in England, Wales,

Scotland or Northern Ireland.

13. What if I am a UK resident and move outside the UK after 25 November 2025?

If you move outside the UK after 25 November 2025, you should keep some documents showing that you were a UK resident on 25 November 2025. If money becomes available in the future and you are living outside of the UK at that time, then you may need to show that you were a UK resident on 25 November 2025 to receive your payment.

14. I am not sure if I am included in the Classes.

If you are not sure whether you are included in the one or more of the Classes, visit www.loyaltypenaltyclaim.com to review the Order, the answers to frequently asked questions (FAQs) and other documents, which can help you to determine whether you are a part of the class.

If you have any other questions that are not answered by the information on the above referenced website, you can email us at info@loyaltypenaltyclaim.com.

HOW TO OPT-OUT OR OPT-IN

15. I am a UK resident on 25 November 2025 and I want to be removed from

If you are a UK resident on 25 November 2025 and you want to be removed from one or more of the Four Related Proceedings in which you are a member of the Classes, please send a letter to:

Loyalty Penalty Claim
PO Box 82094
LONDON
EC2P 2WJ

Alternatively, please send your letter as an email attachment to optout@loyaltypenaltyclaim.com.

Include the following statement in your letter **"I want to opt out of the collective claim against [select as appropriate: Vodafone / EE / Three / O2], Case No [Insert Number(s)]** along with your full name, postal address, email address and telephone number. Please sign and date your opt-out letter. You do not have to give a reason for opting out.

To be considered, your opt-out letter must be received or postmarked by 25 February 2026. Once your opt-out letter is received and processed, you will be sent an acknowledgement by email if you have provided an email address, or by post if not.

You may also opt out by visiting the claim website (www.loyaltypenaltyclaim.com) and completing a short form.

By opting out, you will not be able to receive a payment if money becomes available through one or more of the Four Related Proceedings. However, you may be able to bring your own separate claim(s) against the Defendants in respect of the issues raised by the Four Related Proceedings. Mr Gutmann is not able to advise you in respect of any separate claim(s) that you might have against the Defendants.

IMPORTANT CONSIDERATION: Please note, you should seek independent legal advice as soon as possible if you opt out and wish to bring a claim on your own against the Defendants as there is a risk that your claim may otherwise be time barred and not allowed.

16. I will NOT be a UK resident on 25 November 2025 and I want to be part of the Classes.

If you are not a UK resident on 25 November 2025, to be eligible for a payment in one or more of the Four Related Proceedings, of which you are a Class member and which are successful, you must take steps to opt into those specific Proceedings. Please note that this applies to you, even if you were resident in the UK before 25 November 2025.

Visit www.loyaltypenaltyclaim.com and complete the opt-In form on the website. On the form, you will be asked to provide your full, name, postal address, email address and telephone number. You will also be asked to provide the dates after 25 November 2025 that you were a UK resident. Finally, you will be asked to specify which of the Four Related Proceedings you wish to opt into (in particular, you will be asked whether you wish to opt into the Proceedings against Vodafone, the Proceedings against EE, the Proceedings against Three, and/or the Proceedings against O2). You can also send an email to optin@loyaltypenaltyclaim.com with your completed letter attached.

If you prefer, you may also opt in by post. Please send a letter with the information listed in the previous paragraph, to the noted PO Box address above. To assist you in submitting an opt-in by post, a sample opt-in letter is available at www.loyaltypenaltyclaim.com. If you would like to be sent a stamped addressed envelope to submit your opt-in, please send an email with your postal address to: info@loyaltypenaltyclaim.com.

To be considered, your opt-in request must be received or postmarked by 25 February 2026. Once your opt-in request is received and processed, you will be sent an acknowledgement by email if you have provided an email address, or by post if not.

IMPORTANT CONSIDERATION: Please note, if you decide not to opt in and then subsequently wish to bring a claim on your own against one or more of the Defendants, you should seek independent legal advice as soon as possible as there is a risk that your claim may otherwise be time barred and not allowed.

17. If I am NOT a UK resident and do not opt in by 25 February 2026, can I get a payment?

Under the rules of the Tribunal, if you are not considered a UK resident by the Domicile Date (as determined by the Tribunal), you are required to submit an opt-in request by 25 February 2026 to be part of the Classes that are applicable to you.

If you do not opt in by 25 February 2026 and money later becomes available, the only way for you to be eligible to receive a payment is for the Tribunal to give you permission to opt in at a later time. There is no guarantee this permission will be given, so you must opt in by 25 February 2026 if you want to ensure your eligibility to get a payment.

GETTING MORE INFORMATION

18. How can I stay updated on the progress of the Four Related Proceedings?

You can visit www.loyaltypenaltyclaim.com for periodic updates on the Four Related Proceedings.

19. Who is funding the Four Related Proceedings?

Mr Gutmann is not able to fund the Four Related Proceedings himself. Mr Gutmann is therefore working with a specialist litigation funder, LCM Funding Limited, to provide funding in order to bring the Four Related Proceedings.

Mr Gutmann has also secured After the Event insurance cover in the amount of £20 million in respect of potential adverse costs liability to the Defendants.