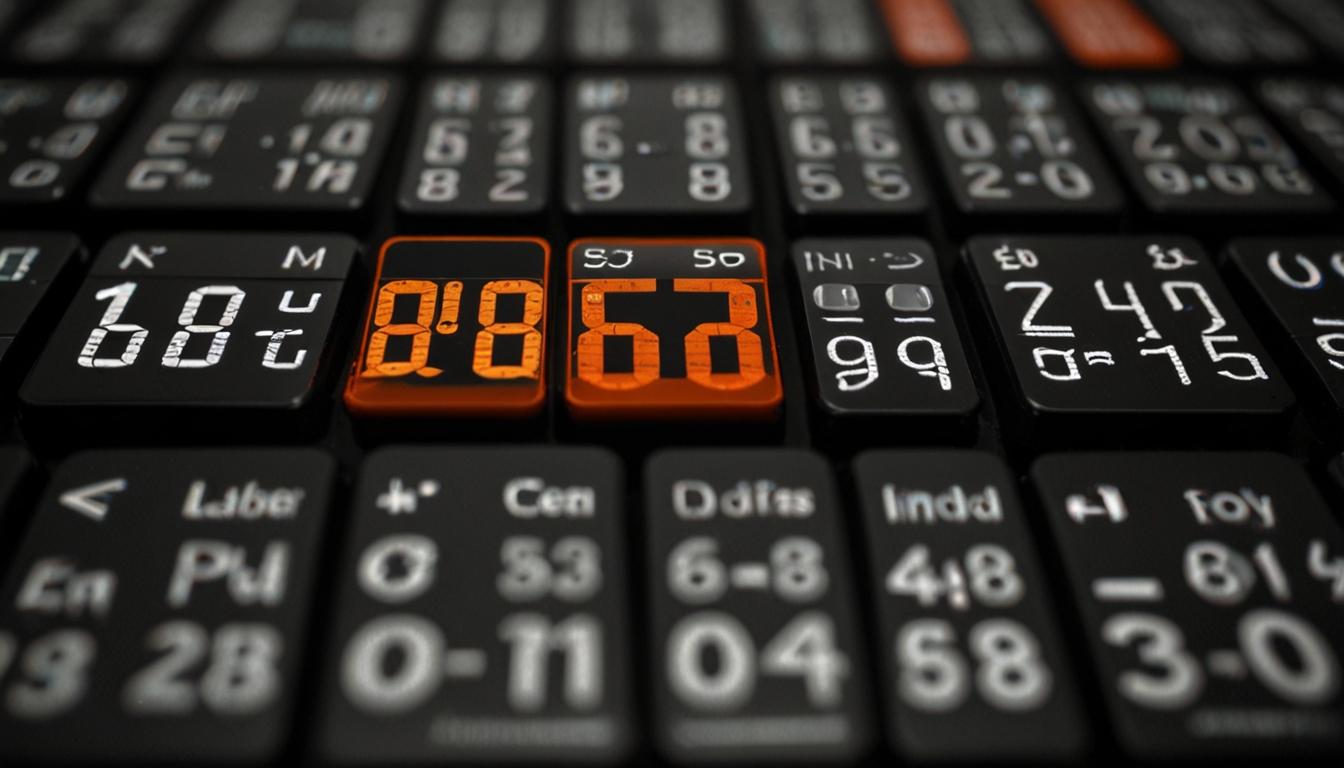
# Rise in Longer-Term Mobile Phone Contracts Impacts Consumers



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The trend of longer-term mobile phone contracts has been on the rise, significantly affecting consumer costs and experiences. Traditionally, mobile phone contracts lasted up to 24 months, but recent years have seen the emergence of contracts extending to 36 months or even 48 months, as in the case of O2's offering introduced in January 2024.

Data from retailer Mobile Phones Direct shows that the percentage of phone deals lasting longer than 24 months increased from 20% in 2018 to 43% in 2024. Providers such as BT and Vodafone regularly promote 36-month contracts, though these can be customized for shorter terms.

While longer contracts offer lower monthly payments, consumers ultimately pay comparable total costs. For instance, an iPhone 15 Pro from O2 costs approximately £53 per month over 36 months, compared to £65 over 24 months, with total costs remaining nearly identical. However, handling airtime costs becomes complicated for contracts longer than 24 months, due to Ofcom regulations preventing bundled airtime for such durations. This can lead to additional costs post the initial airtime period.

Dan Melia from Mobile Phones Direct highlights that these longer contracts potentially mislead consumers into perceiving lower costs due to spread-out payments, and they might also miss out on optimum trade-in values or face hefty inflation-linked price hikes over time.

In summary, while longer-term contracts may appear financially manageable at first glance, they warrant careful consideration of hidden costs and long-term financial commitments.