

**Choices for BT Landline-only Customers**

From Sunday 1 April 2018, BT is reducing the Line Rental charge for customers who have no broadband connection, from **£18.99** to **£11.99** per month.

This is obviously a welcome move, however the **fair telecoms campaign** has long been concerned that many of these customers have been, and may continue to be, ripped-off through what they pay for calls and other services.

The charge for non-inclusive calls to ordinary numbers (beginning 01, 02 or 03) consists of a call set-up fee of **22p**, plus a charge of **13p** per minute. This means that a five-minute call to one of these numbers costs **87p**, with a 30 minute call costing **£4.12**.

Those who use their line to make anything but the most minimal number of calls, or benefit from any of the “calling features” are best advised to take advantage of one of the following options, however we understand that very few do so.

## **Home Phone Saver 2020**

By paying an extra **£10** per month, a customer would receive the following benefits:

- The total cost of **£21.99** per month (including line rental) fixed until, at least, 1 January 2020.
- Unlimited calls to ordinary numbers (of up to 60 minutes per call).
- Any or all of the following “calling features”: Call Waiting, Call Diversion, Call Sign, Call Barring, Three-way Calling, Ring Back, Reminder Call, Unlimited Call Return (1471 |3), Anonymous Call Reject, Choose to Refuse, BT Call Minder.

## **Unlimited Anytime Calls**

By paying an extra **£9.50** per month (at current rates), a customer would benefit from:

- Unlimited calls to ordinary numbers (of up to 60 mins)

## **Line Rental Plus**

By paying an extra **£2** per month, a customer would benefit from:

- The opportunity to settle their account in any way – i.e. no compulsion to use Direct Debit.
- Free paper bills
- Up to 5 of the following “calling features”: Call Waiting, Call Diversion, Call Sign, Call Barring, Three-way Calling, Ring Back, Reminder Call, Choose to Refuse

## **Cost Comparison for calling features**

Calling features purchased separately cost (per month): **£5** for 1, **£9.25** for 2-4, **£12.25** for 5+.

This makes **Line Rental Plus** an obvious choice for those who require any.

It also tilts the balance in favour of **Home Phone Saver** for those who may require them. An additional consideration could be the fact that the price for the Calling Features may increase between now and 1 January 2020. **Home Phone Saver** is however the obvious choice for those who make anything but the most minimal number of calls.



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## Cost Comparison for unlimited calls

The breakeven point for unlimited calls is much lower than one would expect. The call set-up fee however prevents it from being expressed in simple terms of minutes.

At current rates (using the example of 5-min and 30-minute calls), the subscription to either **Home Phone Saver** or **Unlimited Anytime** would be justified if one made just 2 of each per month:

(2 x 5-minute call @87p = **£1.74**) + (2 x 30-minute call @**£4.12** = **£8.24**) = **£9.98**

## Cost Comparison - fixed price of Home Phone Saver 2020

There can be little question that BT will increase its prices between now and 1 January 2020. Price increases over the last 5 years have shown a cumulative annual rate of 7% for monthly charges and 11% for non-inclusive call charges.

Using that basis, on 31 December 2019 the monthly cost of **Unlimited Anytime** will be **£10.50** and the **standard line rental** will be **£21.99**. Assuming that the **£7** discount for line-only customers is retained, this would give a total of **£25.49** to set against the cost of **Home Phone Saver 2020**, which will still be **£21.99**.

Taking an average, over this period of 21 months, one would expect **Home Phone Saver 2020** to work out **£1** per month cheaper than paying for the **discounted Line Rental + Unlimited Anytime**. This is, of course, in addition to the fact the Home Phone Saver offers many inclusive “calling features”.

Applying the likely price increase for non-inclusive calls, by 31 December 2019 the cost of a 5-minute call would be expected to have risen to **£1.05** and that of a 30-minute call to **£5.05**. (This is based on a projected call set-up fee of **25p** and a charge of **16p** per minute.)

It is not easy to express the break-even point, which must also take account of a likely increase in the Line Rental charge. By the end of this period we expect the net cost of Home Phone Saver to have fallen to **£7** per month, equivalent to just one 30-minute call and two 5-minute calls.

Before getting into detail, we would suggest that Home Phone Saver 2020 is the appropriate option for anyone who uses their phone line to make calls, at present. The avoidance of the effect of price rises simply confirms and strengthens that simple point.

### **EVERYONE COVERED BY THE NEW BT LINE RENTAL DISCOUNT MUST LOOK AT HOME PHONE SAVER 2020**

## A further consideration for those receiving DWP benefits

**BT Basic** is the “social tariff” which BT offers to those in receipt of certain DWP benefits.

The terms of this have recently been extended to make it a most valuable option for all those entitled to subscribe to it, as it now offers unlimited calls for a fixed price.

**BT Basic** remains an essential choice for those who are entitled to it and make few calls.

Details are available on [this web page](#).

