



The BT rip-off Part II – The Penalty Charge

Whilst we regret the necessity of this action, the **fair telecoms campaign** is pleased that Ofcom has intervened to address the way in which BT is exploiting its market position and the loyalty of its customers – see “[Charges cut for up to a million BT landline-only customers](#)”.

This move is, in fact, simply compelling **BT** to apply some of the savings offered by its “**Home Phone Saver**” tariff, which has been available to landline-only customers, but poorly promoted.

The same situation – poor presentation of a tariff option – applies to **BT**’s “**Unlimited Anytime Calls**” plan, another feature of “**Home Phone Saver**”, but not covered by this move by Ofcom.

For the price of **£8.99** per month, on top of line rental, those who use their phone to make calls can avoid the swingeing “**Penalty Charge**” that **BT** applies to non-inclusive calls to ordinary numbers.

BT describes **Unlimited Anytime Calls** as being only for those who “*just love to chat on your home phone day and night*” – see <http://www.productsandservices.bt.com/products/phone/>.

This is nonsense, as it appears to exclude those who may seek to be careful with their use of the phone and may shun the idea that they can afford to be so insouciant in their spending. Sadly, the failure to select this plan means that many end up paying for more than they should.

The **BT Penalty Charge**, for calls to “ordinary” numbers beginning 01, 02 or 03, consists of a set-up fee of **21p per call plus 12p per minute** for the duration of the call. (There is a discounted rate for calls made after 7pm, and weekend calls are inclusive for all.)

Because the **Penalty Charge** is in two parts, its impact cannot be expressed in terms of minutes. The following examples give an impression of the minimum scale of use required to make it worthwhile to have all calls to ordinary numbers covered by the **Unlimited Anytime Calls** plan.

Duration (minutes)	Cost of each call	Calls per month	Calls per week	Total
5	£0.81	12	3	£9.72
8	£1.17	8	2	£9.36
17	£2.25	4	1	£9.00
36	£4.53	2		£9.06

These figures are simply intended to illustrate the very low level of use of the phone that justifies subscription to the **Unlimited Anytime Calls** plan. It is highly unlikely that a customer who makes only two 8-minute calls per week would think of themselves as part of the group of people who “*love to chat on your home phone day and night*”.

Even someone who has the pattern represented by all of the four examples given would perhaps think of themselves as being a fairly average phone user, but they could be paying **£37.34** per month in **Penalty Charges** for their calls, whereas an unlimited numbers of calls (to ordinary numbers, of up to 60 minutes each) is available for **£8.99** per month.

Similar situations apply with other providers and obviously to **BT** landline users with broadband. The issue of **Penalty Charges** must be understood by consumers and better communicated.