



The **fair telecoms campaign** has been drawn into recent consumer concern about clear rip-offs that are occurring with 118xxx telephone Directory Enquiry services.

We believe that action is now required to eliminate the scams and reconfigure the services to represent a properly regulated response to consumer needs.

## 1. The regulation

There is a strong regulatory principle which applies to all Premium Rate Services, and there is a very high degree of compliance by the 118 service operators. Whenever a 118 number is given, it must be accompanied by a statement of the **Service Charge** applied to calls to the number. The statement must refer to the fact that calls also incur the (flat rate) **Access Charge** which the caller's own telephone service provider adds on all calls to 084, 087, 09 and 118 numbers.

This general principle is applied by **Ofcom**, and is enforced by the **Phone-paid Services Authority**.

We believe that further regulatory measures are required.

## 2. The scams

Many operators of 118 services also provide geographic numbers across all the various (01 / 02) area codes. In some cases, calls to unused numbers in their allocated ranges receive a special message soliciting calls to their 118, or another premium rate, number.

We believe that this is wholly inappropriate way of soliciting calls to any form of premium rate number, and that the practice should be outlawed. {R1}

There are many reports of "missed calls" giving unused numbers from these ranges as CLI. Clearly the only purpose of such a call would be to encourage the recipient to return the call (to a geographic number) and then respond to the invitation to call the premium rate number.

This practice (known as "**wangiri**") is classified as "**misuse of a telephone network or service**" by **Ofcom** and the perpetrator could thereby be subject to a penalty of up to £2 million. **Ofcom** has so far not issued a Notification in respect of anyone engaged in this misuse. {R2}

## 3. The market and the costs

From a casual examination of the various services and costs it is clear that many of the directory enquiry services offer far more than most consumers would wish, at a price that many would regard as being excessive. Reports of call costs in excess of £50 are common, indeed a two-minute call to commonly used services costs over £8, with some as high as £24.

For those with access to the internet, it is a very easy (indeed very common) task to look up a telephone number using various on-line directories, or through a general search engine. There is however a danger here, as there are scam on-line directory services that offer indirect premium rate contact numbers (see [our briefing, and a video, on "ICSS"](#)). {R3}

**We see the demand for telephone Directory Enquiry services as falling into two distinct categories.** These are detailed, with our recommendations for action, overleaf.

The key point is that each category needs to be considered, and perhaps regulated, separately.





## 4. Categories of telephone Directory Enquiry Services

We see a need to separate the services based on the distinct demand that they are meeting.

**Basic:** Those who need to know an available telephone number for a known person or organisation, but have no access to the internet.

**Advanced:** Those who require special services, such as: a recommended local business of a particular type, a number based on limited knowledge of the person or business (e.g. the spelling of a name), to have their call connected rather than simply being given the number, etc.

We believe that respected, well-resourced, consumer representative bodies have a role to play in making this distinction, by assessing the delivery and the quality of particular services offered by the various providers in this market. **We call on them to undertake this work.** {R4}

Unquestionably, the primary distinction will be seen in the cost of the service. For this reason, **we propose that all calls to premium rate services at certain Service Charge price points should be covered by a “pre-call announcement” declaring the cost of the call** before the billing process commences, giving the caller the opportunity to drop the call before incurring any cost. This is in addition to the requirement for service providers to declare the **Service Charge**.

This is necessary, because there are undoubtedly many people who inadvertently use **advanced** services when a **basic** service would meet their need fully. There are also many numbers which are made memorable, and may be repeated, without being associated with the required call cost declaration - e.g. **118118 Money** is not itself a directory enquiry service, and is thereby not required to state the cost of calling the telephone number which is part of its brand name. {R5}

From our casual review, we suggest that the **Service Charge** limit should be set as follows, so that all those who exceed it are regarded as offering **advanced** services.

**Cost per call > £2 and/or Cost per minute > £1**

This does not include the **Access Charge**, it has to attempt to reflect the fact that services may be charged per call, per minute or a combination of the two and it also cannot take account of the fact that the duration of the call may vary in providing the same information.

It is worth noting that this limit sets the two most commonly used services, **118500 (BT)** and **118118 (The Number)** clearly in the **advanced** bracket.

## 5. Call connection by an enquiry service

The UK telephone call charging system does not permit a change in the charging basis during a call, other than after the first minute. A per-minute rate which applies during the “enquiry” phase (unless this lasts exactly 60 seconds) also applies for the duration of a connected call.

The **BT** charge for operator connected UK calls is a flat rate of £1.32 per minute, which covers use of the operator service. Many of the Directory Enquiry call connection services (including **BT**'s own) apply rates which are out of all proportion to those available in the general market for calls.

Some providers offer ongoing pence per minute rates at a reasonable level, after an initial charge for the particular enquiry service. There can be no justification for excessive premiums. {R6}





## 6. Price Points

We recognise that the **Service Charge** price points are set by the industry to reflect the open market in which its members participate. This is however subject to oversight and agreement by **Ofcom**. We believe that **Ofcom** should immediately take a serious look at the higher price points introduced on 1 July 2016 and seek evidence that these truly reflect a genuine market with willing and informed consumers. {R7}

There must be serious concerns that a lot of pricing in the telecoms market reflects what those with large advertising budgets can get away with, rather than deriving from consumer-responsive competition. This general point applies particularly to Directory Enquiry services.

## 7. Free to caller Directory Enquiry services

From our research we have identified three examples of how telephone directory enquiry calls may be made at no cost. (There may be other examples, which we would be delighted to add.)

- £ Those who are disabled, whereby they are unable to use a printed directory, can register for use of the free 195 Directory Enquiry service. This is provided by **BT**, but can be used through most telephone service providers. Medical evidence is required for registration.
- £ **Virgin Media** landline customers may use 118180 for 10 free enquiries per day. (Other providers no longer offer customers free or discounted access to their own DQ service.)
- £ The 0800 118 3733 (**118FREE**) service provides free use of an advertising-funded automated service. Those who tolerate commercial television and voice recognition systems may find this useful. It is provided by “**The Number**”, operator of the 118118 service.

## 8. Summary of existing DQ services

There are four different charging methods used for the **Service Charge** component of the call charge – the **Access Charge** is always on a per-minute basis.

- £ per call – regardless of duration
- £ per minute (timed to the next second, rounded up to the nearest penny)
- £ per call and per minute – both of the above apply
- £ per call, including the first minute, and per minute thereafter

The fourth method is often expressed in terms of the third, but with a one-minute minimum.

The following list gives all those believed to be currently in operation, by charging method and price point. Those suggested as being “**advanced**” are in red. “Well known” cases are **highlighted**.

### £ per call – regardless of duration

**35p per call** - Verizon (118128)

**48p per call** - Corporate Communications (Europe) (118225), Telecoms Cloud (118189)

**50p per call** - Amcall Communications (118700), Telecom Plus (118383)

**70p per call** - **Ethcom** (118009, 118202, 118310, 118332, 118510, 118585, 118599, 118675, 118726, 118742, 118751, 118772, 118813, 118821, 118831, 118851), IRN (118312), Just Find Them (118438), Simunix (118362, 118386, 118468, 118529, 118639), Sunrise Radio (118680), Telecom Plus (118338), Totally Plc (118415)

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**100p per call** - 118Aid Ltd (118331), CPG Communications (118258), Post Office (118855), Scrimshaws (118662), The Number (118811), XLN Telecom (118956)

**145p per call** - BT (118707)

**150p per call** - GMG Financial Services (118226)

**200p per call** - Amcall Communications (118701), Bargain Services (118844), Eltringham (118001), Ethcom (118743), Oxygen8 (118644), Sonant Services (118580, 118886), Verizon (118108)

**300p per call** - 118815 UK (118666, 118833), 11883 Telecom GmbH (118815, 118845), Eltringham (118440), Enable Media (118606), Scrimshaws (118361)

**500p per call** - 24 Seven Communications (118595)

**600p per call** - 24 Seven Communications (118885), Core Telecom (118463, 118754, 118776, 118995, 118995), Find-A-Professional (118044), Oxygen8 (118544), Premium Calls (118214), Yim Siam Telecom (118148)

**£ per minute (timed to the next second, rounded up to the nearest penny)**

**50p per minute** - AT Communications (118246), Barritel (118474), Eurotel (118008)

**55p per minute** - Affiniti Integrated Solutions (118101), All Points North (118489), Invade International (118451), Simunix (118365, 118467), Telecoms Cloud (118092, 118139)

**75p per minute** - Murphx (118887), O2 (118402)

**80p per minute** - Citrus Telecommunications (118424)

**90p per minute** - AT Communications (118222)

**120p per minute** - Keyline Associates (118287), The Phone Book (118147)

**145p per minute** - All Points North (118429), Simunix (118090)

**150p per minute** - Virgin Media (118120, 118180, 118770, 118878)

**155p per minute** - Telecom Plus (118830)

**250p per minute** - 118777 Ltd (118777)

**300p per minute** - Eltringham (118355, 118866)

**360p per minute** - Simunix (118080)

**£ per call and per minute – timed in seconds from the beginning of the call**

**80p per call and 25p per minute** - 118menu Ltd (118055), Cable & Wireless (118559, 118561, 118099), Choice Numbers (118598, 118958), Class Telecommunications (118678), Energis (118814), EE (118000), Fax Line Services (118357, 118744), Fluid Network Solutions (118717), GCI COM (118240), Greenfone (118441), Identia (118522), IDN Telecom (118455), Manx Telecom Trading (118695), O-bit telecom (118452, 118825), Redstone (118733), Russell Systems Telecom (118300), Scrimshaws (118215), Simunix (118600), Six Degrees Technology (118918), Sky Talk (118759), Telecoms World (118869), Teledesign (118031, 118039, 118278, 118722), Transport Innovation (118829)

**77p per call and 155p per minute** - Level 3 Communications (118425, 118426), TalkTalk (118111, 118114)

**399p per call and 139p per minute** - Atlas Interactive Group (118007), BT (118141), DQ Radio Services (118434), Enix Telecom (118911), Hide Earning SL (118411), Pop Telecom (118688), Red Telecom (118281), Virgin Media (118003, 118190), Virtual Talk (118739)

**499p per call and 135p per minute** - BT (118060, 118505), Mundio Mobile (118134), Shared Communications (118499)





## Telephone Directory Enquiry Services (118xxx) - Comments and Recommendations

### **£ per call, including the first minute, and per minute thereafter**

**40p for first minute, 40p per minute thereafter** - Corporate Communications (Europe) (118400, 118588), Magrathea (118696), Rabco (118872)

**70p for first minute, 70p per minute thereafter** - Auracall (118628), Cheers International (118033), Maintel Voice & Data (118909), Telecoms Cloud (118187, 118392, 118846)

**80p for first minute, 80p per minute thereafter** - Vodafone (118881)

**150p for first minute, 150p per minute thereafter** - Auracall (118480), Elucidate Contrator Services (118159), Enix Telecom (118647), ETC Telecom (118960), Eurotel (118550), Hutchison 3G (118333), Nine Telecom (118990), Premium O (118827), Tesco (118323), TGL Services (118488)

**200p for first minute, 200p per minute thereafter** - 24 Seven Communications (118169), Assume Nothing (118942, 118962), Auracall (118277), Avongate (118508), Badger Business Services (118006, 118115), Business Hunt (118218), Cable & Wireless (118098), CFL Comms (118194), Cheers International (118144, 118289), Choice Numbers (118017, 118022, 118058, 118059, 118081, 118166, 118298, 118348, 118358, 118363, 118393, 118458, 118469, 118515, 118528, 118629, 118648, 118708, 118738, 118764, 118902, 118908, 118929, 118948, 118950, 118955, 118987, 118989, 118993), Conduit Enterprises (118848), Dalarna (118547, 118181), Digital Select (118366), ETC Telecom (118940), Global Mobile And Communications Ltd (118178), Globecom International (118991), IPV6 Limited (118093, 118822), Kim Burfield (118211), Linear Telecoms (118068), Mars Communications (118590), Mr Phone Card (118122), NTT (118005, 118200), Numbers Telecom (118518), People Trace (118511), Proads Investments SL (118231), Red Telecom (118117), SOS Technology (118567, 118789), Telecom2 (118018), Telecoms Cloud (118437, 118450, 118453, 118501, 118502, 118503, 118504, 118506, 118507, 118546, 118548, 118783), The Number (118932, 118949), THT Consulting (118808, 118818), UK Directory Assistance LLP (118555), UKDA (118110), UKDA LLP (118747), Vajram (118131)

**445p for first minute, 257p per minute thereafter** - CFL Comms (118129), Cheers International (118285), Hide Earning SL (118311), Hutchison 3G (118313), Micamosa Mon De Servei SLU (118077), Mr Phone Card (118133)

**360p for first minute, 360p per minute thereafter** - ASK PING (118171)

**550p for first minute, 275p per minute thereafter** - 192.com (118119), Affiniti (118801), BT (118404, 118500), Core Telecom (118575), HIBU (UK) (118247), KCOM (118138, 118188, 118288, 118301, 118799, 118800, 118802), Media Telecom (118303, 118456), Served Up (118883), Wavecrest (118865, 118875)

**574p for first minute, 299p per minute thereafter** - CFL Comms (118257), Core Telecom (118577), One Network (118978), Swiftel (118868), The Number (118551)

**698p for first minute, 349p per minute thereafter** - Abica (118224), Business Broadcast Communications (118616), CFL Comms (118193), Conduit Enterprises (118888, 118899), Evo Media (118002, 118085, 118088, 118132, 118145, 118238, 118320, 118758, 118889, 118905), Independent Radio News (118212, 118412), IPV6 Limited (118023, 118041), Magrathea (118050), Numbergrp Network Communications (118820), One Network (118970), Quality Score SL (118103), Swiftel (118884), The Number (118118, 118661)

**898p for first minute, 449p per minute thereafter** - Business Broadcast Communications (118414)

**998p for first minute, 499p per minute thereafter** - Bridgemill (118260)

**1598p for first minute, 799p per minute thereafter** - 24 Seven Communications (118156, 118558), Eat It Now Group (118986), Mars Communications (118509), Media Telecom (118976, 118977), Numbers Direct (118900), Telecom2 (118004)

Note: The latter 3 **Service Charge** price points were added on 1 July 2016 (along with 2 other unused high cost price points). All points above 600p per call and/or 360p per minute are reserved for Directory Enquiry services. We believe that these (and some cheaper) can only be justified if a service over and above that of simply giving a number found in a published directory is provided.





## 9. Summary of recommendations

(📄 - provides link to relevant text above)

- R1 Soliciting of calls to specific Premium Rate Services through recorded messages on unused geographic numbers should be prohibited, and immediate action be taken to remove them. [📄](#)
- R2 Evidence of use of the “wangiri” scam to (directly or indirectly) solicit calls to expensive Directory Enquiry numbers must be used to commence an investigation, encouraging other victims to come forward. [📄](#)
- R3 Action is required to more tightly regulate ICSS services so that use of internet search engines to find numbers is not polluted by scam numbers. This includes extension of the scope of **Phone-paid Services Authority** regulation by **Ofcom**, (as [recommended here](#)) and better enforcement of compliance with the principles of honest trading by the **Phone-paid Services Authority**. [📄](#)
- R4 To ensure that consumers and regulators may benefit from an independent, consumer-focussed view of the market, one or more suitably respected and well-resourced consumer representative companies should undertake a full review of all 118 numbers. As well as assessing the quality of the service and value for money from individual providers, this research should be focussed on drawing a necessary distinction between **basic** and **advanced** services. [📄](#)
- R5 Based on the above distinction, calls to numbers assigned to those **Service Charge** price points used for **advanced** services should be covered by a pre-call announcement. On the basis of a casual review, we suggest that the break point could be set at **> £2 per call and/or > £1 per minute**. [📄](#)
- R6 Provision of call connection services, as part of a Directory Enquiry call should be reviewed and made subject to tighter regulation. Many operators charge for this feature at rates that are out of all proportion to those in the general market. [📄](#)
- R7 **Service Charge** price points SC087-SC091 should be reviewed with the benefit of up to 9 months consumer experience. Their continued validity should require some evidence of valid and contented use by consumers. [📄](#)

**As we publish this briefing, the relevant organisations to which these recommendations are addressed have been made aware of them.**

