



**Detail on the HMRC 0845 ripoff  
as revealed by the NAO**

The [December 2012 NAO report](#) dealing with the HMRC telephone services addresses the issue of call waiting time and the associated cost to callers. This briefing addresses the fact that all callers suffer as a result of the failure by HMRC to swiftly adopt 03 in place of its 0845 numbers.

### The cost of calling a 0845 number

The average duration of a call to HMRC in 2011/2 is given by the NAO as being 7 minutes 36 seconds. The majority of this, 4 minutes 42 seconds (on average), was spent waiting.

A 7:36 daytime call costs as follows under the terms of some of the most commonly used tariffs, when compared with the cost of calling a 03 number (see ["Call rates table"](#)):

7:36 call Provider	Contract		Pay As You Go		
	0845	03	0845	03	Difference
BT	inclusive	Inclusive	<b>£2.00</b>	£0.60	£1.40
Virgin Media	<b>£0.63</b>	Inclusive	↑ <i>Public payphone</i> ↑		
Talk Talk	inclusive	Inclusive			
Sky Talk	<b>£0.93</b>	inclusive			
3	<b>£2.80</b>	inclusive	<b>£2.80</b>	£2.08	£0.72
O2	<b>£1.64</b>	inclusive	<b>£2.00</b>	£2.00	£0.00
Orange	<b>£1.00</b>	inclusive	<b>£0.96</b>	£0.96	£0.00
T-Mobile	<b>£2.67</b>	inclusive	<b>£3.20</b>	£2.40	£0.80
Virgin Mobile	<b>£3.28</b>	inclusive	<b>£2.48</b>	£2.08	£0.40
Vodafone	<b>£1.12</b>	inclusive	<b>£1.12</b>	£2.00	(£0.88)

N.B. It should be noted that some mobile rates for calling 084 numbers are currently deflated, pending the final resolution of a dispute with BT (see [Ofcom Competition Bulletins](#)).

There are other tariffs; it is only the most widely used which are covered above. It is not easy to determine a meaningful "average call cost", for very many reasons. It is not immediately obvious how the NAO came to the conclusion that the respective average costs are:

0845	03
<b>60.83p</b>	<b>44.38p</b>

I suspect that far too much weight has been given to those unusual cases where callers incur a penalty charge for calling outside the terms of their selected call plan or bundle. If so, then the estimate of a £13 million saving to callers on the long overdue move to 03 is unduly conservative.

### The financial benefit derived from using a 0845 number

*"0845 numbers include a revenue sharing component ... 03 do not"* (see ["Ofcom statements"](#)).

The NAO report states that Cable & Wireless values this benefit at 1.175 pence per minute. A figure of around 1.7p per minute is normally taken to be a fair reflection in respect of 0845 numbers. For the average call duration this equates to roughly 9p (or 13p) per call.

If this modest subsidy does provide any benefit to the taxpayer, the figures given above show the effect of collecting it in this way to provide a much greater benefit to the telephone companies.