



Cabinet Office commits to end the 'Telephone Tax'

The report

Today the National Audit Office published a report "[Charges for customer telephone lines](#)".

It refers to 084 and other types of number that include a "Service Charge" as "*higher rate numbers*". The Service Charge is an additional sum paid by the caller to provide subsidy or income to the person called. In addition to this, the caller's telephone company may add an "Access Charge" to its own benefit.

Where the person called is providing a service funded by taxation, we refer to the Service Charge as the '**Telephone Tax**'.

The report notes that many department and public bodies have not been following government guidance that low income and vulnerable groups are not subjected to "*higher rate*" numbers. It notes that the Cabinet Office has "*not sustained earlier efforts to protect them*" and recommends that this practice be "*eliminated*".

The report [lists 59 such cases](#), including the vast majority of the **DWP** enquiry lines.

The Commitment

The **Cabinet Office** has responded with a statement confirming that Government strategy includes "*protecting vulnerable groups in particular*". It concludes "*Hard-working families would expect us to address the issues raised by the NAO and we will do so*".

We earlier identified the **NAO** report as signalling "[the end of the Telephone Tax](#)".

Confirmation that the **Cabinet Office** will address the issues raised, suggests that we were not exaggerating the importance of this report. There is no way that the issues raised can be addressed, and **Cabinet Office** policy asserted, other than by these numbers being changed.

A simple switch from a 0845 number to the equivalent 0345 number is a simple, inexpensive and convenient way of achieving this. All telephone service providers permit such a switch within the terms of existing arrangements. All calls to all 03 numbers are charged at the same rate (if any) as calls to 01/02 numbers.

The process

The "*earlier efforts*" of the **Cabinet Office** were those undertaken by the **Contact Council**, with which we were heavily involved. We have offered, and expect to be invited, to play a similar supportive role in its renewed efforts.

The **Cabinet Office** will expect to face interrogation on this matter by the **Public Accounts Committee**, probably in September. **Margaret Hodge**, chair of that Committee, has previously indicated her distaste for the "**Telephone Tax**" and has repeated these comments today. We hope that the **Cabinet Office** minister will be ready to give a suitable undertaking when the PAC evidence session occurs.

When this same process occurred between last November and January, **HMRC** confirmed to the Committee that it would be giving up its "higher rate" numbers, as demanded by a **NAO** report. We will be ready to assist the **Cabinet Office** in achieving a similarly swift response.

