



The end of the 'Telephone Tax'?

- National Audit Office report (due before 18 July) awaited

When replying to a [debate on the 'Telephone Tax'](#) in parliament last week, **Civil Society Minister Nick Hurd** responded by indicating that the **Cabinet Office** was ready to get on top of the issue of use of 084 telephone numbers by government and other public bodies. ([see Hansard references](#))

Mr Hurd said that he was looking to the **National Audit Office** study of "[Charges for customer telephone lines](#)", which is expected to be reported shortly before parliament rises for the Summer recess on 18 July, for "*some sense of mandate*". Although **the NAO** "*cannot act as adviser on the specific decisions the government takes*", we hope that its report will contain all the information that **Mr Hurd** needs to fully understand the issues, and be armed to act swiftly and effectively.

Mr Hurd stresses **transparency** and the need to secure **best value** for the taxpayer from suppliers, who may have benefitted disproportionately in the past. We understand him to mean that the **'Telephone Tax'** should be declared and justified where it is applied, but the use of subsidy from callers to offset the cost of providing telephone services should be unnecessary.

We hope that this NAO report, to be published in around two weeks time, will receive full coverage, with explanation and informed comment. It should mark the beginning of the end of the 'Telephone Tax'

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Some of the facts and issues are already clear:

- The fact that all calls to 084 numbers include a **Service Charge** - a cost to the caller and a benefit to the person called - is now made clear by **Ofcom**. The formal **Ofcom** regulations to require declaration of this charge have not yet been put in place. **Transparency** by government departments is however the objective and responsibility of the **Cabinet Office**, not **Ofcom**.
- When the **Service Charge**, commonly denied or undeclared, is made subject to **transparency** ("**the great disinfectant**", as described by the Minister), the **'Telephone Tax'** will have to be either **justified or withdrawn**. The latter is readily achieved by migration to the **03 range**, most conveniently by simply changing only the second digit of the number ("8" to "3"). This option denies many arguments about the cost and inconvenience of transition.
- It may not be easy to justify **a charge for accessing NHS services** by telephone, set at the discretion of the Hospital or other NHS body, and with widely differing impact across the community of patients. This practice has already been **outlawed for GPs** in England and Wales.
- Some low income **DWP** claimants are entitled to the "**BT Basic**" social tariff to '*keep in touch*'. Because all **DWP** customers are subject to the **'Telephone Tax'**, this group has to pay **premium rates**, outside their call allowance, to call 0845 numbers when enquiring about their benefits.
- Young jobseekers, with mobile phones rather than landlines, pay **a premium of up to 39p per minute to their telephone provider** so that **JobCentre Plus may benefit from a 2p per minute subsidy** towards the cost of handling a telephone enquiry. There is no charge for interviews! - both the jobseeker and the JobCentre each meet their respective expenses!
- There may be cases where the **'Telephone Tax'** is justified - and many (more) where it is not.

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[This fair telecoms campaign briefing](#) provides comments and clarifications addressing the remarks made in the debate.