

Introduction

We would like to thank Ofcom for this opportunity to present our comments on its final proposals. We note that the consultation "[Simplifying non-geographic numbers - Policy position on the introduction of the unbundled tariff and changes to 080 and 116 ranges](#)" presents only questions in relation to its need to satisfy statutory requirements and on points of law. We therefore refrain from offering a response on matters beyond our scope.

We have doubts about the likely effectiveness of the measures that will be taken, noting that consumers and campaign groups have much to do to ensure their success.

We outlined our position in [response to the previous consultation](#) and at this stage wish only to comment briefly on points of principle and their importance.

The Principles of the "Unbundled Tariff"

We are fully in support of the "Unbundled Tariff", which we see as a clearer, strengthened version of the approach outlined in [our response to the original call for inputs](#). We believe that the fundamental principle of the "unbundled tariff" must be kept in mind, and clearly expressed, at all times -

The party imposing a charge must declare it and be seen to be responsible for it

The Access Charge

Ofcom's direct powers and uncompromising policy position mean that the "Access Charge" is firmly set and clear. As this is a new concept, we have yet to see how it will be applied. Ofcom is therefore right to reserve its position on further intervention in this respect.

The Service Charge

Whilst the "Service Charge" has long existed and will continue unchanged in concept, its open declaration is a novelty. Noting the comments addressed in the current consultation and the details of the measures to be taken, we see a danger that a clear understanding of the nature of the Service Charge may be undermined -

The Service Charge is a charge imposed by the user of a number on all callers to that number

It is collected by the call originating telephone company along with an Access Charge, possibly through a call inclusive subscription fee. How it is used to defray costs incurred in providing the service may be a matter for an interesting discussion about the internals of the Service Provider's business. This is not however a matter of material concern.

Comments on three particular points follow overleaf.

1 - Socially Important Services

One must question the “social importance” of any service that can sustain and justify a Service Charge on the user. For most of us, it is unthinkable that any service of “social importance” warrants a charge for something as basic as telephone contact.

Telephone companies have been seen to exploit the limited budgets and limited commercial awareness of providers of socially important services. Cheap deals using 084 numbers seem to have been accepted without a full and accurate understanding of why they are so cheap.

Now that the truth is coming out - with the Service Charge exposed to view - the status quo will clearly be seen to be unacceptable in many cases. These Service Providers will have to migrate to 03 or (perhaps virtual) geographic numbers and thereby incur greater costs.

The **fair telecoms campaign** calls on those who may have misled Service Providers to do all they can to ease this transition. We also urge those Service Providers who are seeking to evade the truth to cease their unjustified opposition to Ofcom’s perfectly fair proposals.

2 - Service Charge included in bundles and packages

It is noted that telephone companies who are prepared to include the Access Charge for all “unbundled tariff” ranges in their bundles and packages may also include some Service Charges so as to make the total call cost inclusive. (We think it unlikely that selected Service Charges would be treated as inclusive, but the associated Access Charge not so.)

An important principle of the call cost declaration requirement for Service Providers is that it is not specific to particular call providers. One can however see how, if its number(s) are treated as inclusive by a particular provider, a Service Provider could be tempted to imply that callers do not pay any charge to call them - but adding “*(other providers may vary)*”.

As the regulations covering such declarations are drafted, it is imperative that specific guidance / direction is included to prevent such abuse.

3 - Access Charge inflated for “Bad Debt Provision” on certain specific ranges

There are cases where it has been considered acceptable for call originating telephone companies (OCPs) to retain an additional sum to fund provision for “bad debts” likely to be incurred. This applies to some of the higher rated Premium Rate Service numbers. (Strictly speaking, these are not “bad debts”, but discretionary write-offs of disputed charges.)

The “Access Charge” is generally understood to represent the amount retained by the OCP. When applied in common across all ranges it should however only cover the common costs incurred in originating all calls. If an additional retention is necessary for certain call types, we believe that this should be factored into the Service Charge for those call types. In such cases a portion of (an inflated) Service Charge should be retained by the OCP.

Under such an arrangement the Service Provider would receive the required amount, although discounted from the declared charge, part of which is funding the “bad debt” risk. This is a much fairer solution than inflating the Access Charge for all call types.