






### Comments and clarifications on Westminster Hall debate - "Non-geographic telephone numbers" - 26 June 2013

The following **personal** observations address points made in this debate. ([Read full debate.](#))  
The portcullis symbol  gives a link to (perhaps one of many) relevant remarks in Hansard.

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 **The 08 numbers being discussed** are those beginning: 080, 0843, 0844, 0845, 0871, 0872 and 0873. 0870 acquired a very different, unique, status in 2009, but it is planned to return to join the other 087's in future. 080 is planned to change to become free to all callers.

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 **"Revenue sharing"** occurs when the user of a number receives a cash benefit from their telephone company as a result of what we now know as the **"Service Charge"**. (Previously we had to refer to this as the *"enhancement to the termination fee paid by the Originating Telephone Service Provider to the Terminating Telephone Service Provider"*. - Thank you Ofcom!)


It is technically accurate for someone who uses the Service Charge to offset the cost of their telephone service, without receiving any "cashback", to deny benefitting from "revenue sharing". This is where the term "Service Charge" is so useful, as it not only presents the truth, but avoids confusion over the irrelevant issue of the precise manner in which the benefit is gained.

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 Those calling geographic rate (01/02/03) numbers can indeed incur high charges, especially if the call handling process is poor. A poor call handling process must be improved, whether the cost of the call is at public expense, at direct cost to the caller, or inclusive with a call package. **Meeting the call costs at public expense, simply because the process is poor**, surely cannot be accepted as a general point of policy.

It is probably accepted by all that "free to caller" numbers should only, and always, be used in cases where it is necessary that no callers incurs a third party cost, and it is justified for this cost to be met at public expense. (There is scope for debate as to which cases meet those criteria.)

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 The Department for Business, Innovation and Skills will shortly be publishing draft regulations for the **implementation of the provisions of the Consumer Rights Directive** that are not covered by other legislation (including article 21). These will be open for comments. The necessary SIs will be placed before parliament in the Autumn, as they must be passed into legislation before the end of the year. They will come into force in the middle of 2014.

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 **Varney's proposal for a national single number for non-emergency access** to the Police Service has, after a false start with a extended remit and then a pause, now been put in place - 101. (The remit could be extended in some cases.) 111, which could be seen as an alternative to the Ambulance Service, although it goes further, is coming into effect. I am not aware of proposals for such single national non-emergency alternatives in respect of the Fire or Coastguard services.

I am aware that the Contact Council did a lot of work on **standards for call centre operations**, to take forward the Varney recommendations. This led to adoption by a number of "champions of best practice" (or some such term). I have not been following further developments with this.

Whilst the "tariffing" aspect of **the adoption of 03** is the issue being addressed now, the parallel "numbering" proposal failed. Ofcom went ahead with the introduction of the 03 ranges, without the necessary provisions to support the "numbering" proposal. The Cabinet Office therefore halted its efforts in respect of 03, because the "numbering" element was seen as critical. I was impressed on seeing this comprehensive scheme outlined, but would not support its resurrection.






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 One hopes that **the NAO has been made aware** of the Minister's remarks at column 98WH ...


*"We are reviewing whether there is a case for central control to play a more proactive role."*


 ... and 99WH ... *"We will also have to wait to see whether the NAO gives the Cabinet Office some sense of mandate to play a more proactive role in this exercise"*


If **the Minister is looking to the NAO for guidance**, then its report should reflect the readiness of the Cabinet Office to accept its recommendations, as it looks to them for a mandate.

 If numbers subject to a Service Charge are to be retained in the public service, then it will probably fall to the **Cabinet Office to ensure that the Service Charge is declared**, in line with the Ofcom specification. There is no good reason why a policy of transparency of Service Charges could not be put in place immediately, although this would have been a little different from the Ofcom specification, as the provisions covering the regularisation and transparency of the Access Charge will not come into effect until the point of implementation.

 **The HMRC project** has moved on further than indicated by the Minister. On 12-14 June its main helpline numbers moved over to 03.

 Essential for **those who are totally unable to engage digitally**, there are also cases where an interactive telephone conversation is the most cost-effective form of contact for both parties.

 The Minister rightly notes the importance of ensuring that the cost of using 03 numbers is kept to a minimum, noting the historic level of benefit gained by telephone companies from use of 084.

 It is important to understand the benefit gained from the Service Charge as against the cost of providing the service. A ten-minute call to a 0845 number (although costing up to £4.10) includes a service charge of only 20p, including VAT.

This benefit must be set against the cost to a Department of handling the call - typically around £5. This level of Service Charge is hard to justify if one seeks to maintain that **callers should pay for the service they are receiving**, because of the share of the cost (over 96%) met by the taxpayer. Furthermore, it may be difficult to argue that it is so significant a factor as to be vital to sustain the service. If a **budget reduction of less than 4% led to a public service being withdrawn** ...!

It is not for me to recommend that Departments switch to numbers with a Service Charge of 50p per minute plus VAT, and impose equivalent charges on all other means of contact. When imposing a charge, the level at which it is set must be considered as part of the justification.

The present levels of Service Charge may be fairly seen as a penalty for choosing a method of contact which the government seeks to discourage. The poor standard of service may be seen as providing evidence of that wish to discourage, and the long wait times as evidence of a desire to maximise the penalty. Currently high Access Charges, to the benefit of the telephone companies, may be seen as part of this "penalty". The impact of this is most severe on those with the least consumer bargaining power - the lower socio-economic groups - who may feel targeted.

*(I do not personally believe that this view represents an accurate understanding of the true motivation behind the current situation, but I hear it frequently and can recognise the logic. Any failure to move swiftly and decisively could be taken as confirmation of this assumption.)*

