



## 'Telephone Tax' to be investigated

We drew attention to the "Telephone Tax" in our [news release of 20 May](#).

HMRC is in the course of removing it, DWP has confirmed that it will remain as a charge on pensioners, the disabled and jobseekers for making enquiries by telephone. (see links below)

The National Audit Office has now confirmed that it is currently studying "[Charges for customer telephone lines](#)".

This investigation is said to cover "*Use of 084 numbers across government*" extending over "*departments and other public bodies*". It aims to report in July 2013.

The fair telecoms campaign is delighted that this investigation will be undertaken and hopes that it will draw on information from Ofcom, notably the requirement that will shortly be placed on all users of 084 numbers to declare their "Service Charge".

Every time a 084 number is called a sum of money (the Service Charge) is transferred from the caller to the person called. For 0845 numbers this is at the rate of roughly 2p per minute, for 0844/3 numbers it is up to 7p per minute. We refer to this charge as the 'Telephone Tax' when it is imposed to access a service funded from taxation.

The tax may be collected from the caller (along with all other subscribers) as part of an inclusive call plan arrangement. In some cases the Department's telephone company will factor the benefit received into an overall charge for telecoms facilities, rather than paying it on as a "cashback".

**Regardless of the particular arrangement found at either end of the line, the Telephone Tax is being imposed and collected whenever a 084 number is used by a taxation-funded body.**

In most cases the tax is imposed as part of bundled call charge, along with the "Access Charge" that is levied by the caller's telephone company, as a supplement to the Service Charge. In some cases this is much greater than the tax collected (e.g. 39p per minute vs. 2p per minute).

Even if the imposition of the Telephone Tax could be sustained in principle, the additional burden of the Access Charge makes it a highly inefficient and grossly inequitable means of taxation.

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## Congratulations to John Healey MP

[A news release](#) from John Healey MP covers the vital role he played in securing this investigation.

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## See also

- [DWP to retain 0845 numbers and declare "Service Charge" of 2p per minute](#)
- [HMRC announces end of its 0845 numbers](#)
- [Transport for London being a little coy](#)