



Unacknowledged billing error by Zen Internet uncovered

It is with great regret that we have to reveal our discovery of one confirmed and many possible errors in the billing of Premium Rate Calls by **Zen Internet**.

As is our practice, we sought to engage in discussion with the company about what we had discovered before releasing it to the media. We are unhappy that this offer was firmly refused.

The primary issue is the discovery that in January 2019, **Zen** is billing calls to the **BT** Directory Enquiry service (118500) using the Service Charge rate **SC070 = 550p for first minute, 275p per minute thereafter**. All providers were advised that this number switched to the lower Service Charge rate **SC066 = 77p per call and 155p per minute** on 1 June 2018. (*These rates include VAT and are billed with the addition of the Zen "Access Charge" – typically 11p per minute.*)

This error is significant, in that the Service Charge for the **typical 90-second call** to 118500 reduces from **£6.88** to **£3.10**. The latter was doubtless chosen to fall just below the cap set by **Ofcom**.

Other numbers have switched rates at various times. We await confirmation of which other notifications **Zen** may have failed to reflect in its billing process. By the deadline of 1 April 2019, many other Directory Enquiry services (most notably 118118) will also have to change their chosen Service Charge rate to fall within the **Ofcom** cap of **£3.65 for a 90-second call**.

Zen customers will be keen to know what action **Zen** is taking to identify the scale of its errors.

Furthermore, it is vital that **Zen** deals properly and promptly with the errors that are discovered. This applies both to future billing, as a matter of extreme urgency, and also to the refunding of each and every overcharge that is found to have occurred.

We totally reject the notion that it is the responsibility of each individual customer to understand the full detail of billing calculations, to verify every charge and confidently press for necessary adjustments. Such claims are doubtless met by an assurance that **Zen** is accurate in its billing.

Other issues

Apart from other numbers that may be subject to the application of the wrong Service Charge rate, we have also noted a number of errors in **Zen's** publication of the standard table of Service Charge rates (see [NGN tariff guide](#)).

In the cases listed below this guide states an incorrect rate of charge. Billing appears to apply the correct rates, so technically this may be seen to represent an overcharge in two cases!

Code	Correct rate	Zen stated rate
SC086	275p per call and 78p per minute	78p per call and 78p per minute
SC093	13p for first minute, 13p per minute thereafter	1p for first minute, 13p per minute thereafter
SC083	350p per minute	360p per minute
SC070	550p for first minute, 275p per minute thereafter	550p per call and 275p per minute
SC071	574p for first minute, 299p per minute thereafter	574p per call and 299p per minute
SC072	698p for first minute, 349p per minute thereafter	698p per call and 349p per minute

The rate for SC070 is both wrong in the table and is wrongly applied to calls to 118500. Surely the chances of any query or dispute being effectively resolved with an enquiry agent are close to zero. The complexity of these calculations challenges most people, even when based on accurate data!



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Notes

- ft** Our determination of the error with the wrongful application of the former rate for 118500 was derived from a customer case brought to our attention. This showed all 9 calls to this number between 27 Dec 2018 and 14 Jan 2019 charged at the incorrect (pre-June 2018) rate. It can only be that this charge was derived from a look-up table common to all billings.
- Zen** does not publish the table it uses to determine which Service Charge Rate applies to each number. There is no requirement to publish this, nor indeed the actual table of Service Charge rates, which **Zen** replicates with errors. These tables are established for the industry as a whole and all providers are required to apply them consistently and accurately.
- Zen** confirms its application of this principle through the statement – “**11ppm access charge plus service charge**” for both business and home tariffs.
- ft** Our approach to **Zen** and our publication of this news release is out of concern for all **Zen** customers, as the determination of which Service Charge rate to apply and the values associated with each rate will undoubtedly be based on common tables for all customers. It is this general concern that we wish to highlight, although we will be happy to share the detail of how we came to our conclusions, if that becomes necessary – i.e. if **Zen** denies our allegations.
- The overcharge of £36.42 for this one customer, for this short period, is a matter for that customer to pursue. Our particular concern is for all those who have been, and will be, overcharged. Most customers would not be aware of this overcharge and we strongly suspect that any enquiry will be met with an assertion that the billing process is accurate, which many would be unable to challenge effectively.
- ft** We understand that journalistic enquiries on this matter have been made of **Zen**, and also of **Which?**, which recommends **Zen** along with only one other broadband provider. Nothing has yet been published.
- It is fair to remark that our reaction to what we understand to have been said by each is reflected in the comments made above.
- We note that the recommendation of **Which?** is largely based on a very low level of customer complaints. This could evoke concern that enquiries about its billing process are readily dismissed, before its accuracy could be disputed.
- ft** It is not our habit to engage in this type of whistle-blowing, based on information that is not wholly found in the public domain. We do however normally find that organisations are prepared to enter in confidential discussion of specific issues with a wide impact, as that is a more appropriate and polite way of resolving them.
*(The information under the heading “**Other Issues**” above is derived from the public domain.)*
- We always seek to be fair in dealing with all parties. It is therefore deeply regrettable when, as in this case, such an approach is totally dismissed.
- We do however believe that it is fair to notify you of our competent and carefully considered conclusions about what is happening in this case.

