fair telecoms campaign **news release**

The 'insanity' of using 084 or 087 numbers - even when it is permitted

Most of the formerly common uses of 084 and 087 telephone numbers have now been prohibited - e.g. by the NHS, by Central Government departments and agencies, and for customer helplines.

Although there are some appalling exceptions, we are delighted that compliance rates are now generally very high. We must however do more to eliminate foolish use of these numbers.

Many organisations continue to use 084 and 087 numbers for sales/bookings and "free" helplines. In most cases, they comply with the requirement (introduced on 1 July 2015) to state the cost of calling, i.e. "***calls cost 𝒙 p per minute plus your telephone companies access charge***".

The 𝒙 p per minute is known as the "**Service Charge**". For 084 numbers this can be up to 7p, for 087 numbers 13p. After VAT has been deducted this subsidises the cost of handling the call.

What is made from using 084/087 number?

The most that can be 'earned' from a 084/087 number (after deducting VAT) is **10.83p per minute**.

Perhaps the agent handling the call is being paid the "National Living Wage" of £7.50 per hour = **12.5p per minute**, and there are many other costs incurred in running a call centre!

The Service Charge is therefore never fully meeting the costs, it is only providing a subsidy.

What does it actually cost to call a 084/087 number

In most cases the major element of the cost is the (per minute) "**Access Charge**" added by the caller's telephone company. A list of these, with links to the source data, can be found at this link.

Major mobile companies have an Access Charge of around **50p per minute** (O2, Vodafone = 55p; EE, Orange and T-Mobile = 50p; Three, Virgin = 45p). The typical landline rate is **12p per minute**.

When added to the Service Charge this creates a cost as shown in the following table, set against the benefit to the organisation being called.

Does this make sense?

The values shown below are for a 5-minute call

Number type	Published Service Charge	Cost to caller		Subsidy gained		
		Landline (12 ppm Access Charge)	Mobile (50 ppm Access Charge)	Value	as % of cost to caller	
					Landline	Mobile
084 …	2 ppm	70p	£2.60	8p	11%	3%
	5 ppm	85p	£2.75	21p	25%	8%
	7 ppm	95p	£2.85	29p	31%	10%
087 …	10 ppm	£1.10	£3.00	42p	38%	14%
	13 ppm	£1.25	£3.15	54p	43%	17%

Even in the very "best" case, the user of the number recovers less than 50% of what is paid by the caller. (N.B. the percentages apply regardless of the duration of the call.)

Those who use these numbers should understand the disproportionate generosity they are showing to the telephone service providers (and HM Treasury) - at the expense of their callers. Perhaps if they thought about this more carefully, they would cease this nonsense!

David Hickson

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