

BT Media & Broadcast

Changes to regulation/law regarding non-geographic call services

A guide





What is changing ?

There are three changes summarised below:-

1. The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 – part of the EU Consumer Rights Directive implemented in the UK
2. Ofcom Statement; Simplifying non-geographic numbers
3. Ofcom Statement; The 0500 Number Range; Decision to withdraw 0500 telephone numbers

The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 Effective June 14th 2014

This law provides Consumer Rights protection and covers a wide range of the various aspects of contracts between consumers and traders. Certain organisations, mainly in the gambling and financial services sectors, are currently exempt. Section 41 covers calls to help lines regarding contracts entered into on or after the effective date above.

Applies to Calls from Consumers to Traders for any post-Contract issue

Where an organisation provides a contact number for consumers calling traders about their contracts, an option should be provided for the caller to pay no more than the “basic rate”. If callers are bound to pay more than the basic rate then the trader should refund the difference between the caller’s charge and the basic rate.

Only Basic rate numbers permitted.

Numbers which comply or do not comply are defined in the guidance document issued by the Department for Business, Innovation and Skills (BIS). These are:-

Geographic numbers

Geographic numbers or numbers are always set at the same caller charge rate and usually begin with the prefix 01, 02, or 03.

Freephone numbers

Calls which can be free of charge to call, for example, 0800 and 0808 numbers.

Mobile Numbers

Mobile numbers usually begin with the prefix 07 (but not 070).

Forbidden ranges:

- premium rate numbers (09xx) would not comply
- other revenue sharing numbers would not comply. The guidance states “These usually have the prefix 084 or 0871, 0872 or 0873”
- numbers with the prefix 0870 are not revenue sharing numbers. However, they can be higher than a geographic cost, and will vary depending on the tariff of the consumer’s telecom company. They would therefore not comply.

But Forbidden ranges are sometimes cheaper than Basic Rate calls.

To explain this situation there follows 2 examples:

BT residential callers to a compliant, geographically rated 03 number may be charged up to 9p per minute (plus the associated set up charge), other Communications Providers may charge differently. However calls to 03 are included in call packages and free call allowances for all Providers and as such may be free of charge to the caller.

While a call to 0844 is charged at a maximum of 5p per minute from a BT land line (plus any associated set up charge) other Communications Providers are not bound by this Ofcom regulated price cap. Calls to 0844 numbers are rarely, if ever, included in call packages and free call allowances. The regulations consider call charges from all originations and therefore exclude the use of 0844 even though it may be cheaper to call in some circumstances. Callers using a Communications Provider who charges for 0800/0808 calls can be charged at 35p/40p per minute with a minimum one minute call charge for example.

Display both equally prominently

There are times when consumers may prefer 08xx numbers to geographically rated numbers it may be desirable in some circumstances to maintain both access numbers.

Clarification has been sought from BIS who have advised that Revenue Share is still permitted on the 08xx number if this approach is taken. No refunds need to be made if a caller calls the 08xx number so long as the compliant one is equally prominently advertised.

If in doubt about their own individual circumstances, customers should consult their own legal advisors.

“Parallel” 03xx Ranges

Where a customer has an existing 084 or 087 number they can have the equivalent 034 or 037 number, for example if a customer has 0844 123 4567 they can also have 0344 123 4567. BT will raise no additional rentals for extra parallel 03xx numbers. To assist migration BT also offers a free to caller message which states “You have dialled a number beginning zero eight. Please re-dial the same number but replace the leading zero eight with zero three. BT has not charged you for this call.”

The regulation is available here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/265898/consumer-contracts-information-cancellation-and-additional-payments-regulations-2013.pdf

Guidance is available here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/265938/bis-13-1368-consumer-contracts-information-cancellation-and-additional-payments-regulations-guidance.pdf

Exemptions?

Although organisations providing financial services are currently exempt, the Financial Conduct Authority (FCA) have announced that they will issue a consultation later in the year regarding call charges to financial services firms for consumer help and complaint lines, proposing that they are capped at the cost of a basic rate call.

The FCA Press Release can be found at:

<http://www.fca.org.uk/news/press-releases/fca-says-time-to-end-premium-calls-for-consumers>

Ofcom Statement; Simplifying non-geographic numbers

Effective July 1st 2015

Following a lengthy consultation process, Ofcom released their Statement on the future of non-geographic call services with an implementation date of 26th June 2015 although they have verbally acknowledged that this is to change to 1st July 2015 to assist with the practicalities of implementation.

There are two key elements:-

- Free means Free – calls to 080 numbers will be free to call regardless of Communications Provider chosen. Following implementation, all calls including those from mobiles will be free to call.
- Unbundled Pricing – will split the caller charges into an Access Charge and a Service Charge.

Free means Free – calls to 080

Most Land Line Providers currently provide calls to 080 numbers for free but Mobile Providers often charge. Once the change is made, the terminating Communications Provider will pay the originating Communications Provider an “origination charge” to cover their costs of originating the call as they will not be collecting any charges from the caller. Mobile origination charges will be higher than fixed origination charges and this has been backed up by Ofcom research. Calls to 080 numbers are paid for by the recipient of the call and those charges are based around the current fixed origination charge. The differential between the mobile and fixed origination charges will therefore be passed on to the recipient of the call as a “top up” to the standard call costs. Although not yet finalised the “top up” is likely to be in the 1.5p to 2p per minute range and this will be charged in addition to the customer’s normal 080 tariff.

Unbundled pricing for 084, 087 and 09 numbers

Implementation of “Unbundled” pricing will split the caller charges into an Access Charge and a Service Charge.

Access Charge

The Access Charge will be unregulated and set by the originating Communications Provider.

Service Charge

The Service Charge will be regulated and set on a per number range basis by the Communications Provider allocated that number range by Ofcom.

Calls to 084 numbers will have the Service Charge capped at 7p per minute inc VAT and calls to 087 numbers will be capped at 13p per minute inc VAT. There will be a limited number of Service Charges available for Communications Providers who are range holders to choose from. In the 084 and 087 number ranges these will be in whole round pence per minute from 1p per minute through to 13p per minute. Numbers in the 09 premium rate will also have a restricted number of Service Charges to choose from up to a maximum of 360p per minute or 600p per call inc VAT. Other numbers which will also have unbundled pricing imposed will be 070, 076 and 118 numbers.

The full Ofcom statement can be found here:

<http://stakeholders.ofcom.org.uk/consultations/simplifying-non-geo-no/final-statement>

Price publication obligation

Users of numbers covered by the unbundled pricing will have an obligation to publish the Service Charges wherever they advertise or publish their numbers in a similar format to: “Calls will cost Xppm plus your phone company access charge”. The final recommended wording will be issued by the Committee for Advertising Practice, (CAP).

More guidance for both businesses and consumers can be found from the UK Calling web site at <http://www.ukcalling.info/>

Ofcom Statement: The 0500 Number Range; Decision to withdraw the 0500 number range

The current 0500 number range is closed for new provision and has been for some time. Ofcom have decided to withdraw the 0500 number range in its entirety and will be making the 08085 number range available as a migration range. Where a customer has 0500 number, for example 0500 123456 they can migrate to the equivalent 08085 number, in this example 08085 123456. An alternative would be to change to another appropriate number.

Migrations from 0500 to 08085, should customers choose to do this, or changes to an alternative number, need to be made before 3rd June 2017. At the end of the migration window Ofcom will be withdrawing all 0500 numbers.

During the migration period, caller charging will not be changed in line with proposals for 080 as a result of this Statement, therefore calls from mobiles may still be charged. A pre-call announcement will be played prior to connecting the call as currently exists where Freefone is charged.

The full Ofcom Statement can be found here:

http://stakeholders.ofcom.org.uk/binaries/consultations/re-consultation-0500-freephone/statement/0500_statement.pdf

Summary

Consumer Rights – the Consumer Contracts legislation

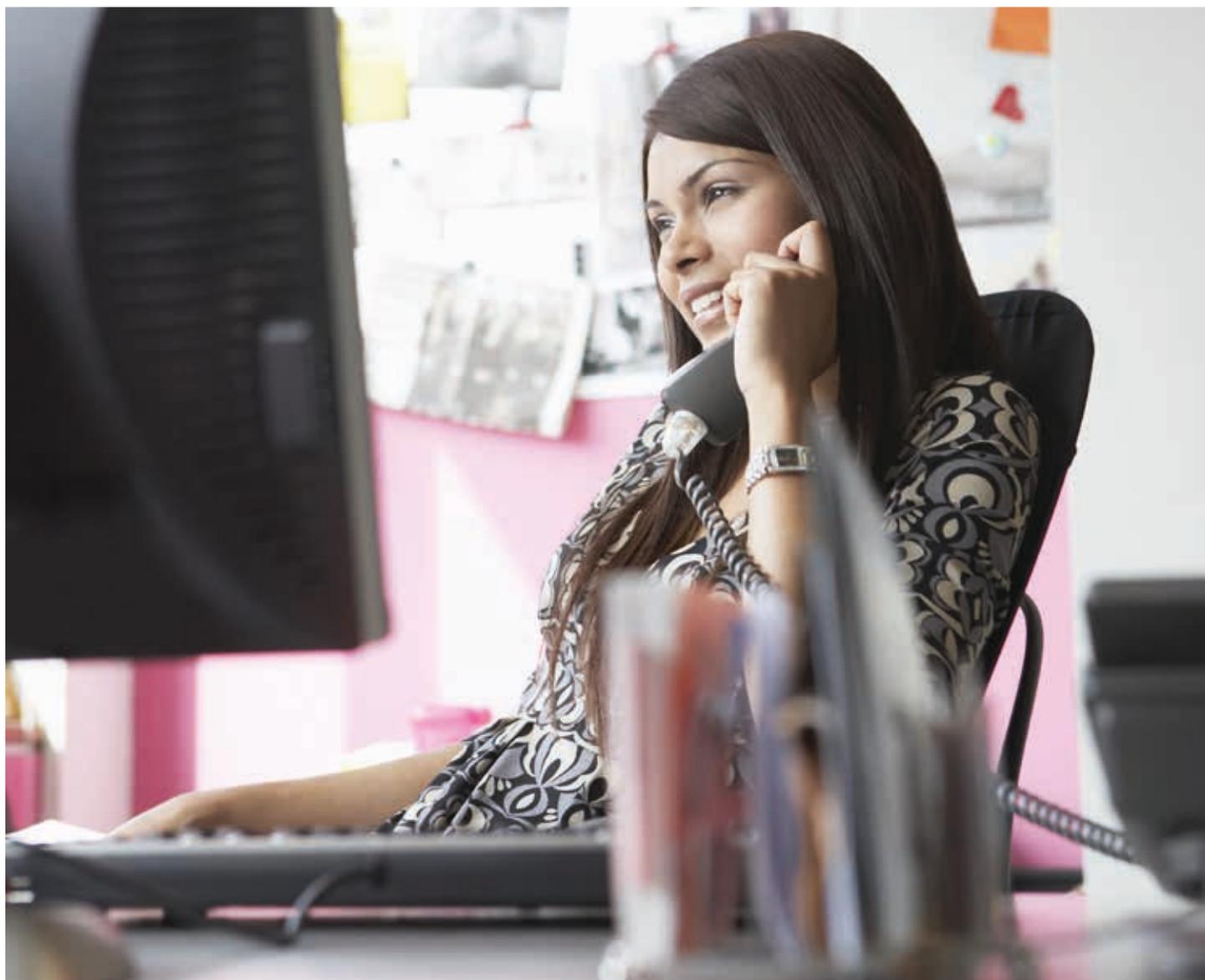
Effective 14th June 2014 – the need to publish a “basic rate” contact number for post-contract calls.

Ofcom’s “Simplifying Non-Geographic Numbers”

Effective 1st July 2015 – calls to 080 numbers will be free to all callers plus caller charges for calls to 084, 087, 09 and some other numbers will be split into an Access Charge and a Service Charge. Users will have an obligation to publish the Service Charges wherever they are advertised or published.

Ofcom’s withdrawal of the 0500 numbers

Effective 3rd June 2017 – withdrawal of all existing 0500 numbers. There is an option to migrate to equivalent numbers starting 08085.





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