



Richard Orpin,
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By email only

Dear Richard,

Formal notification of changes to BT Basic voice only

I am writing further to our conversations regarding BT's plans to make changes to our BT Basic voice product. This letter is to formally notify Ofcom of those changes, in accordance with Condition 2.3 of BT's universal service obligations. We plan to launch our new 'Home Essentials' voice only product in June 2021, we will update Ofcom with the specific date as soon as we can.

Our BT Basic voice product has been in place since 2003. We have reviewed BT Basic voice to ensure it continues to meet the needs of our financially vulnerable customers. As such, we plan to make changes so that it is available to a larger group of people; easier to sign-up to and has simpler pricing. We will also change the name of our service to Home Essentials voice.

Our new Home Essentials voice product will be:

- **Available to a much larger group of people.** We will replace the current eligibility requirement (to be in receipt of Universal Credit with zero earnings) and make the service available to all customers in receipt of means tested benefits. We estimate that this will currently make the service available to c. 3 million households. Customers will have 12 months eligibility, even if their financial circumstances change within that period. At the end of the 12-months we will undertake a further eligibility check with the DWP, and if a customer's circumstance has changed help them to move to a new tariff that is right for them.
- **Easier to sign-up to.** Currently customers must apply for BT Basic via a paper process. We have been working with DWP to develop an automated, integrated real-time eligibility check – speeding up the application processes significantly.

Sharon Atmore
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Furthermore, customers will be able to sign-up to Home Essentials voice across all channels.

- **Make pricing simpler.** Pricing will be made simpler for customers. BT Basic currently costs £5.16 per month for line rental, including a £1.50 per month call allowance. Call charges are then capped at £10 per month. Meaning that the most customers will pay is £15.16 per month. The new proposition will be priced at £10¹ per month and include unlimited calls to UK landlines and UK mobiles.

We plan to stop selling BT Basic voice when the new proposition is launched in June. We will not migrate any existing customers, although existing customers can apply for the new proposition if they so wish. We will put details of the new product on our website and plan to work with third sector and other interested parties to raise awareness, along with our own press campaign.

Please let me know if you need any further information on our planned changes. I look forward to hearing from you in due course.

Yours sincerely,

Sharon Atmore

Principal, Consumer Regulation

¹ Calls to premium rate numbers or international destinations will be charged as per our standard tariff. But premium rate and international call barring will be switched as default to on to ensure customers do not make any chargeable calls they are unaware of. Paper bills will be included free of charge