

## Consultation response form

Please complete this form in full and return via email to [070marketreview@ofcom.org.uk](mailto:070marketreview@ofcom.org.uk) or by post to:

070 market review team  
Competition Group  
Ofcom  
Riverside House  
2A Southwark Bridge Road  
London SE1 9HA

<b>Consultation title</b>	<b>Personal numbering: Review of the 070 number range</b>
<b>Full name</b>	Rory Maguire
<b>Contact phone number</b>	✂
<b>Representing (delete as appropriate)</b>	Organisation
<b>Organisation name</b>	Association for Interactive Media and Entertainment (aimm)
<b>Email address</b>	✂
<b>We will keep your contact number and email address confidential. Are there any additional details you want to keep confidential? (delete as appropriate)</b>	Nothing
<b>For confidential responses, can Ofcom publish a reference to the contents of your response?</b>	Yes

## Your response

<b>Question 3.1: Do you agree with our provisional conclusion regarding market definition? Please provide reasons and evidence in support of your views.</b>	<p>Confidential? – N</p> <p>As an observation on this consultation, the document that is being released today (28<sup>th</sup> Feb) by the EU that sets out how UK will exit the EU is 120 pages long and Ofcom's consultation document for a single number range is 127 pages long.</p> <p>The Market definition section clearly lays out Ofcom's concerns related to wholesale rates but then provides extensive, often duplicated information to support Ofcom's final determination. aimm and its relevant members</p>
--	--

	<p>(see <a href="http://www.aimm.co">www.aimm.co</a>) do not agree with the provisional determination for the reasons set out below.</p>
<p><b>Question 3.2: Do you agree with our provisional conclusion regarding SMP? Please provide reasons and evidence in support of your views.</b></p>	<p>Confidential? – N</p> <p>Ofcom has listed companies that are originating calls to 070 ranges as well as companies terminating under the same SMP analysis. We believe this distorts the analysis that leads to the determination.</p> <p>We believe that Ofcom has allowed a situation of SMP to grow by permitting wholesale rates to increase – especially to the high rates – while giving up on previous attempts to provide consumer pricing transparency. As a result of the lack of transparency, fraud and bill shock will appear.</p> <p>aimm fully supports consumer pricing transparency and the ability for consumers to decide if they make calls based on the value of the end service.</p> <p>Previous attempts by Ofcom to provide this transparency, affected a small area of services that were impacted by the increased call length. If Ofcom had encouraged those services to migrate to another number range, consumer pricing transparency would have resulted in the creation of services that had value for both ends of the call and would have eliminated Wangiri and other types of fraud.</p> <p>It would also prevent OCP's from creating high price points relying on the consumer's lack of pricing awareness as we can see by the current range of 070 retail prices.</p> <p>This was a missed opportunity that has also allowed the creation of SMP as identified. We believe however that the Ofcom proposal to resolve the SMP effect is extremely damaging to consumers and SME's as well as the communications industry.</p> <p>We are surprised that Ofcom has not prepared any proposals that would retain consumer and SME benefit while mitigating fraud and pricing transparency issues. aimm requests that Ofcom</p>

	<p>re-examines previous resolutions to establish if there are better and more pragmatic solutions.</p>
<p><b>Question 4.1: Do you consider that the cost of the proposed control is proportionate to the identified harm to consumers arising from this range? If not please give your reasons.</b></p>	<p>Confidential? – N</p> <p>No. Ofcom has made a single proposal to a complex set of identified issues without examining more proportionate and more pragmatic solutions.</p> <p>The single proposal made is likely to wipe out an extensive range of important services for both SME's and consumers or add significant and disproportionate costs to UK TNO industries to cater for changes.</p> <p>We do not believe that Ofcom has engaged correctly with the relevant TCP's and discuss the issues identified. Ofcom has asked a narrow statistics-based set of questions only rather than seeking industry proposals to identified issues. This would have allowed an opportunity for industry self-regulation or joint regulation to take effect.</p> <p>A requirement of the Communications Act 2003 is for Ofcom to allow for self-regulation which can only take effect if the issues that are identified by Ofcom are socialised.</p> <p>We believe that Ofcom has ignored this legal requirement.</p>
<p><b>Question 4.2: Do you agree with our proposal for a three-month implementation period? If not, please explain why.</b></p>	<p>Confidential? – N</p> <p>No. Any proposal that will require a material change to the way that services are operated or that may force end users to change their numbers needs a longer period of implementation.</p> <p>Most end users were advised that their personal number was a permanent feature. Ofcom's proposals will now put that original intention under threat.</p> <p>Ofcom should be aware of the impact of previous UK numbering changes on industries</p>

	<p>and consumers and should understand that three months is insufficient. A three month proposal demonstrates a lack of industry knowledge or involvement and disregards the impact on consumers and small businesses.</p> <p>18 months may be acceptable, however our alternative proposals detailed below would give a more pragmatic and consumer centric alternative to the Ofcom proposal.</p>
<p><b>Question 4.3: Do you agree that our proposal to implement a charge control on 070 TCPs in the form of a benchmark rate is appropriate? If not, please explain why.</b></p>	<p>Confidential? – N</p> <p>We believe that a level of charge control on the termination rate are acceptable, but on the understanding that ;</p> <ul style="list-style-type: none"><li>a) The level is not the one proposed by Ofcom as this is wholly unworkable.</li><li>b) Any cap allows TCP's to provide basic services without any receiving party cost (the original concept of the personal number range).</li><li>c) That a new number range is investigated that allows comprehensive services to be provided, funded by the termination charge, but without originating network Access Charges which have had a detrimental effect on 08 ranges.</li><li>d) That consumer pricing transparency on the new range is facilitated with pre-call price announcers operated by the TCP</li></ul> <p>We believe that a new number range can be constructed to provide both pricing transparency to consumers as well as fund the TCP provided service by copying the concept of mobile voice shortcodes These are operated by UK MNOs designed with consumer pricing transparency built-in (which is desired by both the callers and the promoters of the services). The promoter sets the consumer price so that transparency is guaranteed and it does not impact the announcer.</p> <p>The wholesale termination rate is then based on real costs to transit the call and acceptable margins.</p> <p>Ofcom can adopt this model on a new number range, allowing for the sustaining of the market of feature rich CPP services and even encourage the creation of new</p>

	<p>communication services markets. The added benefit will be guaranteed pricing transparency and mitigation of AIT fraud.</p>
<p><b>Question 4.4: Do you have any further comment on our proposals for regulating 070 termination rates? Please provide reasons and evidence in support of your views.</b></p>	<p>Confidential? – N</p> <p>The proposal (we see only one in the consultation) for capping the termination rate to MTR will completely destroy the existing market for personal numbering services to the detriment of consumers and SME's who are utilising the services currently provided.</p> <p>We do agree that some fraud has taken place in the past, mainly as a result of high termination rates, but this can be managed more effectively through proposals that we have laid out in this document and through tighter OCP and TCP management which we understand are now in place.</p> <p>We do not agree with Ofcom's estimation of 60% market fraud as this appears to be based on unverifiable data, hearsay and information that is four years old. Any decision that materially affects the market and consumers needs to be based on current data.</p> <p>We also feel that administrative issues at the OCP end of the communication spectrum, particularly international are being used to justify detriment at the TCP end. Every business knows that they work out their retail prices based on wholesale costs plus margin, but Ofcom appears to sympathise with OCPs who set their retail charges underneath the wholesale cost. We do not see this regulatory intervention in other retail environments.</p> <p>We instead do believe the statistic showing that the level of consumer complaints are extremely low in comparison to the number of calling users and Ofcom is proposing to destroy an existing and beneficial suite of services based on this low level of complaints.</p>

We also do not understand Ofcom's statement on identity fraud as it is just as easy to perform this with over-the-counter SIMs and we do not see steps being taken for consumers to provide their identity for pre-paid SIMs. It is possible that further clarity is needed here.

We believe that a combination of regulating the termination rate (to a level that allows TCP's to provide comprehensive personal numbering services on 070), while examining pricing transparency proposals for consumers and investigating the possibility of creating a unique new number range for calling party pays services (without Access Charges) will be a more pragmatic and UK industry supporting solution to the one that Ofcom has proposed.

We do not believe that Ofcom has fully scoped out the range of services that are provided behind 070 numbers that have significant consumer and SME benefits and we are deeply concerned that a majority of these services will disappear with Ofcom's proposal including the most basic of redirect services.

As an example, women and the LGBT community benefit from being able to pass out 070 numbers to facilitate contact but are able to preserve their mobile number for their trusted community, allowing the 070 number to be easily changed if unacceptable calls are then received.

If a TCP is forced to bill the end user in order to continue to provide the service, then the cost of provision, due to (new) consumer billing infrastructure costs, credit checking and debt management will magnify considerably.

This increased overhead will have to be reflected in the end user cost, thus eliminating a valuable consumer service.

The end user cost will be variable dependant on number of calls, not all of which are desired, leading to billing disputes on the unwanted calls.

US mobile networks worked for a period of time (until GSM) on RPP forcing the receiving party to seek other cost effective means of receiving calls, hampering the development of consumer oriented services that Europeans were enjoying.

SME's currently benefit from the comprehensive redirect facilities provided together with fax, voicemail, email and (in some cases) call handling. Most TCP's do not have consumer or SME billing functionality, so we expect to see these services that support UK citizens and businesses disappear.

It is interesting to note that Ofcom believe that Microsoft's Skype can provide a better service than 070, showing a clear anti-UK anti-enterprise culture which concerns us as well as a poor understanding of how Skype calls result in limited quality and increased cost in a mobile environment.

Ofcom's previous determination (2015) on a single "Access Charge" without capping has resulted in excessive Access Charge rates levied by originating networks due to the absence of competing pressure and the absence of risk-related choice of charges. This resulted in 08x ranges (non free) becoming unacceptable for CPP oriented services due to the aggregated high cost to consumers and the lack of point-of-use pricing transparency.

aimm believes that a more comprehensive and inclusive review should be conducted alongside industry operatives looking at:

- 070 services that are currently being provided to the benefit of consumers and SME's
- Drivers behind fraud attempts
- Pricing transparency for consumers
- Alternative Access Charge free range
- Alternative options for CPP funded services

**Question A9.1: Do you agree with our approach to estimating the cost of providing a 070 service? Please provide reasons and evidence in support of your views.**

Confidential? – N

No. Without a comprehensive review of the range of services that are being provided and the resultant consumer and SME benefit, it would be impossible to estimate anything but the most basic of redirect services.