



Changes to the Numbering Plan

A proposal for modifications to the National
Telephone Numbering Plan to facilitate the increase in VAT
from January 2011

Consultation

Publication date: 22 October 2010

Closing Date for Responses: 19 November 2010

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Section 1

Summary

Background

- 1.1 Ofcom is proposing to modify one of the documents that we publish in order to fulfil our duties in relation to telephone numbering under Part 2 of the Communications Act 2003 ('the Act').
- 1.2 No substantial changes to policy or administrative processes are suggested and the proposals only directly relate to how the maximum retail prices of certain non-geographic numbers are presented in the National Telephone Numbering Plan (the Plan)¹.

Proposed Modifications to the Plan

- 1.3 The Plan currently states the maximum prices for calls from BT lines to numbers beginning with 0843/4, 0871/2/3 and 09 of 5ppm, 10ppm and 150ppm respectively. These maximum prices are inclusive of Value Added Tax ('VAT'). This regulation has been in place for more than a decade as a consumer protection measure designed to inform customers of BT of the most they can expect to pay for these calls.
- 1.4 From March 1991 VAT rates remained constant at 17.5% for more than 17 years and this did not raise any issues. More recently VAT has been subject to 3 variations by the Government in reaction to the economic crisis. Firstly, in November 2008, VAT was reduced to 15% as a move to stimulate consumer spending. This was followed, in December 2009, by an increase back to 17.5% and in June of this year the Chancellor of the Exchequer announced a further increase to 20% from 4 January 2011.
- 1.5 These changes challenge the basis of setting maximum prices that are inclusive of VAT. The impact on consumers and providers under the current caps is not symmetric. When VAT is reduced, consumer prices reduce while provider revenue stays the same. On the other hand, when VAT increases, some consumer prices (for BT customers) stay the same while provider revenue falls. As non-BT communications providers are not directly regulated by their price ceilings they have the option to increase prices as VAT increases. We consider that this asymmetry exposes problems with VAT inclusive price caps.
- 1.6 In recognising this we consider it is appropriate to make interim changes to the Plan to avoid the unintended impact of the VAT changes. We propose to modify the Plan to give the maximum price for each number range that is exclusive rather than inclusive of VAT.
- 1.7 The revised price caps will be set in such a way as to ensure that prices consumers face will not increase by any more than the 2.5% increase in VAT. The changes in the price ceilings are from 5p to 4.26p, 10p to 8.51p and 150p to 127.66p respectively. .

¹ The National Telephone Numbering Plan.

<http://stakeholders.ofcom.org.uk/binaries/telecoms/numbering/numplan280710.pdf>

- 1.8 We recognise that these changes to the way in which the maximum prices are represented will mean that consumers no longer have the clarity of a figure giving the total cost of the call. While this is regrettable, recent evidence suggests that these limits are, in any case, not well known or understood by consumers. We propose to address this issue as part of our broader review of Non-Geographic Call Services ('NGCS') on which we will be consulting later this year, although any formal changes to the Plan are unlikely before mid 2011.
- 1.9 The reasons for the proposed modifications are explained in the body of this document and the specific text that we propose to modify in the Plan is set out in Annex 6. Certain statutory procedures apply when we propose modifications to the Plan and this consultation follows those procedures. We do not propose to make any changes to the numbering condition or the numbering application forms.
- 1.10 We are seeking responses to the specific consultation questions set out in the document and general comments on our proposals by 5pm on 19 November 2010.

Proposed modification to the PRS Condition

- 1.11 In making this change to the Plan we are also increasing the price of calls to 0843/4 numbers, inclusive of VAT, above the threshold where they become subject to premium rate regulation through the Premium Rate Services ("PRS") Condition.
- 1.12 We are not currently aware of any need for any additional regulation of these services and do not consider that the application of a consumption tax increase should have this effect. We are, thus, additionally proposing to modify the PRS Condition to specifically exclude calls to 0843 and 0844 numbers.
- 1.13 Our proposal is detailed in Section 4 and the Notification of the modification is at Annex 7.

Section 2

Modifications to the Numbering Plan

Introduction

- 2.1 We are proposing three modifications to the Plan to remove the constraints that currently prevent increases in VAT from being added to the retail prices of calls to some 08 and 09 numbers. The proposed modifications are explained below and set out in Annex 7.

Implementing the 4 January 2011 VAT increase in the Plan

- 2.2 Section 1 of the Plan lists the various ranges of telephone numbers, what they are to be used for and, in certain cases, the maximum call charges from BT lines. These maximum prices caps were put in place specifically for consumer protection purposes to give an unequivocal message about the most BT customers can expect to pay to call those numbers. The prices are given as inclusive of VAT for added transparency.

- 2.3 At present the retail prices charged by BT for calls to 0842/3/4, 0871/2 and 09 calls are given in the Plan as:

For 0843/4:

- 2.4 *“Special Services basic rate: charged at up to and including 5p per minute or per call for BT customers, set by Terminating Communications Provider inclusive of value added tax (the price charged by other Originating Communications providers may vary)”*

For 0871/2/3:

“Special Services higher rate: charged at up to and including 10p per minute or per call for BT customers, set by Terminating Communications Provider inclusive of value added tax (the price charged by other Originating Communications providers may vary)” and

For 09

“Special Services at a Premium Rate, that is charged at rates for Customers of BT which are generally either a) higher than 10p per minute up to and including £1.50 per minute including VAT, or b) fixed fee calls costing over 10p, up to and including £1.50 including VAT”.

- 2.5 The maximum prices are not charge controls. The levels were set in the interests of consumer protection by giving an unambiguous message about the maximum prices customers of BT could expect to pay for these calls. Giving prices in the Plan that were inclusive of VAT was designed to appear more user-friendly, but in an environment where VAT is subject to change this needs revisiting.
- 2.6 When VAT was reduced from 17.5% to 15% in March 2008 fixed and mobile communications providers passed the reduction on to their consumers. This reduction was reversed when VAT returned to 17.5% in December 2009.

- 2.7 On 22 June 2010 the Chancellor of the Exchequer issued a special budget statement that included a number of fiscal measures including the notification of an increase in the rate of VAT from 17.5% to 20% with effect from 4 January 2011. Like similar services, this increase will apply to all telephone services including chargeable calls. Accordingly if the Plan were to remain unchanged BT would not be able to apply the VAT increase by raising the retail price of the calls by 2.5%. BT will still be required to pay the additional tax and will recover the required amounts by reducing the payments it makes to Terminating Communications Providers (“TCPs”) in order to keep retail prices within the VAT inclusive upper limits. TCPs would in turn recover the revenue from their Service Provider (“SP”) customers by reducing the amount paid to them in the form of a revenue share.
- 2.8 This means that instead of BT retail consumers facing a price increase, as might normally be expected for all other similar goods and services, the increase would have to be borne by the providers of the various services.
- 2.9 Additionally, the termination payments made by BT are generally used as the standard by other TCPs. This means that, unless separate bilateral arrangement can be agreed with other Originating Communications Providers (“OCPs”), SPs will be forced to accept reduced revenues even where OCPs’ maximum retail prices are not set out in the Plan. We estimate this reduction could amount to as much as £18m across the three number ranges concerned based on revenues reported in 2009².
- 2.10 However, it is not clear, however, that this reduction in termination payments would necessarily lead to reduced retail prices by non-BT OCPs which are not regulated by the price ceilings in the Plan. Non-BT OCPs would have the option to maintain their current ex VAT prices, while benefiting from lower termination rates.
- 2.11 This range of impacts is clearly not the intended consequence of a consumption tax increase. Accordingly it would seem appropriate to restructure the Plan to allow VAT changes to have a symmetric impact on retail prices that is not affecting the price of the calls before tax.
- 2.12 The concern we have in making such a change is the impact it has on the consumer’s understanding of prices. Restating prices to be exclusive of VAT may not give consumers the same certainty of knowing the overall price for the call. Recent research suggests that the effectiveness of the price ceilings as a consumer transparency tool is very weak, though they offer benefits in capping consumer exposure to excessive pricing). We will publish the results of this research in connection with our ongoing review of Non-Geographic Call Services (“NGCS”), on which we plan to consult later this autumn
- 2.13 In addition, as the impact of the current ceilings only apply to BT, maintaining the ceilings in their current form risks greater diversity in retail prices than is presently the case if the non-BT OCPs do not pass on reductions in termination rates in a many that mirrors BT’s prices. This only further distances the controls in the numbering plan from the actual prices experienced by consumers.
- 2.14 Accordingly, we do not believe that a change to the Plan which restates prices exclusive of VAT will result in any significant detriment to consumers. In any case most OCPs show call prices as exclusive of VAT on consumers’ bills and add the VAT to the total charge for all services.

² Aggregated confidential revenue data provided by OCPs in response to Ofcom Information requests

- 2.15 We will be addressing transparency and other consumer policy issues as part of our broader review of NGCS. We will be consulting on this review later this year, though any formal changes to the Plan are unlikely before mid 2011.
- 2.16 Given the limited impact of the change to the description of the price ceilings, the asymmetry of the impact of VAT changes and the substantial negative impact on service providers we, therefore, consider that it is appropriate to undertake an interim modification of the Plan (pending the outcome of the broader review).
- 2.17 The simplest means of amending the Plan is to state the maximum prices for each of the 084, 087 and 09 number ranges that are exclusive, rather than inclusive, of VAT.
- 2.18 As the increase in VAT should not be seen as providing an opportunity for the underlying prices of services to rise at this point in time the new maximum prices will be given as, respectively, 4.26p instead of 5p, 8.51 instead of 10p and £1.27.66 instead of £1.50, all exclusive of VAT.

Question 1: Do stakeholders agree with Ofcom's proposal to modify the National Telephone Numbering Plan to enable an increase in Value Added Tax to be applied by BT to the retail prices of calls to certain 084, 087 and all 09 numbers?

Section 3

Review of proposed modifications to the Numbering Plan

Introduction

3.1 Ofcom is responsible for the administration of the UK's telephone numbers. We do this as part of our regulation of the communications sector under the framework established by the Act. The Act transposes the European Union electronic communications regulatory framework into UK law. It provides, among other things, for the publication and modification of certain documents as part of our regulation of telephone numbers. The basis of these documents is explained below.

The Numbering Plan

3.2 It is our duty, as required by section 56 of the Act, to publish a document setting out the telephone numbers available for allocation and any restrictions on how they may be adopted or used. We make the latest version of the Plan available on our website³.

Modification of the Plan

3.3 The Act provides for us to review and revise the Numbering Documents, specifically the Numbering Plan⁴, the Numbering Condition⁵ and the Numbering Application Forms⁶, and sets out the process we must follow to do this. In summary, we must consult on proposed modifications and set out how the proposals meet certain legal tests. Further information on the legal framework is provided at Annex 6.

3.4 The purpose of this consultation is to set out and consult on the modifications that we propose to make to the Plan to reflect the increase in the VAT in January 2011.

3.5 The proposed modifications to the Plan are explained in section 2. We consider that the proposals meet the legal tests in section 60(2) of the Act and explain this in further detail at paragraph 3.13 below. The specific text that we propose to delete and insert in each document is set out in Annex 6.

3.6 These proposals do not represent any changes to numbering policy or administrative processes. We consider that the proposals only directly relate to BT and other communications providers in the application of an increase in VAT to their retail prices.

³ <http://stakeholders.ofcom.org.uk/binaries/telecoms/numbering/numplan080410.pdf>

⁴ the National Telephone Numbering Plan ('the Numbering Plan'), which sets out telephone numbers available for allocation and any restrictions on their adoption or use

⁵ General Condition of Entitlement 17 ('the Numbering Condition'), which sets out general requirements relating to the allocation, adoption and use of telephone numbers, plus its annex, which sets out telephone numbers available for use or adoption in accordance with their designation

⁶ the telephone number application forms ('the Numbering Application Forms'), which communications providers must complete when applying for the allocation of telephone numbers from Ofcom

Impact Assessment

- 3.7 We have not carried out a separate Impact Assessment on our proposals, however this document, read as a whole, should be considered as fulfilling that function. Because the proposed modifications are within existing numbering policy, we do not foresee any impact on stakeholders as a result of the implementation of the proposals other than the fact that consumers will be required to pay the increase in VAT. There will not be an inappropriate impact on the revenues of communications providers.
- 3.8 We have also considered whether are likely to be any further consequences of the impact of the proposed changes and we do not consider there to be any. . Consumers expect to pay VAT on goods and services. After January 4th 2011 VAT will increase on all other telecoms products e.g. exchange lines, broadband services and most calls. Making no changes to the Plan would single out calls to 0843/4, 0871/2/3 and 09 numbers for different treatment.
- 3.9 If this were to happen, the VAT increase would be borne by the providers of those services rather than retail consumers. This is because BT will still have to pay the additional tax to the Exchequer but instead of recovering the revenue from consumers it would be forced to reduce the payments made to TCPs who, in turn, will pass the reduction through to SPs. Meanwhile TCPs and SPs using other numbers would not see any reductions in their revenues which may be viewed as discriminatory.
- 3.10 This is why restating how 0843/4, 0871/2/3 and 09 calls are charged at the retail level will eliminate these unwanted effects of a change in taxation. The result is that there will be no negative impact on industry which there would otherwise have been.
- 3.11 The various legal tests and duties, and how we have complied with them in consulting on the proposals, are set out below.
- 3.12 Consumers will pay the increase in VAT on all other services provided by their communications provider and would not expect calls to specific NGCS to be excluded.

Legal tests

- 3.13 It is our duty, when proposing modifications to the Plan, to show how we consider that our proposals comply with the legal tests set out in section 60(2) of the Act in relation to modifications to the Plan.
- 3.14 We are satisfied that the proposed modifications meet the tests being:
- **objectively justifiable**, in that they remove an unintended consequence, from a rise in national taxation, caused by a limitation in the wording of the Plan.
 - **not unduly discriminatory**, in that they enable the increase in VAT to be applied uniformly to all retail call prices without affecting any one of the participants in the NTS/PRS value chain. Without the changes the call revenues of telecoms networks would remain unaffected whilst those of service and information providers would fall.

- **proportionate**, in that it removes from BT the need to introduce a reduction in wholesale charges and enables the implementation of the tax increase with the minimum of cost.
 - **transparent**, insofar as the rise in VAT was published in the government's budget and widely publicised. The effects of the rise in VAT on calls made by BT customers and the Notification modifying the Plan are clearly set out in this document.
- 3.15 We consider that we are fulfilling our general duty as to telephone number functions as set out in section 63 of the Act by:
- i) **securing the best use of appropriate numbers**, in that the proposed modifications would have any impact on the best use of numbers; and
 - ii) **encouraging efficiency and innovation**, in that service providers will not have their ability to offer cost effective and innovative services prejudiced by the inappropriate application of retail taxation.
- 3.16 We also consider we are fulfilling our general duties as set out in Sections 3 and 4 of the Act, particularly in furthering the interests of consumers in relevant markets and by promoting competition in the provision of electronic communications networks, services and associated facilities. Our proposals ensure the continuation of a vibrant market in service provision and remove any likelihood that services might be withdrawn as a consequence of having to bear the costs of a consumption tax. If this were to occur it would result in detriment to SPs and to consumers for whom services may no longer be available.

Notifications of proposed modifications to the Numbering Plan

- 3.17 The Notifications of the proposed modifications to the Plan are set out in Annex 6 of this consultation document.

Next steps

- 3.18 The deadline for responses to this consultation is 17 November 2010. Taking into account all submissions received by that date, we will decide whether to implement the modifications (either as proposed or with amendments). We expect to publish our statement on our proposed modifications to the Plan before Christmas.

Section 4

Amending the PRS Condition

Background

- 4.1 A specific regulatory framework has been established for premium rate services ('PRS') in recognition of the potential for consumer harm to arise from the use of electronic communications services as a micro-payment facility. This framework consists of three components:
- i) The Communications Act 2003 ('the Act'): section 120 of the Act defines PRS and provides Ofcom with the power to set conditions for the purpose of regulating the provision, content, promotion and marketing of PRS;
 - ii) The PRS Condition: This requires communications providers falling within the scope of the PRS Condition to comply with directions given in the approved Code of Practice by PhonepayPlus⁷ (see below). The application of the PRS Condition is limited to what is termed 'Controlled PRS', so that only a specific subset of PRS are subject to Ofcom's enforcement powers for breach of the PRS Condition; and
 - iii) The PhonepayPlus Code of Practice: The PhonepayPlus Code of Practice is approved by Ofcom under section 121 of the Act and outlines wide-ranging rules to protect consumers as well as the processes that PhonepayPlus applies when regulating the PRS industry⁸.
- 4.2 For the purposes of this consultation it is relevant to note that a PRS will be a Controlled PRS and therefore subject to the PhonepayPlus Code of Practice if (note, this definition is not exhaustive of the PRS regulated by PhonepayPlus):⁹
- 'the service is obtained through a Special Services Number (except an 0870 number), and the charge for the call by means of which the service is obtained or the rate according to which such call is charged is a charge or rate which exceeds 5 pence per minute for BT customers inclusive of value added tax'*
- 4.3 By virtue of this definition PhonepayPlus currently regulates 09 and 0871 calls (and 070 and 076 calls where there is evidence they are operating as a PRS and charging more than 5ppm).
- 4.4 However, should the changes to the Plan as proposed in this consultation come into force it would mean that services currently operating at the 5ppm rate for 0843/4 services would now be capable of falling within the definition of a Controlled PRS as the total rate charged for the call, due to the increase in VAT, would mean they were billed at the new maximum cap for 0843/4 services.

⁷ PhonepayPlus is the regulatory body for the premium rate products and services purchased by consumers through fixed and mobile phone bills. <http://www.phonepayplus.org.uk/output/default.aspx>

⁸ <http://www.phonepayplus.org.uk/output/code-of-practice-1.aspx>

⁹ Paragraph 2(e)(i) of the PRS Condition

The impact if certain 0843/4 numbers were regulated by PhonepayPlus

- 4.5 If the changes in this consultation went ahead without any change to the PRS Condition then a range of parties associated with 0843/4 services would face new regulatory responsibilities. Service Providers¹⁰ ('SPs') and potentially Information Providers¹¹ ('IPs') would have new responsibilities for ensuring the appropriate use of the 0843/4 number, while TCPs would have new obligations to undertake appropriate levels of due diligence on those with whom they contract.
- 4.6 With respect to regulating the use of 0843/4 numbers, it is highly likely that PhonepayPlus would ensure the regulatory obligations were similar to those imposed for 0871 providers (recognising the lower risks of consumer harm associated with these numbers when compared to 09 services¹²):
- a) pricing information would likely need to be displayed wherever an 0843/4 number appears; and
 - b) there would likely be an obligation to prevent an unfair delay in callers accessing the service (IPs offering 0871 services have an obligation to inform callers of the expected time before their call will be answered).
- 4.7 SPs would also be required to contribute towards the annual levy for PhonepayPlus' operations. In 2010/11 the levy amounted to 0.21% of outpayments made from TCPs to SPs in respect of revenue generated by PRS.¹³ It is likely that the inclusion of eligible 0843/4 revenue within the levy calculation would mean that this percentage of outpayments would fall (as the PhonepayPlus budget would be spread across a greater industry revenue base).

The Case for Amending the PRS Condition

- 4.8 Although the PRS Condition sets a retail price threshold for defining the services that PhonepayPlus should regulate (5ppm), this threshold was not chosen on the basis that we considered there was sufficient risks of consumer harm from all calls above 5ppm. Rather, the 5ppm price point was established through a 2009 policy statement solely as a means of ensuring that 0871 services would be regulated by PhonepayPlus.¹⁴
- 4.9 The conclusion of that policy statement specifically noted that the reason for amending the PRS Condition at that time was so that 'Organisations offering PRS services on 0871, 0872, 0873 numbers and 09 numbers that are charged at more than 5p per minute and up to 10p (for BT customers) will therefore be subject to the PRS regulation from 1 August 2009.'¹⁵ It was when implementing this policy intention that Ofcom chose to establish the threshold for the PRS Condition at 5ppm rather than specify the number ranges to be regulated.

¹⁰ A Service Provider is the first party in a value chain to contract with a Terminating Communications Provider

¹¹ An Information Provider is the party using the 0843/4 number. If the Information Provider consented to PhonepayPlus jurisdiction through the 'pass-through' clause under paragraph 8.3.4 of the PhonepayPlus Code of Practice (11th Edition).

¹² Recognising that the revenue raised from the use of 0871/2/3 and 0843/4 numbers is likely to be peripheral to the focus of the business operating on that number.

¹³ This was a fall from 0.48% in 2009/10 as it was offset by higher fines collected by PhonepayPlus.

¹⁴ See <http://stakeholders.ofcom.org.uk/consultations/087prs/>

¹⁵ See paragraph 1.22

<http://stakeholders.ofcom.org.uk/binaries/consultations/087prs/statement/statement.pdf>

- 4.10 It is relevant to note that in our 2009 Scope Review Ofcom outlined an 'Analytical Framework' that it committed to applying when considering whether PhonepayPlus should regulate new services or service categories.¹⁶ We are conscious that bringing certain 0843/4 numbers within the remit of PhonepayPlus solely as the result of a change in the VAT rate would be widening the categories of services that PhonepayPlus regulates through what is a technical consultation relating to the implications of VAT changes.
- 4.11 At the time of this consultation we do not have sufficient evidence to demonstrate that 0843/4 services pose sufficient risks of consumer harm that would justify their regulation by PhonepayPlus; moreover it appears unlikely that the risk to consumers would increase greatly as a result of the higher VAT rate. Therefore, we consider we have a duty to act to ensure that the PRS Condition continues to represent a proportionate and objectively justifiable obligation on the industry.
- 4.12 When considering the impact on stakeholders we note that a failure to amend the PRS Condition would likely lead to several practical difficulties for the industry, PhonepayPlus and consumers. This is principally because only a small proportion of 0843/4 services that are priced close to the stated maximum price would now fall within the scope of the PRS Condition and would therefore be subject to additional regulation by PhonepayPlus (those services that are retailed by BT between 5 and 5.11ppm or per call inclusive of VAT. As such:
- The PhonepayPlus levy on outpayments would only apply to this narrow category of 0843/4 numbers. It is not clear whether the billing systems of TCPs are sophisticated enough to calculate and report the outpayments they make to their SP clients for those 0843/4 calls where the retail price falls within this very narrow range. We would welcome submissions on this point;
 - The regulation of a small subset of 0843/4 numbers would create compliance and enforcement difficulties for PhonepayPlus. For example, PhonepayPlus would need to conduct preliminary investigations into every complaint made about an 0843/4 service to first determine if it is being retailed between 5ppm-5.11ppm or per call inclusive of VAT before being able to consider whether to take the investigation further (as opposed to the status quo, where it is immediately apparent that 09 and 0871 numbers are required to comply with the PhonepayPlus Code);
 - The regulation of this narrow subset of 0843/4 numbers is also likely to cause consumer confusion and limit consumer education activities about the scope of PRS regulation; and
 - Because any additional change in price would be the result of a VAT increase, there is no reason to expect the incentives on suppliers to be any different as a result of this change.

Options for Amending the PRS Condition

- 4.13 We consider that, by virtue of the proposed changes to the Plan, it is also appropriate to amend the PRS Condition, so that PhonepayPlus continues to only regulate the 087 number ranges that it regulates at present.

¹⁶ See http://stakeholders.ofcom.org.uk/binaries/consultations/prs_scope/statement/prs.pdf

- 4.14 There are two main options for giving effect to our current policy intention that certain 0843/4 numbers should not be classified as Controlled PRS under the PRS Condition:

1. Explicitly excluding 0843/4 numbers from the definition

- 4.15 The PRS Condition already excludes 0870 numbers that could otherwise be charged in excess of 5ppm from being regulated as Controlled PRS and in a similar way 0843/4 numbers could be excluded as well. As at present, 0843/4 numbers that met the other criteria of the PRS Condition would continue to be regulated by PhonepayPlus (i.e. Chatlines, Internet Diallers and Sexual Entertainment Services).
- 4.16 We note however that the 5ppm or per call inclusive of VAT threshold would remain, which while no longer capturing 0843/4 numbers, could be considered an anomaly given the proposal to now specify pricing in the Plan as VAT exclusive.

2. Changing the threshold in the PRS Condition to VAT exclusive

- 4.17 An alternative option would be to ensure consistency with the Plan by making the pricing thresholds in the PRS Condition exclusive of VAT. The price specification for Special Services Numbers could therefore be changed from 5ppm or per call inclusive of VAT to 4.26ppm or per call exclusive of VAT, which would accomplish the same objective of excluding 0843/4 from the PRS Condition.
- 4.18 We note that the PRS Condition also defines services as Controlled PRS if they are obtained other than through a Special Services Number and where the price exceeds 10ppm (inclusive of VAT) (e.g. mobile shortcodes). Such services are not affected by the proposed changes to the Plan, but we note that it could be viewed as inconsistent if we made the threshold in the PRS Condition exclusive of VAT and did not do the same for the other non-geographic numbers.
- 4.19 The 10ppm threshold was originally set on the basis that it was appropriate for mobile PRS that were charged at a similar rate to 09 services to be regulated by PhonepayPlus.¹⁷ Unlike the 5ppm threshold subsequently established for 08 numbers, the 10ppm threshold for the other non-geographic numbers was not set as a means of including or excluding specific number ranges or services, but in recognition that higher-priced PRS are more likely to cause consumer harm. The reasons for altering this 10ppm threshold are therefore less compelling than changing the 5ppm threshold.
- 4.20 We also note that it is very unlikely there will be many non-NTS services that are currently operating just below 10ppm, but it is conceivable that there are some and that the increase in VAT could have the effect of making them subject to PhonepayPlus regulation (i.e. those currently priced between 9.75ppm and 10ppm VAT inclusive could potentially be subject to PRS regulation if the full VAT increase is passed on as a retail price increase). Stakeholders have not raised this as an issue when seeking changes to the Plan, although we would welcome submissions on this point.
- 4.21 At this point we do not intend to amend the 10ppm price threshold for the other non-geographic PRS: the proposed change to the Plan is not affecting these, we do not consider the VAT increase is likely to cause many non-NTS services to be

¹⁷ See <http://www.ofcom.org.uk/static/archive/oftel/publications/numbering/2003/prs0603.htm>

subsequently caught by the PRS Condition, and any change to the 10ppm threshold for mobile services would cause the loss of a useful price indicator for PhonepayPlus' remit for mobile PRS.

Proposal

- 4.22 We intend to amend the PRS Condition to make clear that 0843/4 numbers costing in excess of 5ppm (VAT inclusive) will be excluded from the definition of Controlled PRS (option 1 above). We consider this to be the simplest means of preserving the current jurisdiction of PhonepayPlus over certain NTS ranges. We accept there may be a need to review the price thresholds in the PRS Condition – not only to align them with the move to make the Plan VAT exclusive, but potentially to align the pricing thresholds for NTS and non-NTS. However, this is not a particularly urgent matter and we note Ofcom's Review of NGCS and a future opportunity to amend the price points in the PRS Condition.
- 4.23 We consider such an amendment meets the requirements of section 120(5) of the Act in that our proposals comply with the legal tests set out in section 47(2) in relation to modifications to the Plan.
- 4.24 We are satisfied that the proposed modifications meet the tests being:
- **objectively justifiable**, in that they remove any unintended consequences, from a rise in national taxation, caused by limitations in the wording of the PRS Condition.
 - **not unduly discriminatory**, in that they enable the increase in VAT to be applied uniformly to all 0843/4 call prices without affecting particular services that happen to operate at the top of that price range.
 - **proportionate**, in that without the changes the providers of those services would face a disproportionate regulatory burden with little evidence of consumer harm.
 - **transparent**, insofar as the whole of the 0843/4 number range remains outside of the remit of PhonepayPlus regulation.

Question 2: Do stakeholders agree with the proposed modification to exclude calls to 0843/4 numbers costing in excess of 5ppm or per call, inclusive, of VAT from the definition of Controlled PRS in the PRS Condition?

Annex 1

Responding to this consultation

How to respond

- A1.1 Ofcom invites written views and comments on the issues raised in this document, to be made **by 5pm on 19 November 2010**.
- A1.2 Ofcom strongly prefers to receive responses using the online web form at <https://stakeholders.ofcom.org.uk/consultations/numbering-plan-changes/howtorespond/form>, as this helps us to process the responses quickly and efficiently. We would also be grateful if you could assist us by completing a response cover sheet (see Annex 3), to indicate whether or not there are confidentiality issues. This response coversheet is incorporated into the online web form questionnaire.
- A1.3 For larger consultation responses - particularly those with supporting charts, tables or other data - please email geoff.brighton@ofcom.org.uk attaching your response in Microsoft Word format, together with a consultation response coversheet.
- A1.4 Responses may alternatively be posted or faxed to the address below, marked with the title of the consultation.

Geoff Brighton
Competition Group
Riverside House
2A Southwark Bridge Road
London SE1 9HA

Note that we do not need a hard copy in addition to an electronic version. Ofcom will acknowledge receipt of responses if they are submitted using the online web form but not otherwise.

- A1.5 It would be helpful if your response could include direct answers to the questions asked in this document, which are listed together at Annex 4. It would also help if you can explain why you hold your views and how Ofcom's proposals would impact on you.

Further information

- A1.6 If you want to discuss the issues and questions raised in this consultation, or need advice on the appropriate form of response, please contact Geoff Brighton on 020 7783 4175.

Confidentiality

- A1.7 We believe it is important for everyone interested in an issue to see the views expressed by consultation respondents. We will therefore usually publish all responses on our website, www.ofcom.org.uk, ideally on receipt. If you think your response should be kept confidential, can you please specify what part or whether all of your response should be kept confidential, and specify why. Please also place such parts in a separate annex.

- A1.8 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and will try to respect this. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.
- A1.9 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's approach on intellectual property rights is explained further on its website at <http://www.ofcom.org.uk/about/accoun/disclaimer/>

Next steps

- A1.10 Following the end of the consultation period, Ofcom intends to publish a statement in November 2010.
- A1.11 Please note that you can register to receive free mail Updates alerting you to the publications of relevant Ofcom documents. For more details please see: http://www.ofcom.org.uk/static/subscribe/select_list.htm

Ofcom's consultation processes

- A1.12 Ofcom seeks to ensure that responding to a consultation is easy as possible. For more information please see our consultation principles in Annex 2.
- A1.13 If you have any comments or suggestions on how Ofcom conducts its consultations, please call our consultation helpdesk on 020 7981 3003 or e-mail us at consult@ofcom.org.uk . We would particularly welcome thoughts on how Ofcom could more effectively seek the views of those groups or individuals, such as small businesses or particular types of residential consumers, who are less likely to give their opinions through a formal consultation.
- A1.14 If you would like to discuss these issues or Ofcom's consultation processes more generally you can alternatively contact Vicki Nash, Director Scotland, who is Ofcom's consultation champion:

Vicki Nash
Ofcom
Sutherland House
149 St. Vincent Street
Glasgow G2 5NW

Tel: 0141 229 7401
Fax: 0141 229 7433

Email vicki.nash@ofcom.org.uk

Annex 2

Ofcom's consultation principles

A2.1 Ofcom has published the following seven principles that it will follow for each public written consultation:

Before the consultation

A2.2 Where possible, we will hold informal talks with people and organisations before announcing a big consultation to find out whether we are thinking in the right direction. If we do not have enough time to do this, we will hold an open meeting to explain our proposals shortly after announcing the consultation.

During the consultation

A2.3 We will be clear about who we are consulting, why, on what questions and for how long.

A2.4 We will make the consultation document as short and simple as possible with a summary of no more than two pages. We will try to make it as easy as possible to give us a written response. If the consultation is complicated, we may provide a shortened Plain English Guide for smaller organisations or individuals who would otherwise not be able to spare the time to share their views.

A2.5 We will consult for up to 10 weeks depending on the potential impact of our proposals.

A2.6 A person within Ofcom will be in charge of making sure we follow our own guidelines and reach out to the largest number of people and organisations interested in the outcome of our decisions. Ofcom's 'Consultation Champion' will also be the main person to contact with views on the way we run our consultations.

A2.7 If we are not able to follow one of these principles, we will explain why.

After the consultation

A2.8 We think it is important for everyone interested in an issue to see the views of others during a consultation. We would usually publish all the responses we have received on our website. In our statement, we will give reasons for our decisions and will give an account of how the views of those concerned helped shape those decisions.

Annex 3

Consultation response cover sheet

- A3.1 In the interests of transparency and good regulatory practice, we will publish all consultation responses in full on our website, www.ofcom.org.uk.
- A3.2 We have produced a coversheet for responses (see below) and would be very grateful if you could send one with your response (this is incorporated into the online web form if you respond in this way). This will speed up our processing of responses, and help to maintain confidentiality where appropriate.
- A3.3 The quality of consultation can be enhanced by publishing responses before the consultation period closes. In particular, this can help those individuals and organisations with limited resources or familiarity with the issues to respond in a more informed way. Therefore Ofcom would encourage respondents to complete their coversheet in a way that allows Ofcom to publish their responses upon receipt, rather than waiting until the consultation period has ended.
- A3.4 We strongly prefer to receive responses via the online web form which incorporates the coversheet. If you are responding via email, post or fax you can download an electronic copy of this coversheet in Word or RTF format from the 'Consultations' section of our website at www.ofcom.org.uk/consult/.
- A3.5 Please put any parts of your response you consider should be kept confidential in a separate annex to your response and include your reasons why this part of your response should not be published. This can include information such as your personal background and experience. If you want your name, address, other contact details, or job title to remain confidential, please provide them in your cover sheet only, so that we don't have to edit your response.

Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

CONFIDENTIALITY

Please tick below what part of your response you consider is confidential, giving your reasons why

Nothing

Name/contact details/job title

Whole response

Organisation

Part of the response

If there is no separate annex, which parts?

If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name

Signed (if hard copy)

Annex 4

Consultation questions

Question 1: Do stakeholders agree with Ofcom's proposal to modify the National Telephone Numbering Plan to enable an increase in Value Added Tax to be applied by BT to the retail prices of calls to certain 084, 087 and all 09 numbers?

Question 2: Do stakeholders agree with the proposed modification to exclude calls to 0843/4 numbers costing in excess of 5ppm or per call, inclusive of VAT, from the definition of Controlled PRS in the PRS Condition?

Annex 5

Legal framework

The legal framework for telephone numbering

A5.1 Ofcom regulates the communications sector under the framework established by the Communication Act 2003 (the “Act”). The Act provides, among other things in relation to numbering, for the publication of the National Telephone Numbering Plan (the “Plan”) and the setting of General Conditions of Entitlement relating to Telephone Numbers (“Numbering Condition”). It also sets out statutory procedures governing the modification of the Plan and any General Conditions, as well as the giving of directions under conditions such as the Numbering Condition, for instance in relation to application forms for telephone numbers.

The Plan

A5.2 Section 56(1) of the Act states that:

“It shall be the duty of OFCOM to publish a document (to be known as “the National Telephone Numbering Plan”) setting out -

- a) the numbers that they have determined to be available for allocation by them as telephone numbers;
- b) such restrictions as they consider appropriate on the adoption of numbers available for allocation in accordance with the plan; and
- c) such restrictions as they consider appropriate on the other uses to which numbers available for allocation in accordance with the plan may be put.”

A5.3 The Act provides for Ofcom to review and revise the Plan. Section 56(2) states that:

“It shall be OFCOM’s duty –

- a) from time to time to review the National Telephone Numbering Plan; and
- b) to make any modification to that plan that they think fit in consequence of such a review; but this duty must be performed in compliance with the requirements, so far as applicable, of section 60.”

A5.4 Section 60 of the Act provides for the modification of documents referred to in the Numbering Conditions (which includes the Plan) and explains the procedures to be followed in order to conduct this review. Section 60(2) of the Act provides that:

“OFCOM must not revise or otherwise modify the relevant provisions unless they are satisfied that the revisions are –

- a) objectively justifiable in relation to the matter to which it relates;
- b) not such as to discriminate unduly against particular persons or against a particular description of persons;
- c) proportionate to what the modification is intended to achieve; and

d) in relation to what is intended to achieve, transparent.”

A5.5 Section 60(3) further provides that:

“Before revising or otherwise modifying the relevant provisions, OFCOM must publish a notification –

- a) stating that they are proposing to do so;
- b) specifying the Plan or other document that they are proposing to revise or modify;
- c) setting out the effect of their proposed revisions or modifications;
- d) giving their reasons for making the proposal; and
- e) specifying the period within which representations may be made to OFCOM about their proposals.”

The Numbering Condition

A5.6 Section 45 of the Act gives Ofcom the power to set conditions:

“(1) Ofcom shall have the power to set conditions under this section binding the persons to whom they are applied in accordance with section 46;

(2) A condition set by Ofcom under this section must be either –

(a) a general condition....”

A5.7 Section 58 of the Act states that general conditions may include conditions about the allocation and adoption of numbers, including conditions which impose restrictions on and requirements in connection with the adoption of telephone numbers by a communications provider.

A5.8 Section 47 of the Act sets out the test for setting and modifying conditions, while section 48 sets out the procedures for setting, modifying and revoking conditions which includes the publication of a notification setting out the modifications.

A5.9 The test set out in section 47(2) is that the condition or modification is:

- “(a) objectively justifiable in relation to the matters which it relates;
- (b) not such to discriminate unduly against particular persons or against a particular description of persons;
- (c) proportionate to what the modification is intended to achieve; and
- (d) in relation to what is intended to achieve, transparent.”

Ofcom’s general duty as to telephone numbering functions

A5.10 Ofcom has a general duty under section 63(1) of the Act in carrying out its numbering functions:

“a) to secure that what appears to them to be the best use is made of the numbers that are appropriate to use as telephone numbers; and b) to encourage efficiency and innovation for that purpose.”

General duties of Ofcom

A5.11 The principal duty of Ofcom to be observed in the carrying out of its functions is set out in section 3(1) of the Act as the duty:

- “a) to further the interests of citizens in relation to communications matters; and
- b) to further the interests of consumers in relevant markets, where appropriate by promoting competition.”

Duties for the purpose of fulfilling Community obligations

A6.16 In addition to our general duties and our duty regarding telephone numbers, Ofcom must also take into account the six Community requirements in carrying out its functions as set out in section 4 of the Act, these include:

1. “The requirement to promote competition
 - (a) in relation to the provision of electronic communications networks and electronic communications services;
 - (b) in relation to the provision and making available of services and facilities that are provided or made available in association with the provision of electronic communications networks or electronic communications services; and
 - (c) in relation to the supply of directories capable of being used in connection with the use of electronic communications networks or electronic communications services.
2. The requirement to take account of the desirability of OFCOM's carrying out their functions in a manner which, so far as practicable, does not favour:
 - (a) one form of electronic communications network, electronic communications service or associated facility; or
 - (b) one means of providing or making available such a network, service or facility, over another.

Annex 6

Draft Notification of proposed modification to the provisions of the Numbering Plan under section 60(3) of the Act

1. Ofcom, in accordance with section 60 of the Act, hereby makes the following proposals for a modification to the provisions of the Plan.
2. The Condition has effect by reference to provisions of the Plan.
3. The draft modification to the Plan is set out in the Schedule to this Notification.
4. The reasons for making the proposal and the effect of the modifications are set out in the accompanying consultation document.
5. Ofcom considers that the proposed modification complies with the requirements in section 60(2) of the Act.
6. In making the proposals referred to above Ofcom have considered and acted in accordance with the six Community requirements in section 4 of the Act as well as performed their general duties under section 3 of the Act and their duty as to telephone numbering in section 63 of the Act.
7. Representations may be made to Ofcom about the proposal by 5pm on 17 November 2010.
8. In this Notification-
 - 'Act' means the Communications Act 2003;
 - 'Condition' means General Condition 17 of the General Conditions of Entitlement set by the Director by way of publication of a Notification on 22 July 2003;
 - 'Ofcom' means the Office of Communications; and
 - 'Plan' means the National Telephone Numbering Plan published by Ofcom from time to time.

Signed by

Daniel Gordon
Competition Policy Director

A person authorised by Ofcom under paragraph 18 of the Schedule to the Communications Act 2002.

21 October 2010

Draft Schedule

Deletions

The following text shall be deleted from 'Section A1 in Part A: Telephone Numbers Available for Allocation in the Plan:-

0843 and 0844	Special Services basic rate: charged at up to and including 5p per minute or per call for BT customers, set by Terminating Communications Provider inclusive of value added tax (the price charged by other Originating Communications providers may vary)
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0871, 0872 and 0873	Special Services higher rate: charged at up to and including 10p per minute or per call for BT customers, set by Terminating Communications Provider inclusive of value added tax (the price charged by other Originating Communications providers may vary)
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090 and 091	Special Services at a Premium Rate, that are charged at rates for Customers of BT which are generally either a) higher than 10p per minute up to and including £1.50 per minute including VAT, or b) fixed fee calls costing over 10p, up to and including £1.50 including VAT
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098	Sexual Entertainment Services that are charged at rates for Customers of BT which are a) up to and including £1.50 per minute including VAT, or b) fixed fee calls costing up to and including £1.50 including VAT
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Insertions

The following text shall be inserted numerically in 'Section A1 in Part A: Telephone Numbers Available for Allocation' in the Plan:-

0843 and 0844	Special Services basic rate: charged at up to and including 4.26p per minute or per call for BT customers, set by Terminating Communications Provider exclusive of VAT (the price charged by other Originating Communications providers may vary)
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0871, 0872 and 0873	Special Services higher rate: charged at up to and including 8.51p per minute or per call for BT
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	customers, set by Terminating Communications Provider exclusive VAT (the price charged by other Originating Communications providers may vary)
090 and 091	Special Services at a Premium Rate, that is charged at rates for Customers of BT which are generally either a) higher than 10p per minute up to and including £1.27.66 per minute excluding VAT, or b) fixed fee calls costing over 10p, up to and including £1.27.66 excluding VAT
098	Sexual Entertainment Services that are charged at rates for Customers of BT which are a) up to and including £1.27.66 per minute excluding VAT, or b) fixed fee calls costing up to and including £1.27.66 excluding VAT

Annex 7

Draft Notification of a proposed modification to a condition under section 120 of the Act

1. OFCOM, in accordance with the procedures in section 48 of the Act hereby makes the following proposal for a modification to the Premium Rate Services (“PRS”) Condition set under section 120 of the Act.
2. The draft modification is set out in the Schedule to this Notification.
3. The effect of, and OFCOM’s reasons for making, the modification referred to in paragraph 1 above is set out at paragraphs 4.8 to 4.21 in the accompanying consultation document.
4. OFCOM considers that the proposed modification referred to in paragraph 1 above complies with the requirements of section 47(2) of the Act, as appropriate and relevant to each of the modifications.
5. In making the proposal set out in this Notification, Ofcom has considered and acted in accordance with their general duties in section 3 of the Act and the six Community requirements in section 4 of the Act.
6. Representations may be made to Ofcom about the proposal by 5pm on 17 November 2010.
7. Copies of the Notification and accompanying consultation document have been made available to the Secretary of State in accordance with section 120(6) of the Act.
8. In this Notification:
 - (i) “the Act” means the Communications Act 2003; and
 - (ii) “OFCOM” means the Office of Communications;
9. Except insofar as the context otherwise requires, words or expressions shall have the meaning assigned to them in this Notification and otherwise any word or expression shall have the same meaning as it has in the Act.
10. For the purpose of interpreting this Notification:
 - (i) headings and titles shall be disregarded; and
 - (ii) the Interpretation Act 1978 shall apply as if this Notification were an Act of Parliament.
11. The Schedule to this Notification shall form part of this Notification.

Signed by

Daniel Gordon
Competition Policy Director

A person authorised by Ofcom under paragraph 18 of the Schedule to the
Communications Act 2002.

20 October 2010

Draft Schedule

The modification of a condition under section 120 of the Act

The PRS Condition shall be modified as set out below (the added text has underlined and highlighted in yellow for ease of reference):

1. The Communications Provider shall comply with:
 - (a) directions given in accordance with an Approved Code by the Enforcement Authority and for the purposes of enforcing the provisions of the Approved Code; and
 - (b) if there is no Approved Code, the provisions of the order for the time being in force under section 122 of the Act.
2. In this Condition,
 - (a) “Act” means the Communications Act 2003;
 - (b) “Approved Code” means a code approved for the time being under section 121 of the Act;
 - (c) “Communications Provider” means either:
 - (i) a person who:
 - (A) is the provider of an Electronic Communications Service or an Electronic Communications Network used for the provision of a Controlled Premium Rate Service; and
 - (B) is a Controlled Premium Rate Service Provider in respect of that Controlled Premium Rate Service;
 - (ii) a person who:
 - (A) is the provider of an Electronic Communications Service used for the provision of a Controlled Premium Rate Service; and
 - (B) under arrangements made with a Controlled Premium Rate Service Provider, is entitled to retain some or all of the charges received by him in respect of the provision of the Controlled Premium Rate Service or of the use of his Electronic Communications Service for the purposes of the Controlled Premium Rate Service;
 - or
 - (iii) a person who:
 - (A) is the provider of an Electronic Communications Network used for the provision of a Controlled Premium Rate Service; and
 - (B) has concluded an agreement relating to the use of the Electronic Communications Network for the provision of that Controlled Premium Rate Service with a Controlled Premium Rate Service Provider;
 - (d) “Chatline Service” means a service which consists of or includes the enabling of more than two persons (the participants) to simultaneously conduct a telephone conversation with one another without either:
 - (i) each of them having agreed with each other; or
 - (ii) one or more of them having agreed with the person enabling such a telephone conversation to be conducted, in advance of making the call enabling them to engage in the conversation, the respective identities of the other intended participants or the telephone numbers on which they can be called. For the avoidance of any doubt, a service by which one or more additional persons

who are known (by name or telephone number) to one or more of the parties conducting an established telephone conversation can be added to that conversation by means of being called by one or more of such parties is not on that account a Chatline Service, if it would not otherwise be regarded as such a service;

- (e) “Controlled Premium Rate Service” means a Premium Rate Service (other than a service which is only accessed via an International Call) in respect of which:
- (i) the service is obtained through a Special Services Number **(except an 0843/4 number)**, and the charge for the call by means of which the service is obtained or the rate according to which such call is charged is a charge or rate which exceeds 5 pence per minute for BT customers inclusive of value added tax; or
 - (ii) the service is obtained other than through a Special Services Number, and the charge for the call by means of which the service is obtained or the rate according to which such call is charged is a charge or rate which exceeds 10 pence per minute inclusive of value added tax; or
 - (iii) the service is a Chatline Service; or
 - (iv) is Internet Dialler Software operated; or
 - (v) the service is a Sexual Entertainment Service;
- (f) “BT” means British Telecommunications plc, whose registered company number is 1800000, and any of its subsidiaries or holding companies, or an subsidiary of such holding companies, all as defined by section 736 of the Companies Act 1985, as amended by the Companies Act 1989 and the Companies Act 2006;
- (g) “Controlled Premium Rate Service Provider” means a person who:
- (i) provides the contents of a Controlled Premium Rate Service;
 - (ii) exercises editorial control over the contents of a Controlled Premium Rate Service;
 - (iii) packages together the contents of a Controlled Premium Rate Service for the purpose of facilitating its provision; or
 - (iv) makes available a facility comprised in a Controlled Premium Rate Service;
- (h) “Dial-up Telephone Number” means the telephone number used by an end user's computer that connects it to the Internet
- (i) “Enforcement Authority” means, in relation to an Approved Code, the person who under the code has the function of enforcing it;
- (j) “Facility” includes reference to those things set out in section 120(14) of the Act;
- (k) “International Call” means a call which terminates on an Electronic Communications Network outside the United Kingdom;
- (l) “Internet Dialler Software” is software that replaces a Dial-up Telephone Number with a different Dial-up Telephone Number; other than where it is used so that:
- ii) an end-user's existing Internet Service Provider replaces the Dial-up Telephone Number;
 - iii) an end-user moves from his existing Internet Service Provider to another Internet Service Provider or is so moved with his consent.

- (m) "Internet Service Provider" means a person who provides end-users, by means of a Dial-up Telephone Number, with connection to the Internet in the ordinary course of its business.
 - (n) "National Telephone Numbering Plan" means a document published by Ofcom from time to time pursuant to sections 56 and 60 of the Act;
 - (o) "Premium Rate Service" shall have the meaning ascribed to it by section 120(7) of the Act;
 - (p) "Sexual Entertainment Service" means an entertainment service of a clearly sexual nature, or any service for which the associated promotional material is of a clearly sexual nature, or indicates directly, or implies, that the service is of a sexual nature;
 - (q) "Special Services Number" means a telephone number designated by Ofcom in the National Telephone Numbering Plan as Special Services basic rate, Special Services higher rate or Special Services at a Premium Rate;
3. For the purposes of interpreting this Condition, except in so far as the context otherwise requires, words or expressions shall have the same meaning as ascribed to them in paragraph 2 above and otherwise any word or expression shall have the same meaning as it has been ascribed in the Act.