

Letter to NTS Focus Group

14th November 2007

Dear Telecommunications Provider,

Next steps on 0870 numbers

I am writing to inform you that a critical development means that there will be a delay in implementing the changes to the regulation of calls to 0870 numbers, previously intended to take effect on 1 February 2008.

We have recently identified certain 0870 services, many of which protect human life and property, where the option to use pre-call announcements causes them to fail. This potentially endangers the life and security of people who depend on the reliability of such services.

The problem relates to important alarm and security services which use automatic dialling systems and are often used to communicate directly with the Police and fire stations. Industry estimates that there are hundreds of thousands of these services in use in the UK. These systems eventually “time out” if a recognised phone signal is not heard. Use of a pre-announcement may cause these safety services to fail with potentially catastrophic and life-threatening consequences.

For these reasons, I am sure you will understand why Ofcom will not make the changes until a satisfactory solution can be found. We are already assessing the extent of the problem and identifying potential solutions.

As you would expect, we will include consumers, consumer organisations and industry through full public consultation. Ofcom was due to consult on the final regulatory process for implementing the 0870 changes in time for implementation on 1st February 2008. The consultation will proceed as planned but will be extended to include potential solutions for these critical services.

As a result, implementation of the consumer protection measures on 0870 will be delayed beyond 1st February 2008. Following our consultation, a statement confirming the changes is planned for spring 2008.

While it is very disappointing to us that a delay is necessary, I am sure you will agree that Ofcom's duty in such circumstances is to ensure that this risk is addressed before proceeding further. The overall objective of Ofcom's approach remains unchanged: to increase consumer protection for calls to 0870 numbers.

As you will be aware, following its NTS Review and its Numbering Review in 2006, Ofcom set out steps to significantly improve consumer protection and price transparency for calls to numbers beginning 08.

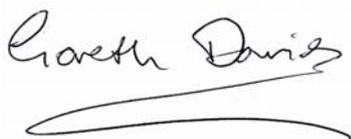
The planned changes to 0870 provide for the price of calls to 0870 numbers to be the same or less than calls to geographic numbers (01 & 02). These calls should also be included in call packages. If a communications provider wishes to depart from this general rule, it must arrange for free pre-call announcements, stating how much the call will cost. Ofcom has also decided to remove the regulatory support for revenue sharing on 0870 numbers.

In addition Ofcom has been investigating how the use of pre-announcements may impact similar services running on 070 pre-fixed numbers. From September 2007, telephone providers have been required to include free pre-call announcements about call costs for any 070 call costing more than 20 pence (either per minute or per call). The requirement applies to calls to 070 from all providers, on all types of lines.

Meanwhile, Ofcom remains absolutely committed to the objectives of increased consumer protection and price transparency on both 0870 and 070 calls.

Please forward this notification to your service provider customers.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gareth Davies', with a long horizontal flourish underneath.

Gareth Davies

Competition Policy Director

Ofcom