

Telephone numbering – safeguarding the future of numbers.

Additional consultation questions

Introduction

PNC welcomes the opportunity to respond to the further questions posed by Ofcom in its statement on Telephone Numbering.

As a major provider of 070 Personal Numbers our response focuses on that area.

Overview

It is disappointing to note the significant change in emphasis from the initial consultation to the statement that does not seem to have been prompted by any of the questions initially raised, or answers received by Ofcom.

The consultation stated:

“Ofcom proposes to open up a new range for follow-me service such as personal numbers, initially making 065 available for new allocations of personal numbers. It is expected that over a period of time existing providers of personal numbering services would migrate to the new range.”

However, by the time of the statement, this fairly innocuous proposal has become:

“Ofcom does not believe that the consumer protection problems on current 070 numbers will be fully addressed by leaving in place personal numbering services on the 07 range, which most consumers perceive, and are likely to continue to perceive, as mobile numbers. Ofcom therefore intends to require all 070 numbers to cease by the end of July 2009. Ofcom cannot rule out, however, that there will be demand for genuine personal numbering services that would justify opening other numbers. Ofcom will therefore reserve the 06 number range for possible future use for this purpose, with a review of demand for personal and “individual” numbers to be completed by the end of 2007. If Ofcom opens 06 numbers for allocation at the end of 2007, 070 numbers will no longer be allocated.”

We are concerned about the decision to impose an end date on 070 numbers, rather than the natural migration implied by the consultation document. Similarly we are alarmed by the suggestion that there may not be a future for personal numbers at all. We look forward to responding in detail to Ofcom’s consultation on this in due course, but we have major accounts (such as the Trader Group and Fish4) who use personal numbers in an entirely legitimate way, even branding them as a value-add to their services.

Whilst we recognise that there have been abuses of the 070 number range in the past, these are small in comparison to the vast array of legitimate services that operate, and

Ofcom has put forward no rational argument for ending personal numbers as a concept. There are rules on the use of 070 numbers at present and Ofcom, or indeed the police have the ability to cease inappropriate use of the range by individual subscribers.

Ofcom puts providers of personal numbers in an impossible position as there is no certainty on which to work until the outcome of the next part of the consultation, at the end of next year. Do we continue to allocate 070 numbers to existing and new customers in the “knowledge” that these will be ended 2 years later, do we seek allocations of 06 numbers which may or may not be usable?

We therefore ask Ofcom to:

- remove the absolute end date for 070 (which was not consulted on) and allow natural migration,
- confirm that 06 will be opened up for legitimate personal number services as proposed in the consultation document (and at which time allocation of new 070s will end),
- reconsider proposals to introduce price ceilings on 070 or its replacement range.

Responses to specific questions 1 and 2

Q1) Which of Ofcom's two options for a price ceiling for 070 numbers...do you prefer and why:

- a) a standard price ceiling of 20ppm or per call from all originating providers, or b) a customer specific price ceiling of no more than the maximum that a customer would pay on a per minute or per call basis, to call a customer on a mobile network from that originating provider?*

The suggestions for price ceilings seem confused as they relate to a wish by other OCPs to charge more for calls than the designated rates agreed between the contracting OCP and TCP. Ofcom states that it wishes to have “tariff descriptions that cover not just services from BT Lines but from all other lines too”, the main concern being that calls to 070 numbers from mobiles can cost more than the listed rate. Yet this problem is not being similarly addressed for calls to 09 numbers from mobiles, which has caused huge detriment to the PRS industry.

There also seems to be a vast difference in the suggestion in option (a) of “20 pence per minute or per call”. What price transparency would there be for the consumer who would not know if their 5 minute call was being charged per minute or single drop?

The final option based around a complex formula arrives at a ceiling of 40 pence per minute, whilst the current most common maximum is 50 pence per minute.

Ofcom's research has shown that consumers have a broad awareness of costs and that, for certain types of calls and services they are prepared to pay more. To make slight adjustments between a 40p or a 50p max (and then be unclear on whether it applies per call or per minute) seems totally unnecessary when these amounts are viewed as percentages of consumers' monthly phone bills.

The key here, as with premium rate, is that if Originating Communications Providers want to charge more than the listed (or advertised) price, they should give a free to call message. The fault does not lie with the TCP or service provider, who appears to be being blamed by default for overcharging.

We note that the majority of telecoms respondents (operators and all trade associations) to the consultation generally had no strong view re introducing a price ceiling and felt that Ofcom should enforce existing rules more effectively, rather than imposing more new regulation.

We would argue for the current listed and agreed prices to remain in place.

Q2) Is the proposed implementation date of around February 2007 reasonable to implement either of the two price ceiling options? Will either of the price ceiling options be more complex or require more implementation time than the other?

We do not believe that there should be a change in the current pricing structure. If OCPs wish to charge more than the origination cost, they should give a free to user cost warning.

Lack of pricing transparency on 070 is caused by the same set of circumstances as lack of transparency on 08 and 09 numbers and that it when originators (mainly mobiles) chose to charge inflated rates for calls to those numbers. Ofcom has accepted throughout the course of the recent review and statement that to expect a prefix to give full information about tariff and service type is not possible and that consumers simply do not have, or need, this level of understanding.

Conclusion

PNC Telecom hopes that these comments will be helpful to Ofcom in its deliberations and would be happy to meet to discuss the issues further if this would assist.