

2 July 2012

Elizabeth Gannon  
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2A Southwark Bridge Road  
London, SE1 9HA

Dear Elizabeth,

### **Consumer Focus response to Ofcom's consultation on simplifying non-geographic numbers**

Consumer Focus welcomes the opportunity to respond to this consultation. We also welcome Ofcom's proposals to make the market for non-geographic numbers simpler, clearer with better information for consumers.

We agree with Ofcom's analysis that the current market in non-geographic calls is failing consumers in general, with particular detriment specific to vulnerable consumers. As such there is a clearly established case for regulatory reform.

While we support Ofcom's proposals for simplifying numbering ranges, increasing transparency on costs by unbundling of tariffs, and making 'free phones' genuinely free, the success of these policies will depend on Ofcom's approach to communicating the changes effectively. Also Ofcom needs to ensure that its proposals to designate the 080 and 116 numbers to be free from all telephones – landline and mobile – will not result in service providers, in particularly of essential public services, migrating away from the 0800 ranges, or refusing to accept calls from mobile phones. We recommend Ofcom consults widely with public service providers and providers of essential public utilities on the effect of the proposed changes on sustaining provision of services accessible via 0800 numbers.

### **Consumer detriment**

We agree with Ofcom's analysis of consumer detriment laid out in part A of the consultation. As communicated in our previous responses the current market of non-geographical numbers is failing consumers, particularly with respect to the most vulnerable consumers who live in mobile-only households.

In our previous consultation responses<sup>1</sup> we have pointed to various aspects of consumer detriment which we reiterate here:

- High level of confusion about the meaning and costs of non-geographical numbers. For example ICM omnibus survey carried out on behalf of Consumer Focus in April 2012 found that:

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<sup>1</sup> <http://bit.ly/usVF77>

- Less than half of respondents were aware they would be charged for 0800 calls from mobiles
- Only 57 per cent were aware they were charged for 0845 calls from mobiles
- Less than a third of consumers knew they would be charged for calls to 03 numbers
- Poor communication of information to consumers about the cost of non-geographic numbers contributes to the low awareness about the costs among consumers. For example Consumer Focus research into information on the cost of TV voting, *Strictly Unclear*<sup>2</sup>, found that even consumers actively seeking out pricing information from their mobile operators were frequently given incorrect information
- Ofcom's Consumer Experience Reports (2010 and 2011) indicate a greater occurrence of mobile only households among low income consumers. This means low-income consumers relying on mobile phones face higher charges for calls to non-geographic numbers than fixed-line users. This may act as a barrier to vulnerable groups in accessing essential services accessible via non-geographic numbers

## Proposals for the 03, 084, 087, 09 and 118 ranges

As communicated in our earlier response, we support Ofcom's proposal to unbundle tariffs for the Service Charge (SC) and the Access Charge (AC) as a more effective means to counteract complexity of the current non-geographical market and improve transparency for consumers. However, while we fully endorse Ofcom's proposal for a specified service charge we are concerned about the lack of clarity on the costs of access charge.

We fear that Ofcom's proposals to allow for multiple access charges within a single tariff package may still leave consumers unaware of the full costs of non-geographic calls. As such it would seriously undermine the very objective of the reform; to improve consumers' awareness of the cost of non-geographic calls. Therefore we recommend Ofcom proposes adequate strategies which would lead to improvement of communication in particular on mobile access charges to consumers.

In addition, the success of the proposed changes will depend on effective communication of the latter to consumers. As we expressed in our earlier response, publicity for the changes needs to be high profile, across multiple platforms and over a sufficiently length period to allow consumers to adjust.

Furthermore the implementation of the changes should be accompanied by an ongoing monitoring of consumers' knowledge of non-geographic number costs to enable assessment of enforcement of these proposals.

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<sup>2</sup> Consumer Focus report, *Strictly Unclear: research into information on the cost of TV voting* (September 2010). <http://bit.ly/N2FQPP>

## Proposals for Freephone and the 116 ranges

We welcome Ofcom's proposals to designate 080 and 116 numbers as genuinely free-to-caller number ranges regardless of landline or mobile phones.

We believe that such proposals would have clear economic benefits for consumers, and especially consumers living in mobile-only households. Ofcom's proposals are likely to mitigate the effect on mobile-only households, disproportionately common among low-income consumers, of the disparity between the costs of fixed and mobile calls to non-geographic numbers.

However, while Consumer Focus supports the policy we have concerns about potential unintended detrimental outcomes of the freephone proposals. For example providers of essential services migrating away from freephone number ranges to online tools which may not be accessible to consumers facing digital barriers, or providers refusing to accept calls from mobiles, due to the impact of reimbursing the cost of call origination. Therefore, in order to take account of any risks, we recommend Ofcom undertakes a prudent full-impact assessment of these proposals, in particular on providers of essential services currently using the 0800 number ranges. For example consulting providers of services listed by the DirectGov contact page<sup>3</sup> would be a good start, in addition to government services provided at the local level.

In addition, as mentioned earlier, the changes need to be accompanied by a high-profile campaign to make consumers and the general public aware of the changes. In particular consideration should be given on how to communicate the changes effectively by public services relying on freephone non-geographical numbers given their limited resources.

Yours faithfully,

Marzena Lipman  
Policy Manager

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<sup>3</sup> <http://bit.ly/qlOpir>