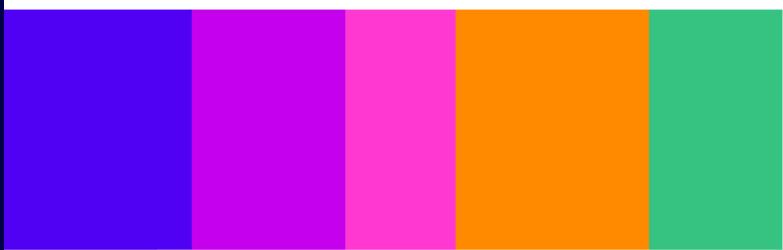


Future of telephone numbers

Further consultation on revenue sharing, including proposed modifications to the National Telephone Numbering Plan

Consultation

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1.Overview

- 1.1 Of com is responsible for the administration of the UK's phone numbers, ensuring best use and encouraging efficiency and innovation for that purpose. We publish the National Telephone Numbering Plan (the Numbering Plan),¹ our rulebook for phone numbers in the UK, setting out the numbers available for use and the rules for how those numbers may be used.
- 1.2 Our Future of Numbering Review is considering whether developments in telephony and number use may require changes to, or clarifications of, the rules that govern the use of phone numbers in the UK.² The overall aims of our review are to:
 - promote competition between providers of phone services;
 - promote confidence in phone numbers and services;
 - protect consumers from harm; and
 - secure that the best use is made of telephone numbers, and to encourage
 efficiency and innovation for that purpose, in line with our general duty as to
 telephone numbering functions.
- 1.3 We are progressing this review through a series of consultations. In this document we are reviewing what we say about revenue sharing in the Numbering Plan.
- 1.4 Revenue sharing occurs when a communications provider shares part of the revenue it receives for terminating phone calls directly or indirectly with the person receiving the call (the called party), or with the person making the call (the calling party).
- 1.5 The current revenue sharing rules in the Numbering Plan have developed in an ad hoc fashion which has led to some inconsistencies. The Numbering Plan makes specific provision for revenue sharing on certain ranges (for example 084 and 087) but in other cases is silent as to whether revenue sharing is permitted. This may appear to allow revenue sharing to take place in ways which could give rise to consumer harm. In light of our duties, and the aims of our Future of Numbering Review, we are therefore proposing to clarify these rules.
- 1.6 We consider that our proposals will help promote confidence in phone numbers and services, which is a key objective of our review, because we are removing some of the incentives for activities which, for example, may undermine the provision of bundles of inclusive calls to consumers on 084 and 087 numbers. Such bundles are valued by consumers and help reduce the risk and worry of unexpected charges, particularly as consumers typically have limited awareness of the price of calls outside their bundles.

What we are proposing - in brief

We have reviewed each number range in the Numbering Plan to assess whether it is appropriate for revenue sharing use and are making the following proposals:

¹ Ofcom, 2022. <u>The National Telephone Numbering Plan</u> (the Numbering Plan).

² Ofcom, 2022. *Future of telephone numbers* (Future of Numbering Review).

01/02, 03, 055, 056, 070, and 076 numbers

These number ranges support a variety of services. However, it was not intended that communications providers should share revenue with any other party to a call. We are therefore proposing to clarify that it is not permitted to share revenue, directly or indirectly, with either the called party or calling party on these number ranges.

084 and 087 numbers

Our rules allow these ranges to support a micropayment mechanism for callers to pay for services by sharing call revenue with the called party. This will not change as a result of the proposals we are making in this consultation.

However, we are proposing to prohibit revenue sharing with the calling party. This form of revenue sharing is an important mechanism for 'cash for calls' schemes which encourage customers to artificially generate calls for monetary gain. Such activities may undermine the availability in bundles of inclusive calls to 084 and 087 numbers, which are important to consumers who often have limited awareness of the price of calls outside their bundle.

07 mobile, 09 and 118 numbers

We are not making proposals in relation to these number ranges.

In the case of 07 UK mobile numbers, any prohibition on revenue sharing would apply to SMS/MMS as well as voice calls. We are inviting comments on whether such a prohibition would have any adverse consequences. Although there may be a case for clarifying revenue sharing rules in relation to mobile calls, it would require further work to establish the full impacts and benefits of such a proposal on the market for SMS/MMS text and media messages.

The 09 (premium rate) and 118 (directory enquiries) ranges are intended to offer a micropayment mechanism for callers to pay for services by enabling the sharing of call revenue with the called party. As these calls are rarely included in call bundles, cash for calls schemes are unlikely to arise. Consequently, we do not see a need at this time to prohibit revenue sharing with the calling party.

Withdrawal of the 082 internet for schools number range

We are also proposing to update the Numbering Plan to remove the 082 internet for schools number range. This range was used for dial-up internet services but is now obsolete and unused. All 082 number allocations have been returned to Ofcom.

Next steps

1.7 We invite responses to this consultation by 2 February 2024. We plan to publish a statement setting out our decision in the second quarter of 2024.

2. Background

- 2.1 This consultation forms part of our ongoing review of telephone numbers (the Future of Numbering Review).³ In this section we explain the background to our revenue sharing proposals, which build on and revise our Second Consultation proposals on revenue sharing with calling parties, published in April 2021.⁴
- 2.2 The background provided in this section and Annexes 1 to 3 inform our proposals for modifications to the Numbering Plan. The details of our proposals are in the following sections:
 - Clarification of the revenue sharing rules (Section 3)
 - Withdrawal of the 082 Internet for schools range (Section 4)

Our duty to administer the UK's telephone numbers

- 2.3 Of com is responsible for the administration of the UK's phone numbers. This duty is set out in the Communications Act 2003 (the Act). In particular, we are required by section 56 of the Act to publish the Numbering Plan, setting out the telephone numbers available for allocation and any restrictions on how they may be adopted or used.⁵ Part B1 of the General Conditions of Entitlement (the General Conditions) requires communications providers to comply with all applicable restrictions and requirements in the Numbering Plan.⁶
- 2.4 In carrying out our telephone numbering functions, we have a general duty to ensure that the best use is made of phone numbers and to encourage efficiency and innovation for that purpose.⁷
- 2.5 These duties are carried out also in the context of our general duties which we have outlined in Annex 4, including our principal duty to further the interests of citizens in relation to communications matters and to further the interests of consumers in relevant markets, where appropriate by promoting competition.⁸

The Numbering Plan, call charges and revenue sharing

2.6 The Numbering Plan sets out the UK's phone numbers, their service designation and any applicable tariff principles and maximum prices. These numbers are arranged into distinct number ranges based on the first few digits, which provides callers with information about

³ Ofcom. *Future of Numbering Review* website.

⁴ Ofcom, 23 April 2021. *Future of telephone numbers: Second consultation*.

⁵ <u>The Numbering Plan</u> is amended from time to time subject to consultation – see Annex 4. The version currently in force was published on 11 March 2022.

⁶ Ofcom, 2023. <u>General Conditions of Entitlement</u>, version effective 15 May 2023 (the General Conditions).

⁷ Section 63 of the Act.

⁸ Section 3 of the Act. See Annex 4 for more details.

the type of service they are calling (fixed, mobile, business etc.) and/or a broad indication of how much a call is likely to cost.⁹

Call allowances and consumer awareness of call charges

- 2.7 Communications providers routinely offer packages which include 'bundles' of inclusive call minutes, texts and data. These normally include a specified, or sometimes unlimited, amount of call minutes for which no incremental charge is applied. Consequently, consumers are often not charged separately for common call types, and calls within the allowance are often perceived as 'free'. Bundles are an important component of retail competition. Communications providers often compete for customers by drawing attention to the bundle offering in their advertising and other promotional activities.
- 2.8 Bundles benefit consumers by protecting them from unexpected charges, particularly since, as our Future of Numbering Research found, there is low recognition of different number ranges and low awareness of call charges.¹⁰ Also, consumers will not necessarily have control over the duration of a call. To the extent that number ranges that they call are included, such call bundles have value for consumers in removing worry about the risk of unexpected charges.

Called parties, calling parties and end-users

- 2.9 In the UK, the person making a call (the calling party) generally bears the cost for making a phone call, rather than the person they are calling (the called party). This means that for most calls, the various wholesale services which complete the call connection across phone networks are likely to be included in the originating provider's (i.e., the calling party's provider's) cost base and retail call charges.^{11,12}
- 2.10 The Numbering Plan rules refer to both the "end-user" and "Calling Party".¹³ The term "enduser" includes, in relation to a public electronic communications service, a person who, otherwise than as a communications provider, is a customer of the provider of that service or who makes use of that service.¹⁴
- 2.11 In our 03 Revenue Sharing Statement,¹⁵ we said this definition is linked to the particular electronic communications service or services under consideration and we recognised that

¹² Different arrangements apply to 080 which are free of charge of callers. For such calls, the wholesale services required for calls are included in the terminating provider's cost base.

⁹ We have set out more details of the different types of phone numbers provided for in the Numbering Plan in Annex 1, paragraphs A1.3 to A1.4 and Table A1.1.

¹⁰ Ofcom, 2019. <u>*The Future of Telephone Numbering: a qualitative research study*</u> (Future of Numbering research), Sections 4.3, 6.2 and 6.7.

¹¹ The 'originating' provider provides a phone service to the calling party. We have explained these terms in more detail in Annex 1, paragraphs A1.1 to A1.2.

¹³ Numbering Plan, paragraphs B3.2.1, B3.3.1, and B3.4.1.

¹⁴ See paragraph 2, Definitions and interpretation of the Numbering Plan and definition of "End-User" in the General Conditions (refers to <u>Annex 14: Revised General Conditions</u>).

¹⁵ Ofcom, 2014. <u>The 03 Number Range: Decision to clarify that revenue-sharing with callers is prohibited on the</u> <u>03 number range</u> (the 03 Revenue Sharing Statement).

there may be some confusion because the term is more commonly used to refer to the called party than the calling party, but it could refer to both depending on the context.¹⁶

2.12 In this document we make clear whether we are referring to the called or calling party. However, in the interests of consistency, in relation to the wording of our proposed amendments to the Numbering Plan we will follow the existing approach in the Plan by referring to 'end-user' and 'calling party'.

Revenue sharing

- 2.13 The term 'revenue sharing' describes a practice where either:
 - The calling party receives a share from the called party or communications provider;¹⁷ or
 - more commonly, the terminating communications provider shares some of the revenue it receives for terminating a phone call with the called party.
- 2.14 Revenue sharing can provide a useful function enabling consumers to make "micropayments", i.e., paying for products or services through their phone bill without the hassle of giving payment details over the phone. It also may offset some of the additional cost to service providers of maintaining phone services for consumers relative to cheaper online contact methods.

Forms of revenue sharing

- 2.15 The revenue shared could be in the form of money, a payment in kind or a benefit in kind. Examples include (but are not limited to):
 - money;
 - vouchers, coupons or tokens (for example, vouchers for purchases from an online retailer);
 - credits that can be redeemed for a future service (for example, credits for international phone calls); and
 - a product or service with some inherent value (for example, an electronic download).
- 2.16 The sharing of revenue can also be direct or indirect:¹⁸
 - Direct revenue sharing occurs when a proportion of revenue received by a terminating communications provider is paid to another party, either in the form of money or money's worth, and where the value of such payment is proportionate to the duration of the call.
 - Indirect revenue sharing occurs when a benefit in kind is made to another party. The benefit in this case is not necessarily proportionate to the duration of the call. An example could be the giving of a gift or a free subscription to a service (or any item with inherent value), which is not proportionate to the length of the call.

¹⁶ The 03 Revenue Sharing Statement, paragraph 4.39.

¹⁷ These terms are explained in more detail in paragraphs 2.9 to 2.12.

¹⁸ The way we are using 'direct' and 'indirect' is consistent with our decision in December 2014 on the 03 number range. The 03 Revenue Sharing Statement, paragraphs 4.73 to 4.75.

Revenue sharing in the Numbering Plan

- 2.17 Revenue sharing is a recognised feature of some number ranges. The 084, 087, 09 and 118 ranges are intended to support revenue sharing between the terminating communications provider and the called party to provide a micropayment mechanism.
- 2.18 Although it was not our intention that other number ranges should support revenue sharing or provide a micropayment mechanism, we did not in the past see a need to systematically prohibit revenue sharing on all of those ranges.¹⁹ Instead, we implemented specific rules in the Numbering Plan to expressly prohibit revenue sharing on the 03, 056 and 070 number ranges where we saw a particular need to address examples of misuse of number ranges or to ensure clarity about the intended use of new number ranges as they were introduced.²⁰ The current Numbering Plan rules on revenue sharing have therefore evolved in a largely ad hoc fashion, resulting in some inconsistencies in the wording of the rules and the number ranges to which they apply. We consider that this has led to a lack of clarity and potential for confusion about our intended use for these number ranges and we further consider that such confusion risks undermining the rules. Also, as explained in Section 3 below, in some cases the current rules may appear to allow revenue sharing to take place in ways which could give rise to consumer harm. For these reasons, we are setting out proposals in this consultation to make explicit our intentions for various phone number ranges through clearer and more consistent Numbering Plan rules.

The Future of Numbering Review

2.19 This consultation forms part of our Future of Numbering Review. The aims of this review are to promote competition between providers of phone services, to promote confidence in phone numbers and services, to protect consumers from harm, and to ensure best use is made of phone numbers and encourage efficiency and innovation for this purpose. We are addressing different elements of this review in a series of consultations²¹ and through our ongoing Numbering Programme activities.²² We are also addressing some of the problems relating to nuisance and scam calls through a separate work programme.²³

The Second Consultation

2.20 Following our First Consultation call for inputs, our Second Consultation considered the Numbering Plan rules on revenue sharing with calling parties and the impact of 'cash for calls' schemes. These schemes exploit the widespread availability of telephone services with

¹⁹ We note also that in the case of 080 'free to caller' numbers, the way calls to such numbers are paid for involves an origination payment made by the terminating communications provider to the originating communications provider.

²⁰ The current rules are summarised in Table A2.1 in Annex 2.

²¹ The First Consultation published in April 2019, the Second Consultation published in April 2021, and the Statement on Geographic Numbering published in March 2022. For a more detailed overview of this programme see paragraphs 2.15 to 2.26 of the Second Consultation.

²² Our Numbering Programme manages the day-to-day numbering activities, including allocation of numbers to telecoms providers, auditing number use and promoting compliance with the Numbering Plan and <u>General</u> <u>Condition B1 on the allocation, adoption and use of telephone numbers</u>.

²³ Ofcom, *Tackling scam calls and texts*.

call packages with 'free' minutes by encouraging people to make calls to obtain a reward. Typically, the call is not used for any genuine communications service, in that it is not made with the primary intention of speaking to someone or making use of a communications-based service. We provisionally concluded that cash-for-calls schemes exploit inclusive call packages in a way which is harmful to consumers. To address this problem, we proposed to prohibit the sharing of call revenue directly and indirectly with calling parties on all number ranges. The non-confidential responses to this consultation are published on our <u>website</u>²⁴ and summarised in Annex 3.

Our revised proposals

- 2.21 Having carefully considered the responses to our Second Consultation we have, in accordance with our duties outlined above, decided in this consultation to take a broader look at the Numbering Plan rules concerning revenue sharing, including revenue sharing with called parties, with a view to improving transparency and protection of consumers.
- 2.22 As we explain in more detail in Section 3 below, we have reviewed the rules applying to each number range with a view to ensuring the rules overall are clear, consistent and lower any risk of consumer harm arising.
- 2.23 These proposals complement our previous review of non-geographic revenue sharing ranges, which implemented the unbundled tariff rules for ranges intended for revenue sharing, among other goals to increase awareness and transparency for callers as to what the price of a call pays for.²⁵

Impact assessments

- 2.24 Impact assessments provide a valuable way of assessing the options for regulation and show why the preferred option was chosen. They form part of best practice policymaking. This is reflected in section 7 of the Act, which means that generally we must carry out impact assessments in cases where our proposals would be likely to have a significant effect on businesses or the general public, or where there is a major change in our activities. However, as a matter of policy, we are committed to carrying out impact assessments in relation to the vast majority of our policy decisions.
- 2.25 Specifically, pursuant to section 7 of the Act, an impact assessment must set out how, in our opinion, the performance of our general duties (within the meaning of section 3 of the Act) is secured or furthered by, or in relation to, what we propose.
- 2.26 On 19 July 2023, we published updated impact assessment guidance.²⁶ The key changes from the previous version of our guidance include maintaining our bias against intervention while clarifying that the law may require us to intervene, updating how we present our impact assessments to stakeholders, and an increased recognition that qualitative impacts

²⁴ Ofcom, 2022. *Future of telephone numbers*, consultation website.

²⁵ Ofcom, December 2013. *Non-Geographic Call Services review*, statement (the NGCS review).

²⁶ Ofcom, 19 July 2023. *Impact Assessment Guidance*, statement.

are an important part of assessing some policy decisions. We have sought to take account of this new guidance in the assessment of the impact of our proposals.

- 2.27 We have considered the impact of our proposals on:
 - a) consumers in the UK who may be phone customers and users of various phone-paid services;
 - b) communications providers who offer services to both consumers and service providers; and
 - c) service providers using phone numbers from the Numbering Plan.
- 2.28 The key components of our impact assessment are highlighted in the following paragraphs and the preceding analysis in each case:
 - In relation to 01/02 numbers, in paragraph 3.21.
 - In relation to 056 and 070 numbers, in paragraph 3.34.
 - In relation to 055 numbers, in paragraph 3.47.
 - In relation to 076 numbers, in paragraph 3.59.
 - In relation to 084 and 087 numbers, in paragraphs 3.80 to 3.81.
 - In relation to our proposal for 082 numbers, in paragraph 4.4.

Equality impact assessment

- 2.29 Section 149 of the Equality Act 2010 (the 2010 Act) imposes a duty on Ofcom, when carrying out its functions, to have due regard to the need to eliminate discrimination, harassment, victimisation and other prohibited conduct related to the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation. The 2010 Act also requires Ofcom to have due regard to the need to advance equality of opportunity and foster good relations between persons who share specified protected characteristics and persons who do not.
- 2.30 Section 75 of the Northern Ireland Act 1998 (the 1998 Act) also imposes a duty on Ofcom, when carrying out its functions relating to Northern Ireland, to have due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the 1998 Act. Ofcom's Revised Northern Ireland Equality Scheme²⁷ explains how we comply with our statutory duties under the 1998 Act.
- 2.31 To help us comply with our duties under the 2010 Act and the 1998 Act, we assess the impact of our decisions on persons sharing protected characteristics and in particular whether they may discriminate against such persons or impact on equality of opportunity or good relations.
- 2.32 We consider that our proposals to prohibit revenue sharing with called parties across the 01/02, 055, and 076 number ranges (in line with existing restrictions on 03, 056 and 070) are largely clarificatory in nature and there are unlikely to be significant impacts including on those sharing particular protected characteristics.

²⁷ Ofcom, December 2019. <u>Revised Northern Ireland Equality Scheme for Ofcom</u>.

- 2.33 In paragraph 3.72 we discuss the impact of prohibiting cash for calls schemes on the 084 and 087 number ranges on consumers with protected characteristics.
- 2.34 We consider that our proposal to withdraw the 082 number range will not affect any services used by consumers because these numbers are no longer in use.

Welsh language assessment

2.35 The Welsh Language (Wales) Measure 2011 established a legal framework to impose duties on certain organisations to comply with standards in relation to the Welsh language. Ofcom is subject to the Welsh language standards set out in its compliance notice dated 25 July 2016.²⁸ We consider that the proposed changes to the Numbering Plan will not have any impacts on opportunities for persons to use the Welsh language, or on treating the Welsh language no less favourably than the English language. This is because our proposals relate solely to revenue sharing and the use of telephone numbers and have no impact on the use of any language (including Welsh).

Strategic Statement position

2.36 As required by section 2B(2)(a) of the Act, we have had regard in this consultation to the UK Government's Statement of Strategic Priorities for telecommunications, management of radio spectrum and postal services.²⁹ In particular, we have had regard to that part of the Statement of Strategic Priorities which deals with furthering the interests of telecoms consumers, which the UK Government identifies as a strategic priority area.

This document

- 2.37 In Section 3 of this document we explain the detail of our proposals to amend the revenue sharing rules in the Numbering Plan.
- 2.38 In Section 4 we set out our proposal to withdraw the obsolete 082 'Internet for schools' number range.

²⁸ Welsh Language Commissioner, 25 July 2016. <u>Compliance notice - section 44 Welsh Language (Wales)</u> <u>Measure 2011: The Office of Communications</u>.

²⁹ DCMS, October 2019. <u>Statement of Strategic Priorities for telecommunications, the management of radio</u> <u>spectrum, and postal services</u> [Accessed 9 November 2023].

3. Revenue sharing

3.1 This section contains our review of revenue sharing on each number range. We have identified three categories of approach which we consider will provide clearer and more consistent Numbering Plan rules and reduce the risk of consumer harm arising. We summarise the proposed approach in paragraph 3.2 onwards, before turning to our assessment of each number range in turn from paragraph 3.7. We have set out details of proposed implementation and enforcement in paragraphs 3.94 to 3.96, and how we consider these proposals satisfy our legal duties in paragraphs 3.97 to 3.103.

Overview

- 3.2 The table below gives a high-level overview of how the Numbering Plan rules on revenue sharing would look after taking into account our proposed changes, and it indicates where in the following section our detailed reasoning for each number range is set out.
- 3.3 In summary, our approach in this consultation, in light of our objectives for the Future of Numbering Review³⁰ and our duties under the Act,³¹ is intended to provide clearer and more consistent Numbering Plan rules on revenue sharing. Where we have proposed changes to the revenue sharing rules, we consider these to be the least intrusive light-touch measures to improve clarity and consistency and to remove some incentives which risk misuse of numbers and potential consumer harms. We have not included consideration of more intrusive measures in the scope of this review (such as charge controls on termination charges or measures to directly improve transparency or the advertising of call charges).

Category	Number ranges	Our approach (paragraphs)	Called party revenue share	Calling party revenue share
One	01/02 Geographic numbers	3.7–3.23	Prohibit direct and	Prohibit direct and
	03 Non-geographic numbers	revenue sharing		indirect forms of revenue sharing
	055 Corporate numbers			
	056 Location Independent ECS	3.26–3.36		
	070 Personal numbers	3.26–3.36		
	076 Radiopaging numbers	3.50-3.60		

Table 3.1: Summary of Numbering Plan rules on revenue sharing including proposed modifications

³⁰ See paragraph 2.19.

³¹ See paragraphs 2.3 to 2.5.

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Category	Number ranges	Our approach (paragraphs)	Called party revenue share	Calling party revenue share
Тwo	084 Non-geographic numbers 087 Non-geographic numbers	3.61–3.83 3.61–3.83	No restriction on revenue sharing	Prohibit direct and indirect forms of revenue sharing*, excluding the provision of a service**
Three	09 Premium rate numbers 118 Directory enquiries	3.88–3.91 3.88–3.91	No restriction on revenue sharing	No restriction on revenue sharing
	07 UK mobile numbers	3.84–3.87	No restriction on revenue sharing***	No restriction on revenue sharing***

- 3.4 (*) In order to ensure the rules are as clear as possible, these proposals will mean that competitions, prize draws, and pay-for-product services, as well as cash for calls, will not be permitted on the 084 and 087 number ranges if call revenue is used to pay for a reward given to callers. Such services may instead use 09 numbers. See paragraphs 3.75 to 3.77 for more details.
- 3.5 (**) Where the only form of direct or indirect revenue share that the caller receives is the provision of a service, we are proposing that this will continue to be permitted on the 084 and 087 number ranges. See paragraph 3.78.
- 3.6 (***) Although it was not intended to offer sharing of call revenue on these numbers, we are not proposing to prohibit revenue sharing for UK 07 mobile numbers at this time. We have set out our reasoning for this in paragraphs 3.84–3.87.

01/02 Geographic numbers (category one)

What we are proposing

3.7 We are proposing to explicitly prohibit the direct or indirect sharing of revenue with called parties and calling parties on UK geographic numbers starting 01 or 02. We have set out our reasoning for this in the following paragraphs.

Our reasoning – called party revenue sharing

- 3.8 We have assessed the option of making explicit that revenue sharing with the called party is not permitted on 01/02 numbers by comparing this to the status quo.
- 3.9 We consider that explicitly prohibiting revenue sharing on these ranges would effectively be a clarification since it is consistent with our existing regulatory approach to the 01 and 02 number ranges:
 - The 01 and 02 ranges are designated as geographic numbers and are used predominantly for landline telephone services. They are not intended to provide a micropayment mechanism (i.e., where callers can pay for services through their phone bill) since the 084, 087, 09 and 118 number ranges are designated for the provision of such services.
 - Consistent with this, our longstanding regulatory approach to the wholesale voice market is that cost-based charge controls apply to call termination charges for domestic calls to 01 and 02 numbers. As a result, for the vast majority of calls to these numbers, the maximum termination charge is currently 0.0343p per minute,³² so there is no scope to share revenue with called parties.
 - We consider that the 01 and 02 number ranges are not suitable for micropayments because, in contrast to the ranges designated for such services, they are not subject to the unbundled tariff mechanism. The unbundled tariff structure was designed to support micropayments and provide appropriate transparency and protection measures for callers.³³
 - It is already explicitly provided in the Numbering Plan that there should be no revenue sharing on the equivalent non-geographic 03 range,³⁴ the retail pricing of which is aligned with geographic numbers.³⁵
- 3.10 Since 2021, however, we have provided some limited flexibility to communications providers in allowing them to set higher call termination charges for calls originated abroad, up to the level of the equivalent rates charged by their relevant international counterparty for calls from the UK. For ease of reference, in this document we refer to higher rates charged in such circumstances as 'reciprocal termination rates'. However, in practice such charges may not be set at exactly the same level as the rate charged by the relevant international counterparty, as communications providers are required only to ensure that they do not exceed the corresponding foreign termination rate. These increased rates of termination charges are sometimes also referred to by industry as 'surcharges'. The aim of allowing this pricing flexibility is to encourage overseas communications providers to lower their termination rates for calls originating in the UK.

³² This is the rate applying from 1 April 2023, as at date of publication, see Ofcom, <u>*Regulated prices*</u>.

³³ See paragraphs A1.5 to A1.10.

³⁴ For more details of our reasoning see the 03 Revenue Sharing Statement, Section 6.

³⁵ Communications providers are required to set the same (or lower) call price as 01/02 geographic numbers and offer similar treatment as part of inclusive call allowances. Numbering Plan, Part A, Applicable tariff principles and maximum prices.

- 3.11 Under the status quo there may be incentives for the terminating communications provider to share with the called party some of the revenues from calls from abroad where reciprocal termination rates apply. We have considered the impact of this:
 - On the one hand, we recognise that some called parties might obtain a financial benefit from revenue sharing in very limited circumstances where surplus call revenue might arise (i.e., in relation to those calls where reciprocal termination rates may apply).
 - On the other hand, however, we consider there is little wider benefit to consumers if any surplus revenue were shared with the called party. Given costbased charge-controls apply to the vast majority of calls to these number ranges, such revenue sharing is unlikely to be at sufficient scale to support the provision of any existing phone-paid services to the caller or to promote the creation of useful new services. Phone-paid services that require a revenue source are much more likely to be hosted on unbundled tariff number ranges which are specifically designed to support micropayments.
- 3.12 Furthermore, we consider that 01/02 numbers are not well suited to the provision of services that rely on revenue sharing both because the higher reciprocal termination rates (and therefore revenue sharing) apply only to calls from particular foreign networks, and because such revenue sharing could be withdrawn at any time if termination rates are renegotiated. Consequently, those who benefit most from revenue sharing on 01/02 numbers are likely to be called parties who undertake activities involving fraud and/or artificial generation of call traffic (ATG), which more reliably target and exploit the availability of reciprocal termination rates:
 - When called parties can profit from calls they receive, this may provide an incentive for ATG (i.e., generating calls to their own numbers with no genuine communications purpose). We understand that those seeking to misuse phone numbers may use a number of different approaches to generate calls more cheaply (and therefore profitably), including:
 - > by taking advantage of instances where the transit provider fails to properly reflect high reciprocal termination rates in their transit charges. In such cases communications providers in the UK who offer transit could end up bearing the cost of ATG; or
 - by obtaining unauthorised access to (i.e., hacking) private telephone exchanges (PBXs) in countries subject to reciprocal termination rates, which could result in innocent third-party businesses or organisations having to pay for the call charges.
- 3.13 As we have highlighted in our Plan of Work, tackling frauds and scams is a priority outcome for Ofcom.³⁶ We consider that ATG risks harmful impacts for communications providers or their customers who may sometimes end up bearing the costs.
- 3.14 We recognise the interests of those called parties that might in limited circumstances receive a share of excess revenue on calls to geographic 01/02 phone numbers from calls originated abroad. However, we consider that those interests are on balance outweighed by

³⁶ Ofcom, 28 March 2023. Ofcom's plan of work 2023-24, paragraph 3.4.

the benefits arising out of making explicit our longstanding intention about the appropriate use of the 01/02 geographic numbers, and removing potential incentives for misuse and the risk of harmful impacts arising from that misuse. We are therefore proposing to explicitly prohibit revenue sharing with the called party on these ranges.

Our reasoning - calling party revenue sharing

- 3.15 We have also assessed the option of making explicit that revenue sharing with the calling party is not permitted. We have compared this to the status quo.
- 3.16 It is a consequence of our proposals to prohibit revenue sharing with the called party that any called party providing a service on 01/02 geographic numbers should not receive any share of call revenue which could then be passed onto the calling party.
- 3.17 Regarding revenue sharing with calling parties by the terminating communications provider, we noted above that, because of our existing regulation of the wholesale voice market, for the vast majority of calls the termination charges are subject to a cost-based charge control, leaving little surplus revenue to distribute. The only exception is in relation to some calls from countries with high reciprocal termination rates. However, in these cases the terminating communications provider is unlikely to have any direct relationship with a legitimate caller to implement a revenue sharing arrangement. Therefore, we consider there is little likelihood that calling parties would benefit from revenue sharing.
- 3.18 This proposal would also bring rules for 01/02 numbers into line with the long-standing position for the equivalent 03 numbers, where revenue sharing with the calling party is explicitly prohibited.
- 3.19 In view of the limited likelihood of benefits to calling parties being realised we provisionally consider, on balance, that any such interests are outweighed by the benefits of a more consistent Numbering Plan, which would be aligned with our intended use of this range. We are therefore proposing to prohibit revenue sharing with the calling party on 01/02 geographic numbers.

Direct or indirect forms of revenue sharing

3.20 As we explain in paragraphs 2.13 to 2.18, revenue sharing can take different forms. We are proposing in this consultation to take an approach consistent with the wording of the existing revenue share rules for the 03 number range³⁷ in prohibiting both direct and indirect forms of revenue sharing.³⁸ As in the 03 Revenue Sharing Statement, this is to resolve any potential ambiguity as to whether our proposed rules would prohibit the provision of benefits in kind to called parties or calling parties where funded by a share of call revenue, as well as direct payments, and thus to ensure that our provisions are effective against all forms of revenue sharing.

³⁷ See Table A2.1 for details of the current wording.

³⁸ This was introduced by our 03 Revenue Sharing Statement in 2014. See paragraphs 4.73 to 4.75 of that Statement.

Impact and proportionality

- 3.21 As outlined above in paragraphs 3.9-3.10 and 3.16-3.17, we consider that our proposed prohibition on revenue sharing is likely to affect only a very small minority of calls (i.e., those calls originating abroad from countries with high reciprocal termination rates), and we do not think it will impact on funding arrangements of any legitimate phone services provided to consumers.
- 3.22 We consider, subject to consultation, that our proposals for 01/02 taken as a whole are objectively justifiable in that:
 - This represents the introduction of a simple rule to prohibit revenue sharing, which is consistent with our intended use of this range (as distinct from those unbundled tariff ranges which provide micropayment mechanism to support the provision of phone-paid services).
 - On balance this, and the removal of a potential incentive for some forms of ATG, outweigh the impact on a small number of called parties who could realise a profit in a limited number of circumstances, but would no longer be able to do so.
- 3.23 We consider that our proposals for 01/02 numbers are proportionate in that the benefits of our proposals outweigh the very limited impact we expect the proposed prohibition to have.

03 numbers (category one)

Our approach

- 3.24 We are retaining the current Numbering Plan rules for 03 non-geographic numbers which prohibit direct or indirect sharing of revenue with end-users and calling parties.^{39,40}
- 3.25 From the point of introducing the 03 number range in 2007, we have been explicit that revenue sharing with 'end-users' is not permitted.⁴¹ In our 03 Revenue Sharing Statement in 2014, we amended the revenue sharing rule to clarify that this applies to both called and calling parties, and to direct and indirect forms of revenue sharing.⁴² This approach was designed to promote consumers' confidence that they will be paying only for the call and not for additional services, and to address concerns about forms of ATG, in particular cash for calls schemes. This remains our position.

³⁹ For more details about the wording and origin of these rules see Table A2.1 and paragraphs 2.17 and 2.18.
⁴⁰ As we are not proposing any change for 03 numbers, we have not needed formally to consider impact or proportionality in this Section.

⁴¹ Ofcom, February 2007. <u>Raising confidence in telephone numbers: Including new 'UK-wide' 03 numbers and a</u> <u>consultation to amend General Condition 17</u>, statement and consultation, Section 3.

⁴² The 03 Revenue Sharing Statement.

056 and 070 numbers (category one)

What we are proposing

3.26 The Numbering Plan already prohibits revenue sharing with 'end-users' on the 056 and 070 number ranges. We are proposing to amend the wording of these rules to bring them into line with the approach we have taken for 03 numbers. The amended rules would expressly state that direct and indirect forms of revenue sharing are not permitted with either the called party or the calling party on these ranges. We have set out our reasoning for this in the following paragraphs.

Our reasoning

Called party revenue sharing

- 3.27 Revenue share with called parties is not permitted on either range by the existing rules (which refer to 'end-users').⁴³
- 3.28 Ofcom's predecessor, Oftel, prohibited revenue sharing for 070 numbers (Personal Numbers) in 2001.⁴⁴ It said that revenue sharing in this case was a market distortion which provided an incentive for the called party to generate calls to themselves, ⁴⁵ and that the key benefit of the 070 range to the calling and called party was in making a connection rather than the called party receiving payment for receiving the call.⁴⁶ This decision was supported by evidence of various complaints concerning different forms of misuse of 070 numbers.⁴⁷ We subsequently decided to apply a charge control to the termination rates for 070 numbers, at the same level as the cost-based charge control applied to mobile termination.⁴⁸
- 3.29 In 2004, we followed a similar approach in prohibiting revenue sharing when introducing 056 numbers for IP-based telephone services (unlike traditional fixed line telephone services, these services are not tied to particular locations and were therefore referred to as location independent electronic communications services (ECS) in the Numbering Plan).⁴⁹ We said that it was unjustified and undesirable for revenue generated from calls to 056 numbers to be shared with called parties and that other ranges would be more suitable for services where called parties wish to benefit from a share of the revenue generated by the call.⁵⁰ We said that this restriction would ensure that the 056 number range develops to

⁴³ See paragraphs B3.3.1 and B3.4.1 of the Numbering Plan.

⁴⁴ Oftel, 2001. <u>*Restoring trust in Personal Numbering*</u>, a statement issued by the Director General of Telecommunications on proposals to stop abuse of the 070 range (the 070 Statement).

⁴⁵ The 070 Statement, paragraph 2.15.

⁴⁶ The 070 Statement, paragraph 1.7.

⁴⁷ The 070 Statement, paragraphs 1.12 to 1.14.

⁴⁸ Ofcom, 1 October 2018. <u>Personal numbering – Review of the 070 number range</u>, statement (the Personal Numbering Statement).

⁴⁹ Ofcom, 2004. <u>Numbering arrangements for new voice services</u>, statement (the 056 Statement).

⁵⁰ The 056 Statement, paragraph 3.10 and 3.17.

serve the requirements of location independent ECS rather than replicate existing number ranges. $^{\rm 51}$

Calling party revenue sharing

- 3.30 As noted above, our revenue sharing rules for 056 and 070 numbers prohibit revenue sharing with 'end-users'. Prior to 2014, the corresponding rule for 03 numbers had similar wording, also referring to revenue sharing with end-users. This formulation gave rise to concerns about ambiguity about both the circumstances under which the prohibition on revenue sharing applied and to whom it applied, in particular in relation to revenue sharing with calling parties. As discussed above, in our 03 Revenue Sharing Statement in 2014, we amended the revenue sharing rule to clarify that revenue sharing with calling parties is prohibited.
- 3.31 We therefore consider that it would be appropriate to align the revenue sharing rules for 056 and 070 numbers with the 03 rule to clarify that revenue sharing with calling parties is not permitted. The revised rule also makes explicit that indirect revenue sharing, as well as direct revenue sharing, is prohibited.
- 3.32 We also consider that the proposed approach to align the wording is important because having inconsistently worded rules in the Numbering Plan for the same type of revenue sharing restrictions risks causing confusion and therefore potentially undermines the rules themselves.⁵²
- 3.33 In the context of our review, we also consider that it is in the interests of consistency and in providing simpler Numbering Plan rules overall to bring the wording into line with those used for 03 numbers.

Impact and proportionality

- 3.34 We provisionally consider that these amendments taken as a whole are merely clarificatory in nature and therefore we do not expect them to have any material impact. While we recognise the potential for confusion, called parties and calling parties should already be subject to the current 'end-user' prohibition, and therefore, we do not expect any change to the current use of these numbers.
- 3.35 These changes overall are intended to clarify the existing rules in relation to these ranges and help to ensure a more consistent set of Numbering Plan rules on revenue sharing for users of phone numbers. We consider these proposals are objectively justifiable in that these changes will help to avoid any confusion which might arise from having inconsistently worded revenue sharing rules on different ranges.
- 3.36 We consider these clarificatory proposals are also proportionate given that they will secure benefits in terms of greater clarity and consistency, and we do not expect them to have any material impact.

⁵¹ The 056 Statement, paragraph A4.18.

⁵² In relation to 070 numbers, we are also proposing, as shown in Annex 5, to replace the word "Adopting" with "who Adopt or otherwise use" in B3.4.1 of the Numbering Plan to make this provision consistent with the wording of the other rules.

055 Corporate numbers (category one)

What we are proposing

- 3.37 We are proposing to prohibit the sharing of revenue directly or indirectly with called parties and calling parties on 055 numbers.
- 3.38 The 055 number range was introduced by Oftel in 2003, to be used by large companies as a substitute for geographic numbers in order to meet the growing demand for numbers for business use.⁵³ However, take-up was not as high as expected and there is now very little use of this number range. Ofcom has not allocated any new blocks of these numbers since 2014. Given how little they are used, and that the charges for calling 055 numbers are non-standard and vary with provider, consumers are likely to have low awareness of 055 call prices.

Our reasoning - called party revenue sharing

- 3.39 We have assessed the option of prohibiting revenue sharing with the called party. We have compared this to the status quo.
- 3.40 As noted above, consumers are likely to have poor awareness of the price of these calls. The unbundled tariff provisions do not apply to 055 numbers which are therefore not subject to the same measures regarding transparency of call charges. Called parties are not obliged to inform callers about the price of a call in advance (and they would likely find it difficult to do so given the scope for different communications providers' prices to vary). In some cases, retail prices charged are much higher than for 01/02 numbers.⁵⁴
- 3.41 Call termination charges for calls to these numbers are not charge-controlled and are generally much higher than the charge-controlled rates for geographic numbers.⁵⁵ If the terminating communications provider sets a termination rate in excess of its costs in order to share excess revenues with the called party then this might give rise to consumer harm. In order to generate additional revenues, called parties might seek to encourage calls to 055 numbers, leading to bill shock and harm for callers, given their lack of awareness of charges. We identified similar problems that arose in relation to 070 numbers in our 2018 review, including for example missed call scams or fake job adverts.⁵⁶
- 3.42 Although there is now little use of the 055 numbers, we consider the risk of misuse we have described is credible even if it has not materialised to date. We are also concerned that if we do not adopt a similar prohibition as we have proposed on other ranges, this could displace any examples of misuse to the 055 number range. Therefore, as a consumer protection measure, and to pre-empt any problems that might emerge, we are proposing to prohibit revenue sharing with the called party on 055 numbers. This is intended as a light-touch step

⁵³ Oftel, 28 March 2003. *Corporate Numbering: A new option for businesses*, consultation.

⁵⁴ Call charges from BT landlines are likely to be around 5p per minute, but other, particularly mobile, providers' prices may be significantly higher.

⁵⁵ For example, BT IP Exchange wholesale call termination charges for calls terminating on the BT network applicable from 1 December 2023. Geographic call termination daytime [\gg] pence per minute, 055 call termination daytime [\gg] pence per call plus [\gg] pence per minute.

⁵⁶ The Personal Numbering Statement, paragraph 1.6.

to discourage misuse of this range, and help us ensure that as far as possible our rules will be consistent and clear about which ranges that can be used for revenue sharing.

Our reasoning - calling party revenue sharing

- 3.43 We have assessed the option of prohibiting revenue sharing with the calling party on 055 numbers. We have compared this to the status quo.
- 3.44 We are not aware of any examples of usage of this number range involving revenue sharing with calling parties which would be affected by this proposal.
- 3.45 Our proposed prohibition on revenue sharing with the called party would prevent them passing any revenue on to the calling party, since they would not themselves obtain any share. In cases of normal communications services using 055 numbers, the terminating communications provider would not generally have any direct relationship with the calling party and so they would have no incentive or opportunity to share any surplus termination revenue with them.
- 3.46 We are proposing to prohibit direct or indirect forms of revenue sharing with both called and calling party to clarify that these rules also apply to benefits in kind. This proposal would align the treatment of 055 numbers with 03 numbers and 01/02 geographic numbers, which is consistent with the original intention for this range and may help avoid the risk of any cash for calls schemes arising.

Impact and proportionality

- 3.47 Subject to consultation, we do not expect our proposals to have any impact on the use of 055 numbers, particularly in view of the very limited use of this number range. However, we would welcome the views of stakeholders on this point.
- 3.48 We therefore consider that these proposals taken as a whole are objectively justifiable in that they will help provide more consistent Numbering Plan rules, and because they are light-touch measures to assist consumer protection and to discourage misuse.
- 3.49 We consider that these proposals are proportionate in that the benefits we have identified are very likely, given the very limited use of these numbers, to outweigh any impact on current use.

076 Radiopaging numbers (category one)

What we are proposing

3.50 We are proposing amendments to the Numbering Plan which will prohibit communications providers providing a radiopaging service on 076 numbers from sharing revenue directly or indirectly with called party (i.e., the end-users of a radiopaging service).

- 3.51 The 076 number range (excluding 07624 Isle of Man numbers)⁵⁷ is designated in the Numbering Plan for radiopaging services. Charges for calls to these numbers are generally much higher than those for the 07 UK mobile numbers. However, given the close resemblance between 07 mobile and 076 numbers, consumers are at risk of wrongly assuming that 076 calls have the same price as calls to UK mobile numbers.⁵⁸
- 3.52 Use of radiopaging has significantly declined in recent years, leaving only one nationwide provider of radiopaging services, and consequently we understand that only a small proportion of the 076 numbers allocated to communications providers are in use. Traditional users of radiopaging have largely moved to using alternatives such as mobile phones and apps, including most notably NHS trusts who were required to phase out the use of pagers for non-emergency communication by the end of 2021.⁵⁹

Our reasoning - called party revenue sharing

- 3.53 We have assessed the option of prohibiting revenue sharing with radiopaging customers (the called party). We have compared this option to the status quo.
- 3.54 The unbundled tariff provisions do not apply to 076 numbers, which are therefore not subject to the same measures regarding transparency of call charges. As noted above, there is also likely to be low consumer awareness of 076 call prices because of the resemblance to 07 mobile numbers. Call termination charges for calls to these numbers are not charge-controlled, with typical wholesale charges, on a per call rather than per minute basis, at the highest available rate of around 43 pence.⁶⁰ There is scope for retail call prices to vary between different communications providers, and radiopaging providers are not obliged to inform callers in advance about the price of a call.
- 3.55 If the terminating communications provider sets a termination rate in excess of costs, and shares excess revenues with the called party, then this might give rise to consumer harm. In order to generate additional revenues, called parties might seek to encourage calls to 076 numbers, leading to bill shock and harm for callers, given the lack of awareness of charges and the similarity to 07 UK mobile numbers. Indeed, we identified similar problems that arose in relation to 070 personal numbers in our 2018 review.⁶¹
- 3.56 Although we believe overall usage of 076 numbers is low and we are not aware of any examples of the types of misuse outlined above, we nonetheless consider the potential risk to be credible. We are also concerned that if we do not adopt a similar prohibition on revenue sharing as we have proposed on other ranges, this could displace any examples of misuse to the 076 number range. Therefore, for reasons of consistency and to pre-empt problems that might emerge, we are proposing to amend the Numbering Plan to prohibit revenue sharing with the called party. This is a light-touch step to discourage misuse of this

 ⁵⁷ The Numbering Plan distinguishes between Isle of Man numbers starting 07624 and other 076 numbers. The former are designated for use by mobile and radiopaging services, but are not available for new allocations.
 ⁵⁸ We referred to our evidence of consumer confusion regarding different types of 07 numbers in the Personal Numbering Statement, Annex 7, paragraphs A7.14 to A7.33.

⁵⁹ Department of Health and Social Care, February 2019. <u>*Health and Social Care Secretary bans pagers from the NHS*</u>, bulletin [accessed 9 November 2023].

⁶⁰ This corresponds to the FF9 wholesale rate.

⁶¹ The Personal Numbering Statement, paragraph 1.6.

range and help us ensure that as far as possible our rules will be consistent and clear about which ranges that can be used for revenue sharing.

3.57 As we consider that such a measure would likely have little impact on the legitimate use of 076 numbers, in the interests of consistency and minimising any potential risks of misuse, we intend to bring the revenue share rules for 076 numbers into line with other similar ranges, such as 070. This will make explicit that those who provide a radiopaging service are not permitted to share revenue with called parties and is consistent with the Numbering Plan designation for radiopaging services which excludes the use of 076 numbers for other types of service.

Our reasoning - calling party revenue sharing

3.58 It is a consequence of our proposed prohibition on revenue sharing with called parties that the called party would not obtain any share of call revenue to pass onto to the calling party. We are proposing to prohibit revenue sharing with the calling party in the interests of consistency and also to minimise any potential risk of misuse. This would also prevent the radiopaging service provider sharing revenue with the calling party. Our provisional view is that prohibiting the sharing of revenue with calling parties would have little impact on legitimate radiopaging services. However, particularly in view of the recent evolution of the radiopaging market, we cannot exclude the possibility that some forms of revenue sharing with the calling party currently occur. Conceivably, this could arise in circumstances where the calling party, the pager end-user, and the message recipient are likely to be all within the same organisation. We would therefore welcome the views of stakeholders about any examples where calling parties might be affected by this proposal.

Impact and proportionality

- 3.59 We consider that, taken as a whole, our proposals for 076 numbers are objectively justifiable in that these changes will help to ensure a more consistent set of Numbering Plan rules on revenue sharing, and to help mitigate any risk of misuse of existing 076 number allocations by called parties (radiopaging end-users).
- 3.60 We consider that these proposals are also proportionate since we expect the benefits of such changes to outweigh the limited impact on legitimate services as discussed above.

084 and 087 numbers (category two)

What we are proposing

3.61 We are proposing to prohibit the sharing of revenue directly or indirectly with calling parties on the 084 and 087 unbundled tariff non-geographic numbers. We are also clarifying that competitions, prize draws and pay-for-product services (where a reward given to the caller is funded by revenue sharing) will not be permitted on 084 and 087 numbers as a consequence of this proposed change. We are not proposing to introduce any prohibition on called party revenue sharing which has always been permitted on these ranges. We have set out our reasoning for this in the following paragraphs.

Our reasoning - called party revenue sharing

3.62 In common with other unbundled tariff number ranges, 084 and 087 numbers provide a micropayment mechanism allowing the caller to pay for services via their phone bill.⁶² As set out in paragraphs A1.5 to A1.6, the unbundled tariff was designed, amongst other things, to increase transparency for consumers regarding the micropayment. The Numbering Plan and associated General Conditions provide clarity about the revenue sharing mechanisms that apply on each range, and no modification is required for the called party.

Our reasoning - calling party revenue sharing

- 3.63 We have assessed the option of making explicit that revenue sharing with the calling party is not permitted directly or indirectly on 084 and 087 numbers. We have compared this to the status quo.
- 3.64 Some fixed telephony providers offer inclusive calls to 0845 and 0870 numbers, generally for historical reasons.⁶³ Some mobile operators also offer inclusive calls to these numbers as add-ons to standard packages.⁶⁴ As explained in paragraphs 2.7 and 2.8, consumers may benefit from the availability of such inclusive call bundles which can remove worry and protect them from unexpected call charges, given the low consumer awareness of call prices for these numbers.
- 3.65 However, the ability to make 'free' calls at the point of use, through inclusive call packages, provides an opportunity for cash for calls schemes which induce callers to use free inclusive minutes to make calls in return for a reward (see paragraphs A1.11 to A1.13). The higher termination charge rates for 084 and 087 numbers combined with the availability of inclusive call bundles may make them particularly attractive for cash for calls.⁶⁵

The impact of cash for calls schemes

- 3.66 We consider that, if we do not take action to remove the revenue sharing incentive for cash for calls, there is a risk that such activities could lead to the withdrawal of inclusive call packages and/or result in higher prices for consumers.
- 3.67 Although consumers do not incur additional charges for in-bundle calls, the communications provider originating the phone calls will pay the appropriate per-minute rate to the terminating communications provider. Cash for calls schemes which incentivise callers to make very long or repeated calls will therefore increase the costs of providing inclusive call bundles.
- 3.68 As explained in paragraphs A1.14 to A1.18, originating communications providers may seek to withhold (or 'retain') termination revenue where the Artificial Inflation of Traffic (AIT) provisions of the BT Standard Interconnect Agreement (SIA) may apply.⁶⁶ Since the publication of our Second Consultation, we have obtained industry data on AIT retentions

⁶² See paragraphs A1.5 and A1.6 for more explanation of the unbundled tariff ranges.

⁶³ For example, BT Group's standard fixed tariff and some fixed tariffs from VMO2 and Plusnet feature inclusive calls to 0845/0870 numbers.

⁶⁴ For example, Vodafone (<u>Non-geographic calls</u>) and EE (<u>Pay monthly add-ons</u>) [accessed 27 November 2023].

⁶⁵ See paragraphs A1.5-A1.7 for more details regarding the service charge rates for unbundled tariff ranges.

⁶⁶ See Annex 1, paragraph A1.14.

made by parties to the BT SIA which were identified as relating to cash for calls schemes, and thus give an indication of the prevalence of cash for calls activity.⁶⁷ This data in respect of financial years 2020/21 and 2021/22 shows that there was a total of between £400k and £500k [>] of AIT retentions during this period attributed to cash for calls, and one subrange of 084 numbers and one sub-range of 087 numbers were within the top four most common number ranges used by value [>].⁶⁸ Since it is time-consuming and difficult for communications providers to investigate and confirm AIT,⁶⁹ we believe that the AIT retentions are likely to under-estimate this activity. We understand that the level of cash for calls activity is likely to have declined compared with previous years.⁷⁰

- 3.69 We consider that cash for calls schemes also increase the risk that such bundles will be restricted or withdrawn thus reducing choice for consumers:
 - a) We have found that some providers have removed number ranges from bundles, or limited call allowances in bundles, as a result of cash for calls schemes. A communications provider [≫] told us that [≫] it removed all such calls from bundles to protect the company from consumers' use of cash for calls schemes and international calling gateways. [≫].⁷¹
 - b) Over recent years there has been a general trend of communications providers applying increasingly restrictive terms on the use of inclusive call packages in response to the risk of cash for calls schemes and other forms of ATG. This may be, for example, by imposing fair use policies and/or requiring the customer to redial after a period to avoid incurring charges. More restrictive terms increase the risk that consumers may inadvertently trigger such restrictions and as a result suffer loss of utility or unexpected call charges.
- 3.70 Users of cash for calls schemes may also suffer detriment. Some users may not fully appreciate that the payment of the promised cash for calls reward is commonly made contingent upon the operator's receipt of termination revenue. When this is withheld, the caller may lose out through wasted time and possibly the cost of an inclusive call package which they may not otherwise have taken out. Users may also incur additional costs if they mistakenly exceed their call allowance or breach a fair use policy imposed by their provider.
- 3.71 As summarised in paragraph A3.4, some responses to our Second Consultation suggested that cash for calls schemes are legitimate and valued services. However, we consider that the main purpose of cash for calls schemes is to generate call termination revenues which are shared between the operators of the schemes and callers; there is no inherent communications benefit from the calls made. We therefore consider them effectively a form of ATG and not legitimate services. While the cash for calls provider and any user of the

⁶⁷ In this context we refer to AIT under the BT SIA, see paragraphs A1.14 to A1.18 for more details.

⁶⁸ BT Group's response to the s.135 Notice dated 3 January 2023. [×]

⁶⁹ As well as analysing the patterns of data from the calls themselves, the phone companies also look for information available directly from the operator of the phone number on websites or social media, and they may register with such schemes to be able to carry out test calls to confirm the nature of the service being provided on each number.

⁷⁰ See 2021 reference to the scale of activity in previous five-year period in paragraph 5.5 of <u>BT Group</u> response to the Second Consultation.

⁷¹ [×] response to s.135 Notice dated 23 October 2020, response to question 11.

scheme may benefit financially from such activities, we consider these interests do not outweigh the potential risk of harm to the wider category of consumers.

- 3.72 A number of responses⁷² to our 2014 consultation preceding the 03 Revenue Sharing Statement highlighted that international calling credits were a common benefit of cash for calls schemes. Such schemes may have therefore been used particularly by consumers sharing the same protected characteristics (such as race and religion or belief). We do not have evidence that cash for calls schemes continue to operate in this way, and we understand that they would also offer other types of reward that would be of more general appeal and less likely to be used particularly by those sharing the same protected characteristics. Consistent with our reasoning above, we consider the interests of individual users of such schemes do not outweigh the potential risk of harm.
- 3.73 Communications providers have taken steps to try to curtail cash for calls schemes, and this may have led, in part, to a decline in such activities. However, we understand that it is not straightforward to detect such schemes and seek redress, for example using the AIT retention provisions of BT's SIA.⁷³ Other potential measures such as restricting or withdrawing inclusive call packages, as explained above, may result in detriment to other consumers. Subject to consultation, we therefore consider, in light of the potential impact on consumers, that the existing measures currently available to communications providers are not a sufficient or efficient way to deal with this problem. We also consider there remains a credible risk that cash for calls activity may increase again in the future if we do not remove the incentive for such schemes and this could result in further restrictions on the availability of inclusive call bundles.
- 3.74 For the reasons outlined above, we are therefore proposing to ban the direct or indirect sharing of revenue with calling parties on 084 and 087 numbers, thus removing an incentive for callers to participate in cash for calls schemes by making repeated or prolonged calls. We recognise that this proposal may have some implications for providers of other types of services using 084 and 087 numbers including competitions, prize draws and pay-for-product services. The following paragraphs address the impact of our proposals on these services.

Ensuring clarity for competitions, prize draws and pay-for-product services

- 3.75 In light of responses to our Second Consultation, we think it is also important to provide more clarity for the providers of competitions, prize draws and pay-for-product services.⁷⁴ Such services generally offer callers the chance of a reward or prize as an incentive to call, funded by call revenue. We have set out more detail of our reasoning regarding our approach to these services in paragraphs A3.17 to A3.24 of Annex 3.
- 3.76 In summary, we are proposing to clarify that our prohibition on revenue sharing with calling parties will not permit competitions, prize draws and pay-for-product services to be hosted on 084 and 087 numbers, in order to provide better certainty to communications providers

⁷² Ofcom, 2014. <u>*The 03 Number Range – revenue sharing*</u>, consultation website.

⁷³ See paragraphs A1.14 to A1.18.

⁷⁴ See paragraphs A3.12 and A3.15 to A3.20 of Annex 3 for our discussion of the concerns raised in responses to our Second Consultation.

and service providers and to avoid the risk that allowing such services could provide a loophole for cash for calls activity (see paragraphs A3.17 to A3.20).

3.77 We have considered the potential impact of our proposals on service providers, including the suitability of 09 numbers as a substitute and the costs of moving these services to this range (set out in paragraphs A3.21 to A3.24). We have provisionally concluded that requiring such services to be provided only on the 09 number range would not be disproportionate because the inconvenience to service providers associated with the proposed change would not outweigh the benefits to consumers of addressing the potential harms arising from cash for calls schemes and to communications providers and service providers in providing clear and easy to understand rules. We also consider the impact of this change could be acceptably managed by providing an appropriate implementation period before the proposed prohibition has effect (see paragraph 3.93 below regarding our proposed timeline for implementation).

Indirect revenue sharing and the provision of services in kind

3.78 We have revised our proposals to explicitly allow the provision of a service to the caller (e.g. an advice service or a conference call facility) for the 084 and 087 ranges (where revenue sharing with the called party is permitted). This is to make clear that we would not consider the provision of a service to the caller to be a form of benefit in kind (and thus a form of indirect revenue sharing). We consider this should ensure clarity for service providers and that the wording of our definition of direct and indirect revenue sharing is not too broadly defined.⁷⁵ To be clear, this means that the provision of services to a calling party on these ranges would not in itself contravene our proposed ban on direct and indirect revenue sharing. However, any other form of direct or indirect revenue sharing, for example money or money's worth in vouchers or products, would be prohibited even when provided in addition to or in association with providing a service in kind to the calling party.

Provision of digital content

3.79 We have also modified our proposals to clarify that revenue sharing in the form of the provision of digital content, including music downloads, books, games, or film streaming services would be prohibited. Therefore, we are proposing to include clarificatory wording in our proposed amendments to the Numbering Plan to exclude the provision of digital content from our definition of the 'provision of a service'.

Impact and proportionality

3.80 The main impact of our proposals for 084 and 087 is that any competitions and prize draws hosted on these numbers will need to move to using 09 numbers after the implementation period. However, we believe there are very few providers offering such services on 084/087 given the lower service charge rates available compared to 09 numbers.⁷⁶ This change would

⁷⁵ See paragraphs A3.13 and A3.16 of Annex 3 for more details of this concern raised by respondents and our view.

⁷⁶ The maximum per minute service charge price for 09 numbers is £3 compared with 10.83 pence on 087. See paragraph A1.7 for details of maximum service charges.

also affect any pay-for-product services, but for the same reason we anticipate these are very unlikely to be hosted on 084 or 087 numbers.

- 3.81 We recognise that, as a result of our proposal, users of cash for calls schemes will lose out on an opportunity to profit financially from calls they make. However, as outlined in paragraph 3.71, we consider cash for calls schemes are not a legitimate or appropriate use of telephone numbers. The funds received by scheme users and scheme operators are at the expense of originating communications providers and (through potential increases in bundle prices) other consumers. Moreover, as explained above, cash for calls schemes may undermine the provision of some inclusive call bundles.
- 3.82 We consider that these 084/087 proposals are objectively justifiable in that, subject to consultation, we consider it is important to address any risk of cash for calls activity leading to the removal of 084 and 087 numbers from inclusive calls bundles. As set out in the preceding section, such withdrawals could result in consumers, who in general have low awareness of non-geographic call prices, suffering unexpected charges and bill shock.
- 3.83 We consider these measures are also proportionate in that the benefits of preserving choice in inclusive call bundles and protecting consumers as a whole outweigh the loss of opportunity for a limited number of users of cash for calls schemes (which we consider not to be a legitimate or appropriate use of phone numbers), and the costs to service providers of moving what are likely to be limited numbers of competitions or prize draws to 09 numbers. Further, we believe our proposals go no further than is necessary. In particular, we have taken into account the responses to our Second Consultation and have revised our proposals to limit the impact of our proposed changes by, amongst other things, making clear that they will not preclude the provision of phone-paid services to the caller, while still achieving our stated objectives.

07 Mobile numbers (category three)

Approach

3.84 We are not proposing any changes to the rules on revenue sharing for UK 07 mobile numbers at this time. We have set out our reasoning for this in the following paragraphs.

Our reasoning

- 3.85 We consider there may be a case for clarifying revenue share rules in relation to mobile calls: similar considerations apply to 07 voice calls as with 01/02 geographic numbers, where we are proposing to explicitly ban revenue sharing. In both cases, it was never our intention to permit revenue sharing for voice calls, and in both cases there are cost-based charge controls applying to termination of domestic calls which limit the scope for revenue sharing.
- 3.86 However, after careful consideration we are not making proposals in respect of 07 numbers in this consultation. This is because such a rule would also necessarily apply to text and media message (SMS/MMS) revenue since we do not distinguish between different types of services in the Numbering Plan rules. We would therefore need to undertake further work to establish the impact and benefits of applying a revenue share prohibition to text messages before being able to make any proposal. We recognise it is possible that there

could be possible benefits of such a proposal but also a risk of negative impacts, including by undermining the provision of any services provided to consumers or businesses which are funded by a share of text message revenue. For example, text message revenue might conceivably help to contribute to the cost of software licences for communications platforms which help businesses manage customer enquiries through text and online channels.

- 3.87 To inform our future consideration, we would be interested in stakeholders' views in particular on:
 - The need to consider introducing clear revenue sharing rules on 07 mobile calls;
 - The appropriateness and benefits of a prohibition on revenue sharing applying to 07 SMS/MMS, including as a measure to remove incentives for misuse, including ATG;
 - The impact of such a prohibition on legitimate SMS/MMS based services for example, whether there are any services funded by revenue sharing which would not otherwise be available to consumers and businesses; and
 - Whether there would be an increased risk of revenue sharing on the 07 range in light of the other proposals set out in this consultation.

09 and 118 numbers (category three)

Our approach

- 3.88 The Numbering Plan permits revenue sharing with called and calling parties on the 09 premium rate and 118 directory enquiries numbers. We are not proposing any changes in respect of these numbers.
- 3.89 In common with other unbundled tariff number ranges, 09 and 118 numbers provide a micropayment mechanism allowing the caller to pay for services via their phone bill. The unbundled tariff was introduced in 2015 to, amongst other objectives, provide greater transparency regarding the service charge element of the price of the call which is shared with the called party or service provider.⁷⁷

Our reasoning - called party revenue sharing

3.90 It is a key purpose of these ranges that the micropayment supports services provided to the caller. The Numbering Plan and associated General Conditions provide clarity about the revenue sharing mechanisms that apply for 09 and 118 numbers and no modification is required.

Our reasoning - calling party revenue sharing

3.91 Unlike 084 or 087 numbers, due in part to the much higher rates of service charge, 09 and 118 numbers are almost never included in inclusive call packages. Cash for calls generally exist to exploit the availability of inclusive call packages, and are therefore unlikely to arise

⁷⁷ See paragraphs A1.5 to A1.10 of Annex 1.

on 09 or 118 numbers. 118 numbers are designated in the Numbering Plan for use only by directory enquiries services.

Implementation and enforcement

3.92 To implement our proposals in relation to revenue sharing, we propose to make a number of modifications to the Numbering Plan. These proposed changes are set out in the Schedule to Annex 5.

Timeline

- 3.93 We consider that an appropriate implementation period for these changes would be six months after the publication of our final decision. We would be interested in stakeholders' views on our provisional conclusion that this proposal appropriately balances the need to realise the protective benefits of our changes for consumers and communications providers against the need to give sufficient time for:
 - any competition, prize draw or pay-for-product services to be efficiently migrated to the 09 number range. We propose that six months would be adequate time to allow for the expiry of any currently running competitions or prize draws and planning for running any future such services on 09 numbers, which as described in paragraph A3.23, we expect will significantly reduce the need for changes to existing marketing materials; and
 - required amendments by communications providers to any existing contracts with their customers which provide for revenue sharing which will be prohibited by our proposed rules.

Enforcement

- 3.94 Any prohibited revenue sharing occurring on the category one or two numbers after the implementation of our proposals would be contrary to the requirement in General Condition B1.3 that communications providers may only adopt telephone numbers in accordance with the designation in the Numbering Plan. In cases where prohibited revenue sharing is suspected, we could open an investigation and consider enforcement action for non-compliance with General Condition B1.3.
- 3.95 As explained in paragraphs A3.25 to A3.28, we also consider that amending the Numbering Plan rules on revenue sharing, in particularly in relation to cash for calls, could provide additional clarity for communications providers to support their investigations into suspicious call traffic under the AIT provisions of the BT SIA.
- 3.96 We would welcome further input from industry stakeholders regarding any concerns on enforcement in response to our consultation.

Legal tests

3.97 For reference, the legal framework within which we assess our policy decisions in relation to numbering is explained in more detail in Annex 4.

Our duties in relation to the Numbering Plan

- 3.98 We are satisfied that the proposed modifications to provisions of the Numbering Plan set out in the Schedule to the notification in Annex 5 meet the tests set out in section 60(2) of the Act being:
- 3.99 **Objectively justifiable** and **proportionate** as explained for each measure separately above:
 - a) In relation to 01/02 numbers, in paragraphs 3.21 to 3.23.
 - b) In relation to 056 and 070 numbers, in paragraphs 3.34 to 3.36.
 - c) In relation to 055 numbers, in paragraphs 3.47 to 3.49.
 - d) In relation to 076 numbers, in paragraphs 3.59 to 3.60.
 - e) In relation to 084 and 087 numbers, in paragraphs 3.80 to 3.83.
- 3.100 We also consider our proposals for changes to the Numbering Plan as a whole are not **unduly discriminatory** in that these changes apply equally to all consumers and communications providers in respect of their use of these numbers.
- 3.101 We consider our proposals are **transparent** in that the reasons for making the proposed modifications are set out clearly in this document. Our proposals are also intended to make our Numbering Plan rules more consistent and explicitly setting out our expectations in relation to revenue sharing in the interests of transparency for users of phone numbers.

Our general duties

- 3.102 We consider these proposals are consistent with our general duties under sections 3 and 4 of the Act in that they further the interests of citizens and consumers for the reasons set out above. In particular, we recognise that there is limited awareness of non-geographic call charges amongst consumers and that therefore one of the factors in making these changes is to protect consumers from unexpected call charges and bill shock.
- 3.103 Pursuant to section 63 of the Act, we consider that these proposals contribute to "securing best use of telephone numbers" and "encouraging efficiency and innovation" by:
 - helping to ensure numbers are used for the purpose intended and that the intended purpose and meaning of each range is clear and consistent and preserved by the Numbering Plan rules;
 - discouraging misuse of numbers, by removing the potential revenue sharing incentives for cash for calls schemes and other forms of ATG, targeted only at those number ranges on which it is most likely to cause a problem; and
 - continuing to enable innovation in the micropayment, pay-for-product and prize draw markets on the unbundled tariff ranges as a whole.

Notification of proposed modifications to the Numbering Plan

- 3.104 The draft notification of the proposed modifications to the Numbering Plan is set out in Annex 5 of this consultation document.
- 3.105 If, subject to this consultation, we decide to proceed with the proposed revenue sharing modifications, we intend the new restrictions to enter into force six months after publication

of the final Notification. As explained in paragraph 3.93 above, this is to allow an appropriate implementation period for communications providers to prepare for these changes.

Consultation questions

Question 3.1

Do you agree with our proposals to prohibit direct and indirect revenue sharing with called parties (end-users) on the category 1 number ranges, including UK geographic numbers?

Please provide reasons for your view and any relevant evidence.

Question 3.2

Do you agree with our proposals to prohibit direct and indirect revenue sharing with only calling parties on the category 2 number ranges, namely 084 and 087 numbers.

Please provide reasons for your view and any relevant evidence.

Question 3.3

- (a) Do you consider that there is a need to introduce revenue sharing rules for UK 07 mobile phone calls?
- (b) Do you have any view on the appropriateness or benefits of applying such rules also to UK 07 SMS/MMS text and media messages, including to remove a possible incentive for misuse or artificial generation of text message traffic?
- (c) Do you have any views on the impact of such a measure on legitimate SMS/MMSbased services?
- (d) Do you have any views on whether there would be an increased risk of revenue sharing on the 07 range in light of the other proposals set out in this consultation?

Please provide reasons for your view and any relevant evidence.

Question 3.4

Do you agree with our proposed approach to implementation in giving six months after the publication of our final decision before our new rules come into force?

Please provide reasons for your view and any relevant evidence.

4. Withdrawal of 082 telephone numbers

4.1 This section sets out our proposal to withdraw the current designation of 082 numbers in the Numbering Plan. This proposal furthers our objective of updating the Numbering Plan to reflect developments in use of telephone numbers and is consistent with our duties, including to secure that what appears to us to be the best use is made of the numbers that are appropriate for use as telephone numbers, and to encourage efficiency and innovation for that purpose.

Background

- 4.2 The 082 number range was introduced by Oftel in November 1997 for schools' dial-up internet services⁷⁸ in order to ensure that traffic from schools could be identified and ringfenced for the purposes of charging special rates for this traffic.⁷⁹ Its use was extended in March 2000 for use by Public Institutions Internet Caller (PIIC) services which were provided to eligible institutions such as public libraries, FE colleges, Citizens Advice centres and learning centres.⁸⁰
- 4.3 Dial-up internet services have largely been superseded by broadband services. There are no 082 numbers in use and all allocations have been returned to Ofcom.

Our reasoning

4.4 The 082 range is no longer in use, and we do not foresee the allocation of number blocks from this range in the future given the obsolete nature of its service designation. We therefore consider there would be no impact from its withdrawal and are proposing to withdraw the designation to simplify the Numbering Plan and to make clear that these numbers are no longer available for allocation.

Legal tests

- 4.5 We are satisfied that the proposed modifications to provisions of the Numbering Plan meet the tests set out in section 60(2) of the Act being:
 - We consider that this proposed change is objectively justifiable and proportionate in that it seeks to remove an obsolete designation in the interests of simplifying the Numbering Plan, and we do not anticipate this proposed change

⁷⁸ Oftel, 26 November 1997. <u>Numbering Bulletin 34</u>.

⁷⁹ Oftel, October 1997. <u>Access to the superhighway for schools: Statement following consultation on the</u> <u>regulatory framework for BT's prices for schools</u>, paragraphs 3.5 to 3.6. Oftel, July 1997. <u>Access to the internet</u> <u>for schools: Consultation on BT's proposal</u>, paragraphs 5.25 to 5.27.

⁸⁰ Oftel, March 2000. <u>*Connecting public institutions – BT's Public Institutions Internet Caller Service*</u>, statement, paragraphs 2.13 to 2.14.

will have any negative impacts on any party because these numbers are no longer in use or in demand;

- We consider that this change will not discriminate unduly against any communications providers or users, because these numbers are no longer in use and we do not anticipate any future demand given the intended purpose of the range; and
- We consider that this change is **transparent** in relation to what it is intended to achieve, in that we have set out clearly the reasons for withdrawing the designation.
- 4.6 We also consider that withdrawing this unused range in order to simplify and clarify the Numbering Plan is consistent with our general duty in relation to numbering functions (section 63 of the Act) which requires us to secure, in carrying out those functions, what we consider to be the best use of telephone numbers and to encourage efficiency and innovation for that purpose.
- 4.7 We consider that our proposals to update the Numbering Plan to reflect developments in the use of numbers are consistent with our general duties in carrying out our functions as set out in sections 3 and 4 of the Act. In particular, we consider that the proposal would further the interests of citizens in relation to communications matters and consumers in relevant markets for the reasons set out above.

Notification of proposed modifications to the Numbering Plan

- 4.8 The draft notification of the proposed modifications to the Numbering Plan is set out in Annex 5 of this consultation document.
- 4.9 If, subject to this consultation, we decide to proceed with the proposed modification to remove the 082 number range, we intend the modification to take effect from the date of the final Notification.

Consultation question

Question 4.1

Do you agree with our proposal to amend the Numbering Plan to remove the 082 number range?

A1 Telephone numbers and making calls

Making a voice call

- A1.1 Communications providers interconnect their networks to ensure that a call from a calling party can reach a called party. Calls will often be carried on the network of more than one provider, even when the calling party and called party have the same communications provider.
- A1.2 There are a number of terms that are used to describe the types of communications service which combine to ensure that a call can be connected from a caller in one network or geographic location to a called party on another network or location.
 - Origination the term call 'origination' describes the service that enables calls to be made by the calling party (rather than simply received) and directed over telephone lines to connect with different networks. It is technically defined as the service which routes calls from the calling party's fixed or mobile handset to the closest point in the network where the call can be accessed by another communications provider. The 'originating provider' is the communications provider on whose network a call originates.
 - **Termination** call 'termination' is the service which completes a call connection from a point of interconnection with telephone networks to the called party's handset. The 'terminating provider' is the communications provider on whose network a call terminates.
 - **Transit** call 'transit' is the service a network operator provides when it carries a call originating on another network across its network to the network of another operator for termination.

The structure of telephone numbers

A1.3 The Numbering Plan sets out the numbers that are available for allocation and the restrictions and any tariff principles that apply in respect of their use. These numbers are arranged into distinct number ranges based on the first few digits which represent the dialling code. These number ranges are summarised in the table below:

Table A1.1: Numbering Plan phone number ranges

Range	Designation	
01/02	Geographic numbers	
03	Non-geographic numbers (charged at geographic rate)	
055	Corporate numbers	

Range	Designation	
056	Location independent electronic communications services	
070	Personal numbers	
076	Radiopaging services (except 07624 which is designated for radiopaging services and mobile services (Isle of Man Communications Commission))	
071 to 075, 077 to 079	Mobile numbers	
080	Non-geographic numbers (free to caller)	
084	Non-geographic numbers (applicable service charge 5.833 pence per min/call exclusive of VAT)	Unbundled tariff ranges
087	Non-geographic numbers (applicable service charge 10.83 pence per min/call exclusive of VAT)	
09	Non-geographic numbers (applicable service charge 300 pence per min or 500 pence per call exclusive of VAT)	
118 (6-digit codes)	Directory enquiries	

Other ranges include 082 (legacy internet for schools numbers), 116 (free to caller short codes)

A1.4 The tariff principles that apply to some of these ranges, specifically 084, 087, 09 and 118, show that they are designated for use as revenue sharing ranges, as explained in the following paragraphs.⁸¹

Unbundled tariff revenue sharing ranges

- A1.5 The tariff structure for the 084, 087, 09 and 118 non-geographic number ranges (known as the 'unbundled tariff')⁸² consists of two elements:
 - Access charge paid to the communications provider which originates the call, with a single 'pence-per-minute' rate for calls to all unbundled tariff numbers.
 - Service charge paid to the communications provider which terminates the call. The service charge may be shared with the called party.⁸³ The service charge rate is linked to the number used, as set out in paragraph A1.7 below.

⁸¹ Ofcom, 12 December 2013. <u>Simplifying non-geographic numbers</u>, statement, Section 3.

⁸² The unbundled tariff applies to the 084, 087, 09, and 118 number ranges and was introduced in July 2015. Ofcom, 2013. <u>Simplifying non-geographic numbers - Policy position on the introduction of the unbundled tariff</u> <u>and changes to 080 and 116 ranges</u>.

⁸³ Service providers are required to include the service charge in any advertising and promotion of calls to applicable numbers in order to provide transparency to consumers. Ofcom, 2013. <u>Numbering Condition</u> <u>binding non-providers</u>.

A1.6 The sharing of call revenue with the called party via the service charge is a micropayment mechanism. For example, the called party may be providing the service on a number in one of these ranges (for example, a conference call facility) and the share of the service charge paid to the called party can cover or contribute towards their costs of providing that service over the phone. Hence, we refer to 084, 087, 09 and 118 as revenue sharing ranges. This unbundled tariff structure was designed to, amongst other things, increase transparency and ensure that consumers can know how much of their money is paid to their (originating) communications provider and how much is passed to others, such as the organisation or service being called.

Service charge rates

A1.7 The maximum service charge rates for the unbundled tariff ranges per the Numbering Plan are shown in Table A2.1.

Number range	Service charge (pence per minute) ⁸⁴	Service charge (pence per call) ⁸⁵
084	5.833	5.833
087	10.83	10.83
09	300	500

Table A2.1: Service charge rate caps, exclusive of VAT

Source: Numbering Plan, Part A1, pages 9-10

Phone-paid Services Authority regulation

- A1.8 Of com appointed the Phone-paid Services Authority (PSA) to regulate phone-paid services in the UK, that is the provision of content, goods and services charged to the phone bill. The PSA regulates in accordance with the 'Code for Premium rate services' (the Code) approved by Of com under its powers in section 121 of the Act.⁸⁶ For context, in November 2023 Of com consulted on a proposal to transfer responsibility for regulating phone-paid services from the PSA to Of com.⁸⁷
- A1.9 This regulation is intended to protect consumers from harm in the premium rate services (PRS) market and to further their interests through encouraging competition, innovation and growth. The PSA currently does this by setting Standards and Requirements for PRS providers to meet in respect of the provision, content, promotion and marketing of their services, and it monitors and enforces those Standards and Requirements in accordance with the Code.⁸⁸

⁸⁴ These rates apply where the service charge includes a pence per minute rate.

⁸⁵ These rates apply where the service charge is set exclusively at a pence per call rate.

⁸⁶ PSA, 2021. <u>Code of Practice 2021 (Fifteenth Edition), Approved under Section 121 of the Communications Act</u> 2003 (PSA Code of Practice).

⁸⁷ Ofcom,21 November 2023. <u>The future regulation of phone-paid services</u>, consultation.

⁸⁸ The Standards and Requirements are set out in the PSA Code of Practice.

A1.10 The scope of PSA regulation includes some services provided on 087, 09, and 118 numbers, and to mobile short codes and direct carrier billing.⁸⁹ This applies where the service charge exceeds 5.833 pence per minute or 5.833 pence per call (excluding VAT), or where the call is charged at a rate exceeding 10 pence per minute (including VAT). However, the regulation does not extend to other number ranges unless it is a 'Chatline Service', an 'Information, Connection or Signposting Service', an 'Internet Dialler Software operated service' or a 'Sexual Entertainment Service'.

'Cash for calls' schemes

- A1.11 The ability to make 'free' calls at the point of use, through inclusive call packages, ⁹⁰ can provide an opportunity for 'cash for calls' schemes which induce callers to use inclusive free minutes to make calls in return for a reward. The provider of the scheme (the called party) will generally have in place a revenue sharing agreement with their communications provider to generate profit and fund the reward. Such schemes, which make use of inclusive call packages, may result in callers making large volumes of calls, and are effectively a form of ATG.⁹¹
- A1.12 Typically, the call is not made with the primary intention of speaking to someone or making use of a genuine communications service. Often calls are made to a radio broadcast or similar type of recordings and the caller leaves the phone off the hook once connected for the duration of the free call.
- A1.13 These cash for calls schemes commonly have the following features:
 - new numbers to call are regularly supplied by the scheme provider, and the caller is encouraged to work their way through the list (which makes these activities harder to detect by communications providers);
 - the caller is responsible for checking the terms of their call allowances and advised to make short test calls to avoid unexpected charges;
 - a threshold of minutes often needs to be reached before a payment is released;
 - payments are generally by bank transfer/PayPal, tokens, call credits, vouchers, gifts or donated to charity; and
 - payments to callers are contingent on the scheme provider receiving payment from the originating provider for terminating the call.

BT's Artificial Inflation of Traffic contractual provisions

A1.14 BT is the largest supplier of call termination in the UK and plays an important role in the provision of interconnection for other communications providers. It has a standardised contract for fixed telephony interconnection, the Standard Interconnect Agreement (SIA). Annex E of the SIA contains a number of terms and conditions which set out processes,

⁸⁹ PSA, 5 April 2022. <u>Number ranges regulated by the PSA</u>, guidance.

⁹⁰ See paragraphs 2.7 and 2.8.

⁹¹ See paragraphs 3.12 and 3.13 for further description of ATG.

binding on all communications providers which interconnect with BT, for identifying and dealing with specific forms of ATG which it refers to as Artificial Inflation of Traffic (AIT).

- A1.15 AIT is defined by the SIA as calls which are "made, generated, stimulated, and/or prolonged for the direct or indirect benefit of any entity [...] operating, hosting or otherwise connected with a telecommunication service as a result of any activity by or on behalf of such entity" and "resulting in a calling patten which is disproportionate to the overall amount, duration and/or extent of Calls which would be expected from [...] good faith usage or an acceptable and reasonable commercial practice relating to the operation of telecommunications systems."⁹² These AIT provisions of the SIA apply to calls to all phone numbers except the 01 or 02 geographic number ranges.
- A1.16 AIT is often identified by unusual patterns such as excessively high volumes of calls, calls of either unusually long or short duration, or calls in circumstances which indicate that the telecommunications service being called was involved in the making of those calls.⁹³ This indicates call traffic which has no legitimate communication purpose and is being artificially generated or prolonged for financial benefit.
- A1.17 Parties to the SIA agree not to "knowingly engage in, assist or allow others to engage in AIT" and to use reasonable endeavours to "detect, identify, notify and prevent AIT".⁹⁴ The AIT process under BT's SIA enables the communications provider which originates the calls, or exceptionally the company which transits the calls, to withhold termination revenue which would otherwise be due to the communications provider which terminates the calls (subject to a dispute process).⁹⁵ The aim of this process is to prevent the intended beneficiary of AIT from receiving the proceeds of that traffic, and to deter abusive activity.
- A1.18 BT Group highlighted in their response to our Second Consultation that clearer guidance about the legitimacy of cash for calls would assist in resolving disagreements which arise between communications providers regarding the withholding of outpayments (termination charges) identified as related to cash for calls under the AIT provisions of the SIA, and thus reducing the likelihood of legal disputes.⁹⁶

⁹² BT, 2021. Annex E of *Standard Interconnect Agreement* (SIA Annex E), page 23.

⁹³ SIA Annex E: Appendix E5, pages 22 to 23.

⁹⁴ SIA Annex E, paragraph 2.4.

⁹⁵ SIA Annex E, paragraphs 5.2 and 6.2.

⁹⁶ BT Group response to the Second Consultation, paragraph 5.5.

A2 Current Numbering Plan rules on revenue sharing

A2.1 The current Numbering Plan rules on revenue sharing are summarised in table A2.1 below.

Number ranges	Designation	Revenue sharing rules
01 and 02	Geographic numbers	
03	Non-geographic numbers (charged at geographic rate)	Prohibits directly or indirectly sharing with any End-User or any Calling Party any revenue obtained from providing a service on these numbers (paragraph B3.2.1 of the Numbering Plan).
055	Corporate numbers	
056	Location independent electronic communications services	Prohibits sharing with any End-User any revenue obtained from providing a service on these numbers (paragraph B3.3.1 of the Numbering Plan).
07	UK Mobile numbers ⁹⁷ including SMS messages	
070	Personal numbers	Prohibits sharing with any End-User any revenue obtained from providing a Personal Numbering Service (paragraph B3.4.1 of the Numbering Plan).
076	Radiopaging services	
082	Internet for schools	
084 and 087	Non-geographic numbers	Unbundled tariff numbers, thus expressly permit revenue sharing (per Numbering Plan part A and B4.1, and General Conditions B1.19 to B1.29).
09	Non-geographic numbers (premium rate)	Unbundled tariff numbers, thus expressly permit revenue sharing (per Numbering Plan, part A and B4.1, and General Conditions B1.19 to B1.29).

Table A2.1: Current Numbering	g Plan rules on revenue sharing
Table / EEE Carrent Hambering	S i luit i ules on revenue sharing

⁹⁷ 07 UK mobile numbers excluding 070 personal numbers and 076 radiopaging services.

Number ranges	Designation	Revenue sharing rules
118	Directory enquiries	Unbundled tariff numbers, thus expressly permit revenue sharing (per Numbering Plan, part A and B4.1, and General Conditions B1.19 to B1.29).

A3 Responses to our Second Consultation

A3.1 In our Second Consultation we explained our provisional conclusion that revenue sharing with the calling party incentivises harmful behaviour. To address this concern, we proposed amending the Numbering Plan to prohibit the direct and indirect sharing of revenue with calling parties on all number ranges. We received 33 responses to our Second Consultation, 28 of which commented on our revenue sharing proposals.

Our proposal to prohibit revenue sharing with calling parties

Summary of comments supporting our proposals

- A3.2 Sixteen respondents supported our proposal to prohibit the sharing of revenue with calling parties, including BT Group, Sky, TalkTalk, VMO2, KCOM, FCS, Last Frontiers, Twilio, and eight individual respondents.⁹⁸ In addition, Gamma and Comms Council UK agreed with the objectives of our proposals to prevent abuse of inclusive call packages but disagreed with some aspects of the wording of our proposed ban.⁹⁹
- A3.3 Comments by those agreeing with our proposal included:
 - Cash for calls schemes increase communications providers' costs. VMO2 and Comms Council UK said that cash for calls schemes increase the cost of providing inclusive call packages resulting in higher prices for all consumers.¹⁰⁰ BT Group noted that outpayments to operators of cash for calls schemes can be expensive (estimating millions of pounds of outpayments over the five years to 2021).¹⁰¹ BT Group also said that AIT retentions can lead to legal disputes over contract terms.¹⁰²
 - Cash for calls schemes have no inherent value and undermine the provision of call packages. BT Group and VMO2 agreed with our provisional views that cash for calls schemes provide no inherent communications benefit and that the potential negative outcomes of allowing them outweighed any considerations of commercial freedom.¹⁰³ VMO2 said that cash for calls schemes reduced the incentive for providers to offer inclusive call bundles, thus risking detriment to consumers who value these packages.¹⁰⁴

⁹⁸ <u>BT Group</u>, <u>Sky</u>, <u>TalkTalk</u>, <u>VMO2</u>, <u>KCOM</u>, <u>FCS</u>, <u>Last Frontiers</u>, <u>Twilio</u>, and 8 individual responses to the Second Consultation. These individual responses were from [\gg].

⁹⁹ <u>Comms Council UK</u>, page 2; and <u>Gamma</u>, page 6; in their responses to the Second Consultation. These comments are considered further below in paragraphs A3.13.

¹⁰⁰ VMO2, page 3; and Comms Council UK, page 2; in their responses to the Second Consultation.

¹⁰¹ BT Group response to the Second Consultation, paragraphs 5.4 and 5.5.

¹⁰² BT Group response to the Second Consultation, paragraphs 5.4 to 5.5.

¹⁰³ BT Group, paragraphs 5.2 to 5.11; and VMO2, page 3; in their responses to the Second Consultation.

¹⁰⁴ VMO2 response to the Second Consultation, page 3.

- Cash for calls schemes impact quality of service. BT Group said that 'cash for calls' schemes create unnecessary network traffic that otherwise would not occur and increase network congestion which can impact quality of service for all consumers.¹⁰⁵
- **Risks to consumers**. BT Group noted concern that users of cash for calls schemes may not always be aware that the scheme provider will not pay the revenue share if call termination revenues are withheld, and such users may end up out of pocket if they exceed their call allowance or breach their provider's fair use policy.¹⁰⁶

Summary of comments disagreeing with our proposals

- A3.4 Eight respondents disagreed with our proposal to prohibit revenue sharing with calling parties, including Aimm, 24 Seven, Core Telecom, DMB, Telecom2, two confidential responses from communications providers and one individual.¹⁰⁷ Most of the comments related to our assessment of the case for intervention. The main objections raised were:
 - Cash for calls schemes are legitimate and valued services which benefit consumers that use them.¹⁰⁸ 24 Seven, Core Telecom, and a confidential respondent said that cash for calls schemes were a valuable service enabling callers to extract value from unused inclusive minutes.¹⁰⁹ They also said that cash for calls schemes were comparable to other services such as competition services which provide prizes or rewards funded by call revenues.¹¹⁰ Telecom 2 said that cash for calls schemes were a good faith use of the communications network and disagreed that cash for calls schemes amounted to AIT.¹¹¹
 - Cash for calls schemes are not a significant problem. Some respondents said that our case for intervention was not supported by evidence¹¹² and others suggested that the impact had been overstated and/or was a declining issue.¹¹³ Telecom2 estimated that the impact of cash for calls schemes was much lower than claimed by BT Group and noted that even if traffic levels increased to a point where it was worth one or two million pounds, this still would not be material relative to overall call revenues.¹¹⁴ Aimm said that access charges levied on calls outside bundles were a more significant factor in communications providers' decisions not to

¹⁰⁵ BT Group response to the Second Consultation, paragraphs 5.4 to 5.5.

¹⁰⁶ BT Group response to the Second Consultation, paragraph 5.8.

¹⁰⁷ <u>Aimm</u>, <u>24 Seven</u>, <u>Core Telecom</u>, <u>DMB</u>, <u>Telecom2</u>, confidential respondent <u>NW4</u> and two confidential responses to the Second Consultation.

¹⁰⁸ 24 Seven, page 3; Telecom 2, page 4; Core Telecom, page 3; and NW4, page 1; in their responses to the Second Consultation.

¹⁰⁹ 24 Seven, page 3; Core Telecom, page 3; and NW4, page 1; in their responses to the Second Consultation. ¹¹⁰ 24 Seven, page 3; Telecom 2, page 4; Core Telecom, page 3; and NW4, page 3; in their responses to the Second Consultation.

¹¹¹ Telecom 2 response to the Second Consultation, pages 5-6.

¹¹² 24 Seven, page 2; Core Telecom, page 2; NW4, page 2; and Telecom 2, page 3; in their responses to the Second Consultation.

¹¹³ Aimm, pages 1-2; Telecom 2, pages 4-5; in their responses to the Second Consultation.

¹¹⁴ Telecom2 response to the Second Consultation, page 2. This comment referred to <u>BT Group</u>'s response to the First Consultation, paragraphs 4.33 to 4.38.

include 084 and 087 numbers in inclusive call packages than cash for calls schemes. $^{\tt 115}$

- Sufficient mechanisms are available to address the risks from cash for calls schemes. Five respondents considered that the contractual AIT provisions of BT Group's SIA were sufficient to deal with any issues arising from cash for calls.¹¹⁶ Three respondents suggested that fair use policies could be applied instead of further regulation.¹¹⁷ Some respondents suggested that communications providers could address the risk of cash for calls schemes by withdrawing revenue sharing ranges from inclusive call packages and ensuring that call prices reflect costs.¹¹⁸
- Harm to competition and innovation. Four respondents were concerned that banning revenue sharing with calling parties would, by undermining the micropayment mechanism, prevent service providers from offering new and innovative services where this includes prizes or rewards to the caller.¹¹⁹
- A3.5 Several respondents made detailed comments about the wording of our proposed amendments to the Numbering Plan. We discuss these below in paragraphs A3.12 onwards.

Our responses to comments disagreeing with our proposals in principle

Legitimacy and significance

- A3.6 In paragraph 3.71 we explain why we do not consider that cash for calls schemes are legitimate and valuable as some respondents have suggested. Our proposals allow services that are appealing to callers for reasons other than the prospect of being paid to continue to be offered. Our provisional view is that cash for calls exploits inclusive call allowances in a way that is harmful for consumers. We also explain our provisional findings about the impact on communications providers' costs in paragraphs 3.67 to 3.68, and the potential detriment to consumers in paragraphs 3.69 to 3.70.
- A3.7 Subject to further consultation, we also disagree with respondents who suggested the problems arising from cash for calls are no longer significant. As explained in paragraph 3.73, while there may have been a decline in cash for calls activity recently, there remains a credible risk that this activity may increase again in the future.
- A3.8 Some respondents also argued that high access charge rates are the only reason why some communications providers do not offer inclusive calls to certain numbers. We accept that multiple factors influence a communications provider's decision about what inclusive calls to offer. However, we found evidence that cash for calls was an important factor in some communications providers' decisions to withdraw or restrict some of their inclusive

¹¹⁶ 24 Seven, page 2; Core Telecom, page 2; NW4, page 2; Telecom2, pages 5-6; and a confidential communications provider [\gg]; in their responses to the Second Consultation.

¹¹⁵ Aimm response to the Second Consultation, response to question 4.1.

 $^{^{117}}$ NW4, page 3; Telecom2, pages 5-6; and a confidential communications provider [>]; in their responses to the Second Consultation.

¹¹⁸ 24 Seven, page 2; NW4, page 1; Core Telecom, page 2; Telecom2, pages 4-5; in their responses to the Second Consultation.

¹¹⁹ Core Telecom, page 3; Telecom2, page 3; 24 Seven, page 2; NW4, pages 2-3; in their responses to the Second Consultation.

bundles.¹²⁰ Consumer choice could be limited if cash for calls activity leads to higher prices and reduced availability of inclusive bundles.

Sufficient mechanisms already exist

A3.9 In paragraph 3.73 we explain why we consider that existing mechanisms are not sufficient to deal with any problems and that further measures are required to address the risks posed by cash for calls schemes.

Harm to competition and innovation

- A3.10 In relation to concerns that our proposed prohibition on revenue sharing with calling parties may impact competition and innovation in phone services, our provisional view is this proposal would be unlikely to have a major impact on the development of innovative phone services because few such legitimate services rely on revenue sharing with calling parties. Moreover, we consider that the impact of cash for calls can lead to reduced customer choice for phone bundles (as explained in paragraph 3.69) so we do not agree that our proposed ban would overall have a negative effect on competition.
- A3.11 As explained in paragraphs A3.17 to A3.20 and 3.75 to 3.77, we are, however, proposing to modify our proposals to ensure there is clarity about two particular types of services:
 - Competition and prize draws, which might be interpreted as a form of revenue sharing since callers have a chance of winning a prize; and
 - Pay-for-product services where callers are provided with a product with some inherent value.

The wording of our proposed Numbering Plan amendments

Summary of consultation responses

Risk of competition and prize draw services being caught by our prohibition

A3.12 Six respondents said that legitimate phone competitions and prize draws could be seen as a form of revenue sharing and were not easily distinguishable from cash for calls schemes (because they all provide a reward or the chance of a reward to the caller as an incentive for making calls to generate the call revenue which helps pay for that reward). They argued that there was therefore a risk that any such services could be caught by the proposed ban.¹²¹ Some of these respondents suggested that competitions and prize draws provided a fundraising mechanism for charities and that our proposal could therefore impact those organisations.¹²²

¹²⁰ We have referred to a specific example in paragraph 3.69.

¹²¹ AIMM, page 2; <u>Spoke</u>, page 1; 24 Seven, page 3; Core Telecom, pages 1 and 3; NW4, pages 3-5; and Telecom2, page 3; in their responses to the Second Consultation.

¹²² 24 Seven, page 2; Core Telecom, page 1; and Telecom2, page 3; in their responses to the Second Consultation.

Definition of indirect revenue sharing and impact on provision of call services

A3.13 Gamma, FCS and Comms Council UK said that more clarity was needed on our definition of indirect revenue sharing, which they said was too broadly defined.¹²³ Gamma and Comms Council UK said the costs of call connection itself might be considered an example of indirect revenue share (including signalling and media paths and common costs such as billing) where funded by the price of the call.¹²⁴

Requests for clarification regarding enforcement of our proposed ban

A3.14 Sky and KCOM asked us to provide clarification for industry as to how our proposed ban on revenue sharing with calling parties would be enforced.¹²⁵

Our response regarding wording of proposed amendments

Risk of unintended services being caught and excluding the 09 and 118 range from the proposed ban

- A3.15 Our intention in revising our proposals is to ensure, in view of concerns raised by respondents, that our regulation is no more widely defined than necessary to prevent the harms we have identified. We therefore carried out an analysis of each number range to determine whether it may be appropriate to include in our proposed ban on revenue sharing with calling parties.
- A3.16 Some respondents were concerned that the wording of our definition of direct and indirect revenue sharing was too broadly defined and could be interpreted to include any call where call revenue funds the call costs in whole or in part or a service provided to the caller. This is not our intention and, as explained in paragraph 3.78, we have therefore revised our proposed prohibition to explicitly exclude the provision of a service to the caller for ranges where sharing revenue with the called party will be permitted, that is, the 084 and 087 number ranges.

Ensuring clarity for competitions, prize draws and pay-for-product services

- A3.17 Some respondents suggested that there may be confusion as to whether our proposed ban on direct and indirect revenue sharing with calling parties would also apply to prize draw and competition services. Such services typically offer callers the chance to win a reward or prize, funded by the service charge, as an incentive to call, and some responses suggested that this was a form of revenue sharing.
- A3.18 We have considered whether it would be appropriate to develop a more detailed and nuanced definition of direct and indirect revenue sharing, with the aim of providing clarity as to what is permitted and what is prohibited. Such a definition could for example list several factors which we would take into account when distinguishing between legitimate competitions or prize draws and cash for calls schemes.
- A3.19 However, we provisionally consider that a more complex definition to attempt to distinguish and permit such legitimate services on these ranges would not be appropriate:

¹²³ Gamma, page 6; FCS, page 1; and Comms Council UK, page 2, in their responses to the Second Consultation.

¹²⁴ Comms Council UK, page 2; and Gamma, page 6; in their responses to the Second Consultation.

¹²⁵ Sky, page 5; and KCOM, paragraph 4.2; in their responses to the Second Consultation.

- a) It is likely to be difficult for the communications providers to apply a complex definition with sufficient certainty to enable them to take action against cash for calls schemes confidently and efficiently by withholding payments under the AIT provisions of their interconnect agreement. This may lead to more disputes which would be timeconsuming and expensive to resolve.
- b) If a complex and technical definition is included within our regulation, it may also be more difficult for service providers to determine whether it is appropriate to use a given number range for their intended service.
- c) We understand that some cash for calls schemes have been set up to appear as a competition. There is therefore a risk that any definition that attempts to draw a distinction between cash for calls and legitimate competitions will create loopholes that could be exploited by service providers to continue to operate cash for calls schemes, contrary to the proposed prohibition.
- A3.20 We have also considered the potential impact of our proposed ban on pay-for-product services. Such services allow the purchase of goods or products through the phone bill where the cost is covered by the service charge. We believe such services are likely to use the 09 number range due to the higher rates of service charge available.¹²⁶ We recognise that, since in these cases a valuable good or product is provided to the caller, this would be caught by our proposed ban on revenue sharing with calling parties.

The 09 range's suitability as a substitute for any 084 and 087 services caught by our proposed ban

- A3.21 Our provisional view is that a more complex definition of revenue sharing would not be appropriate as it may not lead to more certainty around which types of services are permitted on each number ranges. Given the importance of providing rules that are clear, easy to understand for both communications providers and service providers, and effective at addressing the harms arising from cash for calls schemes, we have considered whether it may be appropriate to ban all forms of direct and indirect revenue sharing from the number ranges in question. This would mean that cash for calls, competitions, prize draws and pay-for-product services would not be permitted on the 084 and 087 number ranges if the call revenue funds a form of reward that is given to callers.
- A3.22 We believe that the 09 number range is likely to be the most common choice amongst service providers for hosting competitions, prize draws and pay-for-product services because of the greater flexibility of pricing. We recognise however that some service providers choose to operate such services on the 084 and 087 number ranges and that the impact of our proposal in paragraph 3.61 above would force them instead to use the 09 number range.
- A3.23 To evaluate the impact of this proposal we have considered whether there are any reasons why services using 084 or 087 numbers could not operate as effectively on the 09 number range. Our provisional consideration of this comparison includes the following aspects:
 - a) Availability of service charge price points: There is a wide range of service charge rates available on numbers within the 09 range and we therefore consider that there would

¹²⁶ The original ICTIS definition of the term 'pay-for-product' referred to services charging more than £1.

be no loss of flexibility in providing a service on that range compared with providing a service on the 084 and 087 number ranges.

- b) Transparency about call costs: We consider that consumers are not likely to have any greater or lesser awareness of the call charges whether an 084, 087 or 09 number is used, because in all cases the service charge must be prominently advertised. General Condition C2.9 applies to all unbundled tariff numbers and requires, for services provided to consumers, that the service charge is displayed in a prominent position and in close proximity to the phone number in any advertising or promotion of that number. A service provider's access charge is the same for calls to all of these numbers.¹²⁷
- c) Whether the perception or reputation of the 09 range would deter consumers: We recognise that, because of the types of services hosted on the 09 range, its reputation may potentially deter some from using or calling 09 numbers. However, the findings of our Future of Numbering Research indicate that, while this range was not strongly associated with high profile phone competitions (e.g. run by broadcasters), there was widespread acceptance of the use of the 09 range for these services, particularly when tariff information, along with relevant Terms and Conditions, are clearly stated and the service itself is viewed to be of value.¹²⁸ Our provisional conclusion is that there is no evidence of a significant reputational barrier to use of the 09 range for some competition and prize draw services currently provided on the 084 and 087 number ranges.
- d) Customer barring of 09 services: Some communications providers provide an option for their customers to bar all calls to 09 numbers. We have considered whether this option would create any obstacle to the use of 09 for some services currently provided on 084 and 087 number ranges. Our provisional conclusion is that we recognise there may be some potential impact on such services if moving to the 09 range. However, we do not believe that there is a large number of such services hosted on 084 and 087, and the impact on any individual service from a proportion of consumers that have applied call barring is unlikely to be significant. We have weighed these impacts against the benefits of addressing the harms arising from cash for calls and of providing clear and easy to understand rules for both communications providers and service providers.
- e) **Premium rate services regulation:** We have considered the impact of differences in regulation which applies to the 084, 087 and 09 number ranges. Certain premium rate services are regulated by the Phone-paid Services Authority (PSA) under a Code of Practice approved by Ofcom.¹²⁹
 - > If services not currently regulated by the PSA (that is, any 084 services, for which the maximum service charge is 5.833p per minute, or 087 services priced at 5.833p a minute or less) were to move to the 09 number range at this same (below 5.833p) price point, then they would all still be below the threshold for PSA regulation.

¹²⁷ While the rules on price transparency are the same for 084, 087 and 09 this does not imply that consumer awareness of prices is good. Our view is that price awareness is likely to be poor for calls to all these number ranges.

¹²⁸ Future of Numbering Research, Sections 6.5, 6.6 and 8.6.

¹²⁹ See paragraphs A1.8 to A1.10.

- > There may some providers of services only on 0870 who currently do not need to register with the PSA within the terms of its Code, but who would be required to do so if they used the 09 number range. Our provisional conclusion is that this regulatory difference would not be unduly onerous and would not outweigh the benefits of clear and easy to understand rules about which services can be provided on different number ranges, and the overall benefit to consumers arising from our proposals.
- f) The cost of moving existing services: We have considered the impact of any potential costs of moving existing competition or prize draw services from the 084 and 087 number ranges to 09. We believe that most types of competition and prize draw services do not run indefinitely, and, unlike other types of services, most will have a limited lifespan and a defined closing date.
 - > We have also considered the potential impact on pay-for-product services which may have a longer lifespan, and believe that the low service charge rates permitted on 084 and 087 makes these ranges less suitable for pay-for-product services.
 - > Our provisional conclusion is therefore that we believe the costs of migration will not be significant, provided the implementation period is long enough to allow providers of such services a sufficient window for current competitions and prize draws to expire and to allow planning for the migration of future such services to 09. For example, with a sufficiently long implementation period, relative to the general lifespan of such services, there would be no need for service providers to incur any costs re-issuing any printed materials or advertising. We anticipate any longer running competition arrangements which do require a change to marketing materials are likely to be limited in number, and thus expect the overall impact of any migration to be limited. We explain in paragraph 3.92 our proposed approach to implementation.
- A3.24 In summary, we have considered a number of aspects of the suitability of the 09 number range as a substitute for competition, prize draw or pay-for-product services currently provided on the 084 and 087 number ranges, and our provisional conclusion is that there is no significant barrier to switching such services to the 09 range. We provisionally consider that any costs or inconvenience associated with this proposed change for service providers would not outweigh the benefits to consumers of addressing the potential harms arising from cash for calls schemes and to communications providers and service providers in providing clear and easy to understand rules, and could be acceptably managed by providing an appropriate implementation period before the proposed ban has effect.

Enforcement

A3.25 Our proposed amendment to the Numbering Plan would prohibit direct and indirect revenue sharing with calling parties on Category 1 and 2 number ranges (see Table 3.1). We would approach enforcement of this obligation in accordance with our statutory duties and our enforcement guidelines.¹³⁰

¹³⁰ Ofcom, 2022. *Enforcement guidelines for regulatory investigations*.

- A3.26 Our proposal should also make it easier for communications providers to use contractual mechanisms in interconnection contracts to deal with cases where contravention of this prohibition is suspected. As set out in paragraphs A1.14 to A1.18, one such mechanism used by communications providers is the AIT provisions of the BT SIA. This provides a framework for withholding termination revenue which would otherwise be due to the communications provider which terminates calls in cases where it is suspected that the traffic is fraudulent or has no legitimate purpose. Our proposals should make it easier to use this mechanism by reducing the scope for disputes about the legitimacy of cash for calls schemes and revenue sharing with calling parties more generally.
- A3.27 Our revised proposals are intended to be as clear as possible and easy to understand for both communications providers and service providers. We provisionally consider that this will provide sufficient clarity to assist originating communications providers in any investigations into suspect traffic under the terms of the SIA.
- A3.28 We would welcome further input from industry stakeholders regarding any concerns on enforcement in response to our consultation.

A4 Legal Framework

- A4.1 The Communications Act 2003 (the Act) sets out Ofcom's powers and duties in relation to telephone numbering. Among other things, under section 56 of the Act, Ofcom is required to publish, and from time to time review, the Numbering Plan. The Numbering Plan sets out:
 - the numbers that Ofcom has determined to be available for allocation as telephone numbers;
 - such restrictions as Ofcom considers appropriate on the adoption of numbers available for allocation in accordance with the Numbering Plan;
 - such requirements as Ofcom considers appropriate, for the purpose of protecting consumers, in relation to the tariff principles and maximum prices applicable to numbers so adopted or available for allocation; and
 - such restrictions as Ofcom considers appropriate on the other uses to which numbers available for allocation in accordance with the Numbering Plan may be put.
- A4.2 Section 60 of the Act provides for the modifications of provisions in the Numbering Plan and explains the procedures for doing so. Section 60(2) provides that:

"OFCOM must not revise or otherwise modify the relevant provisions unless they are satisfied that the revision or modification is—

- a) objectively justifiable in relation to the matters 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 it is intended to achieve, transparent."
- A4.3 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 proposal." That period must be at least 30 days from the date of publication of the notification.

A4.4 Of com also has a general duty under section 63(1) of the Act in carrying out its telephone numbering functions:

"a) to secure that what appears to them to be the best use is made of the numbers that are appropriate for use as telephone numbers; and

b) to encourage efficiency and innovation for that purpose."

Ofcom's duties under sections 3 and 4 of the Act

Section 3 of the Act - Ofcom's general duties

- A4.5 Under the Act, our principal duty in carrying out our functions is to further the interests of citizens in relation to communications matters and to further the interests of consumers in relevant markets, where appropriate by promoting competition.
- A4.6 In doing so, we are required to have regard to the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed, as well as any other principles that appear to us to represent the best regulatory practice.
- A4.7 In performing our duties, we are also required to have regard to a range of other considerations, as appear to us to be relevant in the circumstances. For the purpose of this review, we consider in particular that a number of such considerations are relevant, including:
 - the desirability of promoting competition in relevant markets;
 - the desirability of encouraging investment and innovation in relevant markets; and
 - the needs of persons with disabilities, of the elderly and of those on low incomes.
- A4.8 We are also required to have regard to the interest of consumers in respect of choice, price, quality of service and value for money.
- A4.9 However, we have a wide measure of discretion in balancing our statutory duties and objectives. In doing so, we take account of all relevant considerations, including responses received during our consultation process, in reaching our conclusions.

Section 4 of the Act – duties for the purposes of fulfilling obligations

- A4.10 Section 4 of the Act requires us, when carrying out our numbering functions, to act in accordance with six requirements for regulation which are in summary:
 - a) to promote competition in the provision of electronic communications networks and services, associated facilities and the supply of directories;
 - b) to promote the interests of all members of the public in the United Kingdom;
 - c) to take account of the desirability of Ofcom's carrying out of its functions in a manner which, so far as practicable, does not favour one form of or means of providing electronic communications networks, services or associated facilities over another (i.e. to be technology neutral);
 - d) to encourage the provision of network access and service interoperability, to such extent as Ofcom considers appropriate for the purpose of securing: efficiency and sustainable competition; efficient investment and innovation; and the maximum benefit for customers of communications providers and of persons who make associated facilities available;
 - e) to encourage compliance with certain standards in order to facilitate service interoperability, end-to-end connectivity, and secure freedom of choice for the customers of communications providers; and

- f) to promote connectivity and access to very high capacity networks by members of the public and businesses in the United Kingdom.
- A4.11 We consider that the first, second, and third of those requirements are of particular relevance to the matters under review and that no conflict arises in this regard between them or with any of our general duties in section 3 of the Act.

A5 Notification of proposed modifications to the provisions of the Numbering Plan under section 60(3) of the Act

- A5.1 In accordance with section 60 of the Act, Ofcom proposes to modify the provisions of the Numbering Plan. The draft modifications to the Numbering Plan are set out in the Schedule to this Notification.
- A5.2 Ofcom's reasons for making these proposals, and the effect of the proposed modifications, are set out in the document accompanying this Notification.
- A5.3 Of com considers that the proposed modifications comply with the requirements of section 60(2) of the Act.
- A5.4 In making these proposals, Ofcom has considered and acted in accordance with its general duty as to telephone numbering functions under section 63 of the Act and its duties under sections 3 and 4 of the Act.
- A5.5 Of com has also had regard to the Statement of Strategic Priorities in making the proposals referred to in this Notification.
- A5.6 Representations may be made to Ofcom about the proposed modifications until 5pm on 2 February 2024.
- A5.7 If implemented, with the exception of paragraph 1 of the Schedule, the proposed modifications set out in the Schedule shall enter into force six months from the date of the final Notification relating to these proposals.
- A5.8 The proposed modification in paragraph 1 of the Schedule shall come into force on the date of the final Notification.
- A5.9 In this Notification:
 - a) "the Act" means the Communications Act 2003;
 - b) "Ofcom" means the Office of Communications;
 - c) "Numbering Plan" means the National Telephone Numbering Plan published by Ofcom pursuant to section 56(1) of the Act and amended from time to time; and
 - d) "Statement of Strategic Priorities" means the Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services designated by the Secretary of State for Digital, Culture, Media and Sport for the purposes of section 2A of the Communications Act 2003 on 29 October 2019.
- A5.10 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.

A5.11 For the purposes 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.

A5.12 The Schedule to this Notification shall form part of this Notification.

Signed by

Brian Potterill

Director of Mobile Network Strategy

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

Date of publication: 1 December 2023

Schedule: Proposed modifications to the National Telephone Numbering Plan

1. The modifications that Ofcom proposes to make to Part A of the Numbering Plan are set out below, where strikethrough text is to be deleted:

A1: Public Communications Network Numbers		
Number(s) beginning (unless otherwise stated	Designation	Applicable tariff principles and maximum prices
082	Non-Geographic Numbers: Internet for schools	Not applicable

- 2. The modifications that Ofcom proposes to make to Part B of the Numbering Plan are set out below, where highlighted and underlined text is to be added and strikethrough text is to be deleted:
- i. After paragraph B3.1.9, the following text shall be inserted:

Restriction on revenue-sharing

- B3.1.10 Those who Adopt or otherwise use Geographic Numbers shall not directly or indirectly share with any End-User or any Calling Party any revenue obtained from providing a service on those numbers.
 - ii. After paragraph B3.2.3, the following text shall be inserted:
- B3.2.4 Without prejudice to B3.2.5, those who Adopt or otherwise use Non-Geographic Numbers starting 084 or 087 shall not directly or indirectly share with any Calling Party any revenue obtained from providing a service on those numbers.
- B3.2.5 Nothing in B3.2.4 prevents the provision of a service on Non-Geographic Numbers starting 084 or 087 to a Calling Party, save where the service comprises, whether alone or in conjunction with another service, the transfer to the Calling Party of money, money's worth (including in the form of digital content) or goods.

B3.2A Corporate Numbers

- B3.2A.1 Those who Adopt or otherwise use Corporate Numbers shall not directly or indirectly share with any End-User or any Calling Party any revenue obtained from providing a service on those numbers.
 - iii. In paragraph B3.3.1, the following amendment shall be made:
- B3.3.1 Those who Adopt or otherwise use Non-Geographic Numbers starting 056 shall not <u>directly</u> or <u>indirectly</u> share with any End-User <u>or any Calling Party</u> any revenue obtained from providing a service on those numbers.

- iv. In paragraph B3.4.1, the following amendment shall be made:
- B3.4.1 Those who Adopt or otherwise use Adopting Personal Numbers shall not directly or indirectly share with any End-User or any Calling Party any revenue obtained from providing a Personal Numbering Service service on those numbers.
 - v. After paragraph B3.4.1, the following text shall be inserted:
- **B3.4A** Radiopaging Services
- B3.4A.1 Those who Adopt or otherwise use Non-Geographic Numbers starting 076 (except 07624) shall not directly or indirectly share with any End-User or any Calling Party any revenue obtained from providing a service on those numbers.

A6 Responding to this consultation

How to respond

- A6.1 Of com would like to receive views and comments on the issues raised in this document, by 5pm on 2 February 2024.
- A6.2 You can download a response form from <u>https://www.ofcom.org.uk/consultations-and-statements/category-2/further-consultation-on-revenue-sharing</u>. You can return this by email or post to the address provided in the response form.
- A6.3 If your response is a large file, or has supporting charts, tables or other data, please email it to <u>futureofnumberingteam@ofcom.org.uk</u>, as an attachment in Microsoft Word format, together with the cover sheet in Annex 8.
- A6.4 Responses may alternatively be posted to the address below, marked with the title of the consultation:

Future of Numbering Team Networks & Communications Group Ofcom Quartermile One 15 Lauriston Place Edinburgh EH3 9EP

- A6.5 We welcome responses in formats other than print, for example an audio recording or a British Sign Language video. To respond in BSL:
 - send us a recording of you signing your response. This should be no longer than 5 minutes. Suitable file formats are DVDs, wmv or QuickTime files; or
 - upload a video of you signing your response directly to YouTube (or another hosting site) and send us the link.
- A6.6 We will publish a transcript of any audio or video responses we receive (unless your response is confidential).
- A6.7 We do not need a paper copy of your response as well as an electronic version. We will acknowledge receipt of a response submitted to us by email.
- A6.8 You do not have to answer all the questions in the consultation if you do not have a view; a short response on just one point is fine. We also welcome joint responses.
- A6.9 It would be helpful if your response could include direct answers to the questions asked in the consultation document. The questions are listed at Annex 4. It would also help if you could explain why you hold your views, and what you think the effect of Ofcom's proposals would be.
- A6.10 If you want to discuss the issues and questions raised in this consultation, please contact the Future of Numbering team by email to <u>futureofnumberingteam@ofcom.org.uk</u>.

Confidentiality

- A6.11 Consultations are more effective if we publish the responses before the consultation period closes. In particular, this can help people and organisations with limited resources or familiarity with the issues to respond in a more informed way. So, in the interests of transparency and good regulatory practice, and because we believe it is important that everyone who is interested in an issue can see other respondents' views, we usually publish responses on <u>the Ofcom website</u> at regular intervals during and after the consultation period.
- A6.12 If you think your response should be kept confidential, please specify which part(s) this applies to, and explain why. Please send any confidential sections as a separate annex. If you want your name, address, other contact details or job title to remain confidential, please provide them only in the cover sheet, so that we don't have to edit your response.
- A6.13 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and try to respect it. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.
- A6.14 To fulfil our pre-disclosure duty, we may share a copy of your response with the relevant government department before we publish it on our website.
- A6.15 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's intellectual property rights are explained further in our <u>Terms of Use</u>.

Next steps

- A6.16 Following this consultation period, Ofcom plans to publish a statement in the second quarter of 2024.
- A6.17 If you wish, you can <u>register to receive mail updates</u> alerting you to new Ofcom publications.

Ofcom's consultation processes

- A6.18 Of com aims to make responding to a consultation as easy as possible. For more information, please see our consultation principles in Annex 7.
- A6.19 If you have any comments or suggestions on how we manage our consultations, please email us at <u>consult@ofcom.org.uk</u>. We particularly welcome ideas on how Ofcom could more effectively seek the views of groups or individuals, such as small businesses and residential consumers, who are less likely to give their opinions through a formal consultation.
- A6.20 If you would like to discuss these issues, or Ofcom's consultation processes more generally, please contact the corporation secretary:

Corporation Secretary Ofcom Riverside House 2a Southwark Bridge Road London SE1 9HA Email: corporationsecretary@ofcom.org.uk

A7 Ofcom's consultation principles

Ofcom has seven principles that it follows for every public written consultation:

Before the consultation

A7.1 Wherever possible, we will hold informal talks with people and organisations before announcing a big consultation, to find out whether we are thinking along the right lines. 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

- A7.2 We will be clear about whom we are consulting, why, on what questions and for how long.
- A7.3 We will make the consultation document as short and simple as possible, with an overview of no more than two pages. We will try to make it as easy as possible for people to give us a written response.
- A7.4 We will consult for up to ten weeks, depending on the potential impact of our proposals.
- A7.5 A person within Ofcom will be in charge of making sure we follow our own guidelines and aim to reach the largest possible number of people and organisations who may be interested in the outcome of our decisions. Ofcom's Consultation Champion is the main person to contact if you have views on the way we run our consultations.
- A7.6 If we are not able to follow any of these seven principles, we will explain why.

After the consultation

A7.7 We think it is important that everyone who is interested in an issue can see other people's views, so we usually publish the responses on our website at regular intervals during and after the consultation period. After the consultation we will make our decisions and publish a statement explaining what we are going to do, and why, showing how respondents' views helped to shape these decisions.

A8 Consultation coversheet

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 aims to publish responses at regular intervals during and after the consultation period. 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)

A9 Consultation questions

A9.1 Below we have set out the consultation questions raised in this document.

Question 3.1

Do you agree with our proposals to prohibit direct and indirect revenue sharing with called parties (end-users) on the category 1 number ranges, including UK geographic numbers?

Please provide reasons for your view and any relevant evidence.

Question 3.2

Do you agree with our proposals to prohibit direct and indirect revenue sharing with only calling parties on the category 2 number ranges, namely 084 and 087 numbers.

Please provide reasons for your view and any relevant evidence.

Question 3.3

- (a) Do you consider that there is a need to introduce revenue sharing rules for UK 07 mobile phone calls?
- (b) Do you have any view on the appropriateness or benefits of applying such rules also to UK 07 SMS/MMS text and media messages, including to remove a possible incentive for misuse or artificial generation of text message traffic?
- (c) Do you have any views on the impact of such a measure on legitimate SMS/MMSbased services?
- (d) Do you have any views on whether there would be an increased risk of revenue sharing on the 07 range in light of the other proposals set out in this consultation?

Please provide reasons for your view and any relevant evidence.

Question 3.4

Do you agree with our proposed approach to implementation in giving six months after the publication of our final decision before our new rules come into force?

Please provide reasons for your view and any relevant evidence.

Question 4.1

Do you agree with our proposal to amend the Numbering Plan to remove the 082 number range?

A10 References

- A10.1 We have noted throughout this consultation the external evidence we have collected to inform our analysis and how we have relied upon that evidence. This annex provides a list of the main sources of external evidence used and, where possible, the web links to where that information is published online.
- A10.2 While this annex lists the main evidence we have relied upon, the list is for convenience only and is not intended to be exhaustive.

Consultation responses

- A10.3 On 23 April 2021 we published the Second Consultation, outlining our proposals on area codes, local dialling and a prohibition on the sharing of revenue with calling parties.
- A10.4 We received 33 responses to this consultation:
 - 24 Seven
 - Aimm
 - Aldington, M
 - Belcher, P
 - BT Group
 - Carter, S
 - Clear Mobitel Jersey
 - Comms Council UK
 - Core Telecom
 - Dynamic Mobile Billing (DMB)
 - Early, S
 - FCS
 - Gamma
 - KCOM
 - Last Frontiers
 - Meehan, C
 - Scott, I
 - Sky
 - Solitaire Payphones
 - Spoke
 - TalkTalk
 - Telecom2
 - Twilio
 - Virgin Media O2 (VMO2)
 - Nine respondents requested their names be withheld.

A10.5 We have published non-confidential responses on our website.¹³¹

¹³¹ Ofcom, 2023. *Future of telephone numbers,* website.

Regulation and guidance

- Ofcom, 2022. <u>National Telephone Numbering Plan</u> and <u>National Numbering</u> <u>Scheme</u>.
- Ofcom, 2023. <u>Consolidated General Conditions of Entitlement</u>.
- DCMS, 2019. <u>Statement of Strategic Priorities for telecommunications, the</u> <u>management of radio spectrum, and postal services</u> [Accessed 9 November 2023].
- Welsh Language Commissioner, 2016. <u>Compliance notice section 44 Welsh</u> Language (Wales) Measure 2011: The Office of Communications.

Consultations and statements

- Ofcom, various. <u>*Tackling scam calls and texts.</u>*</u>
- Ofcom, 2023. <u>Ofcom's plan of work 2023-24</u>.
- Ofcom, 2023. Impact Assessment Guidance, statement.
- Ofcom, 2023. *The future regulation of phone-paid services*, consultation.
- Ofcom, 2022. Future of telephone numbers: Statement on geographic numbering.
- Ofcom, 2021. Wholesale Voice Markets Review 2021-2026, statement.
- Ofcom, 2021. Ofcom's plan of work 2021/22, statement.
- Ofcom, 2021. *Future of telephone numbers: Second consultation* (the Second Consultation).
- Ofcom, 2020. <u>Wholesale Voice Markets Review 2021-26</u>, consultation.
- Ofcom, 2019. *<u>Promoting trust in telephone numbers</u>*, consultation.
- Ofcom, 2019. *First consultation: Future of telephone numbers* (the First Consultation).
- Ofcom, 2019. Revised Northern Ireland Equality Scheme for Ofcom.
- Ofcom, 2018. <u>Personal numbering Review of the 070 number range</u>, statement (Personal Numbering Statement).
- Ofcom, 2014. <u>The 03 Number Range: Decision to clarify that revenue sharing with</u> callers is prohibited on the 03 number range (the 03 Revenue Sharing Statement).
- Ofcom, 2014. The 03 Number Range revenue sharing, consultation website
- Ofcom, 2013. Non-Geographic Call Services review, statement (the NGCS review).
- Ofcom, 2007. <u>Raising confidence in telephone numbers: Including new 'UK-wide'</u> <u>03 numbers and a consultation to amend General Condition 17</u>, statement and consultation.
- Ofcom, 2006. *Telephone Numbering: Safeguarding the future of numbers.*
- Ofcom, 2004. <u>Numbering arrangements for new voice services</u>, statement (the 056 Statement).
- Oftel, 2003. Corporate Numbering: A new option for businesses, consultation
- Oftel, 2001. <u>*Restoring trust in Personal Numbering,*</u> a statement issued by the Director General of Telecommunications on proposals to stop abuse of the 070 range (the 070 Statement).
- Oftel, 2000. <u>Connecting public institutions BT's Public Institutions Internet Caller</u> <u>Service</u>, statement
- Oftel, 1997. Numbering Bulletin 34.

- Oftel, 1997. <u>Access to the superhighway for schools: Statement following</u> <u>consultation on the regulatory framework for BT's prices for schools</u>, statement.
- Oftel, 1997. <u>Access to the internet for schools: Consultation on BT's proposal</u>, consultation.

Research and reports

- Ofcom, 2020. Online Nation 2020 Report.
- Ofcom, 2021. <u>Communications Market Report 2021</u>.
- Ofcom, 2019. *The Future of Telephone Numbering: a qualitative research study* (Future of Numbering research).

Other Sources

• Department of Health and Social Care, 2019. <u>Health and Social Care Secretary bans</u> pagers from the NHS, bulletin.

All Glossary and abbreviations

Term	Meaning
Access charge	See Annex 1, paragraphs A1.5 to A1.6.
The Act	The Communications Act 2003, the Act of Parliament that sets out Ofcom's duties in relation to electronic communications networks and services, and the powers which Ofcom has to discharge those duties.
Artificial Traffic Generation (ATG)	Generation of call or message traffic for the sole or main purpose of gaining some form of reward derived from call or message termination revenues.
Artificial Inflation of Traffic (AIT)	A term used in the Standard Interconnect Agreement to describe certain ATG activities. The Standard Interconnect Agreement defines certain obligations and processes for dealing with AIT. See Annex 1, paragraph A1.14 for further details.
Bill shock	This term describes a form of consumer harm arising of incurring significant and unexpected charges that in the context of this consultation might arise from a lack of awareness of call charges or of which phone numbers are outside inclusive call bundles and are therefore chargeable.
Called party	The person receiving a call. See paragraphs 2.9 to 2.12.
Calling party	The person making a call. See paragraphs 2.9 to 2.12.
Cash for calls	See Annex 1, paragraphs A1.11 to A1.13.
Charge control	A control that limits the price that a communications provider can charge for a particular product or service. Most charge controls are imposed for a defined period.
Communications provider (provider)	A person who provides an electronic communications network or provides an electronic communications service, as defined in the Communications Act 2003. The terms 'communications provider' and 'provider' are used interchangeably throughout this document.
End-user	Section 151 of the Act defines this term in relation to a public electronic communications service as, amongst other things, a person, otherwise than as a communications provider, who is a customer of the provider of that service or who makes use of that service. See paragraphs 2.9 to 2.12
First Consultation	The <i><u>Future of telephone numbers: First consultation</u>, published by Ofcom in 2019.</i>

Term	Meaning
General Conditions	The <u>General Conditions of Entitlement</u> are the regulatory conditions that all providers of electronic communications networks and services must comply with to provide services in the UK.
Numbering Plan	The <u>National Telephone Numbering Plan</u> which sets out the telephone numbers available for allocation and any restrictions on how they may be adopted or used, and is published in accordance with our section 56 duty under the Act.
Origination	See Annex 1, paragraph A1.2.
Reciprocal termination rates	The level of geographic termination charges applied by a UK Communications Provider for calls originated abroad where these are higher than for calls made within the UK, as a result of flexibility introduced in the Wholesale Voice Markets Review 2021-26. In practice such charges may not be exactly reciprocal as communications providers in the UK are required only to ensure that they do not exceed the corresponding foreign termination rate.
Revenue sharing	See paragraphs 2.13 to 2.18 for detailed explanation.
Second Consultation	The <i><u>Future of telephone numbers: Second consultation</u>, published by Ofcom in 2021.</i>
Service charge	See Annex 1, paragraphs A1.5.
Standard Interconnect Agreement (SIA)	BT's standardised contract for interconnection. See Annex 1, paragraph A1.14.
Termination	See Annex 1, paragraph A1.2.
Transit	See Annex 1, paragraph A1.2.
Wholesale Voice Markets Review 2021-26, WVMR	Our competition review of the wholesale markets that underpin landline and mobile telephone calls in the UK, <u>Wholesale Voice Markets Review 2021-26.</u>

The overview section in this document is a simplified high-level summary only. The proposals we are consulting on and our reasoning are set out in the full document.