

# Simplifying Non-Geographic Numbers

Response by Vale of Glamorgan Citizens  
Advice Bureau to Ofcom

March 2011

# Introduction

**The Vale of Glamorgan Citizens Advice Bureau** is part of the national Citizens Advice service. We provide free, independent, confidential and impartial advice to everyone. We value diversity, promote equality and challenge discrimination. The Citizens Advice service aims to:

- provide the advice people need for the problems they face; and
- improve the policies and practices that affect people's lives.

The Vale of Glamorgan is Wales' most southern Unitary Authority. It lies immediately west of Cardiff between the M4 and the Severn Estuary. It covers 33097 hectares with 53 kilometres of coastline. Its towns are Barry, Penarth, Llantwit Major, Dinas Powys and Cowbridge. Barry, the largest town with a population of 48,000, is the Vale's administrative centre, a seaside resort and port. Cardiff International Airport is located at Rhoose, 3 miles west of Barry.

Most indicators of health, social care and well-being show that the county performs better than the Welsh average but these figures mask problems in some areas. For example, parts of Barry have some of the highest levels of deprivation in Wales with high unemployment, sub-standard housing, low educational achievement, poor health and high levels of crime and people living in the Vale's rural areas can have difficulty in accessing services.

The Vale CAB has 22 paid staff and 55 volunteers. We provide face to face generalist advice across the Vale of Glamorgan from our main office in Barry and five outreach locations alongside a 5 day a week telephone helpline. We deliver specialist welfare benefits and debt advice across the Vale of Glamorgan and Bridgend County via the LSC and Financial Inclusion Fund and, in the Vale, Better Advice Better Health and Child Disability Benefit Take Up schemes both funded by the Welsh Assembly.

In the last financial quarter we dealt with 3685 new issues (a 22.5% in year increase). In this period we helped clients to deal with £1.7m of personal debt and to obtain £307,252, 35% after receiving benefits advice and 63% after debt advice.

Citizens Advice Bureaux have for some time highlighted the significant detriment caused to people, particularly those on low incomes, who have to rely on mobile phones to make calls to non-geographic numbers such as 0800 or 0845. *Hung Up*, which was published by Leeds Citizens Advice Bureau in 2009, drew attention to the financial costs for those CAB clients who have only a mobile phone when attempting to contact government departments or delivery agencies.

In November – December 2010 Citizens Advice conducted a national survey about this issue. Hard copy surveys were placed in bureaux for one month for clients to complete. In total, 3,850 responses were received from 80 bureaux that took part across England and Wales. Results from the national survey revealed that:

- 92 per cent of respondents have a mobile phone
- 40 per cent of respondents only have a mobile phone

- Of respondents who only have a mobile phone, 59 per cent have PAYG phones
- 51 per cent of all respondents called a Government helpline in the last six months, whereas 63 per cent of people who only had a mobile phone did so
- Of those who only have a mobile phone, 74 per cent had been put off calling either a government or other helpline because of the high call costs
- 20 per cent of respondents who only have a mobile phone have asked their local CAB to call a helpline on their behalf because they could not afford to make the call themselves.

Other survey results from this national survey are used throughout this consultation response. The Vale CAB contributed to this survey, and surveyed 134 people. Our local results are also used throughout this response.

The Vale CAB applauds Ofcom's intervention in this area and welcomes its proposals to improve transparency and reduce the cost of calling freephone numbers. We are extremely supportive of proposals to make freephone numbers free to all callers, whether they are calling from landline or mobile phones. This response focuses on the detriment caused by the current framework for non-geographic numbers, drawing attention to:

- (i) the financial impact for people on low incomes who have to call freephone (0800) or 08 Business Rate numbers (especially 0844 or 0845) from their mobile phone;
- (ii) their reduced willingness to call such numbers;
- (iii) the costly avoidance strategies employed by people to avoid the imposition of such charges and the knock-on consequences for organisations such as The Vale CAB which are asked to make calls on behalf of people because they cannot afford to make the call themselves.

We have only answered those questions about which we have direct relevant experience.

For more information on any aspect of this response, please contact:

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## Answers to specific questions

### Questions on the scope, rationale for the review and framework for analysis

#### ***Q2.1 Do you consider that the scope for this review, set out above, is appropriate? If not how would you suggest that it should be modified and why?***

We agree that this review is needed and that its scope is appropriate. The case for Ofcom to intervene is compelling, given its principal duty "to further the interests of citizens and consumers in relation to electronic communications matters"<sup>1</sup> and, in so doing, to have regard to:

- the vulnerability of those whose circumstances appear to Ofcom to put them in need of special protection; and

<sup>1</sup> Communications Act 2003, Section 3(1)

- the needs of persons with disabilities, of the elderly and of those on low incomes.<sup>2</sup>

As Ofcom notes at Paragraph 4.60 of the consultation document, acting in accordance with these duties means that it has responsibility for ensuring that citizens are able to access socially important services, some of which may be defined as essential (e.g. utilities), and services with a particular social function (e.g. healthcare, social security) at reasonable prices.

Below we outline how the current system of charging for non-geographic numbers fails to deliver this to many consumers who rely on mobile phones, particularly vulnerable customers and those on low incomes.

### **Questions on the assessment of the consumer experience and detriment**

***Q4.3 We have identified five key areas of consumer detriment as a result of the poor transparency and poor incentives in the market: reduction in demand for non-geographic calls (NGC) relative prices not reflecting consumers' preferences; costly avoidance strategies; increased fraud risk and loss of service diversity; and the disproportionate impact these problems have for low income mobile phone only households when accessing essential services. Do you consider that this represents a comprehensive summary of the impact on consumers? If not, how should it be modified and why?***

We agree that Ofcom has identified the principal areas of detriment suffered by consumers as a result of the current framework for non-geographic numbers. Below we provide evidence of the detriment in relation to:

- (i) The disproportionate impact these problems have for low income mobile phone only households when accessing essential services
- (ii) Reduction in demand for Non-Geographic Calls
- (iii) Costly avoidance strategies

### **The disproportionate impact these problems have for low income mobile phone only households when accessing essential services**

Cases we have dealt with make clear the major difficulties that our clients can experience in attempting to call non-geographic numbers from their mobile phones. In many cases, our clients have no choice but to call the non-geographic numbers since they are operated by government departments or delivery partners, as well as utility companies, local authorities or banks.

What is more, many CAB clients do not have landline phones, meaning mobile phones are their only viable means of contacting essential helplines. In our recent national survey, 40 per cent of respondents said they only had a mobile phone. In our own bureau, 44 per cent of clients who took part in the survey had only a mobile phone.

For low-income families, who may already be in debt and unable to make ends meet, the extra cost of making essential calls to helplines can cause further hardship. Our survey

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<sup>2</sup> Communications Act 2003, Section 3(4)(h)-(i)

suggests that many clients are contacting helplines on a regular basis – 30 per cent of respondents to the national survey said they had contacted a government helpline three or more times in the last six months, and 15 per cent said they had done so more than six times in the last six months. The frequency with which people find they must call these helplines makes high call costs from mobile phones even more detrimental.

In the Vale, 57 per cent of clients replying to the survey had more costly pay-as-you-go rather than contract mobile phones. Although both sets of clients reported broadly similar experiences the former made a proportionately higher frequency of calls to government helplines (12 PAYG stated they had rung more than six times compared to 6 contract phone clients). This is an indication that those in the least favorable financial position are most affected. 17 per cent of our respondents indicated that they had experienced problems calling HMCE. Other helplines noted as causing problems included the Local Authority (for housing and Council Tax benefit and arrears queries), the local Police, utilities, Banks and financial services, health services and constituency offices of local MPs and AMs.

### **Reduction in demand for Non-Geographic Calls (NGC)**

An unfortunate effect of the confusing and costly current system of non-geographic numbers is that people are put off making important calls.

The recent national Citizens Advice survey found that:

- *61 per cent of respondents have been put off calling a Government helpline because of the high call costs from a mobile phone; and*
- *67 per cent of respondents who only have a mobile phone have been put off calling a Government helpline because of the high call costs from a mobile.*

In addition, the survey revealed that:

- *64 per cent of respondents have been put off calling another helpline (such as their bank, gas or electricity company) because of the high call costs from a mobile phone;*
- *69 per cent of respondents who only have a mobile phone have been put off calling such a helpline; and*
- *Of those who only have a mobile phone, 74 per cent had been put off calling either a government or other helpline.*

Our bureau's local results from this survey show that 70 per cent of respondents have been put off calling either a government or other helpline.

Individual cases also reveal how people can be put off calling non-geographic numbers because of the potential costs, which can be difficult to estimate since it is often unclear how long they may be kept on hold or how long the call may last:

The Tax Credits helpline was reported as a particular problem with several reports of waits in excess of 35 minutes with no indication of how long the wait would be or how calls were progressing in the queue. Calls that were made were therefore unduly long and very costly. In recent months several of our clients have reported having terminated calls because of

the long waits that they encountered and that their credit had run out. As a result they were not able to progress or resolve their legal and financial issues.

### **Costly avoidance strategies**

As well as deterring people from making important phone calls, the costs associated with calling non-geographic numbers from mobile phones can force people who rely on mobile phones to seek alternative ways to make calls. For example, they may have to rely on friends or families, make trips to a phone box (for calls to 0800 numbers), be forced to travel to branches of government agencies or organizations, or come to organizations such as their local CAB to make calls.

The recent national Citizens Advice survey found that:

- 15 per cent of respondents have asked their local CAB to call a helpline on their behalf because they could not afford to make the call themselves; and
- 20 per cent of respondents who only have a mobile phone have asked CAB to call on their behalf because they could not afford to make the call themselves.

At our bureau, where resources are extremely stretched, we regularly find ourselves being asked to make calls on behalf of clients, because they cannot afford to make the calls themselves. Our local survey results show that 20 per cent of respondents who only have a mobile phone have asked our bureau to call a helpline on their behalf because they could not afford to make a call.

The Clients' experiences have been mirrored in bureau. Several advisers have reported delay in calls being answered, especially by Tax Credits where it is not uncommon for calls to be queues for half an hour. As this is over half the allotted interview slot the advisers have struggled to help clients to progress their situations and follow up interviews have frequently been required. This is distressing, inconvenient and frustrating for clients, demoralising for advisers and a waste of the bureau's limited resources.

## **CONCLUSION**

This response has highlighted the significant detriment caused to people, particularly those on low incomes, who have to rely on mobile phones to make calls to non-geographic numbers such as 0800 or 0845 numbers.

We welcome Ofcom's proposals to improve transparency of call charges for non-geographic numbers and we are extremely supportive of proposals to make freephone numbers free to all callers, whether they are calling from landline or mobile phones. We urge Ofcom to bring about these changes as swiftly as possible.