

17 October 2012

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Dear Anne

BT's Universal Service Condition 2: Changes to BT Basic

Thank you for your letter of 28 September notifying Ofcom of your proposed changes to the eligibility criteria for BT Basic.

Universal Service Condition 2 requires BT to make available one or more schemes the effect of which would be to assist consumers who have difficulty affording telephone services including, in particular, consumers on low incomes or with special social needs. At least three months' notice must be given of any changes.

The changes to the benefits system being made by the Department for Work and Pensions mean that it is not possible to map eligibility for the new Universal Credit exactly onto eligibility for BT Basic, which is aimed at the most vulnerable consumers. However, we consider BT's proposal, as set out in your letter, to be reasonable. In particular, we note that no pensioners will be affected by these changes, that you have no plans currently to remove existing BT Basic customers from the scheme when the benefits changes take effect and that the application process will remain simple, without the need to send personal information about income or earnings through the post.

The Condition provides for Ofcom to make a Direction specifying the criteria to be applied by BT in deciding who is entitled to the benefits of such a scheme. However, we do not consider it necessary to issue a Direction at this time, as we are satisfied that BT's proposal adequately implements the Universal Service Condition.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C Taylor'. The signature is written in a cursive style with a large initial 'C' and a stylized 'Taylor'.

Chris Taylor

Director of Consumer Policy

cc *Fareed Ahmad, DCMS*