

Ofcom Reference 1-22696463

24 April 2008

Sarah Evans
Consumer Policy Manager
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Dear Madam

I recently received from Leonard Martin a copy of the Ofcom Report on Additional Charges.

I now write to you in response to the invitation on page 8 of the report to send views on the Consultation. Ofcom's report is clear and balanced in addressing the difference between what is legal and what is fair.

I assume that BT - like other companies - wishes to receive what customers owe to it as soon and reliably as possible. Customers, however, may not always wish to pay from the ^{source}. I sometimes pay by cheque, and some times pay cash over the Post Office counter for instant transmission to BT. This may sometimes reach BT even before a Direct Debit would have done - but at least I am in control.

BT is the only utility to require from me a quarter's line rental in advance. Gas, Electricity and Water make only a charge for actual usage of the service. So, in a sense, for most of the time BT are in my debt, not vice-versa.

I understand BT sends all customers bills, however they pay - so there is no additional cost there for my method. They do not have to send my Bank an electronic request for a different amount each quarter, and that should result in a small saving to them. They receive my payment electronically just as they would from a bank; the cost of collection at this stage should be identical.

The issue seems to be how BT raises money to cover the extra cost to them of late payments and failed payments. Your Report sets out some of the considerations. One which I don't think is mentioned is the possibility of a reduction for prompt payment or early payment. Until 2005 British Gas operated such a system for gas bills, making a small deduction from the next bill. This is a much kinder and fairer approach rather than imposing a surcharge on all non-DD bills.

Another possibility to save the company money, thereby enabling them to reduce charges to customers, would be to seek payment - by whatever means - half-yearly instead of quarterly, as is the case with my metered water supply.

I hope these thoughts are helpful to Ofcom.

Yours faithfully

KENNETH A TAYLOR