

Additional Charges – Consultation - BT's non-direct debit charge 19/3/08

As a BT customer, I have several strongly held objections to the non-direct debit charge levied on me by BT. I have read your plain English version in full, and find that my points echo Ofcom's concerns.

1. Prior to the announcement of the new non-direct debit charge, I was aware from reading the small print that direct-debit customers received a small reduction, but I chose to stay with my preferred payment methods. Now my hand is being forced if I want to stay with BT.
2. BT is still telling me I have a "choice" of how to pay my bills. Levying a charge on my preferred payment methods (by cash or by a cheque in the post/ at The Post Office/ at my bank) does not, to me, constitute any kind of choice.
3. I am grateful to Ofcom for *Ofcom does not accept that bad debts should be lumped in with the cost of handling payments*. It brings to my attention a further inequality, indeed BT explicitly give "late payment" as one of their reasons for the extra charge. This, of course, is not the responsibility of just non-direct debit customers, but of all customers, after best management practice on BT's part in lowering bad debts/late payment.
4. From BT's announcement of this charge in March 2007 to the present day, information about the charge has consistently been in SMALL PRINT, either under Terms and Conditions in leaflets, or under Information on the backs of bills, or often just as a footnote on just about anything. I have to use both spectacles and magnifying glass to read them all. After several complaints to BT about the charge and how it was presented to me, I received an information pack entitled *As promised, here's everything you wanted to know about BT products, services, options and special offers*. There is nothing whatever in the pack about a possible "choice" not to pay by direct debit, let alone the existence of a charge. This is not, then, everything the customer wants, and needs, to know, just everything BT wants you to know !
5. Further to 4, I offer as evidence of BT's ability to confuse and mis-inform, the *Free UK Weekend Calls* letter, sent out to BT Together Option 1 customers in February of this year. Compare the promise in this letter of an apparently superb, start-now, no-strings offer, to those conditions given in their February *Update* magazine as a tiny footnote, No 2 on page 3. Direct debit payment is obligatory according to this footnote; it's not mentioned in the letter. Ringing BT today to clarify the situation, I heard a recorded message dedicated to *Free UK Weekend Calls* (there must have been such a fuss about this !) which tells me I will have to become an Option 2 customer to avail myself of the service. Again, no mention of this in their original letter. The letter was clearly sent out, pre-paid reply coupon and all, to net in low-usage Option 1 customers, just those people who are likely not to want to use direct debit, and get them on to higher user rates and direct debit.
6. I do not, apparently, have a "contract" with BT. They call it an "agreement". Aside from any legal differences in meaning between *contract* and *agreement*, I propose it was never any kind of agreement if we are being told that the

services we previously received, i.e. freedom to pay the bill in a way we think fit, no longer apply. I notice, however, that the word *contract* is beginning to appear in their offers in relation to signing-up with them for a fixed period of time.

7. As a household member, I have been with BT longer than with any other service provider, some 40 years as a couple, and since 2002 in my own name. When other phone services began to appear in the 1990s, despite several good offers from other companies, we chose to stay with BT, indeed took out mobile phone contracts with BT as well and stayed with them until we were sold on to O2. This is some company loyalty. What are we getting in return now ?
8. I take services from eon Electricity, Essex and Suffolk Water, and Mid Suffolk District Council. None of these suppliers apply a differentiation according to how I pay. They are not bothered about direct debit; they just want the bill paid. There is a discount from eon, but that's just for being with them !
9. I have retired family members on a low income who never use direct debit. Like myself, they prefer to check their bills carefully BEFORE paying them, usually with cash. They are puzzled and distraught at BT's high-handed attitude. They too are being penalised after many decades of loyalty to BT. There is a community of older people not qualifying for government benefits who, with ingenuity and a great deal of careful planning, pay their bills on time and in full. It is also the case that, like thousands of other low-income retired people, they do not use the internet to shop around for the best service as they don't have a computer. That kind of access to different suppliers (See Ofcom letter August 2006) , the internet comparison option, is closed to them. My relatives are 100% reliant on clear and consistent written and spoken information from prospective suppliers. This is not happening with BT.
10. I read in your full consultation paper that some people are not aware they can check their bills even if they pay by direct debit. I suspect this may be online – see 9. above for non-internet users. With regard to contacting BT by phone, I have learned over the years not to do this as I standardly get nowhere. They are very slow to respond to the domestic customer, and mistakes in billing are serious and urgent to those on a low income.
11. I was astonished to find that those of us not paying by direct debit have been split off for payment to another company, BT Payment Services Ltd. Firstly, I seem to have become one of a sub-class of customer who has to be hived off and dealt with separately. How outstandingly arrogant of BT. Secondly, as I am no longer, then, a customer of British Telecommunications plc, that is I'm paying another company, what happened to my "agreement" with BT plc ? Thirdly, in SMALL PRINT I've been informed the £4.50 levy is now to be seen as a charge for the billing services from BTPS Ltd. Abracadabra. Before our very eyes, the words *non-direct debit* have disappeared ! Did I really read all that in small print ? Perhaps I need a new magnifying glass.

Since the first announcement of the new charges for non-direct debit BT customers in March 2007 and its implementation in May 2007, I have repeatedly registered my concern to BT and to Ofcom over this completely unacceptable situation. I have withheld the £4.50 per quarter as a protest for 3 quarters, paid it when threatened with loss of service, and have now begun again to withhold it.

I sincerely hope that Ofcom find against BT's non-direct debit charge both in its lack of choice for the customer, its discrimination against those on a low income, and in the muddled, heavy-handed and partially covert way it has been applied to BT customers. It is totally unfair. I recommend they be required to return to, at most, a transparent and modest discount system, without delay.