

Ms Sarah Evans
c/o OFCOM
Riverside House
2A Southwark Bridge Road
London SE1 9HA

30th April 2008

Dear Ms Evans

Additional Charges – BT Collection Charges

Further to the letter of 28th April from your colleague, Ms Charlotte Cullen of the Central Operations Telecoms Team, in response to ours of the 17th, and at the risk of duplication, please find herewith copies of our letter and enclosures together with the Consulation Cover Sheet.

We take strong exception to the procedures outlined in the second and third paragraphs of Ms Cullen's letter, although her recitation of the history is correct. It is one thing to offer a discount on a bill for goods and/or services, but it is quite extraordinary to impose a charge based on the method of payment of that bill. For example, some merchants offer discounts on restaurant meals or dry cleaning, etc., but they do not charge extra if the client pays by cheque or credit card instead of cash. And furthermore, it would be outrageous if merchants were able to charge extra for things which are NOT PART of the transaction or the goods and services they sell. Can you imagine the uproar if something was added to the cost of a pair of shoes for the merchant's cost of lighting the premises or the monthly shop rent?? These are normal costs of doing business and should not be added to the customer's bill. In the case of BT, the collection costs are for their account and the most that they should be allowed to do is to charge late payment fees or interest to those accounts which deserve such treatment. BT should not be allowed to make a blanket charge based on method of payment which penalises the good paying customers – it's nonsense, but it is real since it brings in £100million for the BT annual bottom line!!

Secondly, we also take strong exception to the rationalisation outlined in the fourth paragraph on page 2 of Ms Cullen's letter. We are now well into the era of 21st century technology which makes all sorts of client differentiation possible and practical. It is really flaccid and lazy to suggest that BT (a leader in technology) just can't be bothered to differentiate between their good and bad customers and so must throw an expensive £18 blanket charge over all of them to: (a) make it easy on themselves; and (b) add a charge which is NOT part of the basic transaction for supply of telecommunications services. This sort of rip-off and gouging should not be allowed and we urge OFCOM to resist the meretricious blandishments of BT and roll-back the collection charge.

Finally, in our earlier correspondence enclosed, we have made various points about the significance of the collection charge to those on low and/or fixed incomes who need telephone services at the lowest possible cost.

We trust that you will take the foregoing points into consideration in your final conclusions, and we hope that OFCOM will save the day and abolish the extra BT Collection Charge.

With appreciation for your kind attention, we remain,

Yours sincerely,

OFCOM
Riverside House
2A Southwark
London SE1 9HA

17th April 2008

COPY

Dear Sirs

BT £18 Payment Charges

I am writing to add my voice to the complaints about the blanket £18 charge levied by BT on those who pay their bills by cheque.

Last year when the charge was first introduced, I wrote to BT to complain but they have not responded in any way to my letter of 9th May 2007, copy enclosed.

Also enclosed is a copy of an article from the *Sunday Times* (2nd March 2008) which highlights the OFCOM investigation into "rip-off" charges, including BT £18 charges on the list.

In my view, the blanket "collection" charge is pure banditry and extortion when applied to customers who pay on time. As mentioned in our May 2007 letter, there would be no complaints if BT instituted late payment or penalty interest charges on those who deserve them, but it is patently unfair and unnecessary to charge the good paying customers. This is illustrated by the estimates that show BT collecting about £100million per annum from the blanket £18 charge – This is simply extra revenue for BT since it does not cost £100 million to collect from the bad paying customers, let alone the good ones.

We hope that OFCOM will seize the opportunity to correct this injustice and warn BT against imposing some other charge which simply replaces the £18 collection fee being levied on all customers.

With thanks in advance for your kind attention, and in the hope of a favourable result, we remain,

Yours most sincerely,