

20 March 2008

Sarah Evans,
Consumer Policy Manager,
Ofcom,
Riverside House,
2a Southwark Bridge Road,
London,
SE1 9HA.

Dear Madam

**CONSULTATION - BT CHARGES ETC.
(ONGOING DISPUTE WITH B.T. REGARDING THE EXTRA CHARGE ADDED TO
TELEPHONE BILLS TO COVER LATE PAYMENTS AND FOR NOT USING
DIRECT DEBIT.)**

Following contact with your office, we received a letter from Mr. Leonard Martin regarding the above and as kindly invited and we have strong views on this issue, are sending our opinions to be considered in the forthcoming consultation.

In our experience, For 12 months we have strongly disputed and challenged the late-payment/processing fee, as we do not want direct debit and our payments have never ever been late or gone unpaid. We stated firmly that we did not agree and understood from the numerous telephone calls to BT that it was disputable whether or not this extra charge was indeed legal. Whilst this was being investigated, we stayed with BT on our original contract paying the bills received in full by return of post, deducting the extra charges.

Then we received a leaflet on the 14/02/'08 headed "Changes to BT's pricing and Terms & Conditions". The inside middle page headed "Information about the payment processing fee" is informing us, "as required by the Financial Services (Distance Marketing) Regulations 2004" that BT is changing our contract. Basically if we do not agree to pay by direct debit or monthly payment plan, we are from now going to be charged an extra £1.50 per month, added onto the bottom of our quarterly bill a sum of £4.50. It goes on to say that "If you choose to pay by means other than direct debit or monthly payment plan, then when you pay your next bill, you are agreeing to enter into a separate contract with BTPS..... In return, you are agreeing to pay a fee for the service each time you pay your bill". "There are some services to which this fee does not apply...."

We did not agree to enter into a contract compelling us to pay the quarterly fee of £4.50! and do not want Direct Debit, therefore we sadly terminated our contract from 21/02/'08, despite being with BT for 40 years plus! This information should have been forwarded to us from the start, i.e. 12 months ago, instead of the confusing and conflicting information given to us by BT!

- ◆ When we telephoned the 'help-line' we were given confusing and conflicting information.
- ◆ We have not been allowed the option to join the 'Light Users' Scheme' despite the fact that our calls have dropped to £6 and under over the last 3 quarters! - To have exemption from the extra charge. No explanation given at all!
- ◆ We have not received any confirmation of payment of the bills paid over the last year, as requested?

- ◆ We have never received a 'reminder that we have not paid the extra charge over the year, confirming (we feel) that BT were waiting for confirmation of the legality of this charge!
- ◆ Returned letters from BT never answered our questions just stating the charge was to cover the cost to BT of reminders and late payments, as well as processing the cash! -No explanation or discussions were allowed with customers!
- ◆ When we queried progress of the situation, during the last telephone conversation we were told that BT intended to restrict our outgoing calls followed by restriction of the incoming calls. - This was the only time this was mentioned and had we not contacted them, we would not have been aware of these restrictions being imposed! Surely this is not the correct procedure?

Despite the fact that we informed BT that we were not prepared to pay the extra charge, they allowed us to continue and then suddenly started to carry the charge onto the next bill-leading to more correspondence and 'phone calls! Then despite never sending a reminder BT have added £7.50 'late payment charge', again despite the fact that we were in dispute and that the whole of all the bills were paid by return of post -in full! Surely they should have sent a 'red letter' if this was the course they were intending to take-it seems very sly, as I was in regular contact with them!

To Summarise - Charges for Non-Direct Debit Payments

- a) A banking agency has indicated that cost of processing non-direct payments, (i.e. by cash or cheque) should be less than £1 per transaction.
BT is charging quarterly account payers £4.50 per quarter - £18.00 per annum - for 4 annual payment transactions!
- b) BT says that customers will pay late without an automatic system doing it for them - What an outrageous and slanderous generalisation. In over 30 years as BT customer - I have never paid late. Many customers have not paid late either!
- c) BT say customers not paying by direct debit are more likely to end up not paying at all and that the debts they leave behind should be spread over the other customers who avoid direct debits
 - Yet another outrageous statement!
- i) Many non-direct debit payers do pay their accounts in full and on time. This must be acknowledged by BT! - Surely they owe their loyal customers an apology for these bold, outrageous statements!
- ii) Customers who do not pay accounts are a matter for BT. To charge other account payers for the debts of non-payers is preposterous - and must surely be unlawful?
- d) The application of such a non-direct debit charge at such a high level, (i.e. £18 per annum) is a convenient way for BT to commandeer extra income to which it is not due. In short it is yet another "rip off" charge foisted on the long-suffering British public. BT's aim should be only to cover the cost of handling cash/cheque payments from non-direct paying customers for quarterly account payments - a realistic sum in the region of £1.00 per quarter, (i.e. £4.00 per annum) not the £18.00 presently imposed.
- e) Throughout BT has never given a reasonable explanation to these charges at all /ignoring queries - with staff giving conflicting information.

Thank you for the opportunity to 'voice' our opinions, as we do not have the Internet and broadband does not 'work' in this area please could you inform us of the outcome of this consultation or advise us where we can obtain the information requested from your report?

Yours Sincerely

James & Eileen Robinson