

Transact Group Limited  
Communications House  
Station Court  
Station Road  
Great Shelford  
Cambs  
CB2 5LR

Andy Montaser  
4<sup>th</sup> Floor, Ofcom  
Riverside House  
Southwark Bridge Road  
London SE1 9AH

30th May 2006

[numberingreview@ofcom.org.uk](mailto:numberingreview@ofcom.org.uk)

## **Ofcom Consultation on Telephone Numbering**

### **Safeguarding the Future of Numbers**

#### **Transact Group Limited Response**

Transact Group Limited is privately held group of companies that has been operational as a full service bureau within the Telemedia industry for over 10 years. We welcome the opportunity to comment constructively on the captioned Ofcom document regarding the safeguarding of the future of the telephone numbering spectrum.

#### **1. General**

As stated in the document the numbering spectrum for the public switched telephone service in the UK is a valuable national resource and deserves appropriate quality management.

The pace of change in public telephony has accelerated over the past few years and must be expected to continue to change at a similar or increased rate into the future. The public appetite for new services will not diminish and it will be important that management of the numbering spectrum should not inhibit the development and growth of such services nor deter the entry to the market of the entrepreneurial flair which has positioned the UK as a leader in innovative use of telephone networks for Premium Rated Telephony Services (PRS).

## 2. Comments on Summary Points

The Transact Group welcomes Ofcom's intent to manage the numbering resource more efficiently and while we can see benefit in the suggested principle of charging for numbers we would certainly expect detailed discussions with Industry, perhaps even a separate Consultation, on such a major issue.

We also welcome the intent to avoid future number changes and remove the seemingly regular disruptive and costly exercise of numbering alterations that have afflicted us in the past. Indeed, with the advent of VoiP, we can begin to glimpse a future where numbers are replaced by the ubiquitous URL.

The proposed advent of Consumer Tests is another area that will benefit from further discussion and, while we are supportive of measures that minimise consumer harm, we are aware that this has to be achieved at reasonable cost. We will not be supportive of additional layers of costly bureaucracy that do not bring significant added value.

We do not believe many of the proposals for new number ranges, changes to number ranges designed to inform consumers or the required migration of services between number ranges to be of any significant benefit. It is the Transact Group view that these proposals, well meaning though they are, fail to address the key issue of the need to place accurate information with the consumer at the point of call. Consumers who are fully informed of the cost and content of a call are perfectly placed to exercise their freedom of informed choice and we believe this to be the most effective form of consumer protection.

Our Industry and customer research reveals that today's telephone customers, be they fixed network or mobile, have little knowledge of and even less interest in the finer details of telephone numbers. They are just numbers and there is little to be gained from persisting with elegant design or coded content. The market has moved on and management of the numbering spectrum must adjust accordingly.

## 3. Questions and Answers

### *Question 1*

*What are your views on the strategic principles that Ofcom proposes to apply to its numbering policy decisions?*

### **Answer 1**

The Transact Group has no fundamental objection to the strategic principles that are proposed but would also wish to see Ofcom recognise that numbers are not solely made available to consumers, but are also allocated for Industry use in the business to business (b-2-b) market. The Ofcom statement is heavily weighted in favour of consumers and needs balancing with Industry considerations.

### *Question 2*

*What do you think are consumers' key current views on numbering, how do you think those views will change, and how should Ofcom's current decisions take those changes into account?*

## **Answer 2**

The Transact Group understands and sympathises with many of the consumer views but their concerns appear to be more related to the absence of call pricing information than any other factors. It is also clear that consumers are increasingly using mobile handsets over domestic landlines for calls origination and this trend must be expected to continue.

The suggestion outlined in Section 3.19 is considered unrealistic as call pricing and service packaging, for example, can vary widely from provider to provider in a competitive environment. We believe an online price guide listing services and related prices from each provider would provide up to date information and be useful for consumers.

Tariffing and service information stored in phone books is likely to be out of date as quickly as it is made available and, if the provider is someone other than BT, then phone books are unlikely to be made available.

## **Question 3**

*What do you think are the main ways in which technological developments will change the focus of numbering policy decisions, and how should Ofcom's current decisions take these developments into account?*

## **Answer 3**

The Transact Group believes that, particularly with the advent of VoiP, numbering will become largely irrelevant in the near future and many network addresses will in fact be advertised as URLs. Ofcom will need to rethink its traditional approach to the management of numbering spectrum. It is our view that consumers derive increasingly less information from services based numbering in a mobile dominant environment and are more concerned with being informed on call costs and exercising freedom of choice.

## **Question 4**

*Do you have any comments on Ofcom's assessment of the current challenges to the Numbering Plan in terms of a) number availability, b) transparency, or c) consumer abuses?*

## **Answer 4**

a) The Transact Group believes it would be useful for Ofcom to overhaul its administration of the Numbering Spectrum to ensure the effective and efficient utilisation of this important resource. It is possible, for instance, that the migration of fax services to the Internet has freed numbers for re-allocation and a regular National Audit of numbers utilisation by Ofcom could well identify other under-utilised resource.

b) The issue of transparency as discussed in the Consultancy is something of a red herring. The real issue behind consumers comments is the lack of clear pricing information which will enable them to exercise informed choice on whether or not to continue with a call. Traditionally, this has been attempted by using coded information within the published number and it is clear to us from our industry and consumer contacts that this approach has failed.

Ofcom and Industry need to address the real issue of ensuring consumers have available all necessary information at the point of call to enable them to exercise freedom of choice in a fully informed environment. There will be a variety of ways to achieve this, some workable and some not, and these should be identified, debated, agreed and introduced without delay.

c) The Transact Group questions the validity of some Consultation comments attributed to consumers, particularly those addressing 'PRS abuse', and does not believe they reflect the real situation today. The UK market today for PRS is a world leader with revenues in excess of £1bn. Government, National Media, Tele-Voting and Competitions are major users and to suggest that end users are highly suspicious of 090 numbers while admitting that end users also have limited awareness of the code is not the basis for considered action. Again, we submit that the real issue is the need for accurate call cost information to enable consumers to exercise informed choice.

***Question 5***

***Do you agree that the extension of conservation measures is the best approach to take before the impact of NGNs eases the pressure on geographic number demand?***

**Answer 5**

Yes we agree.

***Question 6***

***Do you agree that the use of overlay codes is the best backstop approach in the event that extensive conservation measures are not sufficient to meet demand for geographic numbers?***

**Answer 6**

Yes we agree.

***Question 7***

***Do you agree that Ofcom should continue to respect the geographic identity of numbers until consumer understanding of the impact of technology change evolves further, and what do you consider is the best way to develop that consumer understanding?***

**Answer 7**

Yes we agree. The Transact Group believes regular information forums made available to the public or via consumer organisations would develop and enhance consumer understanding. Providers of services to the public should also take responsibility for ensuring regular information is passed through to customers. The billing cycle, for instance, is a major opportunity to inform customers.

***Question 8***

***Do you agree with Ofcom's proposal to open a new '03' number range for non geographic, non revenue sharing services?***

### **Answer 8**

The Transact Group does not agree with opening up a new number range '03' for non geographic, non revenue sharing services. The geographic link is already being restored to 0845 and 0870 services, which effectively signals the end of commercial revenue share on these number ranges. Opening a new number range with identical qualities to existing number ranges will change nothing. The failure of the '05' range has demonstrated consumer ignorance of or disinterest in coded number ranges and we believe that, again, Ofcom is missing the point that consumers merely want to know the cost of a call.

### **Question 9**

*How should the '03' range be structured, in terms of tariffs and services?*

### **Answer 9**

See answer 8.

### **Question 10**

*How should the '08' range be structured, in terms of tariffs and services?*

### **Answer 10**

Transact Group believes that the '08' range should remain structured exactly as it is now. The issue is one of customer information management and the revenue sharing business model should be preserved as a valuable tool for customer services investment.

### **Question 11**

*Which broad approach should Ofcom take to structuring the '09' range, and if a re-structured '09' range is preferred how would you arrange the different types of '09' services (e.g., according to price per minute, price per call, inclusion of adult content)?*

### **Answer 11**

Complex coding of call information in the service telephone number is a thing of the past. It has never been a satisfactory method of informing consumers and it will be increasingly less effective in the future where many services will not even use numbers.

Ofcom must change its approach and focus on conveying meaningful and accurate cost information to consumers at the point of call.

Consumers are already baffled by the plethora of differing service packages and call costs and attempting to communicate information by restructuring or re-categorising the '090' range will be wasted and costly effort.

### **Question 12**

*Should any specific PRS service categories be identified or segregated in order that parents can block access by their children (e.g. sexually explicit content, gambling)? Is their merit in having a general 'adults only' classification, including a range of services to which access might be restricted on the grounds of content, or might consumers wish to apply different rules for different types of content?*

**Answer 12**

The Transact Group supports having an exclusive range for adult/erotic services and believes there are already sufficient safeguards in place via '090' and related Mobile services screening to prevent inappropriate access.

**Question 13**

*Are there any practical means by which the Numbering Plan could provide improved mobile tariff transparency?*

**Answer 13**

As with previous answers we do not believe the Numbering Plan is the correct vehicle for conveying tariffing information to consumers. By ensuring accurate cost information is available at the point of call both fixed and mobile network services would achieve tariff transparency.

**Question 14**

*Do you agree that personal numbers should have a tariff ceiling (or recorded message) to restore trust in those numbers? If so, what level, and should that ceiling include the cost of recorded messages?*

**Answer 14**

The Transact Group has no objection to a tariff ceiling on PNS and we would support a policy of a recorded message prior to call connection – if that is the most effective way to restore trust in these numbers. However, the better solution could again be accurate cost information at the point of call offering consumers informed freedom of choice.

**Question 15**

*Do you agree with Ofcom's proposals to move personal numbers (with the same consumer protection provisions) to the '06' range and to pursue the direct allocation of numbers to end users as proposed at some point in the future?*

**Answer 15**

The Transact Group does not see any benefit from the migration of personal numbers from '07' to '06', only avoidable inconvenience and costs. Once again the core issue is informing consumers on costs.

**Question 16**

*Do you have any comments on the use of the 05 number range?*

**Answer 16**

See our earlier comments on consumers ignorance and disinterest in the subtleties of number ranges. The '05' number range is a failure.

**Question 17**

*Do you agree that Ofcom's overall proposals for a future Numbering Plan are coherent and comprehensive and do you have any comments on the timescales in which the changes should be implemented?*

**Answer 17**

We believe the Ofcom approach to the future Numbering Plan are overly complex and fail to address the core problem of informing customers on call costs.

**Question 18**

*Do you agree with the principle of consumer protection tests in numbering in order to limit consumer abuses, as long as the relevant legal tests are met? Do you have any suggestions for what tests would be appropriate or any conditions that should be met to pass such tests?*

**Answer 18**

The Transact Group believes that consumer protection tests should be the subject of wider consultation across the Industry, possibly via the establishment of a cross Industry Working Group.

**Question 19**

*Do you support the proposals to extend the tariffing provisions of the Numbering Plan so that they apply to customers of all providers on all types of network?*

**Answer 19**

Services should be network technology transparent.

**Question 20**

*How do you think the new Numbering Plan could be effectively communicated to consumers?*

**Answer 20**

This pre-supposes that they are interested which, in our view, they clearly are not.

**Question 21**

*What are your views on Ofcom's analysis and the different options for number charging?*

**Answer 21**

In principle, charging for numbers seems sensible and is a good way of ensuring effective use of a finite resource. We believe it is a principle that the Transact Group would support. This will however raise many issues and will require wider consultation with Industry.

**Question 22**

*Which, if any, numbers might appropriately be allocated using a value based charge?*

**Answer 22**

All numbers.

**Question 23**

*Do you have any other comments on Ofcom's proposals for numbering as discussed in section 5, or any other suggestions for how Ofcom might revise the current Numbering Plan or its administration?*

**Answer 23**

Ofcom should be prepared to completely re-think its approach to administration of the number spectrum and abandon the outdated approach of linking services to digits. It hasn't worked well in the past and it won't work at all in the future. Customers simply want to know what they are getting for their money together with the freedom of informed choice. Yes, there is a clear need to restrict access to the young and vulnerable for certain service categories but with today's (and tomorrow's) technologies solutions are available. In addition, Ofcom need to consider the possibility of hybrid charging whereby the charge for content is separate to the charge for the call.

**Question 24**

*What do you think of Ofcom's general approach to managing geographic numbers?*

**Answer 24**

No particular comment.

**Question 25**

*Do you have detailed evidence or suggestions on the variables likely to influence demand for geographic numbers, how these variables will change over time, and how Ofcom should develop a demand model?*

**Answer 25**

The two biggest factors are likely to be VoiP and the further dominance of mobile services. Ofcom should develop a demand model in close contact with the Industry it serves.

**Question 26**

*Do you agree with the specific proposal for how to extend conservation measures, including the extension to areas with a number shortage predicted in the next five (rather than two) years?*

**Answer 26**

Agreed.

**Question 27**

*Do you consider there to be any upper limit, in terms of technical feasibility, on the number of areas in which conservation measures could be used?*

**Answer 27**

The Transact Group agrees with the Ofcom view that there are no technical reasons for limiting the number of geographic area codes where conservation measures could be introduced if considered necessary.



**Question 28**

***Do you agree with Ofcom's assessment of the impact of conservation measures on stakeholders?***

**Answer 28**

The Transact Group does agree and we are concerned that any additional costs are kept to a minimum. The measures suggested should not incur significant impact or cost.

**Question 29**

***Do you agree that Ofcom should pursue these additional ways to improve number utilisation and, if we do, how would stakeholders be impacted and what practical issues are involved?***

**Answer 29**

The Transact Group believes this is another area that would benefit from the attention of a cross Industry Working Group. Number Pooling between providers for example is an excellent idea in principle but the technical requirements to achieve implementation would require more detailed consideration.

**Question 30**

***What are your views on overlay codes, and Ofcom's assessment of them, as a fallback option to increase number supply? What should be the maximum number of areas where overlay codes are introduced?***

**Answer 30**

The Transact Group believes overlay codes to be a cost effective way of increasing number supply and that they would cause minimal disruption to providers. For technical reasons we believe 50 overlay codes would be a maximum.

**Question 31**

***What are your views on closing the scheme, and Ofcom's assessment of it, as a fallback option to increase number supply?***

**Answer 31**

Our main concern would be the increase in the number of digits to be dialled and the possible loss of geographical identity as stated in the Consultation, although this will assume less significance with time. On balance we would agree that customers would favour the avoidance of change.

**Question 32**

***What are your views on wide area codes, and Ofcom's assessment of them, as a fallback option to increase number supply?***

**Answer 32**

We do not foresee any demand for them.

**Question 33**

*Might wide area codes be appropriate in regions with a strong identity and, if so, which specific regions are suitable for wide area codes?*

**Answer 33**

The advent of mobile numbers has effectively eliminated any sense of geographic numbering for consumers.

**Question 34**

*Do you agree with Ofcom's assessment of the problems with current 08 and 09 in terms of information clarity and consumer perceptions?*

**Answer 34**

No. Please refer to Question and Answer 23

**Question 35**

*Which of these options for current 08 services do you think is best in terms of a) increasing consumer transparency and b) minimising the costs of restructuring the 08 range?*

**Answer 35**

Please refer to Question and Answer 23. Restructuring the number ranges will not assist in achieving transparency for consumers.

**Question 36**

*How might early migration to the '03' range be encouraged?*

**Answer 36**

Why would any service want to migrate? Why would companies migrate to '03' when, in essence, it will be no different to '0870'?

**Question 37**

*Is it more important to indicate price per minute or price per call, and does this vary for different types of PRS service? What granularity of PRS tariff information should be given to consumers by the Numbering Plan?*

**Answer 37**

Depends on the service! Either could be valid. The Numbering Plan is not the ideal vehicle for conveying tariff information.

**Question 38**

*Should there be any PRS number ranges with no tariff ceiling?*

**Answer 38**

If customers are fully informed there is no need, in theory, for maximum tariffs. It also becomes a matter of credit management for the billing agency.

**Question 39**

*What is the typical turnover of 09 numbers, and what does this mean for migration timescales to a new 09 Plan? How could Ofcom structure the 09 range or take other steps to promote voluntary migration of 09 services?*

**Answer 39**

Many '09' numbers never turnover and can have extremely long shelf lives, often due to residual revenue streams. There should be no need to introduce changes that require migration of '090' services.

**Question 40**

*Do you agree that part of the 07 range which is currently unused (071 - 075) should be reserved for mobile services, in the interests of promoting consumer awareness and tariff transparency and if so how?*

**Answer 40**

If there is the possibility that existing mobile numbering ranges will exhaust then yes. They are only numbers.

**Question 41**

*Should Ofcom reserve specific sub-ranges within the 071 – 075 range for new mobile multi-media services, in the interests of promoting consumer awareness and tariff transparency, and if so how?*

**Answer 41**

Consumers have never been seriously aware of or even interested in understanding number ranges. Why will this change? Why should it change?

**Question 42**

*Do you support the use of 100,000 – number blocks in allocating mobile numbers to new mobile voice providers?*

**Answer 42**

Why do we need to separate mobile numbers from any other numbers? They are only numbers.

**Question 43**

*Based on the above analysis, if Ofcom were to introduce a charge ceiling on calls to 070 numbers, which of the following levels should be adopted, a) 10 ppm b) 15 ppm c) 20 ppm c) something else?*

**Answer 43**

If consumers are accurately informed on costs at the point of call then why incur the cost and inconvenience of administrating a price cap?

**Question 44**

*Would a requirement to make tariff information clearly available to purchasers of personal numbering services at the point of sale, either in addition to, or instead of a call ceiling, be an effective means of providing tariff transparency on personal numbers?*

**Answer 44**

Of course it would, but why stop at personal numbers?

**Question 45**

*If a new sub range is made available for personal numbering services, how long should the current '070' sub-range remain available for existing providers, in order to minimise migration costs?*

**Answer 45**

Why incur the cost and inconvenience of migration? What problem is being addressed? Consumer information?

**Question 46**

*What issues do you think would need to be resolved before Ofcom makes individual numbers available for allocation direct to end users?*

**Answer 46**

What is the point of this question? Has Ofcom identified demand for personal numbers that cannot be met by normal market forces?

**Question 47**

*What do you consider to be the main strengths and weaknesses of the current rules-based system of UK number allocation?*

**Answer 47**

There was a promise some time back of an automated system of number allocation but it has not materialised. On the PRS front there has been criticism that allocation of numbers has been too open and encouraged less than reputable organisations into the networking business. There also seems to be a problem in taking numbers back from networks who violate the ICSTIS Code or continue to support Service Operators who violate the Code.

**Question 48**

*Do you agree with these principles for number charging?*

**Answer 48**

See Question and Answer 21.

**Question 49**

*What are your views on Ofcom's assessment of the issues to be considered in setting and reviewing number charges? For example, should other issues be considered in developing number charges?*

**Answer 49**

See Question and Answer 21.

**Question 50**

*Do you agree that charging for numbers could disincentivise economically inefficient behaviour and incentivise economically efficient utilisation?*

**Answer 50**

See Question and Answer 21.

**Question 51**

*What internal changes would Information Providers have to make, and at what cost, to support charging for numbers? Would these changes be preferable to earlier and more widespread use of conservation measures and (limited) changes to increase geographic number supply?*

**Answer 51**

See Question and Answer 21.

**Question 52**

*How might existing number allocation rules be reduced if charging for numbers was introduced?*

**Answer 52**

See Question and Answer 21.

**Question 53**

*What are your views on this illustrative charging mechanism, and would you suggest any changes or alternatives to it?*

**Answer 53**

See Question and Answer 21.

**Question 54**

*How would charging for number blocks affect consumers?*

**Answer 54**

See Question and Answer 21.

**Question 55**

*What impact do you think charging for numbers would have on sub-allocation? Should Ofcom facilitate or encourage sub-allocation and, if charging were introduced, would changes be needed to the process of sub-allocation to facilitate trading?*

**Answer 55**

The proposition on charging for numbers is supported in our response to Question 21 although our conclusion is that this is a major subject that requires separate and detailed consideration. For this reason we cannot attempt to address it here but look forward to working with Ofcom in a future Workshop or separate Consultation on the subject.

**Question 56**

*Which types of consumer abuse do you think Ofcom should particularly attempt to address through its numbering policy decisions?*

**Answer 56**

If we can focus on ensuring customers are empowered with full information at the point of call then that will be the most effective method of addressing consumer abuse. There is of course also the issue of consumer abuse of Service Providers to be considered.

**Question 57**

*Which number ranges and types of originating communications provider do you think should be covered by an extension of the Numbering Plans tariffing provisions? What practical issues are involved, and how would this vary according to the number ranges and service providers involved?*

**Answer 57**

All number ranges and any provider who issues numbers should be covered by any provisions.

**Question 58**

*What do you think of the potential conditional proposed by Ofcom for inclusion in a consumer protection test for number allocation, including the proposals that numbers should not be provided to anyone with a particular track record of persistent and/or serious consumer abuse?*

**Answer 58**

See also Question and Answer 47. This is a serious issue and one that warrants early attention. There are clearly circumstances when refusal (or retrieval) of numbers to individuals or companies with unsatisfactory track records would be advisable. However, how these might be identified and recorded is dangerous territory and we would recommend detailed discussions between Ofcom and Industry on how this might be managed.

**Question 59**

*Are there any other circumstances in which it may be appropriate for Ofcom to refuse number allocations?*

**Answer 59**

Quite probably and we would expect these to emerge during any discussions as suggested in Answer 58.

**Question 60**

*Would you support the use of a consumer protection test as a basis for withdrawing number allocations? What kind of considerations should Ofcom apply in any such test, and what would be the practical issues involved in applying such a test?*

**Answer 60**

See Question and Answer 58.

**Question 61**

***What consumer abuses do you think might occur in the future, and what steps might Ofcom take now in its numbering policy in order to reduce the potential for such abuses?***

**Answer 61**

We cannot predict this, we can only monitor our Industry and encourage Ofcom to continue to engage openly and regularly with us and share information. Only by co-operating fully can we minimise the risks of consumer harm. If we are to continue as world leaders in PRS we can never entirely eliminate risk, we can only seek to manage it effectively.

**4. Conclusions**

This has been a lengthy but useful exercise in that it has, in our view, served to emphasise that the real problem that needs to be addressed is not the fine detail of an elegant numbering scheme but how best to position critical information with consumers.

The numbering spectrum is a valuable resource and it clearly must be managed in a professional and productive manner and the responsibility for that resides with Ofcom. However, the nature of numbers is changing and particularly with the growing penetration of mobile users. To this market sector a number is just a number to be logged in a personal database and retrieved by autodial. The era of engineering driven, elegant and tidy, numbering schemes is over and Ofcom must adjust accordingly.

**5. Close**

We look forward to your response and we would like to suggest that it would be useful for Ofcom to host a round table session for major respondents to this Consultation before any final conclusions are published.

If we can be of any further help or if you require clarification on any points made please contact us via [barry@transactgroup.net](mailto:barry@transactgroup.net) or call 01223 551000.

Yours sincerely

Barry Peak  
Group Finance Director  
For Transact Group Limited