

New voice services

A consultation on consumer issues



A summary

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Contents

An Introduction to new voice services	2
Traditional voice services	2
New voice services	3
Your view matters	4
The regulation of voice services	5
What is Ofcom doing?	5
Protecting you	6
More information about new voice services	7
Glossary	10
How to respond	11



An introduction to new voice services

Ofcom is the independent regulator for the UK communications industries. We started work in late December 2003 and our role is to look after television, radio, telecommunications ('telecoms') and wireless communication services.

This booklet is a plain English summary of our approach to new voice services, and seeks your views on our proposals.

Traditional voice services

Like most people, you probably use a traditional fixed phone service to make calls in the UK. This service delivers your calls over the public telephone network.



However, putting you in touch with your friends or family is only part of the service you pay for. Telecoms rules also demand that traditional voice services offer a number of features including access to emergency calls (999), calls to the operator, directory enquiries and facilities for disabled people.

New voice services

As technology develops, services are getting more sophisticated. New types of voice service are emerging which can deliver your calls over the internet rather than the public telephone network. Voice services such as this use a technology called Voice over Internet Protocol (VoIP). IP is the method by which information is sent across the internet.

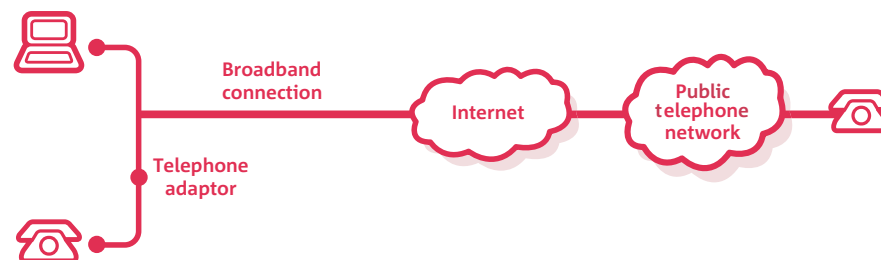
Some new voice services can be used over a narrowband connection (see glossary). However, the 'always on' connection and faster speeds broadband can offer (such as asymmetric digital subscriber line (ADSL) or cable modem) makes them a much more attractive service when used over broadband.

These services are sometimes known as Voice over Broadband (VoB) services. If you have broadband at home or in your office, you can make and receive calls over your broadband connection.

Several companies in the UK have launched new voice services recently. This includes familiar names as well as new providers. At the moment, take-up is low, but it may become more widespread in the future particularly as more households buy a broadband service.

Some new voice services are likely to offer everything you would expect from your normal phone service, as well as possible extras such as conference calling. This is where several people in different places can join in a call. Or, you have the option to send voice messages to your e-mail inbox. Simple calls may also become cheaper. See 'Why would I want it?' on page 9.

The equipment you will need will vary. It might include a headset connected to your computer, or you may use your normal phone, or a special internet phone which plugs directly into your broadband connection. See 'What equipment do I need?' on page 7.



So, although they may be delivered over the internet, some new voice services may feel and sound the same as your traditional voice service. You will be able to use some of them with a normal phone handset. And, they will be available using normal phone numbers for your local area (starting 01 or 02) in the same way as traditional services.

We have also made available a new number range, starting 056, for new voice services like VoB. These numbers are not related to a specific local area and so could be used for new services that can be used from anywhere with a broadband internet connection.

However, some new voice services may not offer all the features you take for granted now, such as access to emergency calls (999) and access to the operator. This is because they might not have the same technical abilities that traditional services have. In particular, some new voice services might not be able to provide the same reliability.

For this reason, we are considering whether all voice services should have to offer the same basic features. We are also looking at whether it's difficult for customers to make informed choices when services are different from what they are used to.

Your view matters

Phone services affect nearly all of us. And as they become more sophisticated, it is vital that you as customers continue to benefit from healthy competition and clear information. Whether you are a home user, run a business or represent a telecoms provider or consumer group, please tell us what you think.

As well as wanting to know whether you agree or disagree with our proposals below, we want to know why. For example, how would different options affect you as a consumer? Or how would they affect your business?

If you have anything you would like to share, we would value your feedback. We are particularly interested in the reasons behind your opinions and, where possible, actual evidence that supports them.

This booklet is a brief summary of the areas and issues we are considering. You can find a copy of the full consultation document on our website at www.ofcom.org.uk

The regulation of voice services

What is Ofcom doing?

New voice services could offer you substantial benefits in terms of more choice and lower prices. However, they may not offer all the supporting features you have come to expect from your traditional voice service.

Because of this, we feel that we must make sure the right rules are in place so that you can benefit from this change.

We are looking for your views on the way voice services should be regulated in the future, and on three important questions.

Should we make all voice services offer the same features that traditional voice services do now?

- On the current evidence, we do not believe that all new voice services should have to offer the same standard features as traditional voice services. This is because it would then be more difficult for companies to create new products and offer you more choice.
- And we do not think it is a good idea to rely on conditions such as the appearance of a service or whether it is used as a second line in order to tell apart those services that operate under the same rules as traditional phone services and those that do not. Instead, we think providers should not be prevented from offering certain types of services and you should be given the opportunity to make an informed decision about the products you are buying and using.

Because of the strong public interest in access to 999, should we make all voice services offer access to 999, even for services that do not offer all the other features that traditional voice services do now?

- Although it is clearly a good idea for access to 999 to be provided, our initial thinking is that it is not currently necessary or appropriate for all voice services to have to offer access to 999.
- This is because we think most telecoms providers will offer access to 999 in any event. We also think that most consumers would want to have at least one phone line with access to 999 and would choose a provider that offered it.
- However, anyone using these services should be told if access to 999 is not guaranteed.

Some new voice services may not be able to offer the same reliability for emergency calls as traditional phone services. Which would be better - a service that doesn't allow emergency calls at all or a service that does, but which may be less reliable?

- We think it is better that these services are allowed to provide less reliable access to 999 rather than preventing them from offering any access at all.

- Allowing less reliable access to 999 could increase the availability of services with access to 999 even if the quality of access was reduced. How other types of services and equipment such as mobile and cordless handsets are used suggests that if people are fully informed about the nature of the services they are buying and using, they can then make informed decisions about the range of services they buy.
- We also think that if providers have to let users know that access to 999 is not guaranteed, it could also act as an incentive for new providers to offer reliable access to 999 and for existing providers to continue doing so. This is because the service would be potentially more difficult to market if they did not.
- However, we would be concerned if market developments or lack of consumer awareness led to poorer quality and availability of 999 over time and we would expect to keep this issue under review.

Protecting you

Because new voice services might be different from the traditional voice services you know, we think that there is a need for clear information so that everyone can understand what they are buying and what they are using.

We would like to hear your views on what kind of information you would want and how you want to be told about it. For example, should it be written in a provider's terms and conditions or should it be displayed on phone handsets? And how should we make sure companies are playing their part – through a voluntary code of practice, regulation or some other way?

More information about new voice services

What are new voice services?

- New voice services could take many forms. Some could be identical to traditional phone services, while others might be very different (for example, PC to PC).
- They include services that deliver your calls over the internet rather than the public telephone network. Voice services such as these use a technology called Voice over IP (VoIP).
- They might mean you need an internet connection at home or in your office. Some new voice services can be used over a narrowband connection. However, the 'always on' connection and faster speeds of broadband (such as Asymmetric Digital Subscriber Line (ADSL) or cable modem) makes them a much more attractive service when used over broadband. These services are sometimes known as Voice over Broadband (VoB) services.

Will the new voice services be 'instead of' or 'as well as' my existing phone?

- Some new voice services are likely to offer everything you would expect from your normal phone service, as well as possible extras such as conference calling, video calls and the ability to send your voice mail to your email inbox. If this is the case, you may choose to stop receiving a traditional phone service and replace it with, for example, a VoB service.

- On the other hand, some new services may not offer all the features you would expect from your traditional phone service, but may offer benefits such as cheaper international calls. In this case, you may want to keep your traditional service for facilities such as access to 999 and use a 'no frills' VoB service as a second line.

What equipment do I need?

- The equipment you will need will depend on what type of service you have subscribed to and what you feel most comfortable with.
- For example, providers might give you a headset or handset which connects to your computer, a phone adapter that allows you to continue using your normal telephone or a special internet phone which plugs directly into your broadband connection.

What happens if my internet connection is not working?

- If your internet connection is not working, you will not be able to make or receive calls if you have a voice service that relies on it.
- However, some service providers may provide a back-up service and send your calls over the public phone network if your internet connection breaks down. Your service provider will be able to tell you whether this is the case.

- If there is a power cut, your service will not work unless the equipment you are using has a back-up power supply or an automatic fallback to your regular phone line.

Will people be able to tell whether they're dialling an ordinary number or a new voice service number? What kind of phone number will I get if I use a new voice service?

- New voice service providers will be able to use normal telephone numbers (in other words phone numbers starting with 01 or 02 that refer to a specific area in the UK) in the same way as traditional phone services.
- We have also made a new number range available, starting 056, for new voice services like VoB. These numbers are not related to a specific local area and so could be beneficial for some new services that can be used from anywhere with a broadband internet connection.

Will I be able to keep my existing phone number if I want to use one of the new voice services?

- You may be able to transfer your current number to your new voice service. You should check with your service provider first.
- You should also check with your provider about whether it will be possible to transfer the number you use for that service back to a traditional phone service, if you decide to do this in the future.

Who can I call using a new voice service and how much will it cost?

- Many new voice services will still allow you to call others with normal phone services. Prices for these calls will depend on your service provider, although we expect they will be competitively priced with other phone services.
- Other services may only allow you to call someone with the same service as you. However, these calls may often be free.

How much will it cost to make a call to a new service from a traditional phone?

- The price for calls to normal (geographic) numbers used for new voice services are likely to be the same as the price for calls to other geographic numbers. You should check prices for these calls on your provider's price list.
- It is up to individual providers how much they charge for calls to 056 numbers. You can also check their prices on their price lists. We are not allowing 'revenue sharing' on 056 numbers, which means that the person you call on an 056 number will not receive any money for taking your call.

Why would I want it?

- New voice services could be different from traditional phone services in a number of ways. These differences could include the following:

Using the service anywhere in the world. Some new voice services can be used over any broadband internet connection. This means you could use the service at any location in the world which has internet access. These services are sometimes called 'nomadic'.

New features. Using new technology is likely to make it much easier for providers to offer interesting new features. New features could include video calls, where you can see the person you are talking to, and the option to send voice calls to your e-mail box.

Lower costs. New voice services could face lower costs than traditional services because they use VoIP technology. Costs might also be saved because a single network could be used for voice and data services, rather than running two separate networks. This could potentially mean lower prices for you.

What does it mean if my provider offers less reliable access to 999 or if the connection is not guaranteed? How often will I be able to get through?

- Some services might rely on a standard internet connection and so the reliability of the service will partly depend on the reliability of your internet service provider (ISP). It is difficult to generalise, but the following could be some of the effects of this:

- There could be times when you cannot make calls at all because your internet connection is not working. So, if you are choosing a service that depends on your internet connection, you should think about the reliability of your ISP.
- If your internet connection is being used by others at the same time, for example to download a file, the quality of your call could suffer and it might be harder to understand what the other person was saying. (However, there are technical ways of avoiding this problem).
- You can use 'nomadic' services away from your home. In this case, the emergency operator may not automatically know where you are calling from.
- If a service does not offer access to 999, you might want to consider using it as a second line only, and keep hold of your existing service.

Glossary

Isn't it unsafe to allow companies to sell phones which aren't reliable for 999 calls?

- Our initial thinking is that although it is desirable for companies to provide reliable access to 999, it is not currently necessary or appropriate for us to make all providers do this for two important reasons.
 - Feedback we have received from existing providers suggests that most providers would want to offer access to 999; and
 - We believe that you, the consumer, will want to keep hold of at least one means of access to 999 at home. This might mean you only use new voice services without access to 999 as second lines.
- However, if providers are allowed to offer services without access to 999, consumers must be told about this.
- As part of our consultation, we want to hear from as many people as possible about this issue.

Broadband

A service or connection generally defined as being 'always on' (there is no need to 'dial up') and providing data speeds greater than 128 kilobits per second.

Internet protocol (IP)

The method used for sending messages across the internet and similar networks.

Internet service provider (ISP)

A company that provides you with access to the internet.

Narrowband

A service or connection providing data speeds up to 128 kilobits per second.

Voice over Broadband (VoB)

VoIP services that allow you to make and receive calls over a broadband access connection - for example digital subscriber line (DSL) or cable.

Voice over Internet Protocol (VoIP)

A technology that allows you to make calls using internet protocol (IP), using either the public internet or private IP networks.

How to respond

Our actions will affect many people and organisations across the UK. As a result, it is very important that we make our decisions at the right time and in the right way. This will give everyone the chance to make their voice heard first. That is why we have published this booklet.

We published the consultation on 6 September 2004 and it will close on 15 November 2004.

You can see a copy of the full consultation at <http://www.ofcom.org.uk>. The site contains the full background on the issues we have briefly discussed in this booklet.

The consultation is being led by Justin Moore. His e-mail address is justin.moore@ofcom.org.uk

You can also send your views to him by post to:

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Please tell us if you want any part of your response to be confidential. Please also tell us if we can publish your response when we receive it or whether you want us to wait until the consultation has closed. It will help us if you use the consultation cover sheet (included with the full consultation document and available from our website) when you send us your response.

Any general comments?

We also welcome any comments you may have on the way we have organised this consultation process. Please contact:

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