FCS Response to Ofcom's Consultation on the Future of Telephone Numbers

Introduction

The Federation of Communication Services represents companies which provide professional communications solutions to business and residential users. Our members deliver telecommunications services via mobile and fixed line telephony networks, broadband, satellite, wi-fi and business radio. Our members' customers range from SMEs, consumers, home-workers and micro-businesses up to the very largest national and international private enterprises and public-sector users. FCS is the largest trade organisation in the professional communications arena, representing the interests of around 300 businesses who supply mainly B2B services nationwide.

Overview

We welcome this review by Ofcom into the way that telephone numbers are viewed and used by consumers and businesses. There is, indeed, scope for a complete rethink about the value of prefixes, to designate either cost or location, alongside what customer expectations are as we move towards all IP. We understand that Day 1 may look "as is" but it is important that Day 2, 3 and onwards allow for innovation, with a recognition that the future will not reflect the past as we move to all IP.

Answers to specific questions

Question 2.1: We have set out developments in voice telephone services that are important in shaping our review of the future use of numbers to promote consumer confidence. Do you agree that these are the key considerations? Do you have any comments on our analysis of these developments? Are there any other developments or considerations that should be part of shaping this review, and if so, in what way?

We agree with Ofcom's assessment of the developments that are changing the future view of numbering. With an increasing proportion of the population relying on mobile phones, less and less awareness of what area codes mean and continued fixed/mobile convergence, Ofcom may have to be innovative in developing the number plan moving forwards.

Question 3.1: What are your thoughts on the ability to dial local numbers from a landline without the area code? Do you think the local dialling facility has value?

We do not believe that this has any significant value for callers within the local area. The high use of mobiles means that users expect to dial 11-digit numbers and the "saving" in not dialling 4 or 5 is negligible. Regularly called numbers will be likely to be in stored locations for speed-dialling in most cases. Other methods of immediate contact will no doubt develop as technology moves on.

Question 3.2: Do you think local dialling should be closed on an area by area basis as required to increase number supply or across the whole of the UK at the same time? Why do you think this?

As already stated many people these days are not aware of local dialling because they are calling from a mobile. We would suggest that "Local Calling" should be withdrawn at some point in the next 24 – 48 months. As we move across to IP networks/calling we expect that many new platforms will not support it anyway which then makes it confusing for the consumer, so better to have a clear end date.

Question 3.3: Do you have any views on allowing telecoms providers to make individual decisions on whether to provide customers with the ability to dial local numbers from a landline without the area code?

If this question is aimed at the originating operator there does not seem to be an issue as a customer would perform the same action for all their local calls. If the decision was with the terminating operator then it would not appear to be a workable solution as the caller would have no knowledge of which TCP was handling the call and what their requirements were. We would suggest that there should be uniformity across platforms with regard to local calling otherwise you will end up with situations where consumers port their number, for example, and could use local dialling with old provider but not with the new provider which could led to them being discontented and feeling they have been misled.

Question 3.4: For telecoms providers, what are your thoughts on the ability to implement the closing of local dialling in all UK area codes simultaneously?

Ofcom may wish to consider a planned, simultaneous closure of all local dialling to coincide with the stop-sell of WLR as, from this point onwards, IP voice services will become increasingly common. Ofcom may wish to consider this in its overall management of the move to all IP. Another option could be to no longer mandate it for the service for platform owners after an agreed date with the assumption that once all routing is based on IP network the service is no longer available.

Question 3.5: For telecoms providers, what are your views on the technical feasibility of providing local dialling to customers when offering an IP-based voice service?

If IP providers report that this is technically difficult, then we would see no point in forcing them to provide it, particularly given that it may be a short-term product as numbers become scarce.

Question 3.6: What do you consider are the important factors about geographic numbers? For example, is it the information they provide about the caller/called party? Is it familiarity, trust or confidence in call cost?

Ofcom research shows that consumer awareness of the cost of number ranges is very low. Mobile numbers are recognised, as are 01 and 02, but ability to supply cost or location information is limited.

For older consumers there is probably a higher level of recognition of geographic numbers and location information, Millennials and younger are unlikely to know and therefore will not attach particular significance to a geographic number.

Question 3.7: What are your thoughts on retaining area codes in geographic numbers? Do you think location significance in geographic numbers has value and should be preserved? If so, why? How might your view change over time?

Putting aside any technical issues, we believe that both business and residential consumers will continue to attach importance to location information provided by geographic numbers for a long time. Calling a "local" business or tradesman will be seen as important, however, if customers were more aware of the fact that the dialling code may not actually represent the location of the business, they may move away from this viewpoint.

For younger customers and internet-based companies, we doubt that much significance is placed on geographic information in the number, so a move away from location-based codes would have less impact.

Question 4.1: What are your thoughts about 084 and 087 numbers? What are the benefits and/or disadvantages of contacting an organisation by calling an 084 or 087 number? Can you tell us of any experience you've had calling these numbers? Have you expressly chosen not to call a service that uses these numbers? If so, what led to that decision and how did you choose to make contact instead (if you did)?

Again, Ofcom's research has shown that there is a low understanding of cost, which is often overestimated, although it is actually the lowest it has been for years on 084 and 087 ranges. Campaigns such as "say no to 0870" did a lot to destroy trust in these ranges which can offer benefits such as better call handling facilities and a UK wide contact point.

Question 4.2: We are interested in hearing from people who use 084 or 087 numbers as a contact telephone number. If you use one of these types of numbers as a means of contacting your service, why did you choose to do so? What do you think about using these numbers in the future?

These numbers are used less and less today by commercial organisations due to the trust factor in callers using the numbers, so most commercial organisations will tend to use a Geographic number. Also, with the regulation brought in over the last few years including the prohibition on these numbers being used on aftercare lines for example, their use has eroded further. We see most commercial organisations either retaining their Geographic numbers or moving to 033 numbers in the medium term.

Question 4.3: For telecoms providers, we are interested in hearing from providers that offer services on 084 and 087 numbers to their customers. If you do, can you provide some examples of use cases? What benefits do you offer to organisations in using 084 and 087 numbers rather than other numbering options? For originating providers, do you have any customer experience of attitudes towards and views on calling 084 and 087 numbers that you can share?

FCS Members have provided the following feedback

"I feel the problem here is the awareness of the access charge. In my view the existing PRS conditions from the PSA are enough for consumers to know who they are calling and the cost of the call. The

hidden part is the access charge and if this was clearer there would be no shocks to the consumer. The consultation research also supported this view.

I do believe that there is a bad reputation with these numbers as they have been known to be used for dishonest purposes but I think the focus should be on those specific numbers rather than all of them including those who are actually trying to provide legitimate service.

I think removing 087 and 084 would not stop dishonest services at all as they would likely move to 09. Although there is a greater awareness that 09 numbers are expensive it would cause greater harm to the consumer. The same venerable customers would fall for it. We have already seen this with the ICSS change whereby 084 numbers were included in the conditions. When companies started to notice that they had to do the same amount of work to make 7p than £6 many of them changed to 09 and are being successful with it as 1 call now makes them up to 85% more money.

In terms of example uses, many of our customers use it so that they can provide a service which they wouldn't normally be able to afford, many of which benefit the consumer. A couple of examples of what our customers use these numbers for is to have the calls recorded or allowing the calls to be forwarded to mobile phones at no cost to them.

Overall, I think that there needs to be more focus on the root cause of problems rather than closing all services including those that are honest and legitimate as it will affect the services that they are able to provide. More focus stopping those who are using these numbers for illegitimate purposes and a greater clarification of the access charge."

"Although the revenue to be made in terms of margin is pretty small, the cost of diverted calls is also pretty small so the fact that revenue from a non-geo call can still fund a call divert, for example, is a really useful service still.   Another example is a conference call service where the revenue generated on the calls can fund the running of the service itself when any other type of billing method would be impracticable."

Question 4.4: Are there changes to 084 and 087 number ranges that you think Ofcom should consider proposing to address the concerns highlighted in the research summarised in paragraphs 4.17 to 4.26?

Ofcom's commentary points heavily to a desire to abolish 084 and 087 prefixes. The margin passed to the provider of the service is small but the comments above show that businesses can still find an opportunity to offer enhanced services using these prefixes.

Conclusion

We hope that these comments are helpful to Ofcom. We have included a high level view of how some of our members use non-geographic numbers, and would be happy to gather more in-depth comments if this would be useful and meet with Ofcom to discuss.