

Future of telephone numbers – First Consultation

Tel: 01635 579350
Fax: 0845 805 2300

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Future of Numbering Team
Ofcom
125 Princes Street
Edinburgh
EH2 4AD

Dear Sir/Madam,

Here is our response to the Ofcom consultation described above and we confirm that our response can be published in full.

Lexgreen Services Limited has been involved in the provision of personal numbers, geographic, non-geographic and premium rate number services for a number of years. We have in the past built up a significant business in providing discount international phone calls via premium rate and non-geographic numbers.

We respond to the questions as follows:

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?

I believe that the local dialling facility does have value, although with mobile phones now very heavily used, many people will use the entire number they need to call out of habit.

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?

I am not sure it should be closed on an area by area basis, as it would just get confusing. It would probably be simplest to either have it everywhere or close it everywhere, with perhaps an exception made for London if need be.

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?

I believe allowing individual providers to make decisions will just make it all confusing for the consumer.

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?

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?

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?

I believe geographic numbers provide familiarity and trust in the location of the person or organisation being called, and the cost of calling. For example, someone calling a geographic number for a local plumber who can be contacted on a geographic number implies that the plumber probably has a physical base or office locally and is not in fact a fly by night operator. This may not always be the case, but it can provide extra reassurance.

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?

I believe area codes for geographic numbers is important. Having an idea, or at least being able to look up where in the country the line you are calling is located can help in providing reassurance that the organisation you are calling is an established organisation in the area concerned. If location significance is not retained, then the whole point of geographic numbers becomes redundant. We might as well just all use 03 numbers or mobile numbers.

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)?

It is my view that 084 and 087 numbers can have their place. It is becoming more common for businesses, especially internet businesses to have their offices in a country different from the country that their customer could be in. In such cases, calling a UK non-geographic number routed to the international office, rather than calling an international number directly can be much more cost effective and much less troublesome. The cost of calling international numbers can vary widely, and can also be barred by default by some providers. I have selected a provider that offers an inclusive bundle to call 084 and 087 numbers for my use, but many of these tariffs are now no longer on sale or have been withdrawn from the market. If the rip-off excessive access charges could be eliminated, then non-geographic numbers would serve an entirely useful and cost effective purpose.

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?

We have used a non-geographic number to accept faxes on and also accept calls which are routed to mobile phones. There was a time when calling 0845 numbers for example was much cheaper than calling a mobile phone (outside of a call bundle). This provided customers with a cheaper way of contacting mobile phones in our organisation. This would in fact still be the case for many callers, if the excessive access charges were removed. We would have no hesitation in using them in future if the access charge costs could be significantly reduced. If not, we may just no longer provide access to numbers and get customers to use online chat and email services. If Ofcom fails to deal with the rip-off access charges, it could well result in many telephone services no longer existing and contact moving to chat services. This would be a bad move, as many people still prefer to actually speak to someone.

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?

The current situation has made many services in the marketplace unviable to use. As an example, as a business we operated quite successfully for many years, call-through calling services to international destinations. It was possible from BT landlines in particular to call 10p per minute 0871 numbers at 10p per minute. The pricing was known and predictable. At that time, many mobile networks charged 20 or 25p per minute to call the 10p per minute 0871 numbers, which was for the purposes of the service still just about palatable. However we now have the situation where the access charge alone from BT landlines is 15p per minute and up to around 50p per minute from many mobile phones. Calling a 10p per minute number which ends up costing the consumer 25p to 60p per minute is not a viable proposition. This has led to our call-through services experiencing about a 98% reduction in usage. The issues discussed above have in essence caused almost all consumers to simply avoid calling non-geographic 084, 087 and 09 numbers. Ofcom needs to take action to resolve the issues and make the cost of calling these numbers much more predictable and certain.

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?

Yes, Absolutely. Firstly we can analyse some of the concerns highlighted by the research summarised in the abovementioned paragraphs. We can then move on to changes that could be made to address most of the concerns highlighted.

4.17 Our research found a general poor awareness, confusion and uncertainty regarding non-geographic numbers.

This is totally predictable and understandable. Most fixed line and mobile networks in the UK have been charging their customers excessive and opaque charges for calling non-geographic numbers for many years, with Ofcom providing them with support every step of the way. Ofcom's most recent move with the introduction of "unbundled charges" has brought this to new heights. Very few consumers will know what the level of access charge is that their network will charge them. Most networks have changed their access charge more frequently than most people buy a mobile phone. It has been a complete shambles. As part of the introduction of the "unbundled charging" Ofcom promised a consultation around 12 months after the implementation of the system to determine how effective it has been. This promised consultation has never materialised, no doubt because it would expose Ofcom's policy as having been a complete abject failure. This was predicted by most in the industry. The access charge should have been capped at a sensible rate and should be included in bundled minute allowance. Even Ofcom acknowledged that this could be an issue, hence on page 77 of their document "Simplifying non-geographic numbers – final statement" it was stated that there may need to be consideration to including the access charges in inclusive bundles. It is totally unacceptable that many networks will charge a 55p or similar per minute access charge for numbers which in reality are often only cost around 5p to 10p per minute. It is utterly outrageous and Ofcom have presided over allowing this to happen, without any apparent concern for the consumer. It appears to have allowed this situation to fester, and failed to take any action with the ulterior motive to destroy trust in the non-geographic numbering system to then propose their abolition, just as it now appears to be doing. This pre-meditated destruction of part of the UK telecoms industry has destroyed many services and harmed the consumer.

Service providers have provided details of their service charges, but can still only refer their customers to the cost of access charges levied by the networks they use. The access charges themselves are not clear, are subject to change and confusing to consumers. Just the term access charge can seem confusing as it can imply a one-off charge, when invariably it is a per minute charge. Even in the case of a non-geographic number which is charged on a per call basis, the access charge will be charged on a per minute basis.

It is therefore totally expected and not a surprise that consumers have very little trust in non-geographic numbers.

One thing that really sticks out like a sore thumb in the Ofcom consultation document is paragraph 4.34. It states "The results of our Future of Numbering research have provided a strong indication that consumers have concerns about the use of 084 and 087 numbers. Consumer confusion over call costs would appear to persist, despite the introduction of the unbundled tariff. There were also issues expressed around the use of numbers as micropayment mechanisms for contacting certain services. These concerns can lead to a general lack of trust in numbers, and ultimately reduced confidence in telephone services."

This is almost laughable. To say that consumer confusion over call costs would appear to persist, despite the introduction of the unbundled tariff just highlights complete delusion at Ofcom. What else did Ofcom expect? It has allowed the main networks to basically charge astronomically high access charges, without any risk of sanction or penalty.

4.18 Compared to 08 chargeable numbers, 03 and 080 prefixes seemed familiar to many, particularly to older participants, but there was much uncertainty regarding the cost of 03, and considerable confusion relating to the cost of different 08 number ranges.

This comes as no surprise, as the overall cost a consumer has to pay for calling a 08 number is very hard for most to work out. To know for sure a consumer has to check the correct cost of the access charge on their tariff, and then ensure that this is actually an up-to date charge (as networks have changed charges frequently). Finding this information can be a challenge with most providers. The information is often buried in a confusing plethora of different pages.

4.19 Some participants singled out 084, 087 and 09 as 'premium' and tended to assume that these numbers were costlier than the actual maximum rates allowable. Awareness and understanding of Access Charges and Service Charges were particularly poor.

Awareness and understanding of Access and Service charges are poor because most networks have been using the access charge as a tool for extracting excessive charges from consumers. The large mobile and landline networks in particular have adopted this approach and Ofcom have let them get away with it. These networks have no desire to inform their customers in an easy manner as it has been a lucrative source of revenue.

4.20 The sight of 080 and 03 in an advertised context changed views of these prefixes to a considerable degree. The use of these numbers by high profile brands and organisations increased trust and the belief that they were either free or very low in cost. Uncertainty remained as to whether 03 was free or not. The lack of tariff information for 03 did not help to confirm that 03 was free or charged at a standard rate.

The fact that this situation has arisen just reinforces what is stated in the previous answer. The large mobile and landline networks like confusion. T causes more consumers to make calls with tariffs which end up being very expensive.

4.21 Sight of 084 and 087 in an advertised context worked much less to engender trust. Once understood (from accompanying tariff information) that these numbers were chargeable, distrust and resentment were widespread. Consumers were concerned that they were unable to determine the costs of such calls. This is based on not understanding their own phone company's Access Charges and an expectation that they could not control the length of the call.

Resentment is indeed widespread, as the access charge levied by most providers is itself far higher than the service charge for almost all 084 and 087 numbers. This resentment is not just experienced by consumers, but also by telecoms providers trying their best to provide useful services on 084 and 087 numbers. It is totally unacceptable that many consumers are charged 55p per minute as an access charge to call a 5p per minute 084 numbers. There can be no defence of this situation, except for large networks ripping-off their customers. It is as simple as that.

4.22 There were differences in views on 084 and 087 numbers between age groups: • younger consumers tended to be more accepting of these numbers, feeling able to avoid them by transacting online • older consumers were less accepting, feeling they may have an unavoidable need to use 084/087 numbers. Typically, this was driven by a reluctance or low confidence in their ability to transact online and continued wish to have the choice to engage by phone.

4.23 A few in the sample expressed stronger views, that companies were seeking to 'make money' from people who either weren't aware of the costs up front or had no choice in having to make the call. Also, some younger participants expressed concerns that older and potentially vulnerable people may be caught out by call costs to 084 and 087 numbers.

4.24 One of the main reasons for mistrust and uncertainty regarding 084 and 087 numbers, particularly amongst older consumers, was low awareness of telecom providers' Access Charges. Many were surprised that the Access Charge applies on a per-minute basis and instead tended to assume that 'access' means a one-off connection fee.

The entire access charge debacle is the fault of Ofcom. There was never any need to introduce such a confusing system, nor any demand for it by anyone. It was simply an ideological experiment implemented on the whim of Ofcom with no serious consideration given to how it would be misused by large telecoms networks. It has now demonstrated itself has having completely failed in its objectives. It now costs more to call every chargeable non-geographic number than before the system was introduced. There has been absolutely no financial or indeed any other benefit to any consumer whatsoever.

A much better solution would have been to mandate that all non-geographic numbers had to be charged to all consumers at the charge band set for them. The cost of transit could have been a small share determined by Ofcom in a similar fashion that implemented for 0800 numbers. This would have provided clear certainty to consumers.

4.25 Micro-businesses generally found the idea of using a 084, 087 or 09 number for their business as less relevant and appealing than geographic numbers. For most micro-business owners and other business users, the drawbacks tended to outweigh the benefits, leading to rejection. Many in the sample relied on local custom and considered a geographic number to be essential. The few who did not, said that they saw non-geographic numbers as 'anonymous' and 'impersonal' (implying lengthy call queuing, scripted responses from call handlers and with a base outside of the UK). The perceived drawbacks of 084, 087 and 09 numbers related mainly to the chargeable element. Micro-business owners considered that the cost would be off-putting to customers.

This comes as no surprise as there is no one answer that can be provided to any consumer as to what their overall cost of calling 084, 087 and 09 numbers will be. As soon as it becomes a requirement to add pricing information together for multiple sources, with the access charge often in a state of flux, it is almost impossible to know the answer without undertaking significant research.

4.26 Participants' views of 09 numbers stood apart from 084 and 087, with widespread acceptance, particularly for high profile broadcast phone voting competitions. This is mainly because tariff information, along with ready to access terms and conditions, were perceived to be clearly stated leading to transparency and trust. 09 numbers provided an easy, convenient option to participate in TV voting for those who might not make use of free-voting and competition-entry via an app or online. Whether consumers use these numbers or not, they felt that they can make an informed choice

It is my belief that the only reason there is more perceived trust with 09 numbers used for TV voting is because consumers would be more willing to believe what they see stated by a large well known TV channel than anyone else. This is mainly perception. The fact is that the excessive costs of access charges apply equally to all 09, 084 and 087 numbers. The reality is that any consumer who does not know the cost of the access charge they will need to pay, will need to find out before they can work out what a call will cost them!

Changes that we would propose to address most of these concerns.

It is not too late to rescue the situation, as has been proven with the actions taken to resolve similar problems which used to exist with calling 0800 freephone numbers. These were often not free, because telecoms networks, in particular mobile networks would charge their customers excessive amounts for calling the numbers, despite them supposedly being free to call.

It is now time to take similar action with consumers being ripped off for calling 084, 087 and 09 numbers, and indeed 118 numbers. The current-free-for-all of telecoms providers competing with one another to see who can have the highest access charge must be brought to an end. There are really only two possibilities for doing this.

Firstly Ofcom could scrap the access charge and force providers to simply charge their customers the defined service charge, with the networks receiving a small regulated payment for carrying the call just as they do for carrying 0800 freephone calls.

If for some reason Ofcom still cannot bring themselves to admit that they have been wrong with the introduction of a split "unbundled" charge, then the very minimum should be the introduction of the access charge being charged in exactly the same manner as 03 numbers. This would mean that the access charge cannot exceed the cost of calling a geographic number, and it must come out of any inclusive bundles that the consumer has on their account that covers the cost of calling geographic numbers.

The first suggestion would be best as it would provide a level playing field for all consumers no matter if they are calling from a landline, a contract mobile phone or a pay as you go mobile phone. The second suggestion would provide far more certainty for consumers with bundled minutes, but would still expose consumers without call bundles to potentially excessive charges.

If Ofcom is to retain any credibility, it needs to adopt one of these approaches to address the plethora of issues that currently exist with non-geographic numbers.

Rather than even considering the abolition of 084 and 087 non-geographic numbers, Ofcom needs to get a grip, acknowledge its previous errors in the decisions it has made and correct the problems. With 070 personal numbers having had their termination costs cut to almost nothing starting in October, there is even more pressure building to have a sensible non-geographic numbering system with predictable and transparent pricing for the consumer. Just like when Ofcom ruled that 03 numbers should not be used for self-funding call-through services, and they should instead be operated on 03 numbers, Ofcom has constantly tried to get services off other number ranges, whilst failing completely to provide a transparent and simple pricing system with robust enforcement for non-geographic numbers. It would appear that Ofcom have had more concern for allowing the large networks in the UK to have mechanisms to rip off their customers than they have for ensuring that non-geographic numbering services can operate in a fair manner for consumers and service providers alike.

Yours sincerely

Mikael Armstrong
Director

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