

## Cover sheet for response to an Ofcom consultation

### BASIC DETAILS

**Consultation title:** Review of the 070 personal numbering range

**To (Ofcom contact):** Lester Mak

**Name of respondent:** Aileen Boyd

**Representing (self or organisation/s):** Scottish and Southern Energy plc

**Address (if not received by email):**

### CONFIDENTIALITY

**What do you want Ofcom to keep confidential?**

Nothing	<b>Yes</b>	Name/address/contact Details/job title	No
Whole response	No	Organisation	No
Part of the response	No	If there is no separate annex, which parts?	

Note that Ofcom may still refer to the contents of responses in general terms, without disclosing specific information that is confidential. Ofcom also reserves its powers to disclose any information it receives where this is required to carry out its functions. Ofcom will exercise due regard to the confidentiality of information supplied.

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Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name Aileen Boyd

Signed (if hard copy)

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Dear Lester

### **Review of the 070 personal numbering range**

I am writing to provide SSE's comments on the above consultation. As you may know, SSE is a supplier of retail fixed-line telephony services, based on use of the wholesale products available such as wholesale line rental.

Our comments on the specific consultation questions are set out in an appendix to this letter. Our main concern with what is proposed is the additional, prescriptive regulation on how information on 070 numbers is to be provided to end customers. We do not believe that all the detailed measures (which follow the developing set of requirements for NTS and 0870 numbers) are justified by the scope and scale of the customer detriment on 070 shown by Ofcom's research. A more general, high-level obligation on information provision by suppliers may be helpful to customers and we set out the sort of wording we believe would achieve this with minimal regulatory burden.

More generally, we would like to suggest that Ofcom reviews the range of specific pricing information requirements it has imposed (or proposes to impose) for different types of telephone number with a view to re-casting these into high-level requirements, potentially with associated non-mandatory guidance on best practice in pricing information publication. We understand that this approach is being developed in Ofcom's Consumer Policy team with respect to measures to protect customers against mis-selling. It would also be consistent with Ofcom's project to review and simplify all General Conditions, as well as its regulatory principle to always seek the least intrusive regulatory method of achieving its policy objectives.

I hope these comments are of interest and we would be happy to discuss them further if that would be useful.

Yours sincerely

Aileen Boyd  
Regulation Manager

## Consultation Questions

*Question 1: Do you agree with our analysis of consumer detriment on the 070 number range?*

**We agree that from the analysis presented by Ofcom, there appears to be a customer detriment but that this seems relatively small, reflecting the small size of the 070 market.**

*Question 2: Do you agree that the costs outweigh the benefits in relation to closing the 070 number range and migrating users to an alternative range?*

**We welcome Ofcom's thorough analysis of the likely costs to communications providers and end users of closing the 070 range and requiring users to migrate to other number ranges. We agree that the overall costs appear to far outweigh the benefits.**

*Question 3: Do you agree that Ofcom should keep the 070 range open and monitor the market in light of enforcement action by PhonepayPlus?*

**Both customers and providers of 070 services are likely to benefit from the enforcement action carried out by PhonePayPlus and the further proactive, informal action that Ofcom describes. We expect that publicity about this enforcement work and its outcomes would be likely to reduce the instances of scamming and increase customers' awareness of the types of scam that might still exist so that they can be on their guard. As there still appears to be a demand for 070 numbers and enforcement activity is underway on scams involving these numbers, we agree that Ofcom should keep the range open and continue to monitor the market and the effects of the enforcement activity in reducing customer detriment.**

*Question 4: Do you agree that Ofcom should require OCPs to give greater prominence to the cost of calling 070 numbers in published price lists and promotional material?*

**No. We disagree with the way in which Ofcom proposes to impose this requirement on "originating communication providers" (OCPs). This term is often used to refer to the company on whose network a customer originates a call. However, we expect that, in this context, it is meant to refer to a "supplier" i.e. the company who has a contract with an end user to provide a retail telephone service. We believe that "supplier" is a clearer term in this context, as it includes companies that provide networks and retail services as well as those who only provide retail services in the telephony market, such as ourselves.**

**For suppliers, there has been an increasing volume of detailed and prescriptive regulatory requirements affecting the material they produce for customers over the last few years. We have argued against each proposed new instance of this type of requirement and advocated the alternative approach of Ofcom setting out a high-level obligation on the policy outcome it wishes to achieve, leaving suppliers with appropriate commercial freedom to decide how they will seek to achieve that outcome in practice. The proposal for achieving a greater customer awareness of the costs of calling 070 numbers by additional detailed requirements in General Condition 14 (GC14) is another example of this type of requirement and we set out below similar points to those made in our response to Ofcom's May 2008 consultation, where similar amendments were proposed to GC14 to achieve greater customer awareness of the costs of calling 0870 numbers.**

Our specific points and counter-proposals are as follows:

- We do not object to a high-level obligation for suppliers to have information readily available in published price lists on the prices of 070 calls.
- We suggest that a reasonable manner in which to frame the obligation is not to make amendments to GC14 and the detailed code of practice set out at Annex 2 of that Condition but to have wording in GC 10 on Publication of Information (or a new GC that deals specifically with pricing information) along the following lines:

*”A supplier shall take reasonable steps to ensure that its pricing information [required to be published under GC10.2(d)(ii)] sets out information on charges for calls to Personal Numbers in a clear and transparent manner.”*

- We do not believe that Ofcom is justified in replicating all the detailed requirements of Annex 2 to GC14, particularly when no evidence has been presented that fixed-line customers are confused about whether 070 calls are included in their packages. Even for users of mobile telephony services, where numbers are more similar to 070 numbers, Ofcom concludes (paragraph 3.24) that “only 16% of consumers confused 070 numbers with mobile numbers. On balance, and based on the consumer research available, it is difficult to conclude that there is significant confusion between 070 and mobile numbers.”
- Ofcom has concluded that a proportionate regulatory response to the overall customer detriment on 070 it has found is not to close the number range but to monitor the effects of the enforcement work underway. We agree with this and, in line with this approach, suggest that it would be similarly proportionate for Ofcom to make the small change to the overall high-level obligations on price transparency that we have suggested and to monitor through its research programme, after a suitable interval, whether customers are clearer on the costs of calls to these numbers.
- We are particularly concerned about the proposed amendments to section 4 of Annex 2 to GC14. These amendments contain various requirements for information on 070 calls to be provided in advertising and promotional material, to new customers and wherever call package prices are stated. Except for paragraph 4.3, these requirements already exist for NTS numbers. Ofcom has consulted separately about extending and applying these requirements for NTS numbers to 0870 numbers and is now also consulting on applying them to 070 numbers. As noted above, there is no evidence to justify Ofcom applying all existing requirements for NTS numbers to 070 numbers, still less extending those obligations to a new paragraph 4.3, which has only been proposed in the 0870 consultation.

The practical effect of this growing list of publication requirements is that the list of notes which are needed to accompany a supplier’s promotional and other advertising material that mentions pricing is growing in length – potentially lessening the impact of the overall pricing messages. We believe that this is getting to the stage where the information provided risks becoming confusing to customers, thus undermining the benefit intended from each of the measures in isolation and potentially also the competitive pressures in the market. On the latter point, it is worth noting that these

**detailed requirements on pricing publication can bear more heavily on smaller suppliers such as new entrants.**

**Paragraph 4.43 of the consultation considers the cost to suppliers of making changes to promotional material and codes of practice. We consider that the cost of making the required changes to codes of practice is likely to exceed £1000. Furthermore, it is our view that making specific, detailed regulatory changes to promotional material will cost more than the occasional updates made to this material in the normal course of events, although it is difficult to assess exactly how much more this would cost.**

**In conclusion, we believe it would be helpful for Ofcom to consider its overall policy on the pricing of specific types of number in the context of the review of General Conditions, which is still in progress. From discussions we have had with Ofcom staff in the Consumer Policy area, we understood that one of the aims of this wider review is to simplify GCs and, where possible, to re-cast the more prescriptive requirements on suppliers (such as the detailed codes of practice in GC14) into the combination of a more general set of high-level obligations coupled with associated non-mandatory guidelines on the detailed aspects. The March 2008 consultation<sup>1</sup> about a new GC on the sales and marketing of mobile services uses this format, for example. We would very much welcome such a shift in the level of detail prescribed in the regulatory framework and believe that the obligations on the publication of prices could readily be simplified and made less burdensome in exactly this manner.**

*Question 5: Do you agree that Ofcom should amend its guidance to ensure that PNS providers carry out appropriate due diligence of sub-allocatees of personal numbers?*  
**We would support Ofcom in making any relevant changes to the existing guidance to those who sub-allocate 070 numbers to other users. However, we cannot comment on how reasonable or costly the proposed additional measures would be.**

*Question 6: Do you agree that Ofcom should not bar the presentation of 070 CLI? Please provide evidence to support your response*  
**We do not have any evidence of the costs of barring presentation of 070 CLI numbers. However, we support Ofcom in recognising where a possible technical solution to an issue would be disproportionately expensive to implement, might not solve the identified problem and might have unintended consequences affecting legitimate use of 070 CLIs. On the evidence presented, it does not appear justified to bar presentation of 070 CLIs.**

*Question 7: Should services provided by, for example, Hospedia, Premier Telesolutions and Trader Media be provided on an alternative number range to 070? Please provide any evidence to support your views.*  
**No comment.**

*Question 8: Do you agree that Ofcom should withdraw formally the requirement for pre-call announcements on 070 Personal Numbers?*  
**Yes.**

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<sup>1</sup> "Protecting consumers from mis-selling of mobile telecommunications services - a consultation on options to prevent problems with mis-selling and cashback issues in the mobile retail market" published 18 March 2008