



Latest Ofcom position and FAQs, October 2006

1. What sort of services do NTS numbers support?

Number Translation Services (NTS) numbers are used by organisations and individuals to provide access to a very wide range of services from pay-as-you-go dial-up internet access to financial services, road traffic advice and tele-voting on TV programmes.

Freephone numbers (0800, 0808 and 0500) are principally used to access private sector voice services such as sales lines and helplines; and telephony services provided by two stage indirect access service providers.

Chargeable 08 numbers are used extensively to access pay-as-you-go dial-up internet services (predominantly using 0845 numbers), and also support a wide range of other services, including pre- and post-sales enquiry lines, public sector services, transaction services and information services. 0870 is one example of an NTS number range.

2. What changes has Ofcom decided to make on 0870 numbers?

On 19 April 2006 Ofcom confirmed measures to improve price transparency and strengthen consumer protection for calls to 0870 numbers. These changes are part of Ofcom's final statement following its review of all chargeable 08 number ranges (known as Number Translation Services or NTS).

Ofcom's approach is broadly in line with the proposals it published for public consultation in September 2005. Many of the 1,300 responses to this consultation highlighted the case for changes to 0870 and increased consumer protection.

See full details at http://www.ofcom.org.uk/media/news/2006/04/nr_20060419.

3. How is Ofcom approach different from the proposals published in September 2005?

Ofcom has decided to implement the measures broadly as proposed in the consultation *Number Translation Services: A Way Forward* published on 28 September 2005. However, based on the consultation responses there are two changes:

- Ofcom has decided to extend the notice period before the changes to 0870 numbers are implemented from 12 months to 18 months. This notice period will start when the conclusions of Ofcom's Numbering Review are published (currently scheduled for July 2006); and
- Ofcom originally proposed to make temporary change to the definitions of the 0845 and 0870 ranges to stabilise prices during the interim period. Ofcom has decided not to implement these changes following responses to the consultation.

4. How much will 0870 calls cost when the changes have been implemented?

As proposed in September 2005, Ofcom will require mobile and fixed-line providers (including payphones) to charge the same or less for 0870 calls as they do for national-rate calls to geographic numbers (starting 01 or 02). If providers wish to charge more for 0870 calls they will have to make a free-to-caller price pre-announcement at the start of the call.

This change is likely to significantly reduce the price of many calls to 0870 numbers. It will also mean that 0870 calls will generally be included in call packages. Currently daytime 0870 calls usually cost around 8 pence per minute from fixed-lines. Typical fixed-line call packages offer calls to geographic numbers at 3 pence per minute or less.

The requirement to charge no more than the rate for geographic calls will also extend to all-calls packages and bundled-minutes. So for example, if you have subscribed to a package that allows you to make national calls to geographic numbers at no charge then 0870 calls must also be free of charge. Similarly if your subscription has a call allowance that includes national calls to geographic numbers then you will also be able to use the allowance to make 0870 calls.

5. Will Ofcom's new approach mean an end to revenue sharing on 0870 numbers?

Yes. In September 2005 Ofcom proposed changes to NTS call regulation which would effectively combine with lower call charges to end revenue sharing on 0870. Ofcom has decided to implement these proposals. Ofcom will remove the regulatory support for revenue sharing by removing the 0870 range from the scope of the BT NTS Call Origination Condition.

6. Why have you decided to extend the interim period before the changes to 0870 calls are implemented? Why not make the changes immediately?

Various factors have informed Ofcom's decision on timing of implementation:

- This is a major change for service providers and the communications providers that supply them and both groups will need time to prepare for the changes. Those service providers that choose to migrate to new numbers will need time to make preparations and to inform their customers of the new numbers.
- The interim period is also intended to minimise the costs incurred by services providers by giving them time to update their NTS numbers in stationery, catalogues, telephone directories and promotional materials as part of the normal cycle. Based on consultation responses from service providers Ofcom now believes that a longer period is required to avoid some service providers having to update stationery and promotional materials specially rather than as part of the normal business cycle.
- A large number of commercial agreements between service providers, communications providers and resellers concerning the delivery of 0870 services will also have to be renegotiated. Ofcom has therefore decided to extend the interim period from 12 to 18 months. Since there is a real possibility that the costs of changing numbers may be passed on to customers, minimising the costs would benefit consumers.
- Service providers that decide to move to new numbers because of changes to 0870 numbers will need to see the outcome of Ofcom's Numbering Review before they can decide where they should move to and start updating their telephone numbers in stationery and directory entries etc. The Numbering Review considers both Ofcom's policy for all telephone numbers (not just 08 numbers) and how Ofcom should manage future demand for numbers in the 08 range. Ofcom is currently consulting on its proposals and hopes to be publish a final policy statement in summer 2006.

7. Organisations that use 0870 numbers will have the option to charge more than the geographic rate for calls if they pre-announce the call price. How will this work in practice?

Ofcom anticipates that most communications providers would wish to offer competitive prices for 0870 calls and would therefore choose to charge at the same rate as for ordinary geographic calls.

However, they would be allowed to charge more on condition that they inform their customers before each call. Customers dialling 0870 numbers that are priced above the national rate for calls to geographic numbers would hear a short pre-recorded message before they are connected to the service. The message would spell out exactly how much the call would cost and callers would not be charged for listening to the message.

8. When the changes to 0870 numbers are implemented, how will 0870 differ from the new 03 number range proposed in Ofcom's Numbering Review? Why would organisations choose to use 03 instead?

The 0870 and 03 ranges will be very similar after the changes to 0870 are implemented. Both will have tariffs linked to geographic rates and neither will support revenue sharing in practice.

The changes to 0870 are designed to repair the linkage to geographic tariffs that is currently broken whilst allowing service providers to retain their existing numbers if they wish.

Ofcom has proposed to introduce the 03 range to accommodate future growth for services that do not require revenue sharing since the 0870 range is filling up and will eventually run out of spare capacity.

Ofcom's hopes that in time the new range will become trusted by consumers as covering clearly-understood services and price ranges. Some organisations currently using 0870 numbers may find the 03 brand attractive and decide to move their services to 03 numbers.

9. What is Ofcom's view on the use of NTS numbers by public and essential services?

Ofcom believes that public bodies should consider very carefully whether it is appropriate to use 08 numbers in place of Freephone or ordinary geographic numbers.

Ofcom does not consider that it has sufficient legal grounds to prevent public bodies from using NTS numbers. However, Ofcom recommends that public bodies should avoid using 0870 numbers for contact with members of the public.

Ofcom also believes it is inappropriate for public bodies to use any 08 number exclusively (i.e. without also providing a geographic alternative number) when dealing with people on low incomes or vulnerable groups.

Ofcom has provided advice to the Central Office of Information (which advises Government Departments on how to publicise their services) and will continue to provide this support. COI guidance now advises that 0870 numbers should not be used for consumer contact centres.

Ofcom would like to see a greater level of compliance with the COI's published guidelines on the use of NTS numbers, given the level of public disquiet over this issue, and will support the Government in achieving this objective.

Ofcom is also consulting separately (in the Numbering Review) on a proposal to introduce a new number range (the 03 range) for service providers who would like to use a non-geographic number but which do not require a revenue share. Ofcom believes this new range on which revenue sharing would be banned, would if introduced be well suited to meeting the requirements of public bodies currently using 084 and 087 numbers.

10. What is Ofcom doing to improve consumer information available from telephone providers?

The extension of Premium Rate Services regulations to the 0871 range will extend ICSTIS regulations to include 0871. ICSTIS will consult separately on specific proposals to improve price transparency and consumer protection on 0871 calls. This is likely to result in a requirement for all published advertisements to show information on the price of the 0871 calls for example.

Ofcom has also implemented a series of modifications to General Condition 14 on Codes of Practice. One of these is the requirement for all originating communications providers (i.e. the provider that originates a call), including mobiles, to give equal prominence in their price lists and on websites to NTS and geographic call prices.

Ofcom will continue to provide support to the Advertising Standards Authority/Committee of Advertising Practice ('ASA/ CAP') to ensure appropriate guidance on how 08 numbers and other NTS numbers should be advertised. The guidance requires that adverts should provide consumers with pricing information for calls to NTS numbers, and that adverts should not refer to 084 or 087 numbers as being charged at the "national" or "local" call rates.