

Serafino Abate
Floor 4
Competition Group
Ofcom
Riverside House
2A Southwark Bridge Road
London
SE1 9HA

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Dear Serafino

Review of non geographic calls services

This response has been prepared on behalf of relevant member groups within the Federation of Communication Services, including our Numbering, VoIP and Fixed Service Provider groups, representing more than 150 service providers and resellers providing inbound call solutions, hosted VoIP and other fixed telephony services. A list of our members can be found on the FCS website - www.fcs.org.uk

We welcome the opportunity to respond this call for inputs and support Ofcom's proposed approach to the review. A holistic and coherent approach is now required to this area of regulation and we believe that Ofcom is correct to include all the specified non-geographic ranges (03, 070, 08, 09, and 118) in its review and to consider the issues that affect all the stakeholders in the value chain. Specifically, we would suggest that the thousands of businesses using inbound numbers to provide services are also consumers whose interests must be considered as such.

The creation of the number ranges now under review has enabled CPs and others to deliver innovative and valuable services which benefit the consumer and which should not be lost. At a high level, these benefits include facilitating flexible working such as for home workers, providing affordable access to sophisticated call handling functionality for small businesses and convenient ways for consumers to access specialist support and make micropayments.

However, the FCS members who operate in this sector need stable and certain regulation to provide an environment which is conducive to investment in developing such services.

Each of the specified number ranges has a distinct purpose and target markets. This was well defined in the Numbering Plan which was set out in Ofcom's 2006 numbering review "Telephone Numbering – safeguarding the future of numbers". However, subsequent regulation has not supported this approach. Specifically interventions in 0870 and 0871 have blurred the definitions set out in the Numbering Plan – 0870 is now subject to a geographic call rate regime and 0871 has effectively become a premium rate number. Although in our view 0871 does not have the characteristics of PRS.

As a consequence, there has been wide scale migration away from these ranges by businesses which use them to provide services but some originating providers, especially mobile operators, continue to charge at the higher rates which triggered the original perceived problem with these ranges. There has also been a related move by businesses to the use of geographic numbers for inbound and marketing services with a consequent unwelcome pressure on the availability of these ranges.

We believe Ofcom now needs to carry out a full evaluation of the impact of its 0870 and 0871 interventions as part of this review and to assess their effectiveness in meeting the objectives which were set by Ofcom at the time before proposing new remedies. The new coalition government has stated specifically that there should be sunset clauses on regulation which should be regularly reviewed.

The main problem associated with non-geographic numbers generally is and remains overcharging by some originating CPs, particularly the mobile operators, which creates a negative perception of the ranges themselves and general confusion among consumers.

In this respect, the market does not work consistently well for consumers, who consequently receive very variable value for money when accessing these services.

The main solution to the problem is effective call price transparency, the ability of the consumer to know how much they will be charged for making a call to a particular number and to be able to make an informed purchasing decision. Call price labeling (a facility enabling the consumer to check the price prior to making a call) and/or price capping could be ways to achieve this.

The need for enforcement of regulation once implemented is also a major factor in making any new rules effective. For example, FCS members have highlighted many examples of 0871 numbers which still do not carry the required pricing information and this significantly dilutes the impact of the new regime and brings into question its value..

We believe that Ofcom should also give careful thought to an appropriate timescale for implementation. Some "quick win" measures could be implemented relatively quickly (price capping appears to be fairly straightforward to implement from an originating provider perspective) whereas measures which may require more fundamental changes to industry processes or business models may need as long as two years to avoid causing unnecessary damage to businesses.

We trust that this brief, high level summary of the issues is a useful complement to the more detailed submissions of CPs who are active in the market. FCS would be particularly keen to meet again with the Ofcom project team to discuss these issues prior to development of specific consultation proposals.

Yours sincerely

A handwritten signature in blue ink that reads "Michael Eagle". The signature is written in a cursive, flowing style.

Michael Eagle
General Manager