

Non-Geographic Phone Numbers

Expert knowledge means success

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Note: This publication has not been updated since it was last published. Some of the hyperlinks may have changed and may need updating. In addition, some of the information in this publication may be out of date.

Introduction

Non-geographic telephone numbers can be an effective marketing tool for generating additional sales leads, increasing revenues and developing customer bases. They can give your business a national image while routing calls to the most suitable configurable destination number for your business.

British Telecom introduced Freephone (0800) numbers into the UK in 1985 and they are now widely recognised as a powerful marketing tool that provides a measurable competitive edge. Since the deregulation of the telecom's industry, other operators have been able to offer non-geographic numbers to businesses, resulting in a broad range of competitively priced and flexible offerings.

Research has shown that using Freephone or local-call rate non-geographic numbers can significantly increase the response to an advertising campaign. In addition, call logging software can collect the call data which can be analysed within the different categories of numbers and fed into your marketing strategy. This can be used to help cross-sell new products to an existing customer base, identify market trends and plan staffing levels for future campaigns.

There are a variety of categories of non-geographic numbers each with their own charges, revenues and benefits, so there's bound to be one that suits your marketing plan. The UK is currently the largest Freephone market in Europe, so if you don't have a Freephone number check whether your competitors do. At best, you can be the first in your sector to encourage customer calls in this way, at worst you could already be losing business.

At the other end of the scale are premium rate numbers which can generate significant revenue from incoming calls and are best suited for services that customers are prepared to pay for. The premium rate industry is worth £2 billion in the UK alone.

In between, there is a variety of non-geographic numbers that charge local rates, national rates, subsidise mobile phone calls,

subsidise international calls, divert your calls to a configurable number or give your business the appearance of being local to a particular area.

Examples of Non-Geographic Phone Numbers

- 0800 (or Freephone) calls, which cost you nothing;
- 0820 numbers, which schools use to connect to the internet;
- 0845 calls, charged at BT's standard local retail price for BT customers (assuming no other package deals or discounts apply);
- 0870 calls, charged at BT's standard national retail price for BT customers (again, assuming no other deals apply);
- 0844 calls, which cost up to 5p a minute, or 5p a call, for BT customer;
- 0871 calls, which cost up to 10p a minute, or 10p a call, for BT customers; and
- 09XX calls, which are charged at premium rates and usually cost more than 10p a minute (or 10p a call).

If you're dialling 0845 or 0870, and you are a BT customer you know the price as each number has its own fixed cost.

However, there is a range of prices for calls to 0844 and 0871 numbers, up to a maximum of 5p and 10p a minute, or 5p and 10p a call. It can therefore be difficult for a consumer to pre-calculate how much they will be charged.

The most expensive non-geographic calls are to premium-rate 09 numbers. They can cost up to £1.50 a minute from the BT network, and include TV vote lines, competitions, adult services, chat lines, mobile phone ring-tone downloads and interactive TV games.

NOTE: These prices only apply to BT customers. If you use your mobile phone, to make a non-geographic call, you will be charged at whatever rate the mobile phone provider has set. They must, of course, publish their price list so you know what you're paying but, when it comes to non-geographic calls, that information isn't always easy to find.

There are also practical benefits to be gained from non-geographic numbers. If a business is growing, its business location will change over time as the business expands. When it moves it will simply need to change the underlying destination numbers, rather than reprint all its literature, and accept the inevitable disruption of a change in telephone numbers. Sole traders or individual business owners that are based from a home office can advertise a non-geographic number rather than their personal home phone number.

BT call package customers benefit from free calls to 0845 and 0870 numbers

From 16 January 2009, 14 million customers with any of BT's call packages will benefit from free calls to numbers starting with 0870 and 0845 during the 'free call' period provided with their call package.

Previously, BT subscribers paid up to 5.8p a minute for 0870 numbers and up to 1.96p a minute for 0845 numbers, plus a 7p set up charge.

0845 and 0870 numbers generate profits for the banks, utility firms and other organisations that use them, with 40%-60% of the call fee going to the organisation answering the phone.

However, BT customers will still be charged for calls to the even more expensive 0871 and 0844 numbers, where fees can exceed 10p a minute.

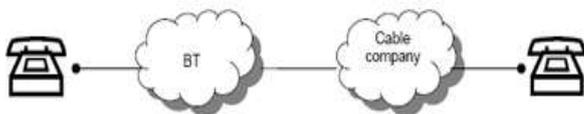
How do Non-Geographic Numbers work?

Geographic Calls¹

These are calls using geographic numbers starting with 01 and 02. When you make a call to someone else you use a traditional phone service. Whether you use your normal landline at home or your mobile phone, your call travels over the public network.



However, this may involve more than one telecommunications provider carrying your call. For example, if you're a British Telecom (BT) customer and the person you're calling is with a cable phone company, both providers will carry the call. In this case, the call starts with BT (so they're the 'originating provider' or the 'call originator') and it ends with the cable company (the 'terminating provider' or 'call terminator').



Although you'll pay BT for your call, BT will then pass on a share of that charge to the cable company because they also carried the call for part of the way. BT will then keep the rest of the charge, which will include BT's profit for providing you with the service. This person-to-person call is known as a 'geographic' call because it was made to a specific location (for example, the home phone of the person you called).

Non-Geographic Calls

Non-geographic numbers are made possible by Number Translation Services (NTS) which translate the non-geographic number to a geographic, international or mobile number. Most non-geographic numbers begin with 08 or 09, and usually offer free rate or subsidised rates to a business, premium rate services, information and entertainment services, and pay-as-you-go internet access.

Non-geographic calls are also different from geographic calls because they have no 'home' or specific location. In fact, if you call the customer services department of a large company at a busy time, your call could be sent wherever they're able to handle it - one of their call centres in the UK or, for that matter, anywhere in the world.

Since the originating provider (BT in the example) cannot keep any of the profit, there aren't usually any discounts on the cost of non-geographic calls. However, more and more originating providers offer attractive call packages that include cheap geographic inland and international calls. When you compare them, NTS numbers can start to look costly.

The terminating provider can use the profit from non-geographic calls to pay for the costs of routing the calls to the service provider. Some of this profit also pays for some, or even all, of the service itself. Many important services are financed this way, and couldn't exist without it. Dial-up, pay-as-you-go internet access is just one example. Here you don't pay a monthly fee, and the whole service is paid for by everyone's phone call charges. But if NTS service providers didn't get a share of the call prices, there probably wouldn't be such a wide range of services available over the phone.



Using Non-Geographic Numbers for your business

In general, the benefits gained from using non-geographic numbers for your business are dependent upon the type of number used. This section covers the various non-geographic numbers available and the benefits of each type. There are however some benefits that accrue to all non-geographic numbers as follows. They:

- can be used with call logging software to track the response and success of marketing campaigns;
- can often be configured to route to different target numbers depending on the time of day / day of the week;
- provide inbuilt disaster recovery, by allowing the underlying target numbers to be changed while keeping the non-geographic number the same;
- provide a professional image for your business;
- support the use of consistent employee telephone numbers; and
- allow your business to change location without changing phone numbers.

Changes to 08 numbers

In response to the poor level of consumer confidence in the chargeable 08 numbers and the demand for numbers, Ofcom has introduced a new range of numbers - beginning with 03 - for those organisations who require a national presence, but who do not wish to make an additional charge to consumers for contacting them. Ofcom's long-term plan is that the 080 number will remain a Freephone number, the 084 number will charge calls at up to 5p per minute and permit revenue sharing, and the 087 numbers will charge calls at up to 10p per minute and permit revenue sharing.

For more information see the later section "*The New 03 Numbers*".

0800/08 (Freephone) Numbers

These numbers are free to the incoming caller. Your business is charged for the full cost of all calls to the Freephone number. The charge is dependent on the supplier and package you choose but will typically include a call charge, a monthly rental fee and a one-off connection charge, although the latter is often waived. With BT, typical call charges to your business start at 4.98p/minute (Basic) and 5.94p/minute (Advanced) for 0800/0808 calls (excluding calls to mobile numbers). These can be further reduced dependant on pricing packages.

Freephone numbers are widely recognised as a powerful marketing tool. Research shows that 61% of UK consumers are more likely to call a company with a Freephone number in preference to a comparable competitor without one and that Freephone numbers generate up to three times the response to advertising campaigns when compared to geographic numbers.

Benefits

An 0800/08 Freephone number:

- encourages both new and existing customers to call your business at no cost to themselves;
- can boost your sales leads for a relatively modest cost to your business when implemented as response lines for marketing campaigns, or order lines for a new product or service brochure where a potential customer will not be put off by the prospect of being charged for providing or requesting information;
- can encourage customer loyalty and trust when used for an after-sales service;
- can position your company as a caring business when compared to competitors that charge premium rates for a similar service;
- encourages callers to donation lines as the donator is not charged for making a donation;
- allows employees working off-site or from home number to obtain free dial-up access to the company network; and
- gives your business a national image.

O844 Numbers

With 0844 numbers the incoming caller is charged up to 5p per minute at all times regardless of where they are in the UK when called from a BT landline. Your business is charged for part of the cost of calls to the 0844 number, but this will be a lower charge than that incurred when using an 0800 number. The charge is dependent on the supplier and package you choose but will typically include a call charge, a monthly rental fee and a one-off connection charge, although the latter is often waived. 0844 numbers are “local” numbers.

Benefits

An 0844 number:

- encourages your customers to call your business at a lower cost than ringing a national geographic number no matter where your business or the incoming caller are located;
- generates a fixed level of revenue for your business;
- charges the same rate at any time of day;
- gives your business a local image.

Using a local rate number makes you part of the local community with customers assuming you are responding to them from their locality.

0845 Numbers

These numbers provide a low-cost way to encourage your customers to contact you. The incoming caller is only charged at the price rate for a BT Local call regardless of where they are in the UK – 0.978p to 3.864p a minute depending on the time of day. (BT customers are no longer charged for these calls where they are made during the ‘free call’ time included with their call package.) Your business is charged for part of the cost of calls to the 0845 number, but this will be a lower charge than that incurred when using a 0800 number. The charge is dependent on the supplier and package you choose but will typically include a call charge, a monthly rental fee and a one-off connection charge, although the latter is often waived. With BT typical call charges to your business start at 3.48p/minute (Basic) and 4.44p/minute (Advanced) for 0845 calls (excluding calls to mobile numbers).

Research shows that 0845 numbers generate up to three times the response to advertising campaigns when compared to geographic numbers and attract customers nationwide.

Benefits

An 0845 number:

- encourages your customers to call your business at a lower cost than ringing a national geographic number no matter where your business or the incoming caller are located;
- allows you to provide a relatively cheap way for customers to contact your business at less cost to your business than a Freephone number;
- is an ideal solution for customer service or a helpline environment;
- creates a professional friendly after sales image that will help generate long-term customer loyalty - particularly if competitors are not offering subsidised calls; and
- gives your business a local image.

0870 Numbers

With 0870 numbers your incoming callers are charged at the standard BT National Rate – 1.461p to 7.74p depending on the time of day – when calling your business from a BT landline. Some 0870 numbers are charged at a maximum of 4.84p per minute. (BT customers are no longer charged for 0870 calls where they are made during the ‘free call’ time included with their call package).

Your business pays nothing to receive the call. In fact your business actually earns revenue from 0870 calls. The revenue will depend on your supplier and the type of routing. With BT, your typical revenue from incoming daytime calls is 1.5p/minute (with Basic call routing) or 0.54p/minute (with Advanced call routing).

These numbers are often used to provide telephone customer support, information services or help lines as a caller is generally prepared to pay for a phone call when they need support or information, and the revenue from the calls, helps pay for the service.

Benefits

An 0870 number:

- generates revenue for your business;
- gives your customers an easy, inexpensive way to obtain information or customer care;
- may not be perceived as being expensive to your customers as they will be used to ringing national numbers for national businesses;
- gives your business a national image without incurring any incoming call charges. (Additional charges apply for mobile and international diversions).

Reducing the cost of calls to 0870 numbers

On 23 April 2009, Ofcom set out new rules to provide clarity about the price of calls to 0870 numbers and to encourage communications providers:

- to stop charging higher prices for calls to 0870 numbers from fixed lines and mobiles than calls to geographic rate numbers; and
- to include 0870 calls in call packages on the same basis as geographic calls.

These measures come into effect on 1 August 2009 and may significantly reduce the cost of calling 0870 numbers whilst increasing consumers’ awareness about the costs of calling them.

Clear advice on call costs
Under these new rules, communications providers that want to continue charging for 0870 calls at rates above those for geographic numbers will now be bound by strict rules about how prices are publicised on websites and in promotional material at point of sale.

They will be responsible for making sure their customers know how much they will be charged for calling an 0870 number and they will not be allowed to advertise 0870 numbers as “national rate” unless they are charging at geographic rates. If they do not comply with these rules, they could be subject to enforcement action including possible fines.

Ofcom welcomes steps that some fixed line companies have already taken to include calls to 0870 numbers in call packages and reduce their prices.

For more information visit:

www.ofcom.org.uk/consult/condocs/0870calls/0870Statement/

Despite the benefits of 0845 and 0800 numbers, the majority of businesses choose 0870 numbers.

0871 Numbers

With 0871 numbers, the incoming caller is charged up to 10p per minute at all times when called from a BT landline. There is no charge for diverting incoming calls to any UK landline, and no charge for diverting calls to landlines in the United States, Canada, and a number of countries in Europe.

0871 numbers are used both for revenue generation and to subsidise the cost of diverting calls to mobile phones.

Benefits

An 0871 number:

- generates a fixed level of revenue for your business - a larger revenue than from an 0870 national rate number (national rate calls cost much less out of office hours, so the profit margins are smaller);
- charges the same rate at any time of day;
- allows non-UK companies to provide their UK customers and UK employees with a relatively inexpensive way to contact them; and
- gives your business a national image.

09 Numbers (Premium Rate)

With 09 numbers your incoming callers are charged at a higher rate than BT local or BT national rates. BT 09 tariffs range from a 25p fixed fee to £1.50 per minute. The revenue generated from the call is split between the telephone operator and your business. With BT, a 25p fixed fee per minute tariff would earn your business 15.72p per minute, and a £1.50 per minute tariff would earn your business £1.11 per minute.

Premium rate numbers are therefore suitable where a business is offering a product or service over the telephone, and its customers are prepared to pay a premium for the product or service. They also tend to be used where the product or service has no direct competitors for example chat lines, phone-ins, ticket booking, information lines help lines, advice lines and competition lines.

Benefits

An 09XX Premium rate number:

- generates significant revenue for your business and increases its profitability;

- generates genuine incoming calls; and
- gives your business a national image with a memorable number.

Premium rate numbers must adhere to strict guidelines as laid down by the Independent Committee for the Supervision of Standards of Telephone Information Services (ICSTIS) which regulates the content and promotion of premium rate telephone services. The guidelines can be viewed at their website at: www.icstis.org.uk

Other Translated Numbers

In addition to the more familiar non-geographic numbers listed in the previous section, there are a variety of diversion numbers available that are in themselves non-geographical.

070 (Personal) Numbers

Personal Numbering services start with 070 and can divert incoming calls to a selection of pre-specified numbers.

These numbers are particularly useful where mobile employees need to forward all their incoming calls to a particular phone at their office or home or to a mobile phone, a temporary number or an international number.

Personal numbers are particularly suitable for sole traders or business individuals as they provide incoming call continuity even when the underlying landline and mobile numbers change.

Changes to 07 numbers

In response to consumer concern, Ofcom is making changes to increase consumer protection from abuses on some existing 070 personal numbering services. For these numbers - which are often confused with mobile numbers - it will be a requirement from 1 September 2007 that customers get a free announcement about the cost of a call before the call begins, in any case where a call will cost more than 20p (per minute or per call). In the longer term, Ofcom plans to end the use of 070 for personal numbers. The 06 ranges of numbers has instead been earmarked to meet future demand for such numbers. A pre-call announcement system would also be expected to apply to 06 numbers.

Ofcom to protect consumers from telephone scams

Ofcom is changing the process for allocating numbers to communications providers to increase consumer protection. Providers applying for telephone numbers will be subject to a consumer protection test.

Telephone numbers will not be allocated to providers whose previous conduct points to a risk that they will be involved in future telephone scams.

Ofcom is also taking specific action to prevent scams on 070 personal numbers, which are often confused with mobile numbers. Ofcom will end 070 personal numbering allocations from the end of 2007, and from September 2007 customers will have to get a pre-call announcement of call charges for any calls above a certain price.

Ofcom plans to offer 06 numbers for personal number allocations. This will allow 07 numbers to be used only for mobile services, ending any potential confusion.

Geographic City Numbers

Some suppliers can provide phone numbers that have the same prefix as a major city. For example they can supply an 0207 diversion number that allows a business to receive calls - no matter where they are located in the world - on a number that appears to be at a location in central London.

Alphanumeric Numbers

In an alphanumeric number a word is dialled in place of a number. For example, '0845 333 FREE' would translate to 0845 333 3733 when dialled on a handset that displays letters as well as numbers. However, as some handsets do not include letters, it is important to advertise the full number in addition to the alphanumeric number.

Alphanumeric numbers can be applied to Freephone, local rate or national rate numbers. As a general rule, the more memorable they are, the more expensive they are to purchase.

VoIP

With VoIP a telephone number becomes an IP address that follows an employee. Instead of trying to contact that employee at various office locations, home or mobile numbers, the employee can always be contacted through one number.

With VoIP a "telephone" number need not be specific to where your business is based. This has the advantage that a business can appear to be locally based to all its customers simply by setting up IP numbers that start with the local STD code. For example a company based in Bath could set up IP numbers that look like Manchester, London and Birmingham numbers if they want to attract customers in those areas. Some operators now offer local area code IP numbers for the United States and some European countries.

The new 03 Numbers

Ofcom has expressed concern regarding consumer confidence in non-geographic numbers which it believes is threatened by confusion about the prices and services associated with certain numbers. These include pricing confusion on services beginning with 08 numbers and the misuse by some communications providers ('CPs') of certain types of numbers, such as

'personal numbers' beginning 070.

The original purpose of non-geographic numbers starting with 08 (and 09) was as a single point of contact for those businesses and public services which have a national presence and identity. These numbers also allow businesses and public sector bodies that make services available to the public to make charges using a micro-payment mechanism known as 'revenue-share', whereby they take a share of the charges paid by the caller; this capability is widely used.

However, consumers have a poor level of confidence in chargeable 08 numbers. Many people significantly over-estimate charges for these numbers, so are deterred from calling them. Many are not aware of the nature of revenue-share, and a number of 'scams' have emerged which exploit that system. Negative views on 08 numbers are exacerbated by their use for some services (both public and private) that customers view as essential. Many calls to chargeable 08 numbers also relate to services to which they are 'locked in'.

In addition to the consumer confidence issues, most of the 08 ranges that are currently in use are projected to run out in the next few years and additional numbers will need to be made available.

Ofcom has therefore introduced a new range of numbers - beginning with 03 - for those organisations who require a national presence, but who do not wish to make an additional charge to consumers for contacting them.

The new range will meet the need for consumer certainty and confidence in making calls, mainly due to the charging features of 03 numbers:

- consumers will have a clear understanding of the price that they are paying for a call, mainly as call tariffs and call discounts will be required to be the same as if the consumer was calling a geographic (01 or 02) number. This will apply to all call minutes, including ones that are part of the customer's inclusive minutes; and
- the use of revenue-sharing will be forbidden on this new range. Consumers calling these numbers should be confident that they will be paying only for the call, and not for any additional services provided by the organisation being called.

Ofcom intends that these requirements will apply to calls from all CPs on all lines – whether a BT line, any other fixed line, a mobile or a payphone.

In addition, 03 numbers will retain service provider ('SP') benefits that are available on 08 numbers, such as managing call volumes in a flexible way and collecting useful call data.

To promote early adoption of 03 numbers, Ofcom has made 03 numbers available from March 2007. All SPs will have a good choice of different 03 numbers:

- memorable numbers, such as ones starting with '0300' and '0333';
- a specific part of the 03 range - all numbers beginning with '030' - for use only by public bodies and not-for-profit services; and
- numbers that are reserved for SPs on existing 08 numbers, so that they can move across to 03 numbers by changing only the '8' digit in their number to a '3'.

Some of these new number blocks are likely to be very popular because memorable numbers are involved. Ofcom will therefore allocate the first of those memorable numbers through a competitive process, before moving to the standard first come, first served system.

Ofcom recommends that SPs who are interested in acquiring a 03 number but have not yet been in contact with CPs should do so without delay. SPs should also approach CPs about the commercial issues involved in delivering services on 03 numbers.

Creating 03 does not mean that 08 numbers will disappear. Services requiring small micro-payments will stay on the 08 range, with new number allocations as required by demand. Ofcom's long-term plan is for three broad categories of 08 numbers to supplement the 03 numbers as follows:

Number range	Tariff/Service
03	Calls at the same rate as calls to geographic numbers, no revenue-sharing permitted
080	Freephone
084	Calls up to 5ppm, revenue-sharing permitted
087	Calls up to 10ppm, revenue-sharing permitted

NTS: A Way Forward²

The 0870/1 and 0844/5 numbers (known as Number Translation Services or NTS) were first introduced in 1996. Calls made to these numbers, which are not geographic numbers, have been priced at a level that has enabled businesses to share the revenue generated by per-minute call charges.

These numbers benefit consumers and businesses by enabling access to a range of services, including dial-up pay-as-you-go internet access, travel enquiries, tele-voting, telephone banking and many others. However, the growth and spread of usage of these non-geographic numbers in recent years has generated high levels of consumer concern about the lack of clarity in the pricing and marketing of these services.

Ofcom issued a consultation in October 2004 entitled Number Translation Services (NTS): Options for the Future in which it proposed changes to the regulatory regime designed to address growing concerns amongst industry and consumer stakeholders about the operation of the current regime.

Responses to the October 2004 consultation showed that the existing NTS framework has been extremely successful in terms of the large number of new and innovative value-added services that have been made available to UK consumers as a result. However, both consumers and those involved in their provision have concerns about the current regulatory arrangements for non-geographic calls. For consumers, the main concerns are:

- Consumer protection;
- Price transparency;
- Misleading advertising;
- Adult services;
- Internet diallers;
- Call centre waiting times;
- Provision of public services.

In response to the concerns raised in the October 2004 consultation, Ofcom published further proposals on 28 September 2005 to increase consumer protection measures governing the use of Number Translation Services. On 19 April 2006, Ofcom published its final statement "NTS: A Way Forward" a response to the consultations and

review of Number Translation Services. A summary of the proposed measures and the timetable for implementation follows.

Restore geographic link for 0870 calls

Ofcom proposes to amend the National Telephone Numbering Plan ('the Plan') to establish the principle that every Originating Communications Providers ('OCP') should charge no more for 0870 calls than national calls to geographic numbers. OCPs who wish to charge higher rates for 0870 calls will be required to make a free-to-caller price pre-announcement at the beginning of the call, informing the caller of the cost of the call. This option will be available to BT, as well as to other OCPs. Such pre-announcements would have to specify the precise basis on which the call will be charged e.g. in pence per minute or per call; generic announcements will not be considered sufficient.

The convention will mean that, if you are on a call package where national calls to 01 and 02 numbers cost, for example, 3 pence per minute in the peak period, calls to 0870 numbers during the same period will cost no more than 3 pence per minute, unless a pre-announcement is made.

Similarly, if you are on a call package where national calls in the evenings or at weekends are free, then in the absence of a pre-announcement calls to 0870 numbers will also be free at these times.

Ofcom recognises that many Communications Providers ('CPs') make no distinction in their pricing plans between national and local calls to geographic numbers. In these cases, the convention will mean that 0870 calls should cost no more than calls to all geographic numbers.

This convention will apply to all calls including those made from all fixed lines, including payphones, and from mobile phones. It will not mean that CPs will charge the same as each other for 0870 or geographic calls – each provider will be free to set its own retail prices for these calls. But it will mean that, unless there is a price pre-announcement, an 0870 call will cost no more than an equivalent national call to a geographic (01 or 02) number.

Update:

Ofcom remains committed to restoring the link between 0870 calls and national calls to geographic numbers (and considering the same for 0845 numbers). However, Ofcom expects that in the longer term the growth in non-revenue-sharing services can be provided on the new 03 range. Service Providers currently using 0845 and 0870 numbers to provide services may of course decide to migrate to 03 in due course.

Remove 0870 calls from the scope of the BT NTS Call Origination Condition

Ofcom proposes to remove 0870 calls from the scope of the BT NTS Call Origination Condition ('the NTS Condition'), which requires BT to originate and retail these calls on behalf of Terminating Communications Providers ('TCPs'). This will remove the regulatory underpinning for revenue sharing on the 0870 range and allow interconnect arrangements for these calls to be aligned more closely with those for geographic calls with BT purchasing call termination from TCPs rather than originating and retailing 0870 calls on behalf of TCPs. This is likely to lead to a reduction in the payments, which OCPs make to TCPs for terminating 0870 calls, and to lower prices at the retail level. BT will continue to be subject to the other regulatory remedies to its Significant Market Power ('SMP') in the markets identified in Ofcom's Review of the fixed narrowband wholesale exchange line, call origination, conveyance and transit markets.

Timetable for implementation of 0870 proposals

Ofcom intends to introduce the above changes for 0870 calls 18 months after the publication of its forthcoming statement on numbering policy. Ofcom published a consultation Telephone Numbering – Safeguarding the future of numbers ('the Numbering Review') on 23 February 2006. The closing date for responses to the consultation was 4 May 2006. (This deadline was later extended to 25 May 2006). A Numbering Review Statement setting out Ofcom's conclusions in relation to that consultation was published on 27 July 2006 and can be found at:

www.ofcom.org.uk/consult/condocs/numberingreview/statement/summary/

Non-Geographic VOIP (VoB)

Ofcom has proposed using the 056 prefix for non-geographic numbers for Voice over Broadband (VoB). Ofcom's provisional view is that a non-geographic number range would be suitable for VoB services. Their reasons include:

- IP networks are not geographically constrained and it is expected that VoB services will often have an element of mobility, with consumers able to make and receive calls at locations other than the installation address;
- there is little relevance in using the geographic-based 'local' and 'national' call charging structure for VoB calls as the cost of call conveyance is independent of distance;
- services will often have a personal rather than household focus, with individuals being allocated their own number. This would be in contrast to the general use of geographic numbering applied on a household basis;
- differentiating service characteristics of some VoB services (e.g. non-guaranteed service quality and lack of access to Emergency Organisations) could be highlighted by using a distinguishable non-geographic number;
- the numbers may be used to indicate that the services could support new features, for example, picture messages, video or personalisation services;
- a separate non-geographic range could allow networks to identify the technology likely to be used and so handle the call more efficiently.

Ofcom recognises that the changes to the 0870 range will be disruptive for CPs, for resellers of inbound NTS services and for many of the Service Providers ('SPs') which use 0870 numbers. It will be important to allow the parties involved a reasonable amount of time to plan for the changes, in order to reduce the costs associated with their implementation.

The Numbering Review Statement is significant because it will provide additional information that will be useful to SPs who may wish to move from a 0870 number to a number in another range. In particular, it will set out Ofcom's plans for opening up new non-geographic number ranges, at different price levels and for different service types. In Ofcom's view, this information is sufficiently important that the 18-month planning period should not begin until the Numbering Review Statement has been published.

Two-year review for 0845 calls

Ofcom has no plans to make any changes to the pricing and interconnect arrangements for 0845 calls of its own initiative over the next two years. Revenue sharing will continue to be supported on 0845 numbers, which are still heavily used for dial-up internet traffic. Ofcom intends to publish a further consultation document reviewing the arrangements for 0845 calls within two years of the publication date of this statement. That consultation document will review the case for restoring the geographic price link for 0845 calls and for removing 0845 calls from the scope of the NTS Condition. In particular, it will consider whether dial-up internet traffic volumes have fallen to a level, at which the benefits of making these changes are likely to exceed the associated costs. Ofcom would encourage interested parties to take account of the likelihood that, if these changes were to be introduced, revenue sharing would no longer be possible on the 0845 range.

Extend premium rate services regulation to the 0871 numbers

Ofcom intends to extend the regulatory framework for premium rate services ('PRS') to include 0871 numbers. The Independent Committee for the Supervision of Standards of Telephone Information Services ('ICSTIS'), the regulatory body for PRS has agreed in principle to regulate 0871 numbers and Ofcom will modify the Premium Rate Services Condition ('the PRS

Condition') to extend the definition of Controlled PRS to include the 0871 range so that Ofcom has backstop powers to support ICSTIS. The 0871 range will not be subject to the same level of regulation as the premium rate 09 number range. However, it will be subject to requirements designed to improve price transparency and to provide an appropriate level of consumer protection. Amongst other things, SPs using 0871 numbers will be required to include information about the price of calls in advertisements and on promotional material. In order to minimise the risk that consumers will be deterred from making 0871 calls by the association with more expensive 09 services, Ofcom will ask ICSTIS to consider the possibility of a distinct branding for 0871 regulation. ICSTIS will take the lead in developing regulatory proposals for the 0871 range and will consult on its plans before they are introduced. The intention is that the new regulatory provisions for the 0871 range will come into effect at the same time as the proposed changes for 0870 calls.

Extend PRS regulation to adult services currently provided on 08 numbers

Ofcom intends to amend the Plan to clarify that adult services should only be provided on the 0908 and 0909 number ranges. As a result of this clarification, adult services currently provided on 08 numbers will have to move to the designated 09 ranges, where they may continue to be provided at prices of less than 10 pence per minute. ICSTIS has agreed in principle to regulate these additional services. Ofcom intends to amend the PRS Condition to extend the definition of controlled PRS to include all adult services, regardless of price. This will extend Ofcom's backstop powers to support ICSTIS.

Use of 08 numbers by public bodies

As indicated in the September 2005 Consultation, Ofcom believes that public bodies should consider carefully whether it is appropriate to use 084 and 087 numbers in place of Freephone or ordinary geographic numbers. Ofcom believes that, at present, it is inappropriate for public bodies to use 084 or 087 numbers exclusively (i.e. without at a minimum giving equal prominence to a geographic alternative) when dealing with people on low incomes or other vulnerable groups. Once the geographic link has been restored for 0870 calls, consumer concerns are likely to ease in relation to 0870 numbers. Ofcom is also consulting, in the Numbering

Review consultation, on a proposal to open up a new number range (the 03 range), for SPs who would like to use a non-geographic number but which do not require a revenue share. Ofcom believes that this new range, on which revenue sharing would be banned, would if introduced be well suited to meeting the requirements of many of the public bodies currently using 084 and 087 numbers.

Update:

Ofcom has implemented a new 03 range including numbers beginning with 030 for use only by public bodies and not-for-profit services. For more information see the earlier section "*The New 03 Numbers*".

Better visibility of NTS tariffs

The lack of pricing transparency and low level of price awareness has been a major cause of consumer concerns about NTS calls. As one of several measures aimed at tackling this issue, Ofcom intends to amend General Condition 14 (which relates to Codes of Practice) to require all CPs to give greater prominence to NTS call prices on websites, published price lists and promotional material. This proposal is the subject of a separate Statement.

As noted above, one of the aims of bringing 0871 calls within the remit of PRS regulation is to ensure that these numbers are subject to ICSTIS requirements in respect of pricing information. In addition, Ofcom has contributed to the Advertising Standards Authority ('ASA')/Committee on Advertising Practice ('CAP') guidance to advertisers on advertising NTS numbers. Ofcom will continue to work with ICSTIS and ASA/CAP on this issue.

The 0871 range

Ofcom does not intend to change the pricing and interconnect arrangements for 0871 calls at the present time. However, further consideration will be given in the Numbering Review to the possibility of amending the Plan so that the price points selected by TCPs/SPs for 0871 calls apply not only to BT, but also to a wider range of fixed and possibly mobile CPs.

The 0844 range

Ofcom does not intend to change the pricing and interconnect arrangements for 0844 calls at the present time. However, further consideration will be given in the Numbering Review to the possibility of amending the Plan so that the price points selected by

TCPs/SPs for 0844 calls apply not only to BT, but to a wider range of fixed and possibly mobile CPs.

Ofcom also intends to monitor complaints and other indicators to see if consumer concerns arise on the 0844 range so that appropriate measures to increase the level of consumer protection could be introduced if required.

Differences to proposals set out in the September 2005 Consultation

As noted above, the measures described above are broadly similar to the proposals set out in the September 2005 Consultation. The main differences concern:

- the duration of the interim period for 0870 calls;
- price ceilings for 0870 calls during the interim period; and
- price ceilings for 0845 calls over the next two years.

The nature of these changes and the reasons for making them are as follows.

The duration of the interim period for 0870

In the September 2005 Consultation, Ofcom proposed to restore the geographic link for 0870 calls and remove 0870 calls from the scope of the NTS Condition after a 12-month interim period. Following the consultation, Ofcom now proposes that the interim period should be for 18 months from the date of publication of the Statement on the Numbering Review.

Ofcom is aware that a number of respondents, especially consumers, will be opposed to this extension of the interim period. In Ofcom's view, however, it is justified for the following reasons:

- A significant number of SPs are likely to want to move from a 0870 number to a number on a different range, in order to be able to continue revenue sharing. The capacity of some of the alternative ranges, however, may be at or close to exhaustion, by the time the changes come into effect. Ofcom will therefore need to open up new revenue sharing ranges to accommodate the likely demand for numbers from those wishing to move away from 0870. This issue is being considered as part of the Numbering Review, which is due to be completed in July 2006. It will be difficult for those wishing to move away from the 0870 range to do very much planning until they know which ranges will be available for them to move to,

and the new number ranges are available for allocation. In Ofcom's view, therefore, it is appropriate for the interim period to begin from the date on which the Numbering Review Statement is published;

- Information provided by a number of SPs indicated the lead-time for the production of marketing material such as catalogues and brochures can in some cases be 12-18 months. In order to avoid any unnecessary migration costs, Ofcom considers it reasonable to allow SPs 18 months to plan for the likely end of revenue sharing on the 0870 range;
- A number of CPs, resellers and SPs also emphasised that a large number of commercial agreements will need to be renegotiated in the light of the changes proposed for 0870. Ofcom accepts that this is the case and considers that a longer interim period will be useful in providing more time for this process to be satisfactorily completed.

Price ceilings for 0870 calls during the interim period

In the September 2005 Consultation, it was proposed that during the interim period the designation of 0870 numbers in the Plan would be amended so that the current prices from BT lines would be decoupled from the standard rates for geographic calls and replaced with designations that reflect the current prices. This would in effect have placed a ceiling on 0870 prices from BT lines, ensuring that they did not go up in nominal terms during the interim period. BT also offered to provide a voluntary undertaking to the effect that it would not reduce the rates paid to TCPs for 0870 call termination during the interim period.

Ofcom no longer proposes to apply these measures, for the following reasons:

- Ofcom does not believe that it is necessary to impose price ceilings in the manner proposed, because BT's standard rates for geographic calls have been on a downward trend for many years, and are subject to competitive pressures in the retail market, which are likely to ensure that this trend continues. Decoupling the 0870 designations from the standard geographic rates could have reduced the competitive pressure on 0870 call prices and resulted in 0870 charges being higher than would otherwise have been the case. This would not have been in the interests of consumers;

- Industry respondents indicated that they attached little value to BT's undertaking, primarily because of its voluntary nature. The proposed approach therefore promised to provide little perceived benefit in terms of greater revenue certainty for TCPs.

Price ceilings for 0845 during the two-year review period

The measures proposed for 0845 were similar to those described above in relation to 0870. The only difference was that, in its draft undertaking, BT indicated that it would review the factors used in calculating the termination rates for 0845 calls halfway through the two-year review period.

Ofcom no longer proposes to apply the proposed measures, for the reasons given above in relation to 0870 calls.

Next steps

The main milestones involved in implementing these proposals are as follows:

- July 2006: scheduled date for publication of Numbering Review Statement. The 18-month interim period for 0870 will then start. Ofcom's Numbering Unit will begin handling applications for number blocks on the new ranges;
- 2006: Ofcom will consult later this year on the changes to the Plan and the PRS Condition, which are required to extend PRS regulation to cover adult services currently provided on 08 numbers;
- 2006/7: ICSTIS prepares for extension of its remit to 0871. This will include consultation with stakeholders on the arrangements for regulating 0871 numbers, including the new Code of Practice for the 0871 range. Ofcom will also consult on whether to approve the new Code;
- 2007 - Ofcom consults on changes to:
 - the Plan and General Condition 17 - to implement the changes proposed for 0870; and
 - the NTS Condition, so that it no longer applies to 0870 calls.
- September 2007 – March 2008: Ofcom prepares further Consultation Document on arrangements for 0845;
- January 2008: implementation of changes for 0870 and 0871.

The publication "NTS: A Way Forward" can be viewed in full at:

http://www.ofcom.org.uk/consult/condocs/nts_forward/statement/statement.pdf

Providers

These are just a few of the non-geographic number providers:

Actimax – www.actimax.co.uk

BT – www.bt.com

Century Telecom UK - www.centurytelecom.co.uk/

Global Telecom UK - www.globaltelecomuk.com

NTL.com - www.business.ntl.com

UK Freephone - www.ukfreephone.co.uk

Further Information

This guide is for general interest - it is always essential to take advice on specific issues.

We believe that the facts are correct as at the date of publication, but there may be certain errors and omissions for which we cannot be responsible.

Acknowledgement and References

¹ Information in this section has been provided by Ofcom and is contained in their publications: "Number Translation Services: A way forward: Annex A". Ofcom copyright is acknowledged.

² Information in this section has been provided by Ofcom and is contained in their publications: "Number Translation Services: A Way Forward" and "Ofcom consults on new approach to 0870/1 and 0844/5 numbers". Ofcom copyright is acknowledged.

³ Information in this section has been provided by Ofcom and is contained in their publication "NTS: A Way Forward".

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