



Voice



IT



Data



Mobile

Call Charges

FCA PS15/19 Section 3



3.1

This chapter discusses responses we received to our proposal to limit the cost of calls consumers make to firms to a maximum 'basic rate'. It sets out further details about the proposals and the timing for implementation.

Post-contractual calls

3.2

Most respondents supported our proposal to reduce the cost to consumers of calling financial firms about contracts already entered into with the firm, including complaints calls. They recognised there is a clear benefit to consumers and many respondent firms said they had already made changes in line with these proposals. Some respondents asked us to be clearer on the details of the proposals, and what they would mean in practice for existing and new numbers and the timing for implementation.

3.3

Some respondents noted that 0845 numbers are widely used across the financial services industry, but that not all firms using these numbers share in a payment from the cost of the call. Some firms may use 0845 numbers because they are cost-efficient, but without receiving payment from the cost of the call. One respondent suggested we could make rules to prevent firms from receiving revenue.

3.4

We consulted on the basis that mobile numbers would be included with the definition of 'basic rate'. One respondent noted that calls to mobiles from landlines are more expensive than national geographic rate (i.e. 01 or 02 numbers) and are usually not included in call packages. This can be problematic for advice centre clients, who may have access to only one phone and are unable to take advantage of differences in rates.

3.5

In the consultation paper, we asked for views on whether there should be any specific types of number which should not be subject to the proposed 'basic rate' requirements, or otherwise treated differently. Respondents did not identify any specific numbers for which there may be reasons to charge at a higher rate and no numbers were identified where the service is paid for by the cost of a call.

However, one respondent suggested that our rules should make a further requirement for numbers provided for consumers to discuss their debt with a credit provider or debt collection agency, to be provided only on a Freephone basis. Firms which have a dedicated service for vulnerable consumers should also be required to provide those services via a Freephone number.

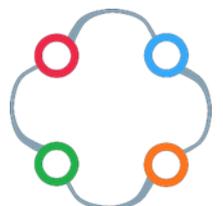
3.6

Several respondents said the suggested implementation date in the consultation paper of summer 2015 does not give firms enough time to make the necessary changes to systems, including to literature and websites, especially for those with a wide variety of numbers such as insurance firms. One option might be to phase in the proposals over a certain period, to allow firms to make changes.

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Contact us for a free consultation



Our response

We will introduce rules to ensure that firms must provide only telephone numbers which costs consumers no more than the 'basic rate' when calling about a contract already entered into with that firm (for example to make changes to a policy or account), as well as to complain.

These rules will make it cheaper for consumers when they need to speak to a firm and will help prevent consumers being discouraged by the cost of a call from addressing an issue or complaining. The rules will also bring financial services in line with businesses in other sectors that are subject to the communications provisions in the Consumer Rights Directive (Directive 2011/83/EU).

Our rules will also complement changes to call charges made by Ofcom, which came into effect on 2 July 2015.⁶ These changes make clearer to consumers the price of calls on telephone bills, in marketing materials and in advertising. Additionally, Freephone numbers, which begin 0800 or 0808, are now free for consumers to call from all phones, including from mobile phones.

Charges for service numbers to firms are now made up of an 'access charge' to the phone company, plus a 'service charge' set by the firm being called. In practice, this means that firms will need to specify the service charge wherever they advertise or communicate a phone number.

The consultation did not identify any specific types of numbers to which the basic rate requirement should not apply, for example where the cost of the call constitutes a fair charge for a specific service, such as a technical helpline. We also considered whether to take a more prescriptive approach for particular types of numbers, such as debt advice numbers, or whether to require firms to provide Freephone numbers. However, we believe it is important to have as consistent approach as possible for all post-contractual calls and to have a single requirement for all such numbers, which is easier to implement. We would, though, encourage firms to consider the needs of their customers and whether services such as Freephone numbers would be appropriate in particular circumstances.

We will keep the meaning of what constitutes a 'basic rate' call that we consulted on, namely that it constitutes 'the simple cost of connection and must not provide a firm with a contribution to its costs or revenues'. Examples of numbers which would meet this requirement are:

- geographic numbers or numbers which are always set at the same rate, which usually begin with the prefix 01, 02 or 03
- calls which can be free of charge to call, for example 0800 and 0808 numbers and
- standard mobile numbers, which usually begin with the prefix 07, provided that the firm ordinarily uses a mobile number to receive telephone calls

Numbers which would not meet the definition of basic rate are:

- premium rate numbers that begin with the prefix 09
- other revenue sharing numbers in which a portion of the call charge can be used to either provide a service or make a small payment to the firm, such as telephone numbers that begin with the prefix 084 or 0871, 0872 or 0873 and
- numbers that begin with the prefix 0870 as the cost can be higher than a geographic cost and will vary depending on the consumer's telephone tariff

In terms of implementation, the rules require firms to ensure that the numbers they provide meet the basic rate requirement. They do not require firms to update numbers which are advertised, on literature and websites, and we recognise that it may take time for some firms to achieve this. Where there are 'legacy numbers' listed, for example on cards issued to customers, we would expect firms to find solutions to ensure that consumers calling those numbers are redirected to new numbers which comply with our rules.

Nevertheless, we recognise the concerns raised by some respondents about the timescale we proposed in the consultation paper to implement these changes and have decided to allow firms more time. Accordingly, we will now bring these rules into force on 26 October 2015.

For further details see www.ukcalling.info

