

Call for inputs around the extension of PhoneyPayPlus regulation to remaining revenue-sharing ranges

24 Seven Communications Ltd welcomes this opportunity to respond to the above consultation, which has come about because of the Ofcom consultation on non-geographic telephone numbers.

24 Seven is both a Telecommunications Network Operator, and Service Provider and feel the need to respond to this consultation.

Question 1: Do you consider that PhoneyPayPlus' consumer protection rules are appropriate for the lower-cost revenue-sharing ranges if they were to be administered by PhoneyPayPlus? If not, why not? Please supply any evidence that supports your view.

24 Seven feel strongly about this consultation, and feel that PhoneyPayPlus are an organisation who are in place to protect the consumer from harm, and note that PhoneyPayPlus do regulate this area very well. We do not however feel that PhoneyPayPlus need regulate lower-cost revenue-sharing ranges, simply because there is little consumer harm on number range tariffs under 5p/min. The main problem is that whilst the call charge is (up to) 5p/min from a fixed line phone, the majority of users now opt to use mobile phones to make phone calls, yet the mobile network operators (MNOs) charge an unjustified, and very high premium for making calls to non-geographic telephone numbers, including lower-cost revenue-sharing ranges. Many of our clients and resellers take lower-cost revenue-sharing phone numbers from 24 Seven, for call centre services, and services which require payment of this low revenue share in order to operate their business or product cost effectively, and efficiently. 24 Seven rarely receive complaints from consumers about calls which have appeared on their phone bill, we have seen very few 'scams' or frauds operating on these ranges, mainly due to the low cost of calling such numbers, and because fraudsters cannot operate their 'scams' on these low cost revenue-sharing ranges, due to the low revenue-share outpayments. We do not feel that 084x numbers should be treated the same as 087x, which cost double. In order to regulate lower-cost revenue-sharing phone numbers, we would have to employ more staff to manage the regulation and (presumably) auditing of the calls to the numbers.

Question 2: In the event of the lower-cost 08xx revenue-sharing ranges being subject to PhoneyPayPlus regulation, do you consider it would be necessary to modify the branding or presentation of this regulation? If so, what changes would you consider to be necessary?

24 Seven's view is that consumers are confused by call pricing on the various non-geographic number ranges. We suggest that pricing information should be given out on each call, perhaps by a non-chargeable network announcement, as has been discussed in previous Ofcom consultations on Premium Rate Services. However, this would be flawed by the fact that the mobile network operators are allowed to charge whatever premium they wish to call such numbers.

Question 3: We discuss the appropriateness the application of the existing PhonepayPlus rules to the remaining 08xx ranges in Section 3. Do you have any comments on the potential additional regulatory burden that inclusion of a low-cost number range in the PhonepayPlus regulatory controls might impose, and how we can ensure it is proportionate to the risks identified in Section 3?

Adopting to the regulation of 087x prefixes was difficult, but we understood the need to regulate them due to the ‘scams’ operating on these numbers, but we’re not aware of any, or very few, which operate on these ranges. When PhonepayPlus first regulated 087x prefixes, many companies migrated to lower costing 084x prefixes. If PhonepayPlus begin to regulate lower-cost revenue-sharing numbers then what option, other than geographic ranges which offer no revenue, do they have available? These companies migrated to these lower priced ranges to avoid regulation due to the low cost.

Question 4: Do you have any views on whether the current levy approach would be appropriate for the low-cost revenue-sharing ranges?

As mentioned in question 1 above, we do not feel that 084x numbers should be treated the same as 087x, which cost double. In order to regulate lower-cost revenue-sharing phone numbers, we would have to employ more staff to manage the regulation and auditing of the calls to the numbers. If PhonepayPlus do begin to regulate such numbers, then we feel that the levy on these low revenue sharing numbers should be abolished.

We would need to reduce the revenue share payments which we pay to our resellers and clients, who in-turn would suffer and this would cause serious financial problems down the value chain in these tough economical times. We operate on very tight margins and the slightest reduction can have a huge impact on our ability to provide Network services.

24seven