



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

Citizens Advice response to PhonepayPlus.

February 2011

Introduction

Citizens Advice welcomes the opportunity to respond to PhonepayPlus proposals to extend regulation of revenue-sharing numbers.

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination. The service aims:

- to provide the advice people need for the problems they face
- to improve the policies and practices that affect people's lives.

The Citizens Advice service is a network of nearly 400 independent advice centres that provide free, impartial advice from more than 3,000 locations in England and Wales, including GPs' surgeries, courts and prisons.

In 2010/11 the Citizens Advice service in England and Wales advised 2.1 million people on 7.1 million problems. This included:

- 134,000 problems about goods and services;
- 51,000 about travel, transport and holidays;
- 90,000 about utilities and communication issues;
- 301,000 relating to legal issues;
- 132,000 about financial products and services; and
- over two million debt issues.

General comments

This consultation is relevant to the Citizens Advice service for two reasons:

Firstly, we are interested in measures that improve consumer protection measures in connection with telephony charges.

Secondly, we are a provider of telephone services which use 084 non-geographic numbers. Citizens Advice service is taking over provision of the national consumer advice telephone and online helpline Consumer Direct from April 2012. Our new consumer service will continue to use the same phone number as Consumer Direct, 08454 04 05 06. Citizens Advice also runs a national phone line service that uses 0844 numbers. In addition, our Citizens Advice Bureaux use these numbers to help pay for services such as out of hours phone information.¹

We agree that consumer protection could potentially be improved if PhonepayPlus regulation is extended to cover all numbers where consumers pay additional charges. Consumer phoning these numbers would be able to access a regulatory organisation that can provide consumer redress, in the event of any inappropriate use of these numbers.

¹ The Citizens Advice national phone line is fully operational in Wales and is currently being rolled out across England. This national phone service is provided in addition to local advice available by phone from all Citizens Advice Bureaux.

Nevertheless we are concerned that:

- the current transparency requirements in the code do not ensure that consumers are made aware of the maximum cost of the call. Instead they are told the cost on a BT landline, that other providers may charge more and the cost will be higher using a mobile. We believe that consumers need definite cost information before deciding to use these numbers. To provide more certainty on cost, we called for a price cap for non-geographic numbers in our response to Ofcom's consultation on simplifying these numbers in 2011.
- The proposed extension of the code could mean that some telephone advice services provided through charities such as the Citizens Advice service would have to end because these are funded by charges for calls using 084 numbers.

Response to specific issues raised in the consultation

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

Citizens Advice considers that the principles of the PhonepayPlus code are appropriate for the full range of numbers that charge consumers at more than the standard rate. Price transparency, fair treatment and speedy complaints resolution are important consumer protection code requirements. It would be clearer for consumers if regulation were to cover all these number ranges.

The code may, however, need to be amended before PhonepayPlus regulation is extended to revenue-sharing numbers. For example, the elements of the PhonepayPlus code designed to protect specific groups of consumers, such as young adults², could inadvertently prevent the revenue funding of valuable, targeted advice and support services. **PhonepayPlus should engage in discussions with a wide range of charities to understand the use that is made of revenue sharing numbers and to discuss how the code would fit with these activities.**

Question 2: In the event of the lower-cost 08xx revenue-sharing ranges being subject to PhonepayPlus 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?

The consumer facing revenue sharing numbers we use do not charge for the advice itself. Consumers are paying towards the cost of the telephony infrastructure to make contact (the provision of the line, messaging and queuing facility), rather than paying to buy advice. Any shortfall in telephony costs would be billed to us. We agree with the consultation that premium rate lines have a poor overall reputation. We would be concerned if our clients, or those of other charities providing advice and support through revenue-sharing lines, were put off contacting these services due to reputational concerns about premium rate lines.

² Clause 2.3.5 requires level 2 providers to dissuade use of virtual chat services by non-bill payers and under 18 year olds.

We believe that branding and presentation of any future regulation of revenue-sharing numbers should provide consumers with clear cost information. It should be clear that the person calling an 084 number used by a charity is paying towards the cost of the services, but that the charge is non-profit making, if that is the case.

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?

Citizens Advice is the national body for Citizens Advice Bureaux in England and Wales. We run a membership scheme with which all Citizens Advice Bureaux must comply. The membership scheme comprises a wide set of requirements designed to ensure that clients receive the best service.

Where the services provided by bureaux are required to be regulated by an external body, for example by the Legal Services Commission for their quality mark requirements, our rules mirror their requirements. In this way we ensure that each bureau does not have to spend unnecessary levels of time and money in order to comply. Citizens Advice would welcome the opportunity to discuss with PhonepayPlus how we can reduce the regulatory burden for our members in connection with telephony charges.

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

Registration with PhonepayPlus is free for charities and this would be essential if compliance costs are to be kept at an affordable level. We would also be very concerned if the levy on each transaction charged by PhonepayPlus made it impossible to fund the telephony infrastructure to provide telephone services provided through charities. Most of our clients are not financially well off.³ Any costs to pay a levy that needed to be passed on to callers could act as a disincentive to their accessing advice. We would be very concerned if a requirement for payments to PhonepayPlus threatened the delivery of our advice services.

³ For example, 60 percent of clients receiving advice in the 2nd quarter of 2011/12 were unemployed, 27 percent were social housing tenants, 25 percent were private sector tenants and 11 percent did not have their own home (homeless, living in a hostel or with relatives / friends).