

<b>PAPER TO</b>	<b>Icstis</b>
<b>DATE</b>	<b>2nd July 2007</b>
<b>SUBJECT</b>	<b>0871 Icstis Consultation</b>
<b>PREPARED BY</b>	<b>Chris Scoggins, Chief Executive, National Rail Enquiries</b>

*National Rail Enquiries as part of the Association of Train Operating Companies welcome the opportunity to provide input to the Icstis consultation document on the proposed forthcoming regulation of 0871 services.*

*National Rail Enquiries are a large user of 0871 through our automated speech recognition based service known as TrainTracker (0871 200 49 50 and others - [www.traintracker.co.uk](http://www.traintracker.co.uk)), which provides up to the minute train information, to the travelling public, and complements our other channels such as our 0845 contact centre operation, our web site ([www.nationalrail.co.uk](http://www.nationalrail.co.uk)), and SMS text services.*

*We have built a strong customer base that regularly use TrainTracker as well as an ad hoc user base who use the service less frequently but at key times, so are keen to understand how the new regulations may apply moving forward and have provided feedback to this consultation in this context.*

*As a reputable provider of services, National Rail Enquiries has a number of key concerns specifically around the decision not to create a separate brand for the 0871 number range as opposed to other premium rate services and around what we feel is a missed opportunity to reduce caller confusion over the cost of a call when making calls from different networks. This harms consumer confidence in 0871 as callers do not necessarily know the maximum they can be charged for using a particular service, particularly when not calling from a BT landline. Whilst this pricing control may not specifically fall to Icstis it is felt that it would have been an appropriate time to address this area specifically as part of the process.*

*In addition we have highlighted a number of areas within the consultation that we feel require clarification on how they would apply to an automated IVR service such as ours.*

*Please find below our specific responses to the consultation document which we hope you will find useful and feed into the overall process. Further discussion should be addressed to: Mr. Ian Donald at [ian.donald@atoc.org](mailto:ian.donald@atoc.org).*

**Q1: Do you agree with our proposal to create a Statement of Application for the 0871 number range? If not, please provide your reasons and alternative suggestions.**

On the proposed application of Section 1 of the Code (see page 9):

**[NRE] No.**

***Whilst we agree with the intentions of the Statement of Application we are concerned that 0871 services will be affected by being classed as a 'premium rate' in the same vein as services such as 090 adult entertainment services. The consultation document rightly recognises the differences between the majority of 0871 services and other premium rate services but by not creating a separate brand Icstis runs the risk of damaging existing services by not differentiating from expensive services that are often seen as inappropriate for corporate business users, leading to them being barred at a corporate level. In addition, the appropriateness of content for minors needs to be considered. Adult sexual entertainment services are clearly not appropriate for minors. However, many minors with mobile phones use trains regularly – for travel to and from school, for***

*example. Details of train times are clearly very useful to this age range and many of our customers fall in to the 14-17 age group. Failure to clearly differentiate services which have a high price and generally adult content from services which have a relatively low price and appropriate content therefore risks discouraging providers from utilising the 0871 number range for innovative services that are appropriate for and aimed at corporate business users. A separate brand for 0871 is therefore considered essential.*

*Caller confusion over call cost will not be addressed adequately by the new regulation, as pricing will remain inconsistent and uncapped across networks. Although rules regarding display of pricing information appear clear, callers will not still ultimately know how much a call will cost them from the phone they are using unless they are using a BT land line. This is clearly unsatisfactory for a significant number of mobile callers and any non-BT caller, and could be considered to be biased towards maintaining BT as the single dominant market provider. A cap on the cost of calls to 0871 is therefore considered essential. It is suggested that a range of prices should be possible, for example from 5p to 10p per minute (including VAT if appropriate) from landlines and from 5p to 30p per minute from mobiles. This would enable service providers to advertise appropriately, for example: "Calls cost no more than 10p per minute from landlines or 30p per minute from mobiles"*

**Q2: Do you agree that the current application of Section 1 of the Code is appropriate to apply to the 0871 number range? If not, please give your reasons.**

**[NRE] Yes**

On the proposed application of the due diligence requirements in Section 2 of the Code (see page 11):

**Q3: Do you agree that this is a fair and proportionate application of the network operators' due diligence requirements to the 0871 number range? If not, please give your reasons. ICSTIS would welcome further information regarding quantification of costs.**

*[NRE] No. Whilst the basis of funding increasing as the 0871 number range is more extensively used is acceptable, this will occur anyway through increased VAT payments to central government. It would also appear that the proposed levy in terms of the market size would be higher than should be necessary to run 0871 regulation. Fundamentally this is a tax on 0871 services and should be provided for from the VAT paid on the services. Finally, it would appear that the payments would be made by reputable providers of services such as National Rail Enquiries in order to regulate out unscrupulous operators within the more profitable 090 premium rate service market as a whole. As noted, it is important that 0871 is not seen as a "premium rate" service. NRE believe this method of funding is wholly inappropriate and would strongly object to paying a levy without the benefit of separate branding. Could Icastis provide NRE with examples of where this funding model is applied to other industries as we are not aware of any that currently exist?*

On the 30-day payment rule in Section 2 of the Code (see page 12):

**Q4: Do you have any further information and evidence regarding usual payment times?**

**[NRE] No**

*Additionally it would be helpful to have responses that indicate to what extent Service providers rely on immediate payments from network operators to cover their operational costs.*

*[NRE] Immediate out-payments are not relied upon in this way by NRE for provision of 0871 services.*

On the proposed application of the 30-day payment rule in Section 2 of the Code (see page 13):

**Q5: Do you agree that this is a fair and proportionate application of a delayed payment mechanism to the 0871 number range? If not, please provide your reasons.**

*[NRE] No. Operationally this is not an issue for us and the reasons for doing this are understood, however our 0871 service and associated contracts have been in place successfully for a number of years and it would seem unfair to delay payments in this instance. Payments are currently typically*

*delayed between 15 and 25 days. Extending this to a minimum of 30 days only improves cash flow for the network operator with no benefit to the service provider or end user. The risks are acknowledged within the consultation as being small; it is therefore considered that this is unnecessary.*

**Q6: Do you agree that the current application of Section 3 of the Code is appropriate to apply to the 0871 number range? If not, please provide your reasons.**

**[NRE] Yes. We feel the requirement for service providers to have adequate customer service arrangements in place is sensible and something we provide access to today.**

***If however any obligations are placed on either operators or providers which are required to be covered contractually between all parties and are back dated in to currently existing contracts, this may increase overheads or require contracts amendments. Both of which as an established user of 0871 we would be keen to avoid. An exemption to these rules for existing contracts is therefore requested.***

On the proposed application of the obligations of information providers in Section 4 of the Code (see page 13):

**Q7: Do you agree that the current application of Section 4 of the Code is appropriate to apply to the 0871 number range? If not, please provide your reasons.**

**[NRE] Yes, provided as with Q6 that no additional burdens are placed on existing providers, which may require amendments to existing contractual arrangements.**

On the proposed application of the prior permissions regime in Section 5.1 of the Code (see page 15):

**Q8: Do you agree that it is fair and proportionate to apply ICSTIS' current application of the prior permission regime under Section 5.1 of the Code to the 0871 number range? If not, please provide your reasons.**

**[NRE] – No. Further clarification should be given on the types of services which would be exempt from gaining prior permission, as it is unclear from the consultation document where our existing automated 0871 service would fall. We believe our service would be exempt by being classed as a 'customer support service', but this is ambiguous and could be challenged.**

***In addition, how do Icastis propose to enforce prior permission of pre-existing services in general? Will providers be required to retrospectively apply for permission?***

***Finally, many customer service operations are outsourced to international providers, notably in India. In this case calls are treated in the same way as if answered in the UK. Customer service operations set up in this way should not be treated any differently and be exempt from gaining prior permission where appropriate.***

On the proposed application of the undue delay provision in Section 5.4.2 of the Code (see page 19):

**Q9: Do you agree that Option D is a fair and proportionate application of the undue delay requirements in paragraph 5.4.2 of the Code to the 0871 number range? If not, please provide your reasons and alternative preferred option. Additionally, please provide details of any other options you feel may be appropriate for ICSTIS to consider.**

**[NRE] – Yes**

On the proposed application of the pricing requirements in Section 5.7 of the Code (see page 21):

**Q10: Do you agree that this is a fair and proportionate application of the pricing information requirements under Section 5.7 of the Code to the 0871 number range? If not, please provide your reasons.**

*[NRE] Yes we agree that this is a fair application of the pricing information requirements, but we urge Icastis and the industry in general to take a wider look at how customers are charged for calls to non-geographic numbers in general. What benefit does it bring to a consumer knowing that a call will cost 10ppm from a BT fixed phone if they do not know how much it will cost them to make the same call from another fixed operator or a mobile operator. For example a call from a mobile operator to 0871 can cost upwards of 35ppm with all the additional revenue going to the mobile operator. Greater pricing control at this level is required. Ideally service providers should be in control of the maximum amount charged to call 0871 from any network type within the UK. This will allow service providers to accurately advertise maximum prices for their services which will provide transparency to callers but will still enable telecoms services providers to provide flexible pricing.*

*With regards to the limits proposed for pricing information, we have assumed that all thresholds are based on calls from BT fixed lines. This should be made explicitly clear in this section.*

**Q11: Do you agree that it is appropriate to allow a three-month implementation period, as outlined above?**

*[NRE] – Yes – providing that during implementation contractual changes are not required which may take longer to implement*

On the proposed application of those Code provisions which enable ICSTIS to regulate the content of services (see page 23):

**Q12: Do you agree that this is a fair and proportionate application of ICSTIS's scope of regulation in respect to content of services provided on the 0871 number range? If not, please provide your reasons.**

*[NRE] Yes*

On the proposed application of Section 6 of the Code (see page 23):

**Q13: Do you agree that the current application of Section 6 of the Code is appropriate to apply to the 0871 number range? If not, please provide your reasons.**

*[NRE] Yes*

On the proposed application of Section 7 of the Code (see page 23):

**Q14: Do you agree that the current application of Section 7 of the Code is appropriate to apply to the 0871 number range? If not, please provide your reasons.**

*[NRE] Yes*

On the proposed application of Sections 8 to 11 of the Code (see page 23):

**Q15: Do you agree that the current application of Sections 8 to 11 of the Code is appropriate to apply to the 0871 number range? If not, please provide your reasons.**

*[NRE] Yes*

On the proposed application of the funding requirements in Annex 1 of the Code (see page 24):

**Q16: Do you agree that this is a fair and proportionate application of the funding model in Annex 1 of the Code to apply to the 0871 number range? If not, please provide your reasons.**

*[NRE] No, as we believe that the funding model proposed will ultimately affect the levels of out-payments made to us by our network provider.*

On the proposed method of collection of the levy (see page 24):

**Q17: Do you agree that this is a fair and proportionate method of collection of the funding levy to apply to the 0871 number range? If not, please provide your reasons.**

*[NRE] Yes, we agree providing that this does not affect the levels of out-payments made to us by our network provider.*

Q18: Do you agree that a minimum payment amount from each network operator should be £500 per annum? If not, please provide your reasons.

**[NRE] No. Operators below the threshold should be exempted in order to encourage competition.**

On branding (see page 25):

Q19: Do you agree that it is not appropriate for ICSTIS to create and promote a separate brand for regulation of the 0871 number range? If not, please provide your reasons.

**[NRE] No. It is felt that by not creating a separate brand for 0871, could lead to consumers and corporate buyers believing 0871 numbers fall into the same category as other high rate services such as 090 which they clearly are not. This is expected to have a negative impact on 0871 with callers and managers believing that these numbers are charged at higher rates than they actually are, with callers less inclined to use them or be allowed to use them. It also leads to the possibility that 0871 numbers would be put unfairly into groups of numbers barred as part of IT policies or policies for mobile phone provision to younger persons. Both issues are expected to negatively impact calls to our services over time even though we have a strong and loyal customer base.**

On inviting views on any other issue (see page 25):

Q20: Is there any other way in which ICSTIS' regulatory framework should be amended or otherwise so as to regulate the 0871 number range in a way that is fair and proportionate?

**[NRE] There remains a lack of clarity in the way calls are priced and information provided about those prices in relation to calls made from other networks such as mobile phone providers. It is difficult for a caller to know how much their call to an 0871 service will cost them, particularly from their mobile phone. Ideally calls will cost no more than a maximum amount.**

On the draft Statement of Application in **Appendix A** (see page 30):

Q21: Do you agree that this is an appropriate wording for a Statement of Application based on ICSTIS' proposals? If not, please provide your reasons and alternative wording. Respondents are also asked to indicate their preferred option in applying the undue delay provisions of the Code to the 0871 number range.

**[NRE] Yes - Option D is our preference.**

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