

**Response to “0871 Services – An ICSTIS Consultation”**

**from Premier Voicemail Ltd (Network Operator carrying 090 and 0871 traffic)**

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We have studied the above public consultation document and would like to make the following comments (please note our comments are in Courier type face) :

**Section 1 : Para 3 : OFCOM seeking improvements in price transparency and consumer protection :**

Number pricing (e.g 10ppm) always refers to the price from a BT landline, our analysis of incoming calls suggests that we now receive approximately 60% of our calls from non-BT landlines (e.g. mobiles, LCR and CPS operators). These calls often have an “operator termination cost” added to the price, so a mobile operator may charge say 25p + the nominal 10p charge. This leads to the situation where the nominal price of the call (10ppm) is being swamped by other factors. We do not feel this discrepancy provides any significant gains in price transparency or consumer protection.

Mobile charges can range up to 40ppm (e.g for PAYG, cross-network) without any clear price transparency or consumer protection so it seems somewhat strange that a 10ppm 0871 call is now to be subject to stringent regulation.

**Section 1 : Other 087x Number Blocks :**

We believe that one of the weaknesses of the 0871 (and 0844) system is that call prices (from BT) can range from 6ppm to 10ppm (1ppm to 5ppm for 0844) but it is not possible to immediately discern the price from the number. The only way of discovering the price is to consult the numbering information section of the OFCOM website. It would be better if the pricing were obvious from the first few digits of the number. We appreciate this may be difficult to implement retrospectively but feel it is a point that should be considered when new types of number are introduced in the future.

**Section 3 : Q1 : Do you agree with our proposal to create a Statement of Application for the 0871 number range ?**

Yes

**Section 4 : Q2 : Do you agree that the current application of Section 1 of the code is appropriate to apply to the 0871 number range ?**

Yes

**Section 4 : Q3 : Do you agree that this is a fair and proportionate application of the network operators due diligence requirements to the 0871 number range ?**

We feel that the due diligence requirements should only apply to customers who actually receive outpayments.

To explain : we use the 0871 range to provide ad-hoc audio conferencing services to a range of coaches and consultants who provide tele-class sessions to their clients. These are live calls lasting approx 1 hour but there are no outpayments involved. We use the 0871 number to make payment collection safer and easier for us (BT pays us, BT collects from the tele-class participants through their phone bill). We could run the service on an 020 or 0800 number but we would have to bill each caller individually making the operation much more labour intensive.

In this case we see little point in due diligence checks on our clients, in fact we feel this will actively discourage them from using the service. Our customer surveys also indicate that audio-conference customers do NOT see themselves as premium-rate service users and would not wish to register on the ICSTIS website as a service or information provider.

**Section 4 : Q4 : Do you have any further information and evidence regarding usual payment times ?**

No, we only make outpayments to two users (one very small and one quite large (75000 mins/month)).

**Section 4 : Q5 : Do you agree that this is a fair and proportionate application of a delayed payment mechanism to the 0871 number range ?**

Yes, we have no problem implementing 090 style delays on 0871 outpayments

**Section 4 : Q6 : Do you agree that the current application of Section 3 of the code is appropriate to the 0871 range ?**

Yes

**Section 4 : Q7 : Do you agree that the current application of Section 4 of the code is appropriate to the 0871 range ?**

Yes

**Section 4 : 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 range ?**

No, we believe that this should only apply if an outpayment is involved. Please see our typical service (Section 4, Q3 answer above) - we would class this type of service as "an advice service" but we could not run it if we had to get a live services certificate for each call. (Callers often book only minutes before they actually require the call and the £300 cost would dwarf the typical total call costs of £25-£30).

**Section 4 : Q9 : Do you agree that Option D is a fair and proportionate application of the undue delay requirements 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 range ?**

Yes, but we have never had any problems with undue delay on 0871 numbers

**Section 4 : 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 range ?**

Yes

**Section 4 : Q11 : Do you agree that it is appropriate to allow a three-month implementation period ?**

Yes

**Section 4 : Q12 : Do you agree that this is a fair and proportionate application of ICSTIS scope of regulation in respect to the content of services provided on the 0871 range ?**

Yes

**Section 4 : Q13 : Do you agree that the current application of Section 6 of the code is appropriate to the 0871 range ?**

Yes, but see our comment on audio-conferencing services above.

**Section 4 : Q14 : Do you agree that the current application of Section 7 of the code is appropriate to the 0871 range ?**

Yes

**Section 4 : Q15 : Do you agree that the current application of Sections 8-11 of the code is appropriate to the 0871 range ?**

Yes, but fines for non-compliance should be scaled down as the consequence of for example, minor advertising errors, is much smaller than with conventional premium rate (09x) numbers.

**Section 4 : 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 range ?**

We would disagree with your figures for notional outpayment. We feel 6ppm is only appropriate when providing a straightforward NTS from 0871 to a landline. Nearly all our services are more complex than this consequently outpayment rates are reduced (where they are paid).

We believe a more realistic rate for notional outpayment is 50% of the nominal price (remember the nominal price includes VAT on 0871 numbers)

**Section 4 : Q17 : Do you agree that this is a fair and proportionate method of collection of the funding levy to apply to the 0871 range ?**

Not really, but see answer to question 18 below.

**Section 4 : Q18 : Do you agree that a minimum payment amount from each network operator should be £500 per annum ?**

Absolutely Not !!. We are a small operator and our total 0871 clientele generates about 100000 mins of traffic per month. At your proposed notional outpayment rate of 60%, this gives a notional outpayment of £72000 per annum. At the standard levy of 0.34%, the actual levy would be £244.80. We are very unlikely to be able to double our traffic volumes to reach the proposed minimum levy of £500 especially with the increased level of regulation.

Consequently we feel that a minimum payment of £100 would be acceptable but we feel that £500 is simply profiteering.

**Section 4 : Q19 : Do you agree that it is not appropriate for ICSTIS to create and promote a separate brand for regulation of the 0871 range ?**

We disagree with this and feel that unless ICSTIS come up with a suitable name for 0871 services as an alternative to "premium-rate" each operator will invent their own brand causing confusion in the market and especially to consumers.

**Section 4 : Q20 : Is there any other way in which the ICSTIS regulatory framework should be amended so as to regulate the 0871 number range in a way that is fair and proportionate ?**

No

**Section 4 : Q21 : Do you agree that this is an appropriate wording for a Statement of Application based on ICSTIS proposals ?**

Yes

**Other Comments :**

Whereas we appreciate that ICSTIS would like to maintain one generic code of practice to cover both 090 and 0871 usage, we do feel that there is an element of "sledgehammer to crack a nut" with the 0871 side of things.

We do not believe there is a significant amount of "scam" using 0871 numbers - the outpayments simply do not make this viable.

We also believe that the quoted cost of calls (i.e. from a BT landline) is rapidly becoming an irrelevant figure. As we quoted above, about 60% of our calls originate from non-BT landlines.

The cost of mobile to mobile calls is often greater than calling 0871 numbers but no regulatory framework affects these type of calls.

Many operators will switch services from 0871 to 0844 (5ppm) to avoid regulatory issues, however the cost of calling an 0844 number from a non-BT landline may be exactly the same as calling the 0871 due to the third-party network termination charge (a figure not generally available to the public).

End of Response.