

CONSUMER REGULATIONS

June 2014

Important changes will take effect on 13th June 2014 which may affect the numbers you currently offer your customers. Please see the details below:

In accordance with Clause 41 of The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013, from 13th June 2014:

All merchants who are trading, and who make telephone numbers available by which a UK consumer may contact the trader about a contract (already) concluded with them, must use 01, 02 or 03 numbering unless the contract is with a customer who is not a consumer (a business).

The regulations are to be enforced by the local Weights and Measures Authority in Great Britain and DETI in Northern Ireland (Department of Trade, Industry and Enterprise). Enforcement is by way of a court order requiring compliance. There seems to be no provision for penalties other than a requirement to refund the difference between the cost to call 01, 02 and 03 numbers and the charges to call higher rate 08xx numbers to affected customers. Clearly a test case may prove otherwise. Also, the attached extract from the Regulations states *'The Government will review implementation of the provision on basic rate, after OfCom's reforms are also implemented in 2015'*.

It is perfectly acceptable to continue to provide a 'non-geographic' number (ranges 0800, 0808, 0843, 0844, 0845, 0870, 0871) for pre-sales enquiries and sales orders, however customers must not be charged a higher rate to contact the organisation post sale (for information, cancellation or to add to the original order).

The reason that Freephone (0800 & 0808) numbers are initially included is due to some mobile operators still charging high per minute rates to call these number types.

Given the above information, you may wish to consider providing an 03 prefix number for post-sale contacts and introduce an alternative number announcement from 13th June 2014 on any 08xx number previously used for consumers to contact you about a contract already concluded with you.

We will be delighted to discuss the options with you. Please call us on 0330 333 0330 to speak to one of our Inbound Numbering advisors.

Extract from Consumer Contracts (Information, Cancellation and Additional Charges) Regulations

J. Prohibition on customer helplines charging more than basic rate

How can I comply with the basic rate requirement?

1. Where a telephone helpline is provided, the basic rate requirement means not charging more than a geographic or mobile rate. Consumers should generally expect to pay no more to phone a trader about something they have bought than to call a friend or relative, that is to say the simple cost of connection. This telephone number provided should not provide the trader with a contribution to their costs

2. The following numbers, if used by traders, would comply with the regulations:

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. In certain circumstances charges to these numbers can be applied, for example, for those ringing from a mobile. However, OfCom's proposed reforms will mean these numbers will soon become free in all circumstances; Mobile numbers, which usually begin with the prefix 07.

3. Premium rate numbers would not comply. They begin with the prefix 09.

4. Other revenue sharing numbers would not comply. These are numbers in which a portion of the call charge can be used to either provide a service or make a small payment to the trader. These usually have the prefix 084 or 0871, 0872 or 0873.

5. Numbers with the prefix 0870 are not revenue sharing numbers. However, they can be higher than a geographic cost, and will vary depending on the tariff of the consumer's telecom company. They would therefore not comply. Following OfCom reforms in 2015 these numbers will permit revenue sharing and in any case would no longer comply with the basic rate requirements.

6. OfCom has ensured those wishing to change from a 0845 number have access to 03 numbers where the only change will be the substitution of the digit '3' instead of the '8' in the prefix.

Do the regulations say that I have to provide a telephone helpline?

7. No. Regulation 41 on charges for customer helplines only applies if you offer a telephone line on which consumers can contact you about something they have bought.

8. Nor does the Regulation require that all numbers operated by a business are at a basic rate. Only that where the trader provides a telephone line so that the consumer can contact them about a contract concluded, there should be a number available on which the consumer can call for this purpose at no more than the basic rate. For example, as there are times when consumers may prefer 0845 numbers to geographic numbers it may be desirable in some circumstances to maintain both access numbers. If traders take this approach the 'basic rate' compliant telephone number should be communicated as prominently as one that is not.

9. Sales lines, and those offering services paid for through a phone bill (e.g. a weatherline) are unaffected. *Do I have to subsidise the phonecall?*

10. No. There is no requirement to subsidise the phone call. *I am a sole trader using a mobile number. Is this permitted?*

11. Yes, standard mobile numbers are permitted. *I sell computers and offer technical phone support. I use a revenue sharing arrangement with my telephone provider to fund this service. Does the number have to comply with regulation 41?*

12. Where a trader offers a technical support line, this need not come under regulation 41, provided it is a discrete service, and not one on which the caller is also expected to call to discuss problems with a purchase already made. Provided the trader makes it clear that it is a separate service for which a separate fee (paid for through the enhanced cost of the call) is payable and not one for post purchase problems, regulation 41 will not apply. Horoscope and weather lines are similarly excluded. Regulation 41 applies where a phone line is offered which allows a customer to contact the trader about a problem which may have arisen with a product already purchased or to exercise cancellation rights.

13. If, however, a consumer having contacted a 'paid through a telephone bill' service, is unhappy and wishes to raise an issue (for instance the recording was muffled and they could not hear it properly) then, if the provider offers a phone line for such complaints, that phone line should comply with regulation 41.

14. The Government will review implementation of the provision on basic rate, after OfCom's reforms are also implemented in 2015.