



0845 numbers

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The use of non-geographic telephone numbers, such as those beginning 0845, has been controversial – particularly in the context of the delivery of public services by bodies such as HM Revenue and Customs.

Ofcom is consulting on detailed proposals for new tariff principles which are expected to be fully implemented by 2014.

Following a Public Accounts Committee inquiry new Government guidance suggest that the 03 prefix should be the default policy position core public services when a non-geographic number is required.

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The use of non-geographic telephone numbers, such as those beginning 0845, has been controversial – particularly in the context of the delivery of public services by bodies such as HM Revenue and Customs (HMRC) and Department for Work and Pensions (DWP).

Non-geographic are those beginning with 03, 05, 070/076, 080, 0845, 0870, 083/4, 0871, 09, 116 and 118 numbers. People use these numbers to call businesses and Government agencies, to get information, make payments for services and vote on TV shows.

0845 numbers have been designated as “Special Services basic rate” and are used to access a wide range services. They can be used to provide a share of the revenue between the service provider and the network operators over which calls are made. They are different to freephone (0800) numbers and premium rate (09) numbers. but can be more expensive to call than 03 and local rate calls

1 HMRC

A concise summary of the current situation was given in a written answer on 14 December 2011:

Steve Brine: To ask the Chancellor of the Exchequer pursuant to the answer to the hon. Member for Shipley of 6 July 2010, *Official Report*, column 513W, on Revenue and Customs: telephone numbers, what the terms of reference are of his Department's review of its telephone numbering strategy; and if he will make a statement. [86195]

Mr Gauke: HMRC initiated an internal and informal review of its numbering strategy for customer facing helplines in January 2010 with the twin objectives of:

reducing the cost to vulnerable customers of calling HMRC, where that can be delivered at an appropriate balance with HMRC costs and business performance;

improving the sustainability of its Contact Centre business, by anticipating and mitigating future business costs associated with its numbering strategy.

The Government subsequently accepted the recommendations of the Treasury Sub-Committee in their 16th report “Administration and effectiveness of HM revenue and Customs” (HC731) published on 30 July 2011 that HMRC investigate alternatives to 0845 numbers, including 0345 and freephone numbers, as part of the process of agreeing its next telephony [contract] (due in June 2013) and that as an interim measure the Department should examine whether a non-0845 number could be provided for tax credit claimants.

The full text of the Government response was published by the Committee on 26 October 2011 (HC1533) and is available at

<http://www.publications.parliament.uk/pa/cm201012/cmselect/cmtreasy/1533/153303.htm>

Additionally and further to my answer to the hon. Member for Slough (Fiona Mactaggart) of 19 October 2011, *Official Report*, column 967W, I can now confirm that HMRC introduced a new 0345 prefixed number for its tax credit helpline on 8 December 2012.¹

An earlier written answer had provided an indication of the Government's broad approach:

Public Bodies: Telephone Services

Alun Cairns: To ask the Minister for the Cabinet Office if he will take steps to prevent public bodies using 0870 and 0845 numbers; and if he will make a statement. [25697]

Mr Maude: Decisions regarding the most appropriate choice of number for public sector organisations lie with these organisations. In May 2009 the Cabinet Office Contact Council published a guide to number ranges for public sector organisations and updated this guide in February 2010. This guide includes a recommendation that Government Departments should consider the cost of accessing the service to make sure that citizens on low income can afford to make contact.²

2 DWP

On 12 November 2012 an adjournment debate was held on DWP's use of non-geographic numbers. At the beginning of the debate John Healey said that 'the Department for Work and Pensions has 148 separate phone lines all using 0845 numbers that can cost up to 10p per minute from a landline and 41p per minute from mobile phones': and that 'people are routinely placed on hold for half an hour when calling the local job centre, or they are charged £40 in a single month for the cost of calls to Departments.'³

In rounding up the debate the Minister, Mark Hoban, made the following points:⁴

- About 75% of calls to the DWP originate from landlines. If calls to 0845 numbers fall within the terms of a customer's call plan, they are free. BT, the largest landline provider, charges 7.95p a minute, plus a 13.1p connection fee, where the call is made outside the inclusive plan. Other major landline providers charge between 6.63p and 10.22p a minute—also with connection charges—while the charge varies for calls from mobiles.
- Organisations hosting 0845 numbers receive revenue from the calls rather than the Department.
- Between April and October 2012 the average duration of calls by working-age customers to our free 0800 numbers was 25 minutes and 28 seconds, while the average duration of calls to our 0845 numbers was seven minutes and 42 seconds.
- Replacing 0845 numbers with a free service would cost in excess of £12 million, because of changes to contracts and significant migration costs, including changes to branding and marketing.

¹ HC Deb 14 Dec ember 2011 c793W

² HC Deb 20 December 2010 c1059W

³ HC Deb, 21 November 2012, c681

⁴ HC Deb, 21 November 2012, c685-7

3 Ofcom Consultation

On 16 December 2010 Ofcom published a consultation, [Simplifying Non-Geographic Numbers](#). This closed on 31 March 2011. Following on from this, Ofcom has published a further consultation on detailed proposals. This latter [public consultation](#) closes on 27 June 2012. The consultation document comments:

8.39 We do not consider that a situation where the prices for 08X, 09 and 118 calls are higher than the price of other calls is necessarily an inefficient outcome. However, the fact that consumers' awareness of the price of these calls is so poor, coupled with the vertical and horizontal externalities, means that we do not believe that current price levels truly reflect consumers' preferences.

[...]

8.52 We therefore remain of the view that there is significant evidence of consumer detriment in relation to the 08X, 09 and 118 number ranges which warrants our intervention. Accordingly, we need to consider our regulatory approach in protecting consumers from the market failures and adverse effects we have identified.

Among Ofcom's proposals are the following:

Under the new proposals, the call cost will be unbundled' so that consumers will know exactly how much is paid to their phone provider and how much is passed on to other companies. The cost would therefore be made up of two parts:

- an Access Charge a set price, in pence per minute, which goes to the phone company connecting the call (this will be set out in the consumer's tariff package); and
- a Service Charge the price, in pence per minute, paid to the terminating provider and the company providing the service.

This will allow service providers to be clear and unambiguous about how much the call to them costs and will encourage competition between phone companies in the cost of connecting such calls.

It was anticipated that the proposals would be finalised by the end of 2012 followed by a transition period of at least [18 months for implementation](#).⁵

3.1 Ofcom announces measures – April 2013

On 15 April 2013 Ofcom announced major changes to how telephone numbers are charged, to make the cost of calling businesses and services clearer for consumers. The measures are "designed to tackle consumer confusion about how much it costs to call companies, public bodies and other organisations on numbers starting 08, 09 and 118."

Ofcom expects to introduce rules proposed above so that consumers will pay a single 'access charge' to their phone company for all calls to these numbers, plus a 'service charge' to the company or organisation they are calling. Phone companies will have to inform their customers of their access charge when they sign up to a new service and service providers will have to specify the charge for their service wherever they advertise or communicate it.

⁵ Source: Ofcom, 19 December 2011; HC Deb 10 January 2012 c39W

Ofcom is [consulting](#) further on the detail of its proposals and will accept responses until 28 May 2013. The consultation document summarises Ofcom’s decision:

Over time the traditional link of 0845 and 0870 to geographic call prices has been undermined, while the apparent similarity between these number ranges and the other 084 and 087 numbers which are priced quite differently gives rise to considerable consumer confusion. We therefore consider that it is preferable to treat all 084 and 087 number ranges in the same way. This should lead to a more intuitive numbering plan in the long term, clearly defining differences in number ranges and improving consumer awareness.

We are minded to introduce a new tariff structure (the ‘unbundled tariff’) that will introduce a consistent treatment of all the ‘revenue-sharing’ ranges by ‘unbundling’ the retail price for those calls. This would apply to all calls made by consumers to these number ranges

The unbundled tariff will ensure consumers can know, for the first time, how much of their money is paid to their phone company and how much is passed to others, such as the organisation or service being called. It will require that, instead of paying a single charge to their phone company, they will pay two separate charges.⁶

4 Legislative background

The legislation underpinning Ofcom’s role in relation to tariffs for non-geographic numbers derives from revisions to the EU Electronic Communications Framework. This consists of five Directives:

- Directive 2002/21/EC (the “Framework Directive”);
- Directive 2002/19/EC (the “Access Directive”);
- Directive 2002/20/EC (the “Authorisation Directive”);
- Directive 2002/22/EC (the “Universal Services Directive”); and
- Directive 2002/58/EC (the “E-Privacy Directive”).

Paragraph 1 of Part C of the Annex to the revised Authorisation Directive clarifies that National Regulatory Authorities (in the UK, Ofcom) have the power to adopt tariff principles or to set retail tariff caps in relation to certain numbers or number ranges.⁷

The *Communications Act 2003* was [subsequently amended](#) in May 2011 “to grant Ofcom the power to set appropriate restrictions in the Numbering Plan on the tariff principles and maximum prices applicable to numbers for the purposes of ensuring protection of consumers, as well as enabling Ofcom to set a general condition to impose tariff principles and maximum prices for the same purpose.”⁸ Ofcom proposes to make use of this power “where there is a clear consumer protection need and where taking such action is demonstrably proportionate, objectively justifiable and non-discriminatory.”⁹

⁶ Ofcom, Simplifying non-geographic numbers - Policy position on the introduction of the unbundled tariff and changes to 080 and 116 ranges, April 2012

⁷ [Implementing the revised EU Framework](#), Ofcom, 11 May 2011

⁸ Ibid.

⁹ Ibid.

5 Public Accounts Committee Scrutiny and New Government Guidance

In September 2013 the Public Account Committee took evidence from the NAO on the use of higher rate telephone number by Government Departments. Following this, in October 2013 the Committee published its which noted:

In 2012–13 central government handled at least 208 million telephone calls. The Department for Work and Pensions received 100 million calls and HM Revenue and Customs received 68 million calls. Some 63% of calls to central government were to higher rate telephone numbers. The estimated cost to callers of these calls in 2012–13 was £56 million.¹⁰

And concluded:

In the face of this evidence we welcome the Cabinet Office's acknowledgement that it was "inappropriate" for vulnerable citizens to pay a substantial charge to access public services and its commitment to establish best practice in this field and ensure it is followed across government.

Following the Committee's report Government guidance (last issued 10 years ago) was updated and published on 26 December 2013. The guidance states:

01, 02 and 03 numbers are all charged at standard geographic rates and are always included in available minutes within call packages. **Departments should therefore first consider whether a non-geographic number is required, and if not, use a 01 or 02 prefix. Where a non-geographic number is needed, departments should treat the use of the 03 prefix as a default policy position for the provision of core public services.**¹¹

¹⁰ [House of Commons Committee of Public Accounts, Charges for customer telephone lines, Twenty-seventh Report of Session 2013–14](#)

¹¹ [HMG Guidance, Customer Service Lines, Dec 2013](#)