

# The Death of 0870

by Henry Newrick, Managing Director of Team Telecom (Europe) Ltd

## 0870 numbers are dead, or at least they soon will be, if far reaching changes to the UK non-geographic numbering system being proposed by Ofcom take effect.

Spurred by media campaigns and wide ranging public criticism Ofcom has for some time been looking at the future of non geographic numbers, and in particular 0870. In the process it has consulted widely with industry leaders as well as ordinary members of the public. The result is one of the biggest phone numbering shake-ups seen for a long time in the telecoms industry.

When they were first introduced in the UK about 9 years ago, 0870 numbers, costing the same as a BT long distance call, were called national rate numbers. At that time the standard BT rate for calling long distance within the UK was 6.73p minute + VAT. 0870 numbers provided a non-geographic alternative to standard geographic numbers and brought many advantages including the ability to be moved anywhere in the UK.

From a consumer's viewpoint there was no disadvantage in calling a 0870 number because the cost was the same regardless of whether they called 0870 or the geographic code.

Over the past few years the telecoms marketplace has become increasingly competitive with the result that rates have been dropping steadily so that now it is possible to make long distance calls to geographic numbers from one end of the country to the other for under 1p. Yet 0870 numbers have remained unchanged at 6.73p. It has not escaped public attention.

It is also well known among the public (thanks to extensive press coverage) that many companies are receiving a share of the call revenue that arises from these higher priced 0870 calls. That in itself wouldn't be so bad if call waiting times were short, but many large companies and government departments with their sophisticated call queuing systems routinely keep callers on hold for up to an hour or more with endless repetitions of that perversely bland message 'Your call is important to us. Please hold' In the same way as speed cameras are seen as revenue generators for government, so too are 0870 numbers perceived as revenue generators for many companies and call centres.

Under about to be published Ofcom proposals there are to be a number of changes to 0870 which, if adopted, will be effective from early 2007. These are:

1. An end to revenue share. No longer will BT be required to share revenue with carriers who supply 0870 numbers to their clients or resellers.
2. 0870 Numbers are to be charged at the same rate as geographic numbers offered by various carriers. Therefore if a carrier's national geographic rate is 2p per minute then it must also charge 2p per minute to call an 0870 number unless the call is preceded by a

r e c o r d e d announcement telling the caller that the call is costing 7.9p minute (6.73p + VAT). The caller will then have the opportunity to cancel the call. The inescapable conclusion to this is that we are likely to see the demise of 0870 numbers as companies move

either back to geographic numbers or to cheaper non-geographic alternatives such as 0845 (local call) which Ofcom has said will remain untouched for at least 2 years. One of the principal reasons for leaving 0845 untouched at this stage is that many ISPs use 0845 numbers for dial up internet access, and the small revenue share they receive is critical to maintaining their business models.

A further reason that 0870 numbers are likely to disappear is that many companies may move to take up 0844 numbers where calls cost just 4 or 5p minute at all times. With 0844 numbers a small revenue share is still likely. However, if this number range came into widespread use, then in due course there is the possibility of unfavourable media attention – especially once revenue sharing became known.

While the biggest impact of the recent OFCOM review is clearly on 0870 numbers, other number ranges are also referred to. As previously noted 0845 numbers are to remain untouched for two years at which point they too will be reviewed. It is proposed that 0871 calls come under the jurisdiction of ICSTIS the agency responsible for policing premium rate 09 numbers. Adult calls made on 0871 numbers (where the revenue share can be up to 6p minute) are likely to be moved to premium rate 09 numbers.

Severely affected will be companies that have invested heavily in building their brand or business around a particular phone number. Apart from the obvious benefits to the consumer in terms of lower call charges, printers and sign writers will also do well for the next few years as businesses set about changing their stationery and signage.

**Henry Newrick is the Managing Director of Team Telecom (Europe) Ltd, a company specialising in sourcing non geographic numbers for clients throughout the UK and overseas. He can be reached on: [henry.newrick@telecomsolutions.co.uk](mailto:henry.newrick@telecomsolutions.co.uk) or 0845 222 0033.**

## Mortgage Bureau Commercial



### A one stop shop

- Commercial Finance • Hire Purchase • Leasing •
- Secured Loans • Bridging Finance •
- Foreign Currency Transfers •
- ... Accounts not required ...

Credit problems accepted

If your circumstances are out of the ordinary

**WE CAN HELP**

Call 0845 1662006