

Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title: Telephone Numbering (Safeguarding the future of numbers)

To (Ofcom contact): Andy Montaser

Name of respondent: Ray Nixon

Representing (self or organisation/s): FleXtel Limited

Address (if not received by email):

CONFIDENTIALITY

What do you want Ofcom to keep confidential?

Nothing

Name/contact details/job title

Whole response

Organisation

Part of the response

If there is no separate annex, which parts?

If you want part of your response, your name or your organisation to be confidential, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

DECLARATION

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Ray Nixon BSc MIET
Chief Executive



Telephone Numbering Safeguarding the future of numbers

Foreword by

William R Goodall BSc CEng FIET, Chairman

On behalf of FleXtel, I would like to thank Ofcom for the opportunity to comment on Ofcom's future Numbering Plan. I strongly support Ofcom in its mission to stamp out consumer abuse in the Telecom Market. I believe that it is vital that Ofcom is successful, in order to stop the Market falling into disrepute.

However, I do not agree with Ofcom's current approach and I apologise now for some harsh truths that I feel obliged to bring to the attention of both Ofcom's senior management and the public. I am an Engineer at heart and was once told that the definition of an Engineer was '*someone who blurted out the truth in front of the Customer*'. So here are some 'hometruths'. I hope that those who work hard in Ofcom will not be dismayed, but will take this information in good faith, with a view to improving Ofcom's strategy.

Numbering and all that jazz...

I agree with Ofcom, Telephone Numbers have a long future, in that they will continue to form a bridge between legacy phone systems and new services such as VoIP. A typical example of such bridging service is demonstrated by reference to the well-known 'SkypeIn' and 'SkypeOut' services¹, where callers dial ordinary (E.164) phone numbers. However, although the role of numbers has changed dramatically since 1984, when BT lost its monopoly, it is changing again.

In 1984, traditional Geographic numbers (01 & 02) not only defined which telephone was being called, but also had to route the call to the location of that telephone. Even the BT mobile service, (System 4 Radiophone), needed a different mobile number to route to each regional transmitter e.g. London, Birmingham, Manchester etc. Yes, each mobile had 6 different numbers, one for each zone! ...So if you changed location, you changed number.

In 1985 this changed, with the introduction of the TACS Mobile service. Here the number routed the call to the mobile network (Vodafone or Cellnet). On arrival at the mobile network, it was instantly translated to a number (an internal 'routing' number) to route the call to the location of the Mobile, anywhere on the network. ...So, one number could connect calls to a mobile located anywhere in the UK.

In 1991, using similar principles, GSM extended this concept to international roaming, so the international 'routing' number (MSRN) was accepted on any GSM network, worldwide, by means of a standard international roaming agreement. ...So, one number could connect calls to a mobile located anywhere in the world.

In 1993, encouraged by Oftel's numbering strategists, FleXtel launched the UK's first Personal Numbering service². Here the Personal Numbers were instantly translated, to any traditional 'routing' number, thus separating the Number from not only location, but also the terminating network (TCP) mobile or fixed. ...So, one number could connect calls to any phone or mobile located, anywhere in the world and on any network, without prior agreement with that network.

Over the next decade these numbers became free to own and operate. Today anyone can get and activate a Personal Number from our website in under a minute; all at no cost whatsoever. They also cost nothing to run. The same is true of our 0844, 0870, and 0871 numbers. My intention was that these numbers should be owned for life by FleXtel's Customer base, at no cost to them. Oftel understood this.

However, unlike Oftel, Ofcom, must by law³, be a Consumer driven Regulator. It therefore has primary focus on Consumer issues and hence is attentive to 'Consumer Complaint'. I believe this naturally leads

¹ SkypeIn: <http://www.skype.com/products/skypein/>

² Financial Times 2nd December 1993. <https://www.flextel.ltd.uk/press/financial-times-1993.gif>

Ofcom to be a more reactive and less strategic Telecoms Regulator. It is unlikely to apply the same level of resources to the underlying principles of the genuine and highly beneficial market. Furthermore, when a service is working well Consumers do not normally call and congratulate FleXtel. I imagine this is also true of Ofcom. It therefore follows that Ofcom cannot be aware of all the beneficial services out in the Market, without very deep (expensive) market research.

Recently Ofcom has reacted strongly to significant and in many cases justified Consumer complaints. It has issued plans to drop the price point of 0870, to low and unsustainable levels that will destroy the existing established 'bone fide' market. It also plans to evict the 070 service to 065, which will only serve to move the existing problem, whilst causing detriment to existing Consumers and Citizens. Naturally FleXtel's Customers will be very disappointed at such enforced number changes.

In my view, FleXtel's numbers are the perfect portable numbers, allowing the user to select any TCP⁴ dynamically. It can also connect its numbers to many VoIP services and to destinations abroad. Our Customer base has the personal or business advantage of being able to switch TCP, without notice, within 20 seconds, in the event of: -

- Change in location;
- Price opportunity – change of network/service provider;
- Failure - of system, phone or mobile;
- Disaster - recovery from fire, flood, terrorism or simply a lost or stolen mobile.

Such switching can be commanded by the Customer using any Internet screen, any phone or any mobile. Security of access is protected using reactive security measures and defensive strategies of the highest reasonable standard. Our charge to change destination is zero.

FleXtel is an ethical company, in terms of its staff, its Customers and also the Citizen/Consumer calling our Customers. It has been a long-term player in the market, offering quality services that deliver real value and benefits to the Citizen/Consumer. It is not in the market to make a 'fast buck'. It has never offered Premium rate services. It has no plans so to do, unless forced by Ofcom.

Competition & Price Transparency

FleXtel believes in the concept of open competition, it expects competition to drive down prices. It expects to compete on quality of service, on leading edge innovation and value for money, but not necessarily on price.

The Internet is a classic example of the near perfect market, delivering highly transparent prices. This has lead to intense competition, and as a result 'High Street' prices are also under significant pressure. Contrast this to the current pricing regime of UK phone services. It is not transparent, but highly opaque. As a direct result the price-demand curve is highly elastic. In fact it is so elastic that in 1997, when Orange and One2One raised their prices to call a mobile, from 14p/min to well over 25p/min ...no one really noticed!

In recent years, such price opacity has led Ofcom to slap a price control on the cost of calling mobiles. This clearly indicates a lack of price transparency, since there are at least four well-matched competitors in this market, each aggressively trying to acquire customers. This price control is surely a step backwards to the days of monopoly and an indication of the failure of Ofcom to make competition work effectively.

For the same fundamental reason the new 192 Directory Enquiry service, now dialled using 118 xxx, has been placed under Premium Rate controls. Why? Because 118 followed by any 3 digit number, is likely to connect you to one of nearly 300 service providers. These charge between 27p and £3.20 per minute! Worse a 5 second misdial can cost up to £1.73! Without good pricing transparency, price stability is poor and scams abound, this is the law of any free market.

To clarify let me give you a real example. A Consumer misdialled 118 866, when the intended code was 18866, a very low cost service. Instead of paying just a 5 pence per call, the Consumer paid over £1.50,

³ Ofcom is Consumer driven: <http://www.ofcom.org.uk/about/sdrp/>

⁴ Terminating Carrier Provider

even for a 5 second call! One month later, when looking at her BT bill, the 83-year-old pensioner asked me about this actual case. I was embarrassed and ashamed at the state of the market.
...Anecdotal evidence yes, a problem for the Consumer, absolutely!

What is the Regulator's solution? Pass the problem to ICSTIS. Although I'm sure ICSTIS has done its best, it is impossible for it to protect Consumers against genuine price confusion of this type. If the pensioner could have heard the call cost before being charged, she could have hung up and saved £1.50. Now her alternative is to complain to BT and go through the ICSTIS approved complaints procedure.
...Is this fair or even good enough? Is Ofcom proud of this state of affairs? I'm not.

You can find our list of the 289 'lucky dip' codes at our website, under...

<http://www.flextel.co.uk/ofcom/>

...you may be shocked, I was.

The 118 case is of particular interest to me, as it hints at the probable future structure of charging patterns of all numbering within the UK and possibly the world.

In the future, any service could be charged at any price on any number...

...provided, of course, that the caller is forewarned of the cost of the call, before being charged.

Numbers Again?

Consumers find numbering boring. It's a means to an end. They'd rather store a name in their mobile address book, than try to remember a number. No amount of Number Planning can effectively help protect the Consumer; they don't understand it and don't want to learn. In any case, most don't know what a 'Number Plan' is, let alone where to find it. It's not a bad thing; it's just that...

Numbering is the wrong tool to deal with Consumer Protection.

It is a very, very blunt and ineffective instrument and any attempt to use it will cause detriment to many Citizens, Consumers and Stakeholders. The biggest threat to FleXtel's Business Plan, is Ofcom wielding blunt instruments. Ofcom is certainly worrying me. It is using an archaic approach suitable only for the 1984-2003 regime of individual licences.

Licensing and Eggs-aminations...

In 1992, as I was merely an independent Telecoms Consultant and I'd had the audacity to apply for a Telecoms Licence, under section 7 of the Telecom Act 1984, I was summoned to the DTI. There a group of people interviewed me, some from obscure and rather secretive parts of Government.

I described what a nice useful service I hoped to run. I apparently had a good track record with my former employer, Vodafone. I was not connected with any malicious foreign power. Result? I was a 'good egg'. FleXtel got the licence! ...providing FleXtel did not transfer more than 15% of its shares, without notifying the DTI for approval.

In July 2003, the UK Government struck the Communication Act and, effectively, FleXtel's licence was torn-up. Now anyone with a PC, fitted with some fancy cards, was class licensed, and could start a Telecom service, without any vetting whatsoever!

Surprise-surprise amongst the 'good eggs', soon there were 'bad eggs'. Scams became a serious and increasing problem. Ofcom was just starting and knowledge was passed from Oftel to Ofcom as the scammers really established themselves. Ofcom went quiet and 'looked at the market'. Good I thought, let's get on with business, customers liked our service, life was good or so it seemed.

Revolting Consumers?

Then in 2004, the Press began to grumble, probably driven by action groups, such as saynoto0870.com, but also by BT, whose margins in NTS services are heavily controlled by Ofcom. Furthermore, BT Retail was losing market share, to competition. The BT Group wasn't happy.



It surprised me. Our 0870 service was and is cheap, FleXtel only charge about 6p/min, just enough to cover its translation costs and outbound payments for the call to the final destination (up to 3p/min). Oh yes, and a tiny amount of revenue share (typically about 0.5p/min), which FleXtel had to be seen to have, to compete. What could the problem be I asked myself? How unfair it all seemed.

Then in July 2005, a bombshell, Ofcom had made a U-turn in policy. It suddenly wanted to remove the NTS service to a price point that was not commercially viable. FleXtel performed an urgent analysis. I learnt that the Press and public perception was that the NTS service cost 30p per minute to dial and not the BT 8p rate controlled by Ofcom. FleXtel worked out that it wasn't the NTS service at fault, but the price of such calls from mobiles. Without effective price transparency they were getting away with charging up to 40p/min for our service. This was input to Ofcom, along with FleXtel's detailed solution to deliver call price transparency to the UK Telecom Market.

Ofcom ploughed on regardless. Micro-regulating each symptom of call price opacity, with stronger enforcement in terms of more complex, but equally ineffective, guidelines for Personal Numbering⁵, for Mobile Pricing information⁶, and the plan to force our 0870 charges from 6p/min to an unworkable 0.3p/min, which will not cover FleXtel's costs⁷. Ofcom seems to be reacting to each symptom, not dealing with the underlying problem and inadvertently destroying markets along the way.

It seems to me that, the UK Telecom Market is now like a patient being given a drug for each symptom, because the doctor can't diagnose the underlying problem. It is starting to reel, and I predict serious side effects will follow, requiring more 'drugs' (micro-regulation).

The guidelines won't work because no one can police them...

- Ofcom has not the resources, it is complaint driven and by then it is too late, the scammers have moved on.
- Service Providers have the same problem, today they cannot know their Customer, so are complaint driven.
- Scams can be literally overnight events.
...Connection is in seconds, so is disconnection.
- Disconnection of Service on suspicion, without a court order or prima facie evidence, is legally challenging at best, a high business risk at worst, especially if one considers the wide impact of the Human Rights Act.

Supermarket Telecom Analogy

To clearly demonstrate what I mean about lack of price transparency and its impact, let's take an amusing look at the Telecom Charging regime, as applied to a national supermarket chain e.g. Asda, Tesco or the like.

Imagine you want to shop at this supermarket, you'll get special discounts, there are many different packages, including free bundles for you to choose from. You go into the nearest branch and sign an agreement, stating your preferred package. There are various terms and conditions, but you're really much too busy to read the six pages of fine print. After credit-vetting you are given an account. Now you can start to shop.

You are given your special package price list. You note that updates for the latest offers or special deals can be found on the Internet, but you do not have access to the web here, so you decide that you will check later, perhaps. You note that the cost of items vary by time of day, and day of the week, this seems a bit complicated, but undaunted you start shopping.

Next you notice that the shelves do not have any price labels, but what look like phone numbers against each item. You ask for help and the shop assistant explains that you must look at the item number e.g. 07017 677 243 and then look it up in the price in your price list, taking into account the time of day and any

⁵ Proposed amendment to guidance on acceptable use of 070 numbers: http://www.ofcom.org.uk/consult/condocs/personal_numbering/

⁶ Mobile Pricing: http://www.ofcom.org.uk/consult/condocs/nts_info/statement/

⁷ NTS 0870 change: http://www.ofcom.org.uk/consult/condocs/nts_forward/statement/statement.pdf



special bundles that might be relevant. The assistant goes on to say that traditional price labelling isn't possible, as the price you pay depends on the price-package you selected.

A little confused, but still undaunted, you look through the price list. When you find it you note that, depending on the time of day, it will be Early/Late-10p, Peak Hours-30p or Afternoon-20p, except on Saturdays or Sundays, when it will be on special offer at 10p, but it might be free if it is in your bundle. You check your special bundle list.

Having worked out this 'simple and customer friendly' system you continue shopping. It takes you a little longer than usual, so you note the time moves past 12 and into the Afternoon rate, which is good, because it's cheaper, but you are now late. Unfortunately, as you are now in a hurry, you make a mistake and select item 118 345 at £1.73 instead of 118 355 at only 30p. They are virtually the same products, so it's an easy mistake to make, so you don't notice.

Having finished shopping you take the items selected to the till. They are billed against your account, but you notice you do not get a till receipt. You query this and are told that it will be sent at the end of the month, but only if you have paid the extra £1 per month, for this special service.

Fortunately you had decided to invest in an itemised bill, so on receiving the bill to your horror you see the item 118 345 at £1.73. Unfortunately by this time you have already consumed the item, but feel aggrieved so call in to ask for a refund of the difference as you think it is a rip-off. You are told that you made the mistake and that the company cannot refund you, because you have already consumed the product.

You complain to the Supermarket Regulator, who states that they have already been told by the supermarkets that it is far too expensive to change the existing system to offer price labels. The Regulator goes on to say that after a number of complaints they have decided to impose a price cap of 50p, on all items.

Delighted you return to the supermarket, but imagine your dismay when you find they only stock cheap items like bread and milk. It has no cheese, fish or meat and no hi-tech products like DVD's or microwave cookers, as these are no longer permitted by the Regulator.

Would you shop at this supermarket?
Did the Regulator make the right decision?

Before 1984 this supermarket was state owned. Calls were expensive, quality was poor and connection was slow. It had little stock...

- 00 Irish and Mobile.
- 010 – International.
- 011-09 – local, regional, trunk calls easily understood.
- 1xx Operator service. All free unless warned by the operators e.g. international calls.
- 192 – Directory inquiries – free of charge.

Before making a call, the caller simply dialled 100 (a free call), to check the cost both quickly and accurately. Why? Because, since there were no bundles or different tariffs, prices were simple and easily understood! Today this traditional, but effective service could be automated, taking into account the multitude of tariffs, via a 1xx dialling prefix.



The Better Way Forward?...

Unlike Oftel, Ofcom has significant responsibilities and powers delegated to it from the OFT, so one would expect its economists would understand how a free competitive market should work. A key ingredient is good accurate price transparency. Clearly, I have shown that there is little in the UK Telecom Market. Ofcom has a duty to protect the Citizen/Consumer and it is failing. I hold that the solution is Call Price Labelling as set out in our previous input to Ofcom. This is available at:

<http://www.flextel.co.uk/ofcom/>

William R Goodall BSc CEng FIET
Chairman

Sandbach, Cheshire
May 2006

Our Response

We thank Ofcom for the opportunity to comment on the “Telephone Numbering - Safeguarding the future of numbers” consultation. FleXtel’s considered response to the 61 questions follows.

Question 1 What are your views on the strategic principles that Ofcom proposes to apply to its numbering policy decisions?

- Ofcom will maintain the availability of telephone numbers to consumers, so that they can access the services that they value;

We agree with this principle. But Ofcom already plans to breach it by...

- Moving 0870 to a different price point and thereby destroying a wide range of innovative services on 0870.
- Proposing to move 07 to 06. In an attempt to reduce scams, this proposal will delete valuable and bone fide services for thousands of Citizens, Consumers and SME businesses.

We support Ofcom’s desire to reduce scams and stop the telecoms market falling into disrepute. However, it is our considered view, that Ofcom’s current methodology can be likened to trying to weed a garden with a pressure-washer. Not only will it wash away scammers but also the green shoots of the telecom economy along with established and well rooted operations, such as FleXtel, much to the detriment of a large base of individual and SME customers. We believe Ofcom should adhere to the principle of maintaining availability of telephone numbers to consumers, this should not involve any number changes. We do not believe it to be either fair or reasonable for Ofcom to ignore it when it suits, in order to appease mis-informed political, media or public opinion.

- Ofcom will do so in a manner that maintains the continuity and meaning which is provided by numbers and which is valued by consumers;

We support the principle of ‘Continuity of Numbers’, but Ofcom is not planning to apply it, please refer to our comment immediately above.

This second part of the principle i.e. ‘meaning of numbers’ is **obsolete and will fail**, as a result of technological innovation and ‘Convergence’. If Ofcom attempt to continue on its naïve crusade it will constrain innovation within the UK and thereby cause detriment to the Citizen/Consumer. Ofcom has already acknowledged this by...

- Permitting the use of Geographic numbers for VoIP where:
 - the called party will be able to be located anywhere in the world.
 - the call quality and delay may not be as expected.
 - the consumer must become wary of scams as the called party can easily be outside the UK jurisdiction.

- Ofcom will allocate numbers in a manner that delivers the benefits of competition to consumers, and in particular that does not inappropriately discriminate between different providers, or the networks and technologies used by those providers;

We fully support this principle.

- Ofcom will allocate and manage numbers in a manner that does not unnecessarily expose consumers to abuse.

We cannot see how Ofcom will be able to deliver this without being in conflict with the foregoing principle. How will Ofcom judge whether a new service is highly innovative and beneficial for consumers or a scam? Already Ofcom have been slow to deliver the allocation of numbers to new innovative services. We think the existence of Telecom scams is NOT a numbering issue, but an information delivery and policing issue. We respectfully suggest that Ofcom needs to ‘get real’ in this area. If not, then it will block innovation and the UK’s former leadership in telecoms, already in decline, will be lost.

A better way is for the Consumers to be given adequate information and for the commercial principle of caveat emptor (buyer beware) to apply e.g. accurate, simple pricing information.

Question 2 What do you think are consumers' key current views on numbering, how do you think those views will change, and how should Ofcom's current decisions take those changes into account?

We believe that Consumers are totally confused about the relationship of phone numbers to Services and have been so for a very long time. Is this a problem? We think not!

In our opinion most Consumers are disinterested in technology and find it boring, or worse, hostile. They are typically only interested in what a Service will do for them and how much it costs. This is confirmed by Ofcom's own research.

We also agree with Ofcom that the Consumer wants, indeed, has a right, to know the price paid for a call. When consumers decide to dial or make calls (i.e. purchase them!) they generally cannot know the price per minute of the purchase. This is because they must consider:

- the day of the week
- the time of day
- the number that is being dialled
- whether the number dialled is in any 'bundle' they have purchased
- whether the included minute budget for the month has expired
- if a discount applies

This is very complex and it is unreasonable to expect Consumers to calculate or remember this, before purchasing a call. Furthermore, it is common that they only find out the price, when the bill arrives typically the following month. This highly opaque regime i.e. cause (call purchased) and effect (price paid) are not easily correlated. Furthermore many operators charge for itemised billing, so the most vulnerable, who cannot afford any extras have no way of working out what the relationship is... *If the Regulator is really serious about delivering call price transparency, could this practice be outlawed soon!* Please note, we know of no case of Consumers being charged for an itemised bill at a supermarket checkout.

We strongly disagree with the conclusion drawn in paragraph 3.24...

3.24 The clear message from the consumer research is the need for the Numbering Plan to be more transparent. It is also apparent that consumers overall are ambivalent about change, strongly resenting changes to geographic numbers but fairly evenly split in their attitude to geographic significance. Finally, the benefits of innovations must be evident and tangible to be of interest to consumers.

We hold that no amount of adjustment of the Number Plan can adequately address the price transparency issue. The erroneous assumption drawn is that the Numbering Plan is the only way to deliver Pricing information. In fact it is useless at doing so, as stated by Ofcom itself with respect to the failed 09x pricing structure. We feel that other staff in Ofcom must help broaden the Numbering Units viewpoint here.

We hold that this dangerous conclusion, if accepted, will continue to constrain innovation and cause further number changes, which from Ofcom's own research Consumers clearly do not want. Examples of forthcoming Number Plan driven Consumer disruption are:

- The enforced 0870 price point changes leading to service closure or number change.
- The proposed forced change of 07 personal numbers to 06.
- The enforced change of 0871 to premium rate status.

These are all symptoms of a lack of a satisfactory price labelling system in a 'lightly regulated' Telecom Market. This Market is now open to all competitors, including scammers. We believe that Consumers will suffer detriment as a result of Ofcom's micro-regulatory approach to the lack of price transparency. In simple terms we consider Ofcom is merely 'papering over the cracks', instead of delivering what the Consumer needs...

- Stable Numbering;
- A clear Simple Price for each and every call;
- Low prices driven by such transparent price competition, and not by the blunt instrument of Regulation, which normally results in unexpected detriment to the Market.



We have suggested our 'way forward' four times⁸. As a result of our efforts to promote Competition and protect the Consumer, we had hoped that Ofcom would at least perform a cost benefit analysis of our proposals in its Annual Plan 2006/7⁹. We have not been able to detect any such intention. However, post the Finalisation of the Annual Plan, we were encouraged by the recognition of our proposal's merit in the NTS: A Way Forward Statement¹⁰.

The implementation of our proposal would have the dual benefit of protecting the Consumer from opaque ('shady') pricing practices, whilst also unfettering the Numbering Plan from the constraint of its principle: 'Ofcom will allocate and manage numbers in a manner that does not unnecessarily expose consumers to abuse'

Question 3 What do you think are the main ways in which technological developments will change the focus of numbering policy decisions, and how should Ofcom's current decisions take these developments into account?

We agree with Ofcom, that as technological convergence continues unabated, the location of the called party will become irrelevant. e.g. Ofcom has recently approved the use of VoIP services on Geographic numbers. As a result these can no longer be trusted to indicate location and the caller party can now literally be located anywhere on the planet. We support Ofcom in making this difficult decision, as it was likely to be unstoppable and any attempt to block it could have constrained innovation.

We also agree that use of Phone numbers will continue, as a result of the obvious legacy effect, far into the future and act as a bridge between VoIP, traditional telephony and other future systems that must interwork with POTS¹¹. However we are surprised at Ofcom citing ENUM, which in our opinion has potentially fatal location security issues.

It is clear that Ofcom is already aware of the massive forces of innovation which are ripping up the Telecom rulebook. Ofcom needs to ensure its numbering policy is flexible, not prescriptive, because, like FleXtel, Ofcom cannot predict the future. It would be very damaging if Numbering Policy constrained innovation and thereby inadvertently caused detriment to the Citizen/Consumer. Ofcom is already a bottleneck and a high commercial risk factor for innovators in this area. FleXtel has been blocked by Ofcom since last August and has now only just received Mobile codes from the Numbering unit. FleXtel are still waiting business critical codes for full deployment of its unique service.

Question 4 Do you have any comments on Ofcom's assessment of the current challenges to the Numbering Plan, in terms of...

a) number availability,

Any shortages (except for traditional Geographic codes) are self-imposed, by restrictive planning.

- By removing pricing and service constraints out of the numbering plan...
...then the 1000 Million numbers each in the 07, 08 and 09 range have got to be enough!
- We see the addition of extra 1000 Million numbers 03 range as helpful,
 - ☎ possibly to wean Consumers off the traditional location based charging of Geographic numbering and
 - ☎ to take pressure off that range,

However, we do envisage 03 as being heavily adopted by VoIP and other users, for various market sensitive reasons.

b) transparency, or

As stated above, other than high level price caps **for all OCPs**, we see detriment in embodying any pricing information in the number plan. In fact, to be blunt, we see it as doomed to failure and a severe constraint on free market forces, as experienced by many that have gone before.

⁸ For our collated input to Ofcom please visit... <http://www.flextel.co.uk/ofcom/>

⁹ Annual Plan 2006/7 http://www.ofcom.org.uk/about/account/reports_plans/annual_plan0607/statement/statement.pdf

¹⁰ See page 34, para. 4.35, of the NTS Way Forward Statement at: http://www.ofcom.org.uk/consult/condocs/nts_forward/statement/statement.pdf
"Ofcom has also reviewed FleXtel's 'call price labelling' proposal, under which consumers could find out the price of any call in advance, by dialling a 3-digit prefix followed by the number they wish to call. From a technical viewpoint, the proposal looks to be feasible and would be likely to require a similar set of systems and software to an 'all-calls' announcement solution such as the OCP announcement solution for 084 and 087 calls considered in the September 2005 Consultation".

¹¹ Plain Old Telephone Systems

c) consumer abuses?

As outlined above, Caveat Emptor is the principle FleXtel considers to be the way forward, supported by full Price Labelling. We do not support censorship of services by the Numbering Unit in Ofcom, who cannot have a clear view of the future services within the numbering plan. Any such policy is naïve, will constrain innovation and is doomed to failure.

If Consumers are unsure about a service they should have free real time access via the terminal (phone, mobile, VoIP interface) they are intending to use for the latest pricing information of the next transaction (call). They can then make an informed choice.

Question 5 Do you agree that the extension of conservation measures is the best approach to take before the impact of NGNs eases the pressure on geographic number demand?

Yes, but NGN is unlikely to ease the demand. Ofcom need consider that many people want 'ordinary looking' (Geographic) numbers for VoIP. Ofcom has permitted this, the rest, as they say, is history. We offer the take-up failure of the 055 & 056 ranges to support our view here.

Question 6 Do you agree that the use of overlay codes is the best backstop approach in the event that extended conservation measures are not sufficient to meet demand for geographic numbers?

Yes, number changes to existing users, must be avoided at all costs. The disruption and impact has never been fully costed e.g. consider all the phone books of all the callers that must be updated. Look at the permanent loss of contact B2B and C2B & C2C that must obviously exist. Number changes should be a clear act of last resort for any Regulator and an admission of failure to run the market well.

Question 7 Do you agree that Ofcom should continue to respect the geographic identity of numbers until consumer understanding of the impact of technology change evolves further, and what do you consider is the best way to develop that consumer understanding?

7a) Too late! VoIP is out there.

7b) Understanding will come with time, is there a need to develop it?

Question 8 Do you agree with Ofcom's proposal to open a new '03' number range for non-geographic, non-revenue sharing services?

Yes, there are cases where very low cost, distance independent services are required. This delivers fair access for all.

Note we feel 'Freephone', is not always appropriate, as it can lead to unacceptable caller abuse, so 03 would be welcome, although it is doubtful that FleXtel will deploy this for various commercial reasons.

However, 03 is important as 080 services are expensive on Mobile networks. It is surprising that after a temporary stopgap solution invented by BT/Vodafone in 1984, chargeable 'Freephone' has been permitted to run for twenty years by both Oftel and Ofcom. Why wasn't this misleading service proposition stopped years ago?

Question 9 How should the '03' range be structured, in terms of tariffs and services?

As stated earlier, we do not support tariff or service structures in the numbering plan. This is an archaic approach to telecoms.

Question 10 How should the '08' range be structured, in terms of tariffs and services?

See question 9.

Question 11 Which broad approach should Ofcom take to structuring the '09' range, and if a re-structured '09' range is preferred how would you arrange the different types of '09' services (e.g., according to price per minute, price per call, inclusion of adult content)?

See question 9.

Question 12 Should any specific PRS service categories be identified or segregated in order that parents can block access by their children (e.g., sexually explicit content, gambling)? Is there merit in having a general 'adults only' classification, including a range of services to which access might be restricted on the grounds of content, or might consumers wish to apply different rules for different types of content?

Complex question, but it depends on what barring capability is now available in the networks. Has Ofcom researched this? Numbering may not be the only way. If it is however, then we fully support specific planning for the protection of minors only.

Adults should be able to make an informed choice at all time, based on price and also audio announcements warning of forthcoming explicit content as per other multimedia formats.

Question 13 Are there any practical means by which the Numbering Plan could provide improved mobile tariff transparency?

No.

Non-discriminatory Call Price Labelling is the key, see our earlier comments. Mobile tariffs are notoriously complex and beyond the ken of many Consumers.

The recent modification of GC14¹² is well intended, but if misused it may serve to damage competition in the NTS markets, due to its potentially discriminatory nature, despite Ofcom's claims to the contrary. We believe GC14 will also be ineffective, as most Consumers will not understand the complex information necessarily delivered about call charges. See our earlier answer to Question 2.

However, purported 'Freephone' 080 services are expensive on Mobile networks. It is surprising that after a temporary stopgap solution invented by BT/Vodafone before launch in 1984 has been permitted to run for twenty years by both Oftel and Ofcom. GC14 may help to highlight this unacceptable situation, where an 0800 call may be more expensive than a call to another mobile.

Why hasn't this misleading service proposition been stopped years ago? Surely Free 'Freephone' calls are essential to ensure that 'Low Income' families, without a BT line, have access to essential services?

Question 14

Do you agree that personal numbers should have a tariff ceiling (or recorded message) to restore trust in those numbers?

Yes

If so, what level, and should that ceiling include the cost of recorded messages?

10p, above the cost of the most expensive mobile network, should deliver adequate margin to operate any quality service. For more detail please see question 43, below.

Any recorded pricing messages should deliver accurate OCP based prices and apply to all services operating above the ceiling. i.e. be non-discriminatory. Such announcement should be free of charge. Calls should be connected after a delay, not a keystroke, as this can cause problems for some users. The OCP customer should be able to opt-out of such announcements. Opt-in would be the default state.

Question 15 Do you agree with Ofcom's proposals to move personal numbers (with the same consumer protection provisions) to the '06' range and to pursue the direct allocation of numbers to end users as proposed at some point in the future?

No. This is nonsense.

We already offer a personalised service on the 070 range. Many individuals have taken our personalised numbers with name patterns. They cost nothing to run. These can be connected in seconds by visiting our online shop at no cost¹³. Ofcom please note, it already exists!

¹² Modifications to General Condition 14 http://www.ofcom.org.uk/consult/condocs/nts_info/statement/

¹³ Go to <http://www.flextel.com/#shop> to view a range of ofcom numbers

Before Ofcom started to threaten the 070 market with change we confidently used the slogan 'Numbers for Life'. We recently withdrew this due to Ofcom undermining our confidence that they would not propose such a brutal change.

The proposal does not comply with many of the principles that Ofcom has stated...

The 07 code was developed by the Regulator, 'Find Me Anywhere' numbers. The market has been established for over 10 years.

- Just because Ofcom has failed to stop 'scams' in 070 does not mean it is not a worthwhile service – there are tens of thousand of bone fide users at this time.
- Just because mobiles are a bigger market than personal numbers at this time does not mean that it should take over competitive space.
- Ofcom is yet again talking about convergence, but acting otherwise. Oftel recognised these services might converge and therefore placed them in the same group.
- To even suggest changes to numbers for the sake of it is just crass and a clear admission of Regulatory failure by Ofcom.
- We can't believe that Ofcom would consider squandering a 1000 million number space on a market that is much smaller than the Mobile market, which has plenty of capacity in 'only' a 300 Million numbering space.

We suggest that instead of disrupting honest users and causing detriment to many SME and Citizen/Consumers, Ofcom should help drive down call prices using price labelling to deliver highly competitive call price transparency and hence scammers will be squeezed out of the market.

Question 16 Do you have any comments on the use of the 05 number range?

It seems amazing to us that Ofcom would suggest protecting the 05 range, to avoid forced number changes, yet slam the 070 service with such a draconian proposal.

We suggest that Ofcom look to its own Consumer Research and notes that Number changes are 'very bad' and not wanted!

Since there is no capacity problem it follows that the 05 range should be left unmolested, unless or until a conflict requires such a painful process.

Its time to drop the 'let's keep it tidy' storekeeper approach, it is too expensive in an established market.

Question 17 Do you agree that Ofcom's overall proposals for a future Numbering Plan are coherent and comprehensive, and

Absolutely not! In our opinion the numbering proposals are incoherent, self conflicted, woolly, piecemeal and not strategic. In fact we now know after the NTS: A way Forward Statement and discussion with Ofcom staff that the whole of Ofcom's regulatory policy suffers the same lack of focus.

We feel that Ofcom's Senior Management does not know how to progress to a free open market, yet the answer is obvious. To run a market properly, high price transparency must exist. Without it, price anomalies occur and scammers will trick Consumers. All the available data collected over years by Ofcom supports this, yet Ofcom is still blind to it and OCPs claim that it would be 'expensive' to implement. OCP are terrified of this, as it will expose their tricky tariff packages. Incredibly, Ofcom just believes them, without any audited analysis, why? FleXtel wishes to see fair competition in an open and fair market.

do you have any comments on the timescales in which the changes should be implemented?

We question the whole approach, so the question cannot be answered by us.

The Numbering Plan is trying to serve too many masters:

Fraud Control, Tariff, Service, Efficiency, Innovation, Competition and most important of all Long Term Stability.

We sympathise with the Numbering Policy Unit, if the requirement for scam suppression is driven from above, because we think it is nonsense and an impossible task.

Question 18 Do you agree with the principle of using consumer protection tests in numbering in order to limit consumer abuses, as long as the relevant legal tests are met? Do you have any suggestions for what tests would be appropriate or any conditions that should be met to pass such tests?

18a) No, see above.

18b) None.

Question 19 Do you support the proposal to extend the tariffing provisions of the Numbering Plan so that they apply to customers of all providers on all types of network?

Yes, if they must be used, the Mobile Networks need to be reined in. We prefer free market call price labelling, rather than controls.

Question 20 How do you think the new Numbering Plan could be effectively communicated to consumers?

We believe that the most appropriate way of informing customers would be by call price labelling and information announcements immediately prior to a call being made. As discussed in FleXtel's Call Price Labelling proposal this could be by a change of the ICSTIS wording which would let callers get used to a 1xx information prefix, which could give them pricing and/or service descriptions. It is unreasonable to expect callers to have to remember the details of a complex numbering plan, in order to know what a call may cost, they have more important things to do with their lives.

Question 21 What are your views on Ofcom's analysis and the different options for number charging?

We support charging for numbers, in the Geographic conservation areas, which will help avoid number changes.

However, where there is no capacity shortage i.e. everywhere else, then this will serve only to restrict innovation and could be seen as a stealth tax on the Consumer, via uplift in charges.

Ofcom has 10 blocks of 1000 million numbers available, if we remove the Geographic ranges (01&02) this still leaves 8 blocks of 1000 million available for all other services. If Ofcom was less prescriptive about tariff and service designation, like many other countries in the EU, then there is plenty of capacity.

Justification

FleXtel has issued hundreds of thousand of numbers to Customers all free of operating cost. Some of these numbers have very low usage levels, as little as one call per six months. The yield per annum per number can be less than 1p in some case. This is acceptable to our current business model, as the marginal cost of storing the number translation and service data is very small. If Ofcom were to impose annual charges we would have to recover these numbers or bill the Customer, pushing up costs considerably for the Consumer, due to the billing overhead.

If FleXtel manually connects numbers via our manual system, we typically charge an administration fee. Thereafter there is no further billing.

If charging were to be imposed then a one-off administration fee would be far more acceptable. It is the administration of the numbers (allocation) which imposes significant cost to Ofcom, we think that such a charging regime would be fair and reasonable.

Question 22 Which, if any, numbers might appropriately be allocated using a value-based charge?
This area is complex and who would decide the value?

For example is 07017 677 243 valuable? Most people would think not, until you realise it spells: 0701 **porsche**. Because this is a 7 digit sequence it is a one in 10 million number and hence highly valued. 269 (BMW) is less so because it is a one in a 1000 sequence and therefore quite common.



Now consider 07063 723 337. This spells 070637 **Adder**, which may be of interest to a local zoological society. However, it also spells 070 **Mercedes** a one in 100 million number. No FleXtel doesn't have it, it is held by Ofcom.

What about 07017 713 283? This spells 0701771 **Dave**. This is good, but it also spells: 0701771 **Date**, which may have higher value to some.

This is just a peek inside a very complex area and FleXtel has spent many years developing tools to tackle valuation and even so we cannot claim to have solved it.

Ofcom should be aware that over-valued numbers will stagnate the market. Direct selling of numbers would put Ofcom into a monopoly position of supply. Is this Ofcom's intention? Is this legal under the Competition Act?

Question 23 *Do you have any other comments on Ofcom's proposals for numbering as discussed in Section 5, or any other suggestions for how Ofcom might revise the current Numbering Plan or its administration?*

No

Question 24 *What do you think of Ofcom's proposed general approach to managing geographic numbers?*

It is a challenging area, especially now demand has been exacerbated by the advent of VoIP. We believe overlay codes are a pragmatic solution, as they avoid number changes to established users. This we believe is of paramount importance and must not be underestimated by Ofcom.

Question 25 *Do you have detailed evidence or suggestions on the variables likely to influence demand for geographic numbers, how those variables will change over time, and how Ofcom should develop a demand model?*

No. It largely depends on Ofcom's high level policy and future innovation in the market. FleXtel does not hold itself competent to comment in this area but who does?

Ofcom must move quickly if it is to avoid closing the door after the horse has bolted, since VOIP terminated numbers can very quickly dwindle a scarce geographic numbering resource.

Question 26 *Do you agree with the specific proposal for how to extend conservation measures, including the extension to areas with a number shortage predicted in the next five (rather than two) years?*

We feel prediction five years out is likely to be very unreliable in a free flow market. There is a risk a restricting innovation if a too conservative approach is adopted.

Question 27 *Do you consider there to be any upper limit, in terms of technical feasibility, on the number of areas in which conservation measures could be used?*

Yes. The decode in legacy exchanges e.g. AXE may present problems for operators, with a large capital investment in such infrastructure e.g. BT, Vodafone etc. Ofcom should consult carefully with CP before proceeding. FleXtel is unaffected due to the use of database driven IN processes.

Question 28 *Do you agree with Ofcom's assessment of the impact of conservation measures on stakeholders?*

FleXtel does not hold itself competent to comment, as we are not up to date with the detail of the infrastructure of larger CPs.



Question 29 Do you agree that Ofcom should pursue these additional ways to improve number utilisation and, if we do, how would stakeholders be impacted and what practical issues are involved?

No. Please see our answers to preceding questions, especially Q4.

Question 30 What are your views on overlay codes, and Ofcom's assessment of them, as a fallback option to increase number supply? What should be the maximum number of areas where overlay codes are introduced?

FleXtel does not hold itself competent to comment, as we are not up to date with the detail of the infrastructure of larger CPs.

Question 31 What are your views on closing the scheme, and Ofcom's assessment of it, as a fallback option to increase number supply?

This will impact existing users local dialling procedures and is best avoided. It will be particularly challenging for the elderly and some disabled communities.

In para. A1.58 we interpret Ofcom's numbers as 59% were concerned, 29% were indifferent and therefore deduce that 12% were in favour. Does Ofcom really consider that as 'evenly split'?

Question 32 What are your views on wide area codes, and Ofcom's assessment of them, as a fallback option to increase number supply?

We believe the 03 code introduction could provide a soft landing to deliver this long term goal. The number changes embedded in the concept are an anathema to FleXtel and this option should only be used as a desperate measure.

Question 33 Might wide area codes be appropriate in regions with a strong identity and, if so, which specific regions are suitable for wide area codes?

See Q32.

Question 34 Do you agree with Ofcom's assessment of the problems with current 08 and 09 in terms of information clarity and consumer perceptions?

No.

We have made our detailed comments known via the NTS: A way forward consultation (two inputs)¹⁴.

We stated our view then and hold to it now. We believe that the Ofcom statement on this matter confirms that Ofcom is now planning to make a costly and disruptive error that will cause detriment to the Citizen/Consumer and thousands of SMEs nationwide. Ofcom is already aware of our detailed view. Ofcom has moved from consulting to action and has not taken into account the damage being done by the numerous mobile tariffs that seem to overcharge for access to both Freephone and NTS services. It is our opinion that it has regulated the wrong area!

Furthermore, we are surprised that the Numbering Principle of transparency for tariff in the numbering plan as promoted by Ofcom is being destroyed by this Ofcom proposal. We do not subscribe to it, but you would think if Ofcom wanted tariff structure built into the numbering plan then they would comply with their own planning objective. We would be embarrassed to be associated with such a confused arrangement.

Question 35 Which of these options for current 08 services do you think is best in terms of a) increasing consumer transparency and b) minimising the costs of re-structuring the 08 range?

See our answer to Question 34.

Question 36 How might early migration to the '03' range be encouraged?

Make it available as soon as possible.

¹⁴ For our collated input to Ofcom please visit...<http://www.flextel.co.uk/ofcom/>

Question 37 Is it more important to indicate price per minute or price per call, and does this vary for different types of PRS service? What granularity of PRS tariff information should be given to consumers by the Numbering Plan?

None. We do not deem it relevant provided Call Price Labelling is implemented.

Question 38 Should there be any PRS number ranges with no tariff ceiling?

No.

Question 39 What is the typical turnover of 09 numbers, and what does this mean for migration timescales to a new 09 Plan? How could Ofcom structure the 09 range or take other steps to promote voluntary migration of 09 services?

We do not use 09 numbers at this time and have no data to offer.

Question 40 Do you agree that that part of the 07 range which is currently unused (071-075) should be reserved for mobile services, with the aim of establishing 07 as a mobile 'brand'?

We see no problem with allowing the ranges to work towards each other: i.e. Mobile number allocation starting at 075 and Personal Number allocation potentially starting at 071 (*if it ever needs a further 100 million numbers*). We see that at some point Personal & Mobile numbers are highly likely to converge anyway. Ofcom should already understand this. Oftel did.

We note that some Mobile numbers are now sharing revenue to end-users. Is this a start of such convergence? Will Ofcom ban such activity, as it has for Personal numbers? Or will it continue to rely on its invisible (*to the Consumer*) and artificial wholesale price-cap. Alternatively Ofcom could implement Call Price Labelling and let natural Market forces do the work? This will also allow Consumers the benefit of making an informed choice, before they place a call.

We deplore even the suggestion of the Regulatory bludgeon of evicting 07 to 06. We have run a bone fide, ethical and honest SME business for over 10 years in a market created by Oftel. Ofcom seems to lack the vision even to understand that just the suggestion of such a move is detrimental to our business.

Ofcom is in place under the Communication Act 2003. It has responsibilities under the Competition Act 1998 and Enterprise Act 2002. We believe that Ofcom is causing malfunctioning of the Telecom Market by excessive ineffective micro-regulation.

The Enterprise Act introduces the opportunity for consumer bodies, designated by the Secretary of State, to make super-complaints to the OFT and to the Regulators when they believe that features of a market are significantly harming the interests of consumers. There is a wide range of possible outcomes, including the scope for an investigation under the Competition Act when there are reasonable grounds to suspect that one of the prohibitions has been breached.

Since accurate Call Price Information cannot be supplied to Consumers Ofcom is reacting by a series of micro-regulatory proposals that we claim will be ineffective. Therefore Ofcom itself will be significantly harming the interests of consumers by continuing on this course of action.

Question 41 Should Ofcom reserve specific sub-ranges within the 071-075 range for new mobile multimedia services, in the interests of promoting consumer awareness and tariff transparency, and if so how?

No!

- How would this improve numbering utilisation efficiency?
- Have Ofcom forgotten that the Consumer might like to keep his number and get all the multimedia services by a phone upgrade?

Question 42 Do you support the use of 100,000-number blocks in allocating mobile numbers to new mobile voice providers?

Yes.



It will allow innovative companies to test the market without risking a shortage in the available 3000 such number blocks. There seems to be no technical obstacle to this change of UK numbering policy.

Question 43 Based on the above analysis, if Ofcom were to introduce a charge ceiling on calls to 070 numbers, which of the following levels should be adopted; i) 10 ppm ii) 15 ppm iii) 20 ppm iv) something else ?

We support a charge ceiling. However, it is not clear if this is a BT Retail ceiling or a BT Wholesale termination rate ceiling. Ofcom needs to be clearer in its proposals here.

BT Retail is highly dangerous as it introduces uncertainty into business plans of the 070 service providers. It gives BT group (BT Wholesale and BT Retail) enormous control over the revenue received by the 070 service provider.

We would therefore prefer a Wholesale price cap of 10p, over the highest Mobile Wholesale rate, plus an allowance for conveyance equal to BT's double tandem rate.

Finally a word of warning. Ofcom stated in para. A3.23 on page 151

- the ceiling could reflect a typical mix of calls to fixed and mobile networks, plus an overhead to allow for the fact that this mix might legitimately vary, plus an additional element to cover the costs of redirection. If we were to assume that roughly two-thirds of calls terminated on fixed networks, and that the remaining third of calls terminated on mobile networks, then this approach might suggest a charge ceiling of around 10 ppm.

Naturally, it will have occurred to some of the more experienced economists in Ofcom, **that the above suggestion is a scammer's charter**. It is an obvious statistically unsound suggestion and should have been removed by junior staff. Any arbitrage opportunity like this will immediately be exploited to the fullest extent, thereby distorting the call mix to the detriment of the 070 Service Provider – **in simple terms, “for cheap (loss making) mobile access just call 070!”**

We are very concerned that Ofcom allowed such a suggestion to pass through its internal review stage. However, like FleXtel, Ofcom may also be suffering from Consultation fatigue. It has been a busy year.

This is further evidence, to FleXtel, of the poor state of Ofcom's competence in the Telecoms arena. We are sure that the exodus of many former Oftel staff may be connected with this matter. Ofcom itself has admitted that the 'Devil is in the Detail'¹⁵ and we are now very much in that detail.

Question 44 Would a requirement to make tariff information clearly available to purchasers of personal numbering services at the point of sale, either in addition to, or instead of a call ceiling, be an effective means of providing tariff transparency on personal numbers?

Yes it would, but it is equally applicable to all calls. From Ofcom's research it is clear that callers are not very aware of the cost of any calls, not just calls to personal numbers.

FleXtel's proposal for Call Price Labelling would allow the advertiser the confidence of not being in breach of Advertising Standards by simple stating “Calls may cost more. To check the latest price, Dial 104 followed by the number” – Access prefix 104, is FleXtel's suggestion, in our four other Ofcom inputs we suggested any available generic 1xx prefix. 104 is available.

Question 45 If a new sub-range is made available for personal numbering services, how long should the current '070' sub-range remain available for existing providers, in order to minimise migration costs?

Indefinitely.

¹⁵ http://www.ofcom.org.uk/consult/condocs/statement_tsr/statement.pdf

Question 46 What issues do you think would need to be resolved before Ofcom makes individual numbers available for direct allocation to end users?

Legal, Competition & Enterprise Act issues.

- Who would operate the ENUM database.
- How would a monopolistic scenario be avoided?
- We understand ENUM is an open DNS system.

It therefore permits the location of the user to be detected.

Are Ofcom confident that all these issues can be resolved.

Question 47 What do you consider to be the main strengths and weaknesses of the current rules-based system of UK number allocation?

The biggest weakness is the inclusion of Tariff and Service categories within the number plan as detailed above.

Question 48 Do you agree with these principles for number charging?

See Q21.

Question 49 What are your views on Ofcom's assessment of the issues to be considered in setting and reviewing number charges? For example, should other issues be considered in developing charging proposals?

See Q21.

Question 50 Do you agree that charging for numbers could disincentivise economically inefficient behaviour, and incentivise economically efficient utilisation?

See Q21.

Question 51 What internal changes would communications providers have to make, and at what cost, to support charging for numbers? Would these changes be preferable to earlier and more widespread use of conservation measures and (limited) changes to increase geographic number supply?

51a) This would imply a change of business model for FleXtel.

51b) No.

Also see Q21.

Question 52 How might existing number allocation rules be reduced if charging for numbers was introduced?

We believe it will make matters even more complex.

Question 53 What are your views on this illustrative charging mechanism, and would you suggest any changes or alternatives to it?

see Q22.

Question 54 How would charging for number blocks affect consumers?

The additional cost to operators would ultimately be passed on to the customer, with appropriate mark-up, as either increased connection or service costs.

Question 55 What impact do you think charging for numbers would have on sub-allocation? Should Ofcom encourage or facilitate sub-allocation and, if charging were introduced, would changes be needed to the process of suballocation to facilitate trading?

We do not sub-allocate, in order to protect service quality.

Question 56 Which types of consumer abuse do you think Ofcom should particularly attempt to address through its numbering policy decisions?

None. It is the wrong tool and too blunt an instrument.

Question 57 Which number ranges and types of originating communications provider do you think should be covered by an extension of the Numbering Plan's tariffing provisions? What practical issues are involved, and how would this vary according to the number ranges and service providers involved?

We are opposed to artificial price controls. Transparent pricing is the solution.

To extend price control to all OCP is a poor solution, but better than nothing and may help dampen the abuses by some mobile service providers. It will however, not aid true competition.

This methodology raises many complex issues, which Ofcom would have to resolve. We are concerned that such an approach will just make the rules even more complex. Innovation may atrophy as a result.

Question 58 What do you think of the potential conditions proposed by Ofcom for inclusion in a consumer protection test for number allocation, including the proposals that numbers should not be provided to anyone with a particular track record of persistent and/or serious consumer abuse?

We believe it is a sound argument that Communication Providers which Ofcom continually have to investigate and subsequently always find that they are causing persistent consumer abuse, should have a restriction placed on new number allocations. We see no other basis for withholding allocation.

Question 59 Are there any other circumstances in which it may be appropriate for Ofcom to refuse number allocations?

See question 58.

Question 60 Would you support the use of a consumer protection test as a basis for withdrawing number allocations? What kind of considerations should Ofcom apply in any such test, and what would be the practical issues involved in applying such a test?

No. This is not enforceable in our opinion, without harming innocent Consumers.

Question 61 What consumer abuses do you think might occur in the future, and what steps might Ofcom take now in its numbering policy in order to reduce the potential for such abuses?

We feel that Ofcom is wasting national resource by attempting the impossible. i.e. to build price controls into the numbering plan. Consumer abuses have been and are primarily caused by callers not knowing the cost of calling numbers.

Until the fundamental of improving call price transparency is addressed then abuses will continue.

Modifying and increasing the complexity of numbering policy is completely the wrong tool to use. The numbering plan is primarily of interest to people within the industry and technophiles. Changes to it are unlikely to help the most vulnerable who are likely to be caught out by scams because the cost of calls cannot easily be identified. It is unreasonable and naive to expect them to have to "learn" the numbering plan. Even in the unlikely event that they did, it is of little benefit when OCP's charges are so diverse and pricing plans so complicated. A short access code to help with pricing and service information is the sort of simple but powerful tool which consumers can take on board and make use of.

Other areas in which abuses may also increase are in:

- the use of the currently trusted geographic codes (01 and 02), not by tariff anomalies but by passing off. Con-men may use CLI spoofing and VOIP termination of geographic calls, they may pretend to be a local company, but actually they could be anywhere in the world.
- the current vogue for free inclusive calls and free IP calls allowing unlimited sales (nuisance) calls, which may even be outside of Ofcom's reach if they were to originate overseas.