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The Scottish Parliament
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4th December 2009

Dear Mr David

Consideration of Petition PE1285

Thank you for your letter of 4th November concerning Petition PE1285, calling for all calls from mobile phones to NHS 24 to be free of charge to users. We are grateful for the opportunity to comment on the petition.

The first thing to say is that there's no such thing as a free phone call. Someone, somewhere, has to pay for the cost of building and maintaining the infrastructure required to carry a phone call. The "per unit" cost of operating a mobile network is far greater than running a fixed network. This is reflected, for example, in the termination rates in the fixed and mobile sector, which are regulated to ensure that they are cost oriented – mobile termination rates are significantly higher than the equivalent fixed charges.

It is also worth noting that mobile operators compete fiercely with each, and that this competition ensures that the customer gets a good deal. Indeed, Ofcom, the UK Communications regulator, has acknowledged that the UK has the most competitive mobile sector in Europe¹. It is in this context that mobile operators set their retail charges.

This cost difference means it is not viable for mobile operators to make all 0800 calls - from double glazing companies to Childline - free to customers. Instead we have an arrangement where all calls to helplines operated by charities and other organisations who are members of the Telephone Helplines Association are free of charge to O2 customers. (The short code is 0808 80 rather than 0800.)

THA has more than 500 members including most of the national helpline services such as Samaritans, Shelterline, and Cancerbackup as well as many local and regional services. Between them their members handle over 22 million calls per year. We also have longstanding ad hoc arrangements in place with charities (such as Childline or Crimestoppers) that have well established and well known helplines.

¹ See note 3 in the Notes for Editors in http://www.ofcom.org.uk/media/news/2009/07/nr_20090708

NHS 24 has chosen to use an 0845 prefix for its helpline. 0845 numbers are operated on a revenue sharing basis in which part of the cost of calling the number is paid to the receiving party, in this instance NHS 24. These payments are reflected in relatively high wholesale payments that O2 has to pay to BT or Cable & Wireless - who carry the calls to 0845 numbers - when one of its customers calls NHS 24. O2 is strongly of the view that it would be quite inappropriate to zero rate calls to NHS 24 in such circumstances.

In 2007 Ofcom and the industry established a new 03 number range as an alternative to numbers beginning with 08 (e.g. 0845). The introduction of the new 03 numbers enables charities, banks and the NHS to offer consumers a single telephone number for the whole of the UK, at the same cost as calls to geographic numbers (e.g. those beginning 01 or 02). 03 Numbers are included within the bundle for all O2 contract customers, and for O2 pre pay customers the cost of ringing a 03 numbers is the standard pre pay call charge. Accordingly, if NHS 24 switched to an 03 number, this would significantly reduce the cost of ringing NHS 24.

It is worth noting that in England the Department of Health has announced plans to prohibit the use of phone numbers that charge callers a premium rate. Under this new approach all calls to the NHS will cost no more than the standard rate for calling a local number.

I hope this response is helpful

Yours sincerely

Steven Bartholomew
Head of Public Affairs O2 UK