

Amendments to the General Provisions (GEN)

Chapter 7

Charging consumers for telephone calls



7.1 Application

Who? Where?

7.1.1 **R** This chapter applies to a *firm* carrying on activities from an establishment in the *United Kingdom*.

What?

7.1.2 **R** This chapter applies where a *firm* operates a telephone line for the purpose of enabling a *consumer* to contact the *firm* in relation to a contract that has been entered into with the *firm* in the course of, or in connection with:

- (1) *regulated activities*; or
- (2) *payment services*.

MiFID firm exception

7.1.3 **R** This chapter does not apply for telephone lines provided in respect of contracts relating to the *MiFID business* of a *firm*.

Payment services exception

7.1.4 **R** This chapter does not apply to telephone lines which:

- (1) enable *payment service users* to request information to which paragraph (2) of regulation 56 of the *Payment Services Regulations* applies; or
- (2) relate to the termination of a *framework contract*, unless:
 - (a) the *framework contract* was concluded either for a fixed period of more than 12 *months* or for an indefinite period; and
 - (b) at least 12 *months* of the *framework contract* have expired.

Complaints exception

7.1.5 **R** This chapter does not apply for telephone lines provided by a *respondent* for the purpose of enabling an *eligible complainant* to submit a *complaint*.

7.1.6 **G** ■ DISP 1.3 contains rules that apply for telephone lines provided by *respondents* for the purpose of enabling *eligible complainants* to submit *complaints* to a *respondent*.

Application to firms carrying on credit-related regulated activities

7.1.7 **G** An effect of ■ GEN 7.1.1R and ■ GEN 7.2.1R is that this chapter applies for contracts by which a *firm* provides, or agrees to provide, *credit broking* services. In particular, this chapter applies where a telephone line is operated by a *credit broker* so that following the entry into a contract for the provision of *credit broking* services, a *customer* is able to contact the *firm* with a view to entering into a *credit agreement* or a *consumer hire agreement*.

Related consumer credit rules

7.1.8 **G** The following provisions of *CONC* continue to apply where a *firm* operates a telephone line in respect of the relevant credit-related regulated activities but the *call charges rule* does not apply (for example, where a telephone line is operated for the purpose of enabling a consumer to contact the *firm* before a contract has been entered into):

- (1) ■ CONC 2.5.8R and ■ CONC 2.5.9G (unfair business practices: credit broking);
- (2) ■ CONC 2.6.3R and ■ CONC 2.6.4G (unfair business practices: debt counselling, debt adjusting and providing credit information services);
- (3) ■ CONC 3.3.9G (financial promotions and communications);
- (4) ■ CONC 3.9.5R and ■ CONC 3.9.6G (financial promotions and communications in relation to debt counselling and debt adjusting);
- (5) ■ CONC 7.9.5R (arrears, default and recovery); and
- (6) ■ CONC 8.7.6R (charging for debt counselling, debt advice and related services).

Regulated benchmark administrators

7.1.9 **R** This chapter does not apply to telephone lines provided in respect of contracts relating to a *firm's administration of a benchmark*.

7.2 Call charges

Call charges rule

7.2.1 **R** A *firm* which operates a telephone line for the purpose of enabling a *consumer* to contact the *firm* in relation to a contract that has been entered into with the *firm*, must not bind the *consumer* to pay more than the basic rate for the telephone call.

7.2.2 **G** The contract entered into with the *firm* may be in writing or otherwise.

Meaning of basic rate

7.2.3 **R** For the purposes of the *call charges rule*, the basic rate is the simple cost of connection and must not provide the *firm* with a contribution to its costs or revenues.

7.2.4 **R** The following numbers, if used by *firms*, would comply with the *call charges rule*:

- (1) geographic numbers or numbers which are always set at the same rate, which usually begin with the prefix 01, 02 or 03;
- (2) calls which can be free of charge to call, for example 0800 and 0808 numbers; and
- (3) standard mobile numbers, which usually begin with the prefix 07, provided that the firm ordinarily uses a mobile number to receive telephone calls.

7.2.5 **R** The following numbers, if used by *firms*, would not comply with the *call charges rule*:

- (1) premium rate numbers that begin with the prefix 09;
- (2) other revenue sharing numbers in which a portion of the call charge can be used to either provide a service or make a small payment to the *firm*, such as telephone numbers that begin with the prefix 084 or 0871, 0872 or 0873; and
- (3) telephone numbers that begin with the prefix 0870 as the cost of making a telephone call on such numbers can be higher than a

geographic cost and will vary depending on the *consumer's* telephone tariff.

