



**Social Security Advisory Committee Occasional Paper No. 7**

**Telephony in DWP and HMRC: Call costs and  
equality of customer access –  
SSAC's 2007 recommendations revisited**

**September 2009**

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This paper was produced in support of advice offered to the Secretary of State in accordance with the Committee's remit (s 170(i) (a) of the SSA 1992 refers). The original text was sent to Ministers in September 2009 and is now being given wider distribution. We are grateful for the assistance of our Research and Policy Specialist, Dr Anna Bee, who prepared the paper for us, and to Departmental officials who provided factual information. However, the views expressed and any conclusions reached in the paper are solely the responsibility of the Committee.

# Telephony in DWP and HMRC: Call costs and equality of customer access – SSAC's 2007 recommendations revisited

## Introduction

1 This paper examines progress on recommendations set out in our Occasional Paper entitled 'Telephony in DWP and its agencies: Call costs and equality of customer access', published in 2007.<sup>1</sup> The paper considered the increasing use of telephony for first contact within DWP (especially within Jobcentre Plus), the cost of calls to 0845 and 0800 numbers and the potential use of the new 03 number range. It set out three main recommendations for improving staff and customer knowledge about call costs and reducing the cost of calls for customers:

- i. *The Department should ensure that the message about mobile charges to 0800 numbers is clearly articulated to all its customers and staff in a consistent manner across its businesses and services.*
- ii. *Staff should automatically offer a call-back to customers using mobile phones. Staff should be aware of potential call costs and be able to explain to customers that the call cost could be high if they are using a mobile phone.*
- iii. *The Department should clarify its policy on the use of the new '03' number range to deliver its services.*

2 This paper also explores some of the changes since 2007 in the provision and costs of telephone calls that are likely to affect DWP customers. In addition, SSAC, HMT and HMRC have signed a new Memorandum of Understanding that sets how all three parties will work together to ensure that the Committee's expertise and experience is considered in respect of draft regulations and customer products. This paper therefore includes a brief discussion of HMRC's use of telephony for customer access to its services, especially in relation to Tax Credits. While the aim is to revisit the recommendations made by SSAC in 2007, such a review is also timely given that a recent publication by Leeds Citizens Advice Bureau urges the government to reduce the cost of calling its departments and agencies from a mobile phone.<sup>2</sup> Our recommendations and those of Leeds CAB are very similar, although our focus is only on call costs to the DWP and HMRC.

## Non-geographic numbers and call costs

3 A key issue that we explored in the 2007 paper was the cost of calls to non-geographic numbers. This issue merits a brief reconsideration, as it is central to many of our concerns about the increasing use of telephony for customer access. Government departments and agencies have been

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<sup>1</sup> [http://www.ssac.org.uk/pdf/occasional/SSAC\\_paper\\_on\\_call\\_costs\\_paper\\_3.pdf](http://www.ssac.org.uk/pdf/occasional/SSAC_paper_on_call_costs_paper_3.pdf)

<sup>2</sup> Leeds Citizens Advice Bureau (2009) *Hung Up, The cost of calling government from a mobile phone*, <http://www.leedscab.org.uk/forms/hungupreport.pdf>

increasingly using non-geographic numbers (e.g. 0845, 0800 numbers) to deliver services because they offer a number of extra functions not offered by geographic numbers (01, 02 numbers). These extra functions include the fact that organisations can manage calls into their network through 'intelligent routing'. This means that calls from different types of customer can be routed to staff members through the use of a single telephone number. However, a major drawback to the use non-geographic numbers is that they may cost more than the cost of an equivalent call to a standard rate geographic number, especially when called from a mobile phone. Even 0800 numbers that are free from a BT landline are chargeable from most mobile phones (see Table 1 below). However, it is worth noting that it is currently cheaper to call an 0845 number from a BT landline than to call a geographic number, if the call lasts longer than a few minutes.

4 There have been some changes that have improved the situation vis-a-vis call costs to some non-geographic numbers. For example, BT announced in early 2009 that it was removing call charges to 0845 and 0870 numbers for customers with any of its landline call plans. However, call plans are paid for in advance, whether or not any use is made of the facility and only the Anytime Call Plan includes calls to 0845 numbers during the working day (when DWP lines are typically open). This means that the impact of the change is likely to be limited. Non-BT landline users, BT users without the relevant call packages and mobile phone users still face considerable costs for calling these numbers. In 2007, Ofcom introduced the 03 number range, which provides the same advanced functions as 08 numbers but is charged as a standard rate call and must be included within call plans.

5 Our 2007 paper specifically considered the issue of calling non-geographic numbers from mobile phones and provided a table showing the range of call charges from a selection of major providers. The table below provides updated examples of call charges to 0845 and 0800 numbers and includes costs for calling 03 numbers. As in 2007, the highest charge for calling an 0800 number from a major mobile phone provider is 40 pence per minute. The examples in the table below demonstrate the complexity of the market and provide evidence that mobile provider service charges vary on whether dialling 0800/0845 or a geographic number (including 03) is cheaper. Whilst this table looks at the cost of calling these numbers from a mobile phone, it should be noted that the majority of calls received by DWP are made from landlines (see paragraph 8 below).

**Table 1 – Examples of the range of costs of mobile calls to 03, 0845 and 0800 number (costs as at August 2009 – for illustrative purposes only)**

	<b>03</b>	<b>0845</b>	<b>0800</b>
<b>Provider 1</b>			
<b>Pay as you go<sup>^</sup></b>	25 pence per minute	40 pence per minute	40 pence per minute
<b>Monthly contract*</b>	20-30 pence per minute	40 pence per minute	40 pence per minute
<b>Provider 2</b>			
<b>Pay as you go</b>	20 pence per minute	25 pence per minute	25 pence per minute
<b>Monthly contract</b>	20 pence per minute	20 pence per minute	20 pence per minute
<b>Provider 3</b>			
<b>Pay as you go</b>	20 pence per minute for first 5 minutes a day then 5 pence per minute	25 pence per minute	No more than 15 pence per minute
<b>Monthly contract</b>	15 pence per minute for first 5 minutes a day then 5 pence per minute	25 pence per minute	No more than 15 pence per minute

Source: Providers' websites and telephone conversations

<sup>^</sup>These charges relate to the basic pay as you go package and other packages may have different charges

\* Contract prices for 03 numbers are for calls over 'inclusive minutes' allowance

6 The DWP is working on a long-term customer contact strategy in which the telephone will remain a fundamental service delivery mechanism. The decision has been taken to provide an 0800 number for longer duration calls to claim benefit (e.g. calls to claim JSA currently last approximately 30 minutes), with shorter calls about benefit queries being made to 0845 numbers. According to DWP officials, this strategy represents the most cost effective option for both customers and the Department. We support the decision to transfer all calls to claim benefit to 0800 numbers but would question why calls to Benefit Delivery Centres (BDCs) to enquire about an existing claim should be made using an 0845 number. In many cases, customers will be calling a BDC because they have a problem with their benefit and will need to minimise their outlay and avoid expensive phone calls. There are plans to move all jobcentres from local 01/02 numbers to a single 0845 number at the end of 2009. This will reduce the number of geographic numbers that the Department needs to list but will introduce issues relating to the cost of customer calls to the local jobcentre, especially when made using a mobile phone.

7 While the DWP has attempted to minimise call costs for customers through supplying an 0800 number for benefit claims, it is faced with the fact that mobile phone companies charge for 0800 calls. One option is for the DWP to negotiate free calls with all the mobile phone providers. However, negotiating with all the separate companies across a myriad of call packages has so far proved impossible on a large-scale. We understand that the DWP

is currently in dialogue with the major mobile phone providers about removing the cost of calls to DWP 0800 numbers (even if this is likely to result in DWP paying for the call). In a recent answer to a parliamentary written question, the DWP Minister Jim Knight, stated that the 'Department believes strongly that calls to its 0800 numbers should be free to mobile phone users as they already are for callers from landlines.'<sup>3</sup> He confirmed that officials are now in discussion with mobile telephone operators and also that they have approached the Telephone Helplines Association (THA). The THA works to ensure that all 0800 numbers registered with it are free for customers to use. To date, these numbers tend largely to be used by charities and help-lines, although they are also used by government departments for selected 0800 services. Removing the cost of calls to DWP 0800 numbers for all mobile phone users would be the best solution for customers and would be appropriate, given that these numbers are provided for people to make claims to benefit, at a time when they are therefore economically disadvantaged. We therefore support the Department's work in this area and would encourage providers to consider seriously the argument that people on low incomes should be enabled to make free calls to essential government telephone numbers.

8 In 2007 we were unable to determine whether there was any Management Information that identified the percentage of customer calls from mobile phones to Jobcentre Plus contact centres, although Jobcentre Plus staff estimated that about 30 per cent of calls to contact centres were made from mobiles. According to DWP Officials, data from 2009 show that approximately 15 per cent of phone calls to all DWP services are made on mobiles, 70 per cent are made from landlines and 10 per cent are made from some type of public call box. We assume that for calls only to claim working age benefits (e.g. JSA), the percentage of calls made on mobiles is likely to be higher than the 15 per cent to all services, given the age and socio-economic profile of people having access to a mobile phone only.<sup>4</sup> DWP analysis, conducted in July 2009, demonstrated that nine per cent of calls to Social Fund Crisis Loan 0800 numbers are made from mobiles. Of the remaining calls, 47 per cent are made from fixed landlines, 43 per cent from phone booths and one per cent from other sources. A recent survey of Citizens Advice Bureau customers showed that 90 percent of customers had a mobile phone but only 50 percent had a landline.<sup>5</sup>

9 HMRC uses 0845 numbers for its Tax Credit, Child Benefit and National Insurance helplines. The HMRC website offers advice about how to request forms to be posted out and how to access face-to-face help through

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<sup>3</sup> Parliamentary Question number 278376, 6<sup>th</sup> July 2009

<sup>4</sup> The 2008 Consumer Experience Report from OfCom showed that a quarter of 15-24 year olds and a fifth of DE socioeconomic groups now live in a household with access only to a mobile phone. Almost a quarter (24 percent) of the lowest income bracket (up to £11.5K) lives in households with access only to a mobile phone. <http://www.ofcom.org.uk/research/tce/ce08/research.pdf>

<sup>5</sup> Leeds Citizens Advice Bureau (2009) *Hung Up, The cost of calling government from a mobile phone*, <http://www.leedscab.org.uk/forms/hungupreport.pdf>

an HMRC Enquiry Centre. The calls to the Tax Credit helpline will vary in length as, unlike the Jobcentre Plus benefit claim lines, they are not routinely used to take claims in full. However, they will be used by customers requiring help to complete their forms, to notify HMRC about a change of circumstances, to renew their claims and to query award notices. Some calls, therefore, have the potential to be lengthy and costly to customers calling from a mobile. Customers should be able to contact HRMC easily (and at low cost) to report a change in circumstances, thereby avoiding the costs to the government associated with the overpayment of tax credits. We understand that DWP is starting discussions with HMRC about how both organisations might share a consistent policy on telephone numbering.

10 An additional issue with 0845 numbers is that they provide the opportunity for the organisation using the number to revenue share with the telephony provider. The DWP ceased revenue sharing on its 0845 numbers in December 2007. In response to a Parliamentary Question from May 2008, the HMRC Minister (Jane Kennedy) replied that 'HM Revenue and Customs raise no revenue through the use of 0845 business rate lines'. We are pleased to note that neither department is currently receiving direct revenue from the use of 0845 numbers.

### **Best practice in terms of 0800/0845 numbers**

11 We fully support the current use of 0800 numbers by the DWP and its agencies for calls to claim benefits. We recommend that DWP Benefit Delivery Centres and HMRC Tax Credit helpline numbers should be transferred from an 0845 to an 0800 number.

12 We support the efforts of DWP officials to ensure that mobile phone providers remove the (often high) cost of calls to benefit claim 0800 numbers. In the meantime, we would urge mobile providers to ensure that information about the cost of calls to non-geographic and 0800 numbers, is clearly available to their customers, as currently it can be difficult to pin down the actual cost of calls to 0800/0845 numbers from some providers' websites.

### **Information about call-costs**

13 Following the publication of our paper in 2007, SSAC became involved in the development of a revised call cost statement to be included in all DWP literature. The statement was designed, as far as possible, to provide accurate information that summarised a complex and changing situation with regard to call costs. Since 2007 the statement has been up-dated to reflect major changes in call costs. As of May 2009, the statement read:

*Calls to **0845** numbers from BT land lines should cost no more than 4p per minute with a 7p call set-up charge. You may have to pay more if you use another phone company or a mobile phone, or if you are calling from abroad. Calls from mobile phones can cost up to 40p per minute, so check the cost of calls with your service provider.*

*Calls to 0800 numbers are free from BT land lines and phone boxes but you may have to pay if you use another phone company, a mobile phone, or if you are calling from abroad.<sup>6</sup>*

*Calls to 0870 numbers from BT land lines should cost no more than 8p per minute with a 7p charge for connecting the call. You may have to pay more if you use another phone company or a mobile phone, or if you are calling from abroad.<sup>7</sup>*

*If you prefer, you can ask us to call you back. Tell our operator that this is what you want to do and give them your phone number.*

On the DWP website the statement about call costs appears in most sections about how to make a claim via the telephone. The Directgov website uses the same statement about call costs. The statement has been agreed in discussion with the Advertising Standards Authority (ASA).

14 When claimants call the Jobcentre Plus main claim line, which is an 0800 number, the warning about call costs is made explicitly at the very beginning of the phone call. The statement (at May 2009) is as follows:

*'Please be aware that if you are calling from a mobile or a non-BT landline, you will be charged at the rate set by your service provider'*

While this does not provide information on call costs, because these vary by supplier and can change frequently, it does flag up the fact that non-BT service providers may well charge for calls to an 0800 number. We recommend that at this point in the call it should also state that a customer can request a call back if they are calling from a mobile phone.

15 As mentioned in paragraph 9 above, HMRC uses 0845 numbers for its Tax Credit, Child Benefit and National Insurance helplines. As of May 2009 we were unable to find clear up-front information on key websites (e.g. HMRC and Directgov) about the potential cost of calling the Tax Credit Helpline 0845 number. Nor is there a warning about call costs as part of the automated introduction when a customer makes a call to the Tax Credit helpline.

### **Best practice in terms of call cost information**

16 The DWP has taken action to ensure, as far as possible, that customer information about potential call costs is consistent and available across a variety of information products and also when a customer picks up a phone to make a call to any of its businesses. We believe that this is good practice for any public sector organisation that is providing services over the phone and

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<sup>6</sup> In practice, DWP officials have not identified any non-BT landline provider that currently charges for calls to 0800 numbers

<sup>7</sup> The DWP does not use any 0870 numbers but it does signpost users to a limited number of 0870 numbers from other organisations in its leaflets and on its website.



would like to see the DWP approach extended to other organisations. We would certainly wish to see HMRC providing information about the potential cost of calls to its helplines.

### **Customer Call-Backs**

17 A linked issue with information about call costs is the use of customer call-backs that allow the Department to absorb the high cost for mobile users when making a claim or benefit enquiry. We have made the recommendation on several occasions that the DWP should develop a coherent strategy that ensures that mobile only customers should be offered an automatic call-back when making an initial claim for benefit, given that some of them would face very high costs for a 30 minute call.<sup>8</sup> However, we know from a number of sources, including the Department's own staff letters page, that there is still a lack of coherence in policy towards offering a call-back. Recent research from the DWP suggests that there is still no coherent message about call-backs and that, although staff are allowed to offer call-backs, they are encouraged not to remind customers that the service is available.<sup>9</sup> The research also highlights that not all jobcentre staff are aware that mobile phone users may be charged for using an 0800 number and so simply assume that the claim line is a universal 'free phone number'. The CAB report also highlights incoherent practice in terms of call-backs and provides a number of examples where customers were refused a call back by DWP contact centre staff.

18 Between November 2008 and March 2009, Jobcentre Plus ran a call-back pilot in the Blackburn Contact Centre. For all calls to claim JSA, customers were asked if they were calling from a mobile phone. If they were, customers were offered a call-back and the staff member called them back straight away. Anecdotally, staff reported that customers appreciated the offer of a call back and that, overall, the quality of calls improved as customers were not worrying so much about the length of the call. The results of the pilot should be available in summer 2009 and DWP officials will then take a decision on whether to proactively offer a call-back to all mobile customers making a claim for benefit.

### **Best practice in terms of call-backs**

19 We are aware that offering universal call-backs to customers will transfer the costs of making a claim from the customer to Jobcentre Plus and that the costs of calling a mobile phone will be higher than calling a landline. However, it is still our opinion that a call-back should be offered to people who do not have access to a landline when they call an 0845 number or when they

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<sup>8</sup> NAO (2009) *Department for Work and Pensions Communicating with Customers* (HC421)

<sup>9</sup> Nunn, A, Bickerstaffe, T and Wymer, P., (2009) *Explaining levels of customer satisfaction with first contact with Jobcentres Plus: results of qualitative research with Jobcentre Plus staff*, DWP Research Report no. 567

<http://research.dwp.gov.uk/asd/asd5/rports2009-2010/rrep567.pdf>

call an 0800 number that is not free to mobile phone users. We understand that it is not accepted practice in HMRC contact centres to offer call-backs and so would also recommend that this is reconsidered and that steps are taken to reduce the cost of calls for HMRC customers.

### **The use of the 0300 number range**

20 In our 2007 paper we considered the introduction of the new 03 number range. The 03 number range was designed to be non-revenue sharing. Calls to 03 numbers cost no more than a national rate call to an 01 or 02 number and must count towards any inclusive minutes in the same way as 01 and 02 calls. These rules apply to calls from any type of line including mobile, BT, other fixed line or payphone. The Varney report recommended converging all public sector telephony charges to a single tariff utilising the new 03 number range to make access to public services easier for customers.<sup>10</sup> In our 2007 paper, we did not necessarily assume that the 03 number range would provide a solution to the issue of complex call charges and noted that a move to charging for calls to 03 numbers from landlines would be a retrograde step when an 0800 number is free from BT landlines. We did, however, recommend that DWP clarify its position on the use of 03 numbers for customer contact.

21 There have been a number of Parliamentary Questions on the issue and also internal staff discussions about a potential move to 03 numbers. In response to a PQ in November 2008, DWP Minister Jonathan Shaw stated that:

'Our ambition is to provide our customers with straightforward and low cost access to our services, and our approach to the use of telephony numbers is based on that principle. We have considered whether it would be better for our customers to switch to the use of 03xx but we believe that the use of 0800 and 0845 continues to provide the solution which is, on balance, most advantageous to our customers.'<sup>11</sup>

### **Best practice in terms of the 03 number range**

22 We understand from DWP Officials that they continue to monitor developments in call numbering and charging and have not ruled out the use of 03 numbers in the future, if they prove to be advantageous to both customers and the Department. Officials have also made it clear there is a danger that, because of the dynamism in the telephony market, chasing best price will inevitably create new disadvantaged customers and considerable care is necessary before embarking on a number change that will involve significant costs and possibly cause customer confusion. We believe that this is an appropriate response to the 03 number range and that DWP customers are currently best served by the use of 0800 numbers. We would wish to see

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<sup>10</sup> Varney, D. (2006) *Service transformation: A better service for citizens and businesses, a better deal for the taxpayer*

[http://www.hm-treasury.gov.uk/d/pbr06\\_varney\\_review.pdf](http://www.hm-treasury.gov.uk/d/pbr06_varney_review.pdf)

<sup>11</sup> PQ 236167, 17<sup>th</sup> November, 2008

public sector organisations, including both DWP and HMRC, in a position to justify their use of specific number ranges (e.g. 03, 0800, 0845) in terms of the advantages that they bring to their customers, and to provide assurance that the choice is carefully reviewed on a regular basis.<sup>12</sup>

## Concluding Remarks

23 While DWP and its agencies have made progress in addressing some of our key recommendations around call cost information and the use of the 03 number range, there is still more to be done in developing a coherent policy in terms of call-backs to customers. We would urge HMRC to consider improving the information it provides to customers about the cost of calling its 0845 numbers. We would also urge DWP to transfer its BDC and HMRC to transfer its tax credit helpline numbers from 0845 to 0800 and to monitor the relative advantages to customers of the 0800 and 03 number ranges.

24 We will continue to monitor the situation with regards to the use of telephony for customer access, especially with regard to call costs and equality of customer access. We are likely to become increasingly interested in the impact of the 'digital divide' on equality of access. From July 2009, customers will be able to apply to JSA on-line and there are increasing moves within the DWP to utilise the internet as a tool for customers to access information and advice, and to claim benefits. We welcome an increased choice for customers in how they access services but would want reassurance that those customers who do not have access to the internet are not excluded from accessing services. Broadband ownership largely correlates with landline ownership and the UK household penetration of fixed line telephones has fallen by three percentage points since 2006, to 87 per cent.<sup>13</sup> The DWP, and some sections of HMRC, may find that an increasing percentage of their customers do not have access to a landline or broadband at home and so systems that provide access for them must be adequately maintained. We shall continue to pay close attention to the equality of access to both the DWP's and HMRC's services in the light of the provisions of the Equality Bill that is now before Parliament.

## Recommendations:

- **The DWP (and HMRC) should continue to negotiate with mobile providers in an attempt to reduce or remove the cost of calling 0800 numbers from mobile phones.** In the meantime, mobile providers should ensure that call cost information is easily accessible to their customers.

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<sup>12</sup> Our recommendation here differs somewhat from the one in the CAB report. The CAB report recommended moving 0845 numbers to 03 numbers across government.

<sup>13</sup> Ofcom (2008) *The Nations & Regions Communications Market 2008*

<http://www.ofcom.org.uk/research/cm/cmrnr08/uksummary.pdf>

- **Call-backs should be offered by DWP and HMRC contact centre staff when a customer is calling from a mobile phone (and will be charged for that call). Call-backs should be offered systematically and proactively at the beginning of any customer phone call made from a mobile phone.**
- **DWP Benefit Delivery Centres and HMRC helpline numbers should be transferred from 0845 to 0800 numbers.** While 0800 numbers are not currently low cost to mobile users, when combined with a coherent call-back policy, they still currently represent the best value for money for the majority of customers.
- **The information about the cost of calling HRMC should be improved significantly** so that customers are able to make some judgment about the likely cost of calling HMRC using different types of phones. HMRC should aim for a standard statement about call costs that can be used across a variety of formats and ensure that an automated message about call costs appears at the beginning of every customer contact.