

Don't make the wrong call

There are some companies that you have no choice but to call – banks, energy providers and insurers are three of them. So why do so many charge existing customers more than new ones to get in touch? Which? investigates



Banks and energy firms are forcing existing customers to pay a premium to speak to them, while potential new customers are being given access to free phone lines.

Many big banks, insurers and energy providers – including Churchill, HSBC, NatWest/RBS and Scottish Power – use often costly 0844 or 0845 numbers for loyal customers to check their account or complain. At the same time, they reserve 0800 lines for people who want to open new accounts. A typical 20-minute 0844 or 0845 call could cost you more than £2 from some landlines, while 0800 calls are always free from landlines.

LOYALTY DOESN'T PAY

Which? researchers checked the websites of 34 energy providers, banks and insurers to find the contact numbers each company gave for new customers, existing customers and complaints.

Only five companies – British Gas, Co-operative Energy, EDF Energy, Npower and Ovo Energy – publish 0800 numbers for all three services. SSE has pledged to do the same in the near future. Most of the rest use a combination of free 0800 and 'revenue-sharing' 0844 and 0845 numbers – where the company you're calling can pocket part of the call cost.

It's clear that loyalty doesn't pay. Some 27 of the 34 companies offer 0800 numbers for new customers, yet only six of them

give the same privilege to existing customers. To rub salt into the wound, more than 20 firms use 0844 or 0845 numbers for customers to register complaints about service and problems with their bills. It's not just the inconsistency that seems unfair – several firms use 0845 numbers across the board, which is just as galling for many of their customers.

HIDDEN COSTS

Which? thinks it's essential that consumers are able to understand what they'll pay for a call before dialling, but getting your hands on call-cost information isn't easy. BT and Virgin's tariff guides read like a numerical version of *War and Peace*, and more than half of the 34 companies we looked at failed to give adequate details about typical call costs on their respective websites.

Several stood out for giving clear information, including Smile, The Co-operative Bank, John Lewis Insurance (all Which? Recommended Providers) and British Gas, Npower, Santander and Barclays.

But some of our Recommended Providers could still do better. The Co-operative Bank, LV (insurance) and even Which? Award-winner First Direct (banking) – use the same two-tier system that charges different rates to their new and existing customers.

When we asked several of the companies why they operate a two-tier system, none replied

with a good explanation. The Co-operative Bank simply told us that customers could contact them in a variety of ways, including in branch or by email. Churchill flatly refused to tell us why these differences existed. On a more positive note HSBC and First Direct told us: 'If a customer will struggle to pay the call charges, we will gladly call them back - they just need to let us know.'

UNCLEAR CHARGES

The cost of calling most numbers will vary depending on your provider, the time of day and your specific call plan.

But numbers starting with some dialling codes - including 0844 and 0871 - are even more complicated, with costs varying depending on the digits that follow. Unlike their 0845 and 0870 cousins, 0844 and 0871 numbers aren't included in landline calling packages, and costs range from a few pence

minute to almost 15p a minute from landlines.

Costs of calling 0844 numbers from mobiles are more varied. Orange PAYG charges 40p a minute. Most 0844 calls from an Orange pay-monthly mobile cost 12p, but use it to call certain 0844 numbers (followed by 428, 462 or 566) and you could pay up to six times as much - 76.6p a minute.

We spotted three companies using 0844 contact numbers, with landline calls to them costing a few pence more than those to an 0845 number. None appeared to use 0871 numbers, but these can be even more expensive and equally complex, typically costing more than 10p a minute from BT and Virgin Media landlines and more than 30p per minute from mobiles.

MASS CONFUSION

If you're confused about the cost of calling 0844, 0845, 0870 and 0871, you're not alone. In a recent Which? Conversation poll of 709



people, 85% of people admitted to being 'baffled' by these numbers.

To confuse matters further, 084 and 087 numbers sometimes cost less to call than 01 or 02 numbers - though they could also cost far more. And while 0800 numbers are free from landlines, they can cost 20p a minute from mobiles.

Confusing costs and lack of trust in these services has put people off calling many numbers, according to recent research by

Ofcom, the telecoms watchdog. Feedback from members on Which? Conversation (www.which.co.uk/freecalls) confirmed this: 'I avoid 084, 087 and 09 numbers at all costs', one poster told us. Another said: 'I simply don't phone them. I refuse.'

Ofcom has announced plans to simplify the system and increase transparency, but the bad news is that changes are unlikely to take effect for at least two years.

Calling from mobiles vs landlines - costs compared

One in seven UK homes are now mobile-only, with no fixed landline, according to Ofcom. In a survey of Which? members, we found that a quarter have called non-geographic numbers from their mobiles. But mobile users are at a disadvantage when calling these numbers. 0800 numbers might be free from landlines but, until Ofcom's proposals kick in, they're chargeable when called from mobiles. Calls to other non-geographic numbers can be significantly more expensive from mobiles, too.

Calls to 08 numbers are rarely included in mobile call plans or 'free minutes', so costs can mount up quickly, particularly if wait times are long. The average longest time that our survey respondents had spent on a non-geographic call was 24 minutes, with 7% spending an hour or longer.

Some companies list a geographic number - starting with 01, 02 or 03 (which costs the same) - on their website, often for customers calling from abroad. If you're calling in the UK from a mobile with inclusive minutes, it's worth trying this number.

We were pleased to find that some companies, including John Lewis, Lloyds TSB, Npower and Ovo Energy, flagged an 01, 02 or 03 number to call as an alternative to their 0800 or 0845 numbers. This is excellent practice and we'd like to see more companies doing this.

	COST OF CALLS - LANDLINES vs MOBILES						
	0500	0800/0808	01/02/03	0844	0845	0870	0871
LANDLINE							
BT - COST PER MIN	Free	Free	7.9p	5.1p ^a	2p	8p	10.2p ^a
BT - 20 MIN CALL	Free	Free	£1.72	£1.15 ^a	53.9p	£1.72	£2.17 ^a
VIRGIN - COST PER MIN	Free	Free	9.9p	12.4p ^a	10.2p	10.2p	14.3p ^a
VIRGIN - 20 MIN CALL	Free	Free	£2.13	£2.63 ^a	£2.16	£2.16	£3.00 ^a
MOBILE - PAY MONTHLY							
ORANGE - COST PER MIN	20p	20p	Free ^b	12.3p ^a	40p	40p	35.7p
ORANGE - 20 MIN CALL	£4.00	£4.00	Free ^b	£2.46 ^a	£8.00	£8.00	£7.14
O2 - COST PER MIN	20.4p	20.4p	Free ^b	20.4p	20.4p	20.4p	35.8p
O2 - 20 MIN CALL	£4.08	£4.08	Free ^b	£4.08	£4.08	£4.08	£7.16
MOBILE - PAY AS YOU GO							
ORANGE - COST PER MIN	7p	7p	Varies	40p	12p	12p	40p
ORANGE - 20 MIN CALL	£1.40	£1.40	n/a	£8.00	£2.40	£2.40	£8.00
O2 - COST PER MIN	15p	15p	Varies	25p	25p	25p	35p
O2 - 20 MIN CALL	£3.00	£3.00	n/a	£5.00	£5.00	£5.00	£7.00

Mobile calls - minimum call charges apply (same price as per minute charge, or lower). All costs based on daytime, weekday calls and correct at 6 June 2012. BT costs based on Unlimited Weekend Package, Virgin costs based on Talk Weekends package, Orange pay monthly costs exclude Panther extra. Landline calls - BT and Virgin charge a connection fee for calls (excluding those to 080/0500 numbers or other numbers included in call plans) that we have added to the cost per minute for 20 minute calls. BT charges 13.1p. Virgin charges 14.94p for calls to 0844 and 0871 numbers and 11.24p for 0845 and 0870 numbers. ^a Cost of calls vary depending on the numbers that follow the 08. Where a range of prices exists we have shown typical costs so actual costs may be higher or lower than this. More Than and Utility Warehouse's 0844 numbers cost 5.105p per minute from a BT phone. Aviva's 0844 number costs only 3.062p per minute. ^b Free with inclusive minutes, otherwise 35p per minute

RINGING THE CHANGES

In April, Ofcom announced plans to simplify charges to non-geographic numbers:

- All companies required to give clearer details about call costs.
- 'Freephone' numbers (0800/0808 and 116) to be free from all phones, including mobiles.
- Call charges to revenue-sharing numbers (084, 087, 09 and 118) to be simplified and costs to be split into two parts: an 'access charge' going to your landline or mobile provider (no cap on charges), and a 'service charge' being paid to the company you're calling. Prices will be capped at 7p a minute for 084 numbers and 13p a minute for 087 numbers.

Ofcom expects these changes to take place around mid 2014.

WHICH? WORKS FOR YOU

Ofcom's proposal to make 080 and 116 numbers free from mobiles is a big step in the right direction. We're also pleased that it plans to tackle consumer

confusion by simplifying the structure of non-geographic phone numbers.

But we're not convinced that Ofcom's proposals will make it easier for consumers to understand the cost of calls before they dial. Each provider will still have different costs for different numbers and, instead of looking up one price (from their call provider), consumers will have to add separate access and service charges together.

Ofcom can't guarantee that the changes will make calls cheaper, but a spokesman told us: 'We expect competition and increased transparency of costs to help drive prices down.' We'll keep an eye on developments and update you with the latest details.

Let's not forget that companies can choose the contact numbers they use. They should show they care about customers by offering free or geographic alternatives where possible to help save consumers money.

Making cheaper phone calls

Consider signing up to a call plan that includes 0845 and 0870 numbers. For example, BT's 'Unlimited' plans include free calls to 080 numbers at any time, and free calls to 0845 and 0870 numbers are included during your 'unlimited' call period.

Use a website such as www.saynoto0870.com - you type in the 08 number you want to call and it will suggest a cheaper alternative.



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Use smartphone applications such as 0800 Wizard or 08 Wizard - you dial the 08 number you want and the app automatically routes you through a geographic number so that the call can be included in your free minutes.

If the company you want to contact offers an 0800 number for another department, dial it 'accidentally' and ask to be transferred to the correct department.

See if your query can be answered on the company website, or consider sending your query by email instead.

Check the company's website for cheaper, alternative numbers - for example, many companies list a geographic number to call from abroad.

Check if a company offers a call-back service. Some, such as HSBC, LV and Scottish Power will call you back if requested.

New vs existing customers

We checked the websites of 34 banks, insurers and energy providers in May 2012 to find the contact numbers given for new customers, existing customers and complaints.

The table below shows that existing customers are getting a raw deal - though 27 of the 34 companies we looked at offer 0800 numbers for new customers, only six do the same for existing customers.

	CALLING FINANCIAL SERVICES COMPANIES			
	customers	New customers	Existing customers	Complaints
CALLING ABOUT YOUR CURRENT ACCOUNT				
1	BARCLAYS	0845	0845	0800
2	LLOYDS TSB	0845	01/0845	0845
3	CO-OPERATIVE BANK	0800	0845	0845
4	FIRST DIRECT	0800	0845	0845
5	HSBC	0800	0845	0845
6	NATWEST	0800	0845	0845
7	ROYAL BANK OF SCOTLAND	0800	0845	0845
8	SANTANDER	0800	0845	0845
9	BANK OF SCOTLAND	0845	0845	0845
10	HALIFAX	0845	0845	0845
11	SMILE	0845	0845	0845
CALLING ABOUT YOUR HOME INSURANCE				
1	NFU MUTUAL	0800	0800	None
2	JOHN LEWIS	0800	01/0845	01/0845
3	AVIVA	0800	0844 891	0800
4	LV	0800	0845	0800
5	MORE THAN	0800	0844 854 ^a	0800
6	SAGA	0800	0845	01303
7	CHURCHILL	0800	0845	0845
8	HALIFAX	0800	0845	0845
9	RIAS	0800	0845	0845
10	DIRECT LINE	0845	0845	0845

Telephone numbers collected from current account providers and home insurance providers - market leaders plus Which? Recommended Providers in each category. Data correct at 6 June 2012 ^a 0800 for claims. Companies are ranked by who we feel offers the best calling options for most customers, then alphabetically.

	CALLING ENERGY COMPANIES			
	customers	New customers	Existing customers	Complaints
1	BRITISH GAS	0800	0800	0800
2	CO-OPERATIVE ENERGY	0800	0800	0800
3	EDF ENERGY	0800	0800	0800
4	EON	0800	0345	0345
5	NPOWER (RWE)	0808	03/0800	03/0800
6	OVO ENERGY	01/0800	01/0800	0800
7	COTRICITY	0800	0845	0845
8	SCOTTISH HYDRO (SSE)	0800	0845	0845
9	SCOTTISH POWER	0800	0845	0845
10	SOUTHERN ELECTRIC (SSE)	0800	0845	0845
11	SWALEC (SSE)	0800	0845	0845
12	UTILITY WAREHOUSE	0800	0844 815	0844 815
13	GOOD ENERGY	0845	0845	0845

Telephone numbers collected from major energy providers. Data correct at 6 June 2012