

# Daisy Surgery Line - THE FACTS

A leaflet has been published by **Daisy Group** entitled "[Enhanced Telephony - THE FACTS](#)". This details some facts, for which it has supportive evidence, relevant to its product "**Surgery Line**", widely used by NHS GPs.

Many highly relevant facts are however omitted. This could cause readers who are unaware of them to be misled. These notes are intended to redress an imbalance, for those concerned with **THE Facts**, rather than **SOME Facts**.

## Points covered

I address the following quoted points made in the leaflet, in the linked sections, and also confirm key elements of [My Position](#).

- "**the arrangement as a whole**" - I comment on what this means in the context of our universal National Health Service [[For all, or for some](#)]
- "**Understanding Enhanced Telephony**" - I offer an understanding of the term, as well as the benefits which it delivers [[Enhanced telephony](#)]
- "**Standard Industry practice ... is always to state the cost of calling a number from a BT landline**" - I explain why users of 084 numbers state only the revenue share from which they benefit [[The cost of the revenue share](#)]
- "**can't give an assurance from mobiles**" - I explain why it is not possible to give an assurance about the relative cost of calling a 084 number, as against a geographic number, from any type of telephone [[Relative cost](#)]
- "**do not cost more**" - I list the many cases where callers do pay more to call the 0844 numbers typically used by users of **Surgery Line** [[More expensive?](#)]
- "**OFCOM-regulated cost**" - I quote statements from Ofcom explaining the relevant regulation and the actual costs [[The facts according to Ofcom](#)]

## For all, or for some

The key point which **Daisy** seeks to address in its document is the question of whether those who deliver the features of **Surgery Line** by using a 084, rather than a 03, number are in compliance with the terms of their NHS Contract.

It seeks to imply that only if all 084 numbers were more expensive to call for all patients, would their use be prohibited in the NHS, suggesting that some have made such a claim. **This implication, suggestion and claim are nonsense. All 084 numbers are more expensive for all mobile callers and public payphone users; In general, 084 numbers are more expensive for landline users.**

In fact, it is only a very particular group of landline users who do not pay more.

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## *Our NHS is universal*

The problem of trying to balance out various general and specific different cases is obviated by the NHS Constitution, which states:

***"The NHS provides a comprehensive service, available to **all** ... It has a duty to **each and every individual** that it serves"***

***"We use our resources for the benefit of **the whole community**, and make sure **nobody is excluded or left behind.**"***

When considering their choice of telephone number, NHS GPs must ...

***"consider whether, **having regard to the arrangement as a whole**, persons pay more to make relevant calls than they would to make equivalent calls to a geographical number"***.

On applying Directions to NHS Bodies, similar to the contract revisions applied to GPs, Nick Hall, Deputy Director for the **Department of Health** wrote:

***"Organisations remain free to use non-geographical number ranges such as 084, **providing that patients are not charged more than the equivalent cost of calling a geographical number**"***.

Whilst "the arrangement as a whole" could have different meanings in other contexts, the particular nature of the NHS means that "the whole" can only refer to "everybody", not some particular group or notional median. Only cases where callers pay **more** than to call a geographic number need be considered. The reverse case, only found under perverse conditions, is irrelevant.

NHS GPs, and the PCTs who enforce compliance with the contracts, have a statutory duty to "have regard to the NHS Constitution", which must inform the decisions for which they carry full responsibility.

**Daisy Group** has no particular role in this; it is free to continue to argue for changes to the NHS Constitution, so as to permit "co-funding", if it so wishes.

## **My position on "Enhanced Telephony"**

As I must take some responsibility for having briefed patients and media on this issue, perhaps I should make my position clear on two key points.

**Some** callers incur penalty charges for calling geographic numbers which are **greater than the premium charge imposed for calling 084 numbers**.

NHS GPs should be free to **use their NHS funding** to provide the best possible service to NHS patients. They may find it more effective and cost efficient to use "enhanced telephony", rather than expensive surgery-based systems.

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## Enhanced telephony

I understand the term "Enhanced telephony" to refer to the deployment of queuing and switching facilities at the telephone exchange, using facilities that are only available with **non-geographic numbers**.

This is an alternative to the traditional approach, where expensive private exchange equipment would be installed at the surgery to perform these functions, with access from a local geographic number.

A clear benefit to the practice is that the "Enhanced Telephony" approach avoids a large initial capital outlay on surgery-based equipment, or the commitment to a possibly lengthy leasing arrangement.

Both approaches may nowadays achieve the same results for a business on the scale of even a large general medical practice. For example, the cost of additional lines to accommodate queuing, so as to avoid the engaged tone, has to be set against the cost of the facility used to hold calls at the exchange.

There is one additional option available with non-geographic numbers, which is the ability to deploy "**co-funding**", so that part or all of the cost of the facilities is met by the telephone company which originates the call. A small number of people **mistakenly believe that this cost will not be passed on in call charges to callers**, and fail to convey the fact that **BT is no longer a regulated monopoly (or "SMP") provider of telephone call services**.

## Non-Geographic Number options

There are various types of non-geographic numbers available. All offer the same "Enhanced Telephony" facilities, but the funding arrangements are different. Users must choose the type that best suits their needs.

- **090 and 087** - These are designated as being used for "**Premium Rate Services**". The cost of the facilities is covered by the charge paid by the caller and there is a surplus available to the user of the number.
- **084** - These are designated as "**Revenue Sharing**". Part or all of the cost of the facilities is covered by the charge paid by the caller. The user of the number may find that there is a surplus or a deficit, depending on the particular arrangement. This is sometimes known as "**co-funding**".
- **03** - These are designated as "**Geographic Rate**". The caller pays no more than the cost of an equivalent call to a geographic number. There is no revenue sharing, so the user meets the full cost of the facilities deployed.

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- **080** - These are designated as "**Freephone**". The user meets the cost of the facilities deployed and also the cost of the call, as if made from a landline. To meet the higher costs involved with calls through the mobile network, mobile callers will generally pay a fee to their provider.

Anyone deploying "Enhanced Telephony" has to choose the appropriate funding model, also considering the cost of the facilities as against other options e.g. leasing equipment to be installed at the surgery.

**Daisy Group** appears to believe that 084 numbers are the only option worthy of consideration by NHS GPs when deploying "Enhanced Telephony", as it fails to refer to the alternatives. Only the 03 option is however appropriate.

## The cost of calling 084 numbers

There are many groups of numbers within the 084 range, although **all are subject to revenue sharing**. 0845 is distinct in many ways.

In the detail below I will address only the type "**g11**" and "**g6**" **0844** numbers from **Talk Talk**, which I understand to be used by **Surgery Line** customers.

### *The cost of the revenue share (= the basic cost of a call)*

The primary element of the cost of calling a revenue sharing number is the amount that the telephone company originating the call has to pass to the receiver of the call. At present, **BT** is uniquely regulated in being unable to add any (significant) amount to the pence per minute element of the call charge. **If BT charges 4p or 5p per minute - that is the value of the revenue shared.**

All other call providers pay over revenue share at the same rates as **BT**, however **they are free to add any amount they wish, to give the rate charged to the caller**. They are of course free to place such calls at a loss, if they wish, or to copy **BT** by taking no margin.

**This is why users of these numbers will always choose to quote the BT rate** - because it is uniquely fixed and almost certainly the lowest that can be quoted. It is also the amount by which they benefit from calls.

The level of revenue share provided from the numbers used for **Surgery Line** is roughly equivalent to **4p per minute for "g11"** and **5p per minute for "g6"**. These rates include VAT, which is paid and non-recoverable on all calls to access NHS services. They are the **BT** rates and what other originators need to recover, before meeting their own costs and taking a margin.

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## *The cost of calling a geographic number*

The cost of a call to a geographic number is not regulated, for any provider.

Landline and contract mobile call service providers typically present all services to residential customers in packages covering calls to 01/02/03 numbers.

These packages have limits of various sorts, so it is up to the caller to ensure that they have chosen the package that best suits their needs. Where calls are made outside the terms of the package, a "penalty charge" will be imposed.

For those providers who only offer landline call services to residential customers in packages - **BT**, **Virgin Media**, **Talk Talk** and many others - there can be no such thing as a standard charge for calling a geographic number. The cost will either be zero or a penalty charge.

As penalty charges have been rising over the last few years - in the case of **BT**, by around 30% per annum - whilst package subscription prices have remained largely steady, subscribers are being increasingly careful to select the correct package to suit their calling pattern. The redefinition of "daytime" to extend up to 7pm was doubtless one of the additional factors which has led to the situation where **the "Unlimited Anytime" package is now said by BT to be that with the most subscribers.**

**The most common charge for a call (of up to one hour) from a residential landline, to a geographic number at any time and using BT, is therefore ZERO.**

**This value of ZERO may be set against the 4p or 5p per minute BT charge for calling numbers used for Surgery Line.**

## *The relative cost of calling non-geographic vs. geographic numbers*

**Daisy** states that it "*can't give an assurance from mobiles*". This is true.

For NHS GPs to comply with their contracts it is the relative cost which they have to consider, "*having regard to the arrangement as a whole*".

In respect of 084 numbers, **Daisy can't offer any general assurance about relative cost for landlines or public payphones** either.

The only assurance which can be given about relative cost is that calls to a 03 number will not be greater than the cost of a call to a geographic number. This is enforced by regulation, which is seen to have 100% compliance.

The absolute value of the pence per minute element of a call to a particular 0844 number from a **BT** landline can be stated with assurance, although the call setup fee which is added varies over time and between packages.

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## *Are calls to 084 numbers more expensive?*

With 03 numbers there is a general assurance that they cannot be more expensive to call than geographic numbers. At one time, including in late 2009, **Ofcom** was considering applying similar regulatory conditions to 0845 as those which are applied to 03. This was a reason for not implementing a ban on 084 numbers in general. Ofcom has now abandoned these considerations. **It may now be said that 084 numbers cannot be used.**

In the regrettable absence of any reliable general assurance in respect of 084 numbers, one has to look at examples to see if there may be cases where patients and other callers to the practice could be paying more than for "**an equivalent call to a geographic number**". There are very many such cases.

The requirement to consider "**the arrangement as a whole**", rather than any limited or particular view, means that it is only necessary to confirm that a significant number of callers will be paying more to establish that a particular number cannot be used. For those in question, this is easily done.

Current published figures from widely used tariffs show that very many callers do pay more. The **additional cost of a 5 minute daytime call** to a 0844 g11 / g6 number, over an equivalent call to a geographic number, are as stated below.

<b>BT Landlines:</b>	<b>Anytime</b> (Most popular call plan) - <b>33p / 39p</b> , <b>BT Basic</b> (Social Tariff) - <b>24p / 29p</b>
<b>Other landlines</b>	<b>Talk Talk Anytime</b> - <b>42p / 37p</b> , <b>Virgin Media Unlimited</b> - <b>55p / 66p</b>
<b>Contract mobiles</b>	<b>Orange</b> - <b>62p</b> , <b>Vodafone</b> - <b>£1.05</b> , <b>T-Mobile</b> - <b>£2.05</b> , <b>O2</b> - <b>£1.02</b> , <b>3</b> - <b>£1.75</b>
<b>Pay As You Go mobiles</b>	<b>Orange</b> - <b>£1.00</b> , <b>Vodafone</b> - <b>20p</b> , <b>T-Mobile</b> - <b>50p</b> , <b>O2</b> - <b>50p</b> , <b>3</b> - <b>45p</b>
<b>Public Payphones</b>	<b>BT</b> - <b>80p</b>

There are cases where callers incur a penalty charge for calling a geographic number outside the terms of their call plan, which exceeds the premium imposed for calling a 0844 g6 or g11 number. It is however **only** if a practice finds that their "arrangement as a whole" does **not** include any who call under the terms of the above tariffs, that it may use one of these numbers.

The list includes **a)** the most widely used tariff for the largest provider of residential telephone call services, **b)** public payphones and **c)** the leading mobile providers. **No practice could be assured that none of these will apply.**

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## THE FACTS - according to Ofcom

Those looking for some objectivity in considering the issues of call cost may wish to refer to the following formal statements from **Ofcom**, presented in the form of question and answer:

### **Can the cost of calling a 0845/44/43 number be higher than the cost of calling a geographic (01/02/03) number? If so is this common?**

Only 03 is charged precisely the same as 01 and 02 numbers by all telephone companies.

084 numbers are frequently charged at a higher rate than a 01, 02 or 03 number. Where they are not charged above the cost of 01/02/03 numbers they are, however, frequently not included in a calling plan, thus callers will pay an additional charge for the call.

Charges for these numbers are highest on mobiles, particularly on pay as you go contracts, and not generally included in their calling plans.

### **Do companies using 0845/44/43 numbers rather than geographic rate numbers (01/02/03) gain a financial benefit from doing so?**

0845/44/43 numbers include a revenue sharing component in their charges which allows part of the revenue from the calls to be passed to the organisation using one of those numbers. Geographic rate numbers (01/02/03) do not include a revenue share.

The revenue available in those ranges is relatively low and to our knowledge is not normally passed as cash to those companies but is used to offset the cost of operating the communications systems used (eg automated call handling, answering machines, call centres etc).

### **Can telephone companies set charges for 0845/44/43 above geographic number (01/02/03) rates? If so, is it common for them to do so?**

Aside from BT, fixed and mobile telephone companies are able to set their own charges for 0845/44/43 numbers and have no requirement to align these charges to the rates used for 01/02/03 numbers.

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