



## **News Release**

For immediate release 15 February 2010

### **Consumer Panel calls on Government and industry to ensure low income fixed-line consumers who should be exempt don't pay 50p broadband tax**

The Communications Consumer Panel is calling on the Government and industry to ensure that low-income consumers with landlines know that they will be exempt from paying the tax if they sign up for a social tariff. The Treasury's consultation on the implementation of the landline tax closed on Friday and proposed an exemption to the duty for subscribers to social tariffs. These tariffs extend access to telecommunications services for people on low incomes.

Consumer Panel Chair Anna Bradley says that the 50p landline tax is a pragmatic way forward to extend rollout of superfast broadband to most parts of the UK. But the Panel is concerned that many low income landline customers could end paying the tax when they should be exempt.

"Although fixed-line customers on a social tariff won't have to pay the landline tax, only 850,000 are currently on these cheap phone rates out of a possible three to four million people across the country," Anna Bradley said. "The Panel would like to see government work with industry to raise awareness of the social tariff to ensure people are not disadvantaged."

**The 50p per month tax, introduced by business secretary Lord Mandelson in the Finance Bill, will build the £1bn Next Generation Fund to give 90 per cent of the UK population access to superfast broadband by 2017.**

**Ends**

NOTES FOR EDITORS AND CSEs

For a copy of the Consumer Panel's response to the HM Treasury consultation *Implementing a landline duty* go to [www.communicationsconsumerpanel.org.uk/smartweb/next-generation-networks/implementing-a-landline-duty](http://www.communicationsconsumerpanel.org.uk/smartweb/next-generation-networks/implementing-a-landline-duty)

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The Government's 2009 Digital Britain White Paper stated that the only exemption from the landline tax would be landlines that are used to provide a social telephony service. This is a low cost tariff that universal service providers – BT and Hull-based KCOM - are required to provide by legislation. The Panel's recommendation to Government and industry applies equally to BT and KCOM.

BT Basic, BT's social tariff, and KCOM's social access package are available to low income groups. Those who qualify for the tariff are individuals who also qualify for Income Support, Income-based Jobseeker's Allowance, Pension Credit (Guaranteed Credit), Employment and Support Allowance (income related). There are currently around 850,000 households using a social tariff service and a further 3-4 million who qualify for them

BT Basic line rental costs £13.50 every three months and includes a call allowance of £4.50 every three months. Any calls over the £4.50 call allowance cost 10p a minute (plus 3p for each phone call) for all normal UK calls. All other types of calls will be charged at standard BT calling package rates.

KCOM' social access package costs £5.49 per month and includes 20 UK geographic calls. All subsequent local geographic calls are charged at 6.9p for the duration of the call. All other calls are timed to the nearest second and are subject to a 6.90p minimum call charge.

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The Communications Consumer Panel was established to advise Ofcom on the consumer interest in the markets it regulates. The Panel is independent and sets its own agenda. Visit [www.communicationsconsumerpanel.org.uk](http://www.communicationsconsumerpanel.org.uk) for more information. The Panel's members appointed by Ofcom are:

- Anna Bradley (Chair)
- Fiona Ballantyne (member for Scotland)
- Louisa Bolch
- Kim Brook (member for Wales)
- Colin Browne
- Roger Darlington (member for England)
- Maureen Edmondson (member for Northern Ireland)
- Leen Petre
- Damian Tambini
- Bob Warner

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