



Commission for  
**Communications Regulation**

## Decision Notice

### **Access to Tariff Information on Directory Enquiry Services**

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| <b>Decision No:</b> | <b>D12/04</b>           |
| <b>Document No:</b> | <b>04/87</b>            |
| <b>Date:</b>        | <b>12th August 2004</b> |

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## 1 Foreword

In the ComReg Consultation Paper 04/58 – ‘Access to tariff information on Directory Enquiries (DQ) services’, the Commission for Communications Regulation (‘ComReg’) proposed measures to ensure consumers have adequate access to information in relation to DQ services. In consulting on this matter ComReg had considered market research which indicated a lack of awareness regarding the actual costs involved on DQ services and in particular DQ call completion services. A number of interested parties put forward their views and the main points are outlined in this paper.

The feedback from respondents has assisted ComReg in deciding on appropriate measures to raise consumer awareness in relation to DQ tariffs. In order to ensure consumers are adequately informed of tariffs DQ service providers shall:

- Include the necessary tariff information when advertising or promoting services
- Publicise customer service numbers
- Provide printed tariff information on customer request; and
- Offer tariff information when offering a call completion service.

As part of its statutory functions<sup>1</sup>, ComReg is required to ensure that transparent and up to date information on applicable prices and tariffs is available to end-users (hereinafter referred to as consumers) in respect of access to and use of publicly available electronic communications services. These measures will ensure greater transparency and will assist consumers to exercise informed choice in their use of DQ services.

ComReg will write to the relevant DQ service providers to inform them of the new requirements. In order to allow for necessary changes to service delivery processes this decision comes into effect from the 1<sup>st</sup> October 2004.

**John Doherty**  
**Chairperson**

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<sup>1</sup> Under Section 12(1)(a)(iii) and 12(2)(c)(iv) of the Communications Regulation Act, and under Regulation 18(1) & (2) of the European Communities (Electronic Communications Networks and Services) (Universal Service and Users’ Rights) Regulations, S.I. 308 of 2003

## **2 Introduction**

### **2.1 Background**

In requiring transparency ComReg's objective is to ensure that consumers have access to accurate and comprehensive tariff information when using communications services.

In this context ComReg consulted on proposed measures to facilitate consumer awareness of tariffs for using Directory Enquiry (DQ) services. This followed a survey<sup>2</sup> that indicated a low awareness of the costs of using DQ services among residential consumers despite relatively high usage of the service. In addition, ComReg has received an increasing number of consumer complaints and queries on this issue.

### **2.2 Measures Proposed**

The following measures were proposed in the consultation:

1. When advertising or promoting its service a DQ service provider shall:
  - Indicate the applicable charges, or alternatively indicate where such information may be obtained. The cost of obtaining such information should not exceed the cost of a local telephone call.
  - Publicise their separate customer service number and their website address.
2. The Directory Enquiry service provider shall make available printed tariff information in response to requests from consumers.
3. When offering call completion or call connection the Directory Enquiry service provider shall:
  - Inform the consumer of the specific cost of that service before the consumer is asked to decide whether to avail of the service.
  - The information shall be presented as a per-minute cost for connecting the call along with any fixed charge.
  - The time taken to provide such information should be sufficient to impart the information but should not be used to unnecessarily maintain connection to the service at Directory Enquiry rates.

### **2.3 Responses to the Consultation**

The views of interested parties were sought in relation to the proposed measures and six responses were received from:

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<sup>2</sup> Doc: 04/30c - ComReg Residential Telecommunications Survey: [http://www.comreg.ie/\\_fileupload/publications/ComReg0430c.pdf](http://www.comreg.ie/_fileupload/publications/ComReg0430c.pdf)

- ALTO
- Conduit
- Paul Cunnane
- eircom
- Silvertel
- Peter Wiegl

ComReg would like to thank all respondents who took the time to respond to this consultation. The responses have helped ComReg to develop its view regarding future tariff transparency requirements on DQ service providers. In this paper ComReg provides a brief synopsis of the issues raised in the consultation. In publishing this Decision Note the detailed responses have also been published on the ComReg website ([www.comreg.ie](http://www.comreg.ie)), document number 04/87a, excluding any confidential material which has been provided as an annex to the submissions. In addition ComReg has excluded any material, the publication of which might expose the Commission to possible legal action. However, all submissions will be made available in their entirety (with the exception of confidential information) for public inspection upon reasonable request at ComReg's offices.

### **3 Decision Notice Issues**

#### **3.1 General views on the measures proposed.**

##### *3.1.1 General Comments*

In general, respondents agreed with the principle that consumers should have access to tariff information in their use of DQ services. One respondent stated that the principle that DQ service providers should make consumers aware of the costs of using the service was so obviously correct it was 'eerie to see it displayed for consideration'.

The point was made that much of what was being proposed, in particular requirements for advertisements and access to printed information, was already available to consumers. The principle concerns raised related to the requirement to inform the consumer of the specific cost of that service before the consumer is asked to decide whether to avail of the service.

In relation to ComReg's research findings regarding Irish DQ usage, one respondent requested details of the ComReg research so the magnitude of the problem could be identified. Another respondent stated their own in-house research indicated a high level of awareness of DQ pricing.

##### *3.1.2 Commission's Position*

ComReg agrees that the principle that consumers should have access to tariff information in relation to DQ, is relatively obvious. Nonetheless this question is necessary as it establishes the context around which respondents' views are sought. While opinion varies on the measures to give effect to this principle, respondents have indicated general agreement.

With regard to the point that tariff information is already available to consumers, this may well be the case, however no standard set of requirements have been established at this point. There is evidence of low consumer awareness in relation to DQ tariffs. Furthermore ComReg has received a number of consumer complaints in relation to DQ tariffs. This seems to indicate that existing practices are not adequately informing consumers and specific requirements are being set to address this issue.

The research that ComReg has used to examine levels of awareness in relation to DQ pricing was published on the ComReg website as part of its quarterly review in March 2004. This research<sup>3</sup> was undertaken by TNS MRBI, an independent and well-established research agency. Whilst accepting other research studies have been conducted, ComReg is satisfied that its research results provide an accurate reflection of the view of the Irish consumer with regard to DQ services.

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<sup>3</sup> Doc: 04/30c - ComReg Residential Telecommunications Survey: [http://www.comreg.ie/\\_fileupload/publications/ComReg0430c.pdf](http://www.comreg.ie/_fileupload/publications/ComReg0430c.pdf)

### **3.2 Proposed Measures for advertisements and printed tariffs.**

#### *3.2.1 ComReg Proposal*

The consultation proposed that DQ service providers should be required to indicate applicable charges, or alternatively indicate where such information may be obtained and the cost of obtaining such information should not exceed the cost of a local telephone call. DQ service providers would also be required to publicise their separate customer service number and website address in advertisements and promotions.

The consultation proposed that DQ service providers should also make available printed tariff information in response to requests from consumers.

#### *3.2.2 Respondents' Views*

There was support for this requirement; however the point was made by three respondents that much of what was being proposed was already available from DQ service providers. One such respondent stated that the additional value in ComReg's proposal is not clear and regulatory intervention should only take place where an important consumer need is not being addressed.

Two respondents pointed out that pricing for DQ calls will differ depending on the network/service provider used to make the call into the DQ service. One respondent's view was that including all network/service provider tariffs would be extremely complex and would ultimately confuse consumers. Another respondent put forward the suggestion that where tariff information is included then this should be a notional basic price for one particular call type e.g. the basic cost could be the price charged for a residential consumer from an eircom line.

One respondent felt the requirement to provide pricing information on promotional materials should extend to sponsorship of TV programmes. Another respondent stated that current TV sponsorship guidelines prohibit the inclusion of pricing or sales promotion in their credits and sponsorships should therefore be excluded.

Two respondents felt the requirement should be strengthened to just make it obligatory to provide tariff information in advertisements. The possibility of being able to "indicate where pricing information could be obtained" was identified by one such respondent as a severe flaw in the proposal.

There was general agreement with the proposal to provide printed tariff information in response to a consumer request.

#### *3.2.3 Commission's Position*

The general response on proposed measures in this area was positive. Because there is evidence of low levels of consumer awareness of DQ tariffs, ComReg considers it necessary to intervene in order to specify requirements on provision of tariff information for DQ services. In relation to other requirements on advertisements and for printed tariff information, ComReg expresses no opinion whether such

requirements are already adhered to by individual DQ service providers. Where this is the case the DQ service providers should have few concerns with the proposed measures in this area. Furthermore it is also appropriate that ComReg communicates the required standard for tariff transparency to be met by any new entrant into the DQ market.

ComReg acknowledges that the rate charged for accessing DQ services can vary depending on the network/service provider used and notes the points made regarding complexity of advertisements. In certain circumstances, due to time or space limitations, ComReg accepts that it may not be appropriate to include all relevant tariff information as this may only serve to confuse the target audience. For this reason the draft direction allowed for circumstances where the DQ service provider cannot include full tariff details by requiring a reference to where the tariff information can be obtained. ComReg does not agree that this possibility equates to a 'get out' clause as the ultimate objective is that the consumer is not confused, and is adequately informed of cost before they decide to use the service. It is ComReg's view that where possible full tariff information should be included in advertisements and promotional material. If the service provider, for reasons of complexity, does not include this detail then the consumer should be advised where this information can be obtained.

ComReg does not intend to prescribe the text that should be included in advertisements or promotions. However, DQ service providers should make the consumer aware that charges apply. They should provide the consumer with the location where the tariff information can be accessed and should publicise their separate customer service number in printed material.

As regards the request to stipulate inclusion of pricing information in sponsorship; ComReg's understanding is that guidelines have been established in this area. These guidelines make a distinction between advertising and sponsorship and ComReg does not propose that the requirements being set should override existing guidelines.

ComReg welcomes agreement on the measure proposed to require provision of printed tariff information in response to a consumer's request.

### **3.3 Proposed Measure on Call Completion services**

#### *3.3.1 ComReg Proposal*

The consultation proposed that DQ service providers would be obliged to inform consumers of specific call costs when offering call completion or call connection services.

#### *3.3.2 Respondents' Views*

This proposal generated most comment from respondents. Three respondents generally supported measures in this area. One such respondent provided views specific to call completion. This respondent felt the proposal is an adequate regulation for a premium service like Directory Enquiries and nothing less than this



measure, which in this respondent's view should have been adopted from the outset, would be acceptable. The respondent is of the view that the current regulation in relation to DQ is flawed in particular regarding DQ call completion services.

Three respondents were opposed to the proposed measure and the reasons put forward are set out below.

### ***Rationale for Measures***

Two respondents questioned why specific tariff initiatives are being established in relation to DQ services. One respondent felt this was manifestly discriminatory in nature. Another respondent pointed out that ComReg's approach could extend to other services such as calls to premium rate service and mobile calls where consumers are not given information on the call price during the call itself. Their view was that this principle should not be established for any service and considered that ComReg should carry out a more general consultation process on the advisability of all tariffs for all call types before implementing any requirements on DQ.

### ***Regulatory Burden***

It was suggested that the proposals are in conflict with the Department of Communications, Marine & Natural Resources requirement for light regulation. The question also arose as to whether ComReg had conducted any regulatory impact assessment in relation to the measures proposed.

### ***Service Delivery Impact***

Respondents expressed concern that this requirement will in effect prolong the duration of calls to the DQ service and as a result call duration and associated costs will increase. This could dissuade consumers from using DQ services and will therefore reduce choice and competition in the market.

Another respondent pointed out that many consumers who use DQ services do not need tariff information for call completion as they have no intention of using the service. In such cases provision of call completion tariff information is irrelevant and will generate a negative customer experience.

The point was also made that the tariffs for using call completion are often the same as those charged for connection to the 118XX number. This respondent suggested that tariff information should only be required where the call completion charge was higher than the rate for the initial call to the 118XX DQ service.

### ***Variability of Tariff Information***

Respondents made the point that the price charged for accessing DQ services varies depending on the network/service provider used. One respondent noted that the DQ service provider is not in the position to know with any degree of certainty what rate is being charged by the consumer's network/service provider as they can vary the price for DQ without informing the DQ service provider. The respondent's view is that it would be preferable to rely on consumers informing themselves of the price of a call via the tariff information provided by their network/service provider.

This respondent expressed concern that a DQ service provider could potentially risk exposure to complaint or legal action if the price charged by the network/ service provider differed from information provided by the DQ service provider.

Another respondent made the point that consumer expectation in relation to tariff presentation differs. Residential consumers expect tariffs to be presented VAT inclusive while business consumers prefer VAT exclusive tariffs.

### ***Technical Considerations***

One respondent highlighted technical issues that would need to be addressed in order to give the cost of call completion. Firstly, the DQ service provider would have to identify the network/service provider on which the consumer's call originates. Secondly, components of DQ service delivery are automated, and this would also require development work.

### ***3.3.3 Commission's Position***

As expected the proposed measures in relation call completion services have been the focus of most comment.

With regard to ComReg's rationale for setting specific requirements on DQ services, ComReg does not accept that the measures proposed are discriminatory in nature. Through consumer research and consumer complaint feedback a consumer awareness issue specific to DQ services has been identified.

As a general rule a consumer should be provided with the cost of using a particular service when that offer is made i.e. at point of sale. For call completion services the service provider makes an offer and the consumer is asked to make an immediate decision to have the call completed. In doing so, that consumer may not be aware of the tariffs that apply and may be under the impression that their normal telephone call charges apply. It is for this reason that specific requirements are being established in the area of DQ services. It should also be noted that ComReg continually assesses the communications market in Ireland for areas where consumer knowledge of the market, and the various operators, can be enhanced in a proactive manner.

ComReg also notes the reference to the 2003 policy directions<sup>4</sup> to ComReg from the Minister for Communications, Marine and Natural Resources which require regulation only where necessary and require ComReg to conduct a Regulatory Impact Assessment before deciding to impose regulatory obligations. In addition to its statutory objective to promote competition, ComReg also has a statutory objective to protect consumers. ComReg considers regulatory intervention is appropriate in relation to tariffs on DQ services due to issues over consumer awareness and complaints regarding unexpected high call costs for calls completed through the DQ service provider.

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<sup>4</sup> Directions by the Minister for Communications, Marine and Natural Resources to the Commission for Communications Regulation under s. 13 of the Communications Regulation Act 2002 [http://www.dcmnr.gov.ie/files/Comms\\_Reg\\_Policy\\_Directions.doc](http://www.dcmnr.gov.ie/files/Comms_Reg_Policy_Directions.doc)

In assessing the appropriateness of intervention, ComReg does not consider that the objective of consumer protection would be better served in the absence of specific requirements for tariff transparency on the DQ call completion service. Furthermore in developing and assessing its proposals ComReg has looked to other countries to identify appropriate measures for the Irish market. In the UK, for example, when calls are completed by the DQ operator, they are obliged under ICSTIS<sup>5</sup> guidelines to provide the consumer with the cost associated with choosing call completion.

With regard to points made in relation to service delivery and the impact on the length of the consumer's DQ call, it is ComReg's view that consumer rights should not be compromised in pursuit of efficiency in service delivery. In this context it is not ComReg's intention to prescribe the service delivery process. The service provider will maintain full control to ensure an efficient service delivery, where consumers have the opportunity to avail of tariff information at the time they decide to avail of call completion services.

The consultation had proposed that DQ service providers would be required provide specific tariff information before the consumer is asked to decide whether to avail of the service. The key word here is '*specific*', and the extent to which a DQ service provider is responsible for communicating a third party's tariffs. Having considered comments ComReg accepts that the variability of tariffs across different networks and by different service providers, may reduce the level of control that a DQ service provider has over the rate charged to the consumer. Nonetheless, this does not negate the responsibility of the DQ provider to inform consumers that there is a cost for call completion that is generally higher than that charged if they dialled the number directly. The argument that a DQ provider is exposing themselves to legal risk is one which could easily be overcome by simply establishing better communication processes with network/service providers to ensure the DQ provider is kept aware of retail prices to the consumers.

ComReg has examined approaches to this issue and an appropriate solution could be to require that service providers inform consumers of a basic price and advise that charges will vary depending on the network/service provider used. A similar approach has been adopted in the UK by ICSTIS, the body responsible for setting and reviewing standards relating to promotion of premium rate/DQ services.

Another factor which needs to be considered when finalising requirements on call completion is consumer preference. It may be the case that a consumer using call completion services would prefer not to receive tariff information – for example, where they have been provided with information previously or where the consumer is not liable for the bill therefore cost is not an issue.

Taking all factors into account ComReg has decided to amend the text of the proposed requirement to simply state:

*'DQ service providers are required to offer tariff information when they offer call completion services. Consumers should be advised of the cost of*

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<sup>5</sup> Independent Committee for the Supervision of Standards of Telephone Information Services - [www.icstis.org.uk](http://www.icstis.org.uk)

*using the service from most landlines and should be advised that costs will vary depending on the network/service provider used.*

The following text is a guideline on the minimum set of information a Directory Enquiry service provider must provide –

*“Would you like to have your call connected? Calls from most landlines cost Xc per minute – Charges will vary when using your mobile phone or an alternate provider for telephone calls”*

With regard to comments regarding technical capabilities to deliver relevant tariff information, it is ComReg’s view that ‘technical barriers’ should not inhibit the responsibility to inform consumers of tariffs for using the DQ service and any technical obstacle experienced can be satisfactorily overcome with adequate resources employed.

## 4 ComReg Decision

This Decision is taken in accordance with Regulation 18 of the European Communities (Electronic Communications Networks and Services) (Universal Service and Users' Rights) Regulations 2003. This is a decision to which condition 18.1 of the General Authorisation<sup>6</sup> applies.

Section 12 of the Communications Regulation Act, 2002 sets out the objectives of the Commission for Communications Regulation to promote the interests of users within the Community and requires the Commission to take all reasonable measures aimed at achieving those objectives including promoting the provision of clear information, in particular requiring transparency of tariffs and conditions for using publicly available electronic communications services. This Decision relates to the provision of Directory Enquiry services by undertakings providing publicly available telephone services or providers of public telephone networks, or both.

### **Direction 1**

When advertising or promoting its service a Directory Enquiry service provider shall indicate the applicable charges, or alternatively, indicate where such information may be obtained. The cost to a user of obtaining such information should not exceed the cost of a local telephone call. The Directory Enquiry service provider should also publicise their separate customer service number in printed material.

### **Direction 2**

The Directory Enquiry service provider shall make available printed tariff information in response to requests from consumers. The display of printed tariff information is subject to ComReg Decision number XX "ComReg Code for Tariff Presentation".

### **Direction 3**

A Directory Enquiry service provider shall provide tariff information when it offers call completion services. Consumers should be advised of the cost of using the service from most landlines and should be advised that costs will vary depending on the network/service provider used.

The following text is a guideline on the minimum set of information a Directory Enquiry service provider must provide – *“Would you like to have your call connected? Calls from most landlines cost Xc per minute – Charges will vary when using your mobile phone or an alternate provider for telephone calls”*

Service providers, to whom this specification applies, should note the provision of the foregoing information is the minimum requirement for the purpose of satisfying their obligations pursuant to this specification.

<sup>6</sup> General Authorisation Pursuant to Regulation 8 of the European Communities (Electronic Communications Networks and Services)(Authorisation) Regulations, 2003 (S.I. No. 306 of 2003) – Conditions for the provision of Electronic Communications Networks and Services – ComReg Doc 03/81, 25<sup>th</sup> July 2003

This decision comes into effect as of 1<sup>st</sup> October 2004.

## Appendix A – Impact Assessment

The Ministerial Direction (issued by the Minister for Communications, Marine & Natural Resources) in accordance with S13 of the Communications Regulation Act 2002 published in February 2003, directs:

*“The Commission, before deciding to impose regulatory obligations on undertakings in the market for electronic communications or for the purposes of the management and use of the radio frequency spectrum or for the purposes of the regulation of the postal sector, shall conduct a Regulatory Impact Assessment in accordance with European and International best practice and otherwise in accordance with measures that may be adopted under the Government’s Better Regulation programme.”*

This section of the Decision Notice examines this decision in terms of its contribution to ComReg’s statutory objectives which are set out in Section 12 (1)(a) of the Communications Regulation Act 2002 – that is the promotion of competition, the completion of the single market and the promotion of users’ interests. The impact of the decision to introduce requirements on provision of tariff information for DQ services is assessed.

### **Promotion of Competition**

With regard to ComReg’s objective to promote competition ComReg shall take all reasonable measures to ensure that users, including disabled users, derive maximum benefit in terms of choice, price and quality, to ensure that there is no distortion or restriction of competition and to encourage investment and innovation.

It is evident through consumer research that there is relatively low awareness of tariffs on DQ services. The direct impact of this decision for users is that they will be provided with enough information to allow them to make more informed choices in their use of DQ services. One short term impact is that some users may choose not to have their call completed. Nonetheless there is a need for increased awareness of applicable tariffs and user demand for convenient services such as DQ call completion will continue. Moreover, with greater price awareness and increased consumer confidence, there is scope for increased price differentiation and service innovation among DQ service providers. As evidenced in other countries, where similar requirements have been established market entry is not discouraged.

### **Development of the Internal Market**

The development of the internal market requires the regulator to ensure that there is no discrimination in the treatment of undertakings providing electronic communications networks and services. The measures that are being implemented will apply equally to all service providers. While the nature of changes to existing service delivery processes will differ, the level of change should not have any significant impact.

**Promotion of users' interests**

ComReg is required to promote the provision of clear information, in particular requiring transparency of tariffs and conditions for using publicly available electronic communications services. The promotion of the interests of users has been a primary driver in developing measures on DQ services.

This Decision Notice will enable the consumer to make an informed decision regarding the tariffs associated when choosing to have their call completed by the DQ service provider. Importantly, it will ensure that if the consumer chooses to have a call connected there is now less likelihood that inadvertent costs will be incurred.

**Conclusion**

The overriding purpose behind this Decision is the need to ensure users are adequately informed. Ultimately user demand for efficient and convenient services will continue to increase and while some users, having received tariff information, may decide not to use particular elements of a DQ service, the measures provide an adequate level of protection for consumers.