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ComReg/Ofcom Joint Working Group

Report on Inadvertent Mobile Roaming, October 2006

Contents

Section		Page
	Executive Summary	3
1	Background	4
2	Introduction	4
3	Coverage	6
4	Tariffs	6
5	Wider EU Context	8
6	Consumer Information	8
7	Conclusion	10
	Annex – Tariffs	11

Executive Summary

This Report draws together the conclusions of the ComReg/Ofcom Joint Working Group on inadvertent mobile roaming along the Northern Ireland/Republic of Ireland border taking into account developments since the Joint Ministerial meeting in April 2006.

Three areas - coverage, tariffs and consumer information - have been the focus of the Joint Working Group's engagement over the last two years or more. In all areas there has been some progress.

Mobile Network Operators (MNOs) have been able to improve their coverage during this period, particularly in one or two areas where there were difficulties in obtaining sites. Nonetheless, a solution to the problem dependent solely upon improving coverage, owing to the terrain and to the relatively low density of population in many areas along the border, is never likely to be either economically viable or technically feasible.

The quality of consumer information remains variable. Customer care in retail stores situated near the border is, on the whole, very good. Staff in call centres, however, appear to have little knowledge or understanding of inadvertent roaming. Some operators have also provided, or are in the process of providing, dedicated literature for their customers on how to deal with the problem of inadvertent roaming. Information on websites, although sometimes good, can be hard to find.

Most progress has been made over tariffs, generally regarded as the area most likely to benefit consumers affected by inadvertent roaming. In the Republic of Ireland a wide range of options, effectively offering all-island rates, is now available to both post-paid and pre-paid customers. In Northern Ireland many post-paid customers will be able to find tariff options which lessen the problem of inadvertent roaming for them; and significantly there have been improvements too in the options available to pre-paid customers, who make up 73% of all customers, although not from every operator.

In the longer term, developments at the European level on international roaming generally are likely to become the focus of attention for the market and afford the prospect of wide-ranging changes in tariffs not only between Northern Ireland and the Republic of Ireland, but also across the European Union.

1. Background

- 1.1 Inadvertent roaming is a possibility wherever mobile services are available and national borders exist. National regulators have never had explicit powers to prevent or reduce the possibility of inadvertent roaming occurring; instead national regulators have worked within the bounds of the regulatory framework and alongside the mobile industry to seek ways of reducing the detriment caused to consumers through instances of inadvertent roaming.
- 1.2 ComReg and Ofcom agreed to set up a Joint Working Group (JWG) in April 2004 to investigate the extent of the problem of inadvertent mobile roaming for mobile phone users in the Republic of Ireland and Northern Ireland and to recommend possible ways forward. It published a report¹ in January 2005 which covered this as well as some other communications matters of mutual interest.
- 1.3 Representatives of the Joint Working Group attended Joint Ministerial Meetings in March and September 2005 and January and April 2006 and have held a series of meetings with all the operators with networks in the Republic of Ireland and Northern Ireland. The discussions with the operators were wide ranging but there was general agreement that there were three areas in which progress might be made – coverage, consumer information and tariffs.
- 1.4 In March 2006 several operators brought new tariff offerings to both markets but there was a greater degree of movement by the Republic of Ireland operators than those based in the UK, with the result that at the April 2006 Joint Ministerial Meeting the Ministers asked ComReg and Ofcom to hold more meetings with the operators to see if they could make further movement on tariffs. ComReg held meetings and discussions with the four Irish operators and Ofcom held meetings with all five of the UK operators during June and July 2006. This report outlines the situation as of September 2006.

2. Introduction

- 2.1 The introduction of Ireland-UK and all-island tariffs, the latter available to pre-paid as well as post-paid customers, by some of the operators based in the Republic, whilst not necessarily answering all the concerns (in particular the fact that some were partner dependent²) raised by interest groups over inadvertent roaming has largely answered the widespread calls by government, politicians, business and consumer interests in the Republic of Ireland for the mobile operators to take action.

¹ Report of JWG, January 2005: http://www.ofcom.org.uk/media/news/2005/01/nr_20050119

² 'Partner dependent' – consumers must roam on the partner network to avail of the reduced tariffs e.g. a Vodafone Ireland customer must roam on the Vodafone UK network.

- 2.2 Although on the Northern Ireland side of the border some of the UK operators have taken steps to address the problem there has been no general roll-out of tariffs designed to assist in particular pre-paid customers, who make up 73% of the total market. This has disappointed politicians, the media and business and consumer interests, many of whom expected that UK operators would replicate the moves made by the RoI operators. This is largely due to the fact that, although the situation for the consumer experiencing inadvertent roaming is much the same whichever side of the border he or she is on, there are some significant differences in the markets and in the constitutional and regulatory environments existing in the two jurisdictions.
- 2.3 Whilst the Republic of Ireland constitutes a single political and economic entity, Northern Ireland is part of the United Kingdom and the only part to have a land border with another European Union member state. Inadvertent roaming, although not unknown in parts of the South of England, only really affects mobile users in Northern Ireland.
- 2.4 Although physically separate from the rest of the UK, responsibility for telecommunications is not, and never has been, devolved and the UK telecommunications market has been, and continues to be, treated as a single market both from a government and a regulatory perspective.
- 2.5 The situation on the ground may give a different impression. The Northern Ireland Department of Enterprise, Trade and Investment, for example, has its own Telecommunications Policy Unit; the incumbent fixed line operator, BT Northern Ireland, exists as a separate unit with close links to its operation in the Republic of Ireland and like its biggest competitors in the fixed line market, e.g. NTL and UTV, offers all-island rates. The UK mobile operators, however, on the whole, have fairly centralised operations with networks and a retail presence in Northern Ireland. This means that issues specific to Northern Ireland, with a total mobile subscriber base of 1.3m or about 2.3% of the total UK mobile subscriber base³, will inevitably be dwarfed by issues with UK-wide market implications. In other words, while a resolution to inadvertent mobile roaming has been a pressing matter in the Dublin headquarters of the Republic of Ireland based operators it is unlikely to have had similar importance with UK operators.
- 2.6 Although the UK operators may have a strategic and economic perspective different to that of the operators based in Ireland, a UK/Ireland-wide tariff such as that introduced by Vodafone Ireland, Three Ireland and Meteor would similarly address the problem of inadvertent roaming for Northern Ireland users. However, it is clear from our discussions with them that none of the UK operators is prepared to introduce a UK-wide solution (with significant commercial implications) for an issue that is restricted to customers in Northern Ireland; and, given its commitment to seeking proportionate solutions, Ofcom is not in a position to propose this. Indeed, it is worth pointing out that, were Ofcom minded to set mobile retail tariffs, it would need to carry out a market review and could only intervene subsequently if it found MNO(s) to have Significant Market Power.

³ Ofcom estimate of NI subscribers: 77% of NI population (1.69m) have a mobile phone – consumer survey October 2004, and as a percentage of total UK subscribers based on Ofcom estimate of total mobile subscribers (excluding 3) at September 2004 (56.3m) market information quarterly update – January 2005.

- 2.7 According to the UK operators, a Northern Ireland only solution also poses problems since the integration of mobile telecommunications systems, often with switching operations for Northern Ireland located in England or Scotland, makes it difficult for them to separate out customers and customer activity, particularly pre-paid customers who are not required to provide details of their location to the operator, and could therefore purchase and use services anywhere in the UK. This is the reason, we were told, why the majority of tariff offerings designed to reduce the charges consumers in Northern Ireland incur through inadvertent roaming are restricted to customers on contracts.
- 2.8 It was clear from our discussions that not all of the operators believed that inadvertent roaming was as problematic as it was being portrayed by ourselves, the media and political interests; we were told that complaints and requests for compensation relating to inadvertent roaming were few. This may be because the level of knowledge and understanding of the issue on the part of staff at call centres based outside Northern Ireland seems unlikely to inspire confidence in a caller that his/her complaint would be resolved.

3. Coverage

- 3.1 In March 2006, prior to our last report to the Joint Ministerial Meeting, the ComReg/Ofcom Joint Working Group conducted a second technical survey of coverage along the border. Our first survey was in September 2004.
- 3.2 This second survey showed that inadvertent roaming was still occurring in many locations on all networks. Given the nature of the border between Northern Ireland and the Republic of Ireland, and the kind of terrain associated with it, providing full coverage is probably impossible, except at a cost which would not be economically viable and, therefore, inadvertent roaming is inevitable. It is entirely reasonable for the coverage of a network to extend up to the border of the country being served. It is also impossible to restrict the radio waves used by base stations to communicate with cell phones from extending across the border into the neighbouring country. Roaming occurs when the cellular handset registers with a network other than its 'home' network. When that other network is across the border the user will incur international charges.
- 3.3 Comparisons with the data previously collected showed that the situation had improved but as more transmitters are put into border areas then more signal will reach across the border: if networks in the neighbouring country have not also increased their penetration in that area then inadvertent roaming will still occur in the opposite direction - something of a 'Catch 22' situation.

4. Tariffs

- 4.1 Of the three areas that have been the focus of our attention throughout the lifetime of the Joint Working Group tariffs have been regarded as most amenable to improvement by virtually all parties and indeed there has been the most significant movement in this area. Full details of all tariffs as of 30 September 2006 appear in the Annex.

- 4.2 Following the improvements to their tariffs in the Spring made by O2 Ireland, Vodafone Ireland, Three Ireland and O2 UK, T-Mobile and Vodafone UK, Orange has also responded with offerings designed to reduce costs for its consumers affected by inadvertent roaming. Meteor introduced new rates in September 2006.
- 4.3 Post-paid customers continue to enjoy the most advantageous terms. Some of the reasons for this have already been discussed. Nonetheless, there have also been improvements for pre-paid customers who comprise almost three quarters of all consumers in both markets.
- 4.4 In the Republic of Ireland, O2 Ireland and Vodafone Ireland offer what are effectively all-island rates as long as customers roam only to their sister networks in Northern Ireland/UK. Three Ireland offers all-island rates irrespective of the network to which a customer roams. Meteor offers all-island rates in partnership with T-Mobile UK.
- 4.5 On the Northern Ireland side of the border there have also been significant improvements for customers, especially pre-paid customers for whom little was available prior to March 2006. O2 UK's bolt-on for pre-paid customers for a monthly fee of £1.99 can effectively solve the problem of inadvertent roaming altogether, reducing the charge for calls made when roaming on any RoI network to the standard national rate and eliminating altogether that for calls received; and T-Mobile has a flat rate of 50ppm for calls made or received by its pre-paid customers roaming onto any RoI network. Vodafone's *Passport* continues to be another option available to pre-paid as well as post-paid customers although probably more appropriate, in our view, for travellers than for inadvertent roamers. In July O2 also introduced an offering, - *My Europe*, a free opt-in service - for pre-paid and post-paid customers, which can reduce the cost of receiving or making a roamed call on any network to 35ppm.
- 4.6 Orange has identified particular Northern Ireland customers on monthly contracts, who live in close proximity to the border and who roamed during a selected period, and has advised them that it would be adding its frequent traveller option to their accounts free of charge.
- 4.7 Three UK put it to us again that, were it able to obtain better wholesale rates from the operators whose networks it is obliged to use, it would be happy to pass the savings made onto consumers in its retail offerings. (As discussed in more detail below, wholesale rates are captured as part of the wider European work currently being undertaken on international roaming, and should be considered in that context rather than as part of this work on inadvertent roaming).
- 4.8 It is worth noting that Three UK's policy of charging by the second, rather than by the minute, may provide an opportunity for pre-paid customers to at least manage the higher costs associated with roaming.
- 4.9 None of the operators has plans currently to make any further changes to their tariffs. However, they will be monitoring the situation and will respond as they see fit to any developments in the market.

5. Wider EU Context

- 5.1 Notwithstanding the reductions made in tariffs to date, further action to reduce roaming tariffs is being taken as part of the wider work on international roaming being undertaken at a European level. While this work is not specifically targeted at the issue of inadvertent roaming, and will not eradicate the problem, reductions in roaming tariffs should further benefit NI and RoI consumers who experience inadvertent roaming. This work, aimed at reducing tariffs for all users at the EU level, is likely to be the focus of attention for regulators and the industry moving forward.
- 5.2 There has already been substantial work undertaken on this wider issue by regulators, including Ofcom and ComReg, under the auspices of the European Regulators Group (ERG). The ERG has made a number of responses to Commissioner Reding's announcement on 8 February for a special EU regulation on international roaming under Article 95 EC Treaty, and the Commission's subsequent consultations proposing the form of a Regulation.
- 5.3 The ERG agrees with Commissioner Reding and the Commission that a special regulation on international roaming is necessary to deal with unreasonably high prices. The ERG also agrees that the most appropriate form of regulatory control would be a cap on the wholesale and, if proven necessary, the retail prices, for international roaming calls. However, some differences remain in exactly how the Regulation should apply.
- 5.4 Further detail on the ERG's position in relation to the Commission's proposals can be found in the following documents: i) *ERG response to the European Commission's call for input on its proposed EC Regulation in the international roaming market – 22 March 2006*; and ii) *ERG response to the European Commission's second phase public consultation on a proposal for a Regulation (EC) of the European Parliament and of the Council on mobile roaming services in the single market – 11 May 2006*⁴
- 5.5 In the meantime, any action by mobile operators to reduce retail roaming tariffs, specifically those aimed at further reducing the impact of inadvertent roaming, are to be welcomed.

⁴ Both documents available from the ERG website at: www.erg.eu.int/index_en.htm

6. Consumer Information

- 6.1 In our earlier meetings we impressed upon the operators the need to supply customers with information about charges and about how consumers might at least avoid charges incurred by inadvertent roaming. To date, of the UK operators, Orange and Vodafone have produced advice leaflets. O2 indicated that they would be producing a leaflet imminently.
- 6.2 Three, which has roaming agreements with more than one other operator to provide its customers with a 2G service when required, admits to finding the task of explaining the complexity of these arrangements to consumers a challenge. However, it is looking at how it can communicate better with its customers.
- 6.3 T-Mobile has a very small customer base in Northern Ireland. Nonetheless, it has looked at innovative ways of contacting its customers and supplies information by SMS to warn customers when they are roaming. It will also be rolling out a service to its customers whereby, if they text in the details of their home and work addresses and other regular locations used, T-Mobile will indicate the coverage they can expect.
- 6.4 Meteor is following the example of other RoI operators in carrying out an advertising campaign to explain its new tariff offering which includes in-store leaflets and details on its website.
- 6.5 Retail outlets near the border report a significant volume of complaints about inadvertent roaming and they have told us that they accept that it is an issue about which there are strong feelings. We met with little understanding of the problem on the part of employees in call centres based outside Northern Ireland. It seems likely to us that consumers will have difficulty in establishing that a call was 'inadvertent', may feel a sense of impotence when dealing with someone in a call centre remote from the problem, and as a result that there is little prospect of obtaining satisfaction through that route.
- 6.6 All the operators could improve their customer service to consumers, both in general and for those affected by inadvertent mobile roaming. We know from other research we have conducted that media literacy is not good in Northern Ireland⁵ and if the customer experience of call centres is a poor one then it is not surprising that the level of contact from consumers will be low.

5

http://www.ofcom.org.uk/advice/media_literacy/medlitpub/medlitpubrss/nations_regions/nations_regions.pdf

- 6.7 More generally, both Ofcom and ComReg are concerned that consumers may not be aware of the costs of using a mobile phone abroad. A survey undertaken by ComReg in early 2006 found that 52% of Irish consumers who travelled abroad had only limited knowledge of roaming costs. The website www.askcomreg.ie now contains details of such costs. Ofcom has also published *A Guide to using your mobile phone abroad*.⁶
- 6.8 Both regulators will continue to monitor the position in relation to consumer awareness and the provision of information and will examine what can be done to improve the situation for those affected by this problem.

7. Conclusion

- 7.1 Since the last meeting with Ministers in April 2006 there have been some further improvements made by MNOs to the benefit of consumers experiencing inadvertent roaming. While it was recognised last time round that improvements as regards coverage would be limited, owing to the nature and terrain of the border, improvements in both tariffs and in the provision of consumer information have continued.
- 7.2 While movement by the UK operators has stopped short of that undertaken by some of the RoI MNOs there have been some significant improvements; given the differences in the respective national markets differences in the responses of the operators are perhaps not entirely unexpected.
- 7.3 Improving advice to consumers on both sides of the border on how to reduce the effects of inadvertent roaming will continue to be an important element of how to deal with the issue moving forward. Current, and proposed, activities by MNOs on both sides of the border are to be welcomed.
- 7.4 The continued development of regulatory policy at a European level in relation to international roaming prices seems likely to yield further progress in the reduction of charges for roaming, both inadvertent and more generally. ComReg and Ofcom will continue to be alert to the difficulties of consumers who experience inadvertent roaming on both sides of the border as part of their ongoing regulatory agendas.

⁶ http://www.ofcom.org.uk/advice/mobile_abroad/

Annex – Tariffs (as of September 2006)

Meteor				
Pre-pay			Roaming with T-Mobile in UK	Roaming with other UK network in UK
			standard	make
		receive	99c p/m	99c p/m
	'opt-in'	make	29c connection fee then 20c p/m	99c p/m
		receive	free	99c p/m
Post-pay	standard	make	Same out of bundle rates to Rol as at home (18-20c p/m)	86c p/m Vodafone, €1.14 p/m Orange, €1.21 p/m O2
		receive	free	86c p/m Vodafone, €1.14 p/m Orange, €1.21 p/m O2

Vodafone UK				
			Roaming with Vodafone Irl	Roaming with other Irl network
Post-pay	Standard	make	60p p/m	75p p/m
		receive	50p p/m	50p p/m
	with Vodafone passport	make	75p connection fee then charged normal 'home' rates	75p p/m
		receive	75p connection fee then charged normal 'home' rates	50p p/m
	with International Call Saver - £2.50 per month (free on Anytime 1000 tariff)	make	40p p/m	60p p/m
		receive	25p p/m	25p p/m
	With Ireland Caller tariff - £1 a month, when subscribed to International Call Saver	make	21p p/m	n/a
		receive	Free	n/a
Pre-pay	standard	make	75p p/m	75p p/m
		receive	50p p/m	50p p/m
	with Vodafone passport	make	75p connection fee then charged normal 'home' rates	75p p/m
		receive	75p connection fee then charged normal 'home' rates	50p p/m

Vodafone IRL				
			Roaming with Vodafone UK	Roaming with other UK network
Post-pay	Standard	make	59c p/m	€1.09 p/m
		receive	59c p/m	59c p/m
	with Vodafone Passport	make	Same out of bundle local rates to Rol (18c to 35c p/m)	€1.09 p/m
		receive	Free	59c p/m
Pre-pay	standard	make	59c p/m	€1.59 p/m
		receive	59c Flat Rate	€1.59 p/m
	with Vodafone Passport	make	29c once off and Local per min out of bundle rate	€1.59 p/m
		receive	29c once off for duration of call	€1.59 p/m

O2 UK					
			Roaming with O2 Irl	Roaming with other Irl network	
Post-pay	standard	make	50p p/m	50p p/m	
		receive	94p p/m	94p p/m	
	With Int Traveller Service and Ireland Bolt-On (free until further notice)	make	25p p/m	25p p/m	
		receive	18p p/m	18p p/m	
	with My Europe tariff (free opt-in – Summer 2006)	make	35p p/m	35p p/m	
		receive	35p p/m	35p p/m	
	Pre-pay	standard	make	69ppm to fixed line & other O2 mobiles 149ppm to other mobiles	69ppm to fixed line & other O2 mobiles 149ppm to other mobiles
			receive	99ppm	99ppm
with Ireland Bolt-On (£1.99 a month)		make	Standard call charge	Standard call charge	
		receive	no charge	no charge	
with My Europe tariff (current free opt-in)		make	35p p/m	35p p/m	
		receive	35p p/m	35p p/m	

O2 IRL				
			Roaming with O2 UK in NI	Roaming with other UK network in NI
Post-pay	standard	make	20c to 35c p/m	59c p/m
		receive	free	59c p/m
Pre-pay	standard	make	39c p/m	59c p/m
		receive	free	59c p/m

Three UK			
			Roaming in Irl – non network dependent
Post-pay	standard	make	80p p/m
		receive	30p p/m
Pre-pay	standard	make	100p p/m
		receive	50p p/m

Three IRL			
			Roaming in UK – non network dependent
Post-pay	standard	make	Free if in bundle, 30c p/m when bundle allowance is exceeded
		receive	Free if in bundle, 30c p/m when bundle allowance is exceeded
Pre-pay	standard	make	35c p/m
		receive	35c p/m

Orange			
		Roaming in Irl – non network dependent	
Post-pay	standard	make	40p p/m
		receive	20p p/m
	With Frequent Traveller option of £2 a month	make	35p p/m
		receive	20p p/m
Pre-pay	standard	make	80p p/m
		receive	60p p/m

T-Mobile				
		Roaming with Meteor		Roaming with other Irl network
Post-pay	standard	make	25p p/m (via World Class tariff)	50p p/m
		receive	50p p/m (via World Class tariff)	50p p/m (* reduces to 15p p/m when taking out International Option at £2.50 per month)
Pre-pay	standard	make	50p p/m	50p p/m
		receive	50p p/m	50p p/m