



Commission for
Communications Regulation

Information Notice

Vulnerable User Scheme

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Vulnerable User Scheme

In 2002, ComReg undertook a review of the price cap on eircom. As part of this process the cap of CPI-0% on the Lower Quartile bill was reviewed. In the price cap decision notice in February 2003¹, the Commission stated that the Lower Quartile cap should remain until such time as a suitable vulnerable user scheme was in place. A vulnerable user scheme, based on an *eircom* proposal, was outlined in the third price cap consultation in November 2002².

ComReg has now agreed to the removal of the Lower Quartile Cap when the Vulnerable User Scheme is introduced. This will take place on 2nd June 2003. The scheme will have an initial subscription fee of €22.50 (incl. VAT) per month which will include line rental and local, national, fixed to mobile and international calls up to a value of €5.00 (incl. VAT). Once a customer exceeds the €5.00 worth of calls they will pay double the standard rate for calls up to €11 (incl. VAT) after which they will revert to standard call rates.³ It should be noted that other call types e.g. premium rate services and directory enquiry calls which are not covered by the price cap will continue be charged at their standard rates.

As stated in the November Consultation² the aim of the scheme is to limit the increases in the size of vulnerable users' telephone bills where they have relatively low levels of usage. To this end, eircom have agreed that the median bill of those customers who avail of the scheme will not increase by more than CPI-0%, which is the cap on the current Lower Quartile bill, and the one that has applied in the last price cap 2000-2003.

As set out in Schedule 2 of the Telecommunications Regulation Order 2003, light or vulnerable user schemes can contribute to price changes required to meet the price cap. ComReg have determined that the contribution should be calculated on the basis of actual take-up in the previous year (e.g. the contribution in Year 2 will be based on the take up in Year 1).

Full details of the terms and conditions of the scheme will be made available by eircom at least 21 days before the scheme becomes available.

¹ 03/14 Decision Notice D3/03 – Review of the Price Cap on Certain Telecommunications Services

² 02/96 Review of the Price Cap on Certain Telecommunications Services- Consultation III

³ This ensures that however many calls a customer on the scheme makes, the size of their bill is restricted to no more than €1 more than a standard bill.