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# Future of telephone numbers

## Statement on geographic numbering

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[Future of telephone numbers: Statement on geographic numbering](#) – Welsh overview

**STATEMENT:**

Publication date: 11 March 2022

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# 1. Overview

**This document sets out our decisions to amend the rules that govern the use of phone numbers in the UK, to ensure they take account of the substantial changes taking place in the country's networks and continue to promote consumer confidence in phone services.**

Phone calls are an essential service for many people and businesses. However, the way we use phones is changing. Mobile and online communications are increasing, and landline use is in general decline. The traditional landline phone network in the UK – the public switched telephone network (PSTN) – is coming to the end of its life and is gradually being replaced. Over the next few years, landline calls will be carried over more modern Internet Protocol (IP) networks, with landline phone services increasingly delivered over broadband connections.

Against this backdrop, we have been reviewing our rulebook for phone numbers in the UK – called the National Telephone Numbering Plan (the Numbering Plan). We outlined our proposed approach to this review in our First Consultation in 2019.<sup>1</sup> In our Second Consultation in 2021,<sup>2</sup> we put forward proposals relating to geographic numbering, and in this document we are setting out and explaining our decisions.

## What we have decided – in brief

### Maintaining landline phone area codes

We are keeping the existing rules on geographic numbering which allocate the first few digits of a landline phone number to an area (the area code) and provide location significance. Although IP networks do not require area codes to route calls in the same way as legacy networks, and recognition of the geographic link between phone number and location is declining, it is still valued by some people and businesses. We have therefore decided not to remove this link.

These rules permit out-of-area use of geographic numbers which we consider provides an important degree of flexibility in number use for people and businesses.

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<sup>1</sup> Ofcom, 2019. [Future of telephone numbers](#), first consultation (the First Consultation).

<sup>2</sup> Ofcom, 2021. [Future of telephone numbers](#), second consultation (the Second Consultation).

### **Removing the obligation on telecoms providers to provide local dialling**

Local dialling lets someone make a call from one landline to another landline in the same area without dialling the area code. We are removing the requirement to provide local dialling on landline phone services since we consider that the value of this facility to phone users has declined and it is more complex to provide on IP networks. We anticipate that telecoms providers are likely to remove this facility as they migrate landline customers to new IP voice services.

We have set out our expectations for measures that telecoms providers should take when removing local dialling to mitigate any risk of confusion or harm for their customers.

### **Next steps**

We have published a revised version of the Numbering Plan to bring into effect our decision to remove the obligation to provide local dialling. We will be monitoring telecoms providers' plans for withdrawing local dialling and informing their customers of this change.

Our Second Consultation also included proposals to amend the Numbering Plan to prohibit the sharing of revenue with calling parties. We are considering the responses received and gathering additional information to inform our next steps.

We will continue our review of the Numbering Plan and in the next stage we will look at the future role for 084 and 087 non-geographic numbers.

## 2. Background

- 2.1 This Statement forms part of Ofcom’s ongoing review of the future of telephone numbers (the Future of Numbering Review). It follows our Second Consultation published in April 2021.
- 2.2 Below we explain the strategic context for this review and background on geographic numbers.
- 2.3 In Section 3 of this document, we consider the responses received to the Second Consultation on our geographic numbering proposals and set out our decisions in relation to those proposals.

### Strategic context

- 2.4 Phone calls are an essential service for many people and businesses, with around 235 billion minutes of calls made from landline and mobiles in the UK during 2020. Calls made from landlines increased in 2020 for the first time since 2003 as people stayed at home during the pandemic. However, there has been a marked decline over time despite the recent increase and landline call minutes fell from 103 billion to 45 billion between 2012 and 2020.<sup>3</sup>
- 2.5 The total number of UK landlines has remained relatively stable,<sup>4</sup> with 77% of households still having one,<sup>5</sup> but only 54% of people actually use their landline to make calls.<sup>6</sup> Instead, the use of mobile and Over-the-Top (OTT) voice services and applications that enable, for instance, online messaging and video calls, continues to increase.<sup>7</sup>
- 2.6 Phone calls are likely to remain important. As with other platforms, the more people connected to a telephone network, the more each user benefits from the option to contact others. What makes phone services stand out is that it is an open platform, where anyone using a phone service can call any other user, whatever network they are on.
- 2.7 Phone numbers are necessary to make calls work and are fundamental to how people and businesses use phone services. Despite the growth of other forms of identifiers, including IP addressing, numbers will remain a key means by which people identify calling and called parties.
- 2.8 The UK’s telephone networks are undergoing substantial change as the companies that run them upgrade their technology and move their landline customers from traditional PSTN

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<sup>3</sup> Ofcom, 2021. [Communications Market Report 2021](#) (CMR 2021).

<sup>4</sup> There were 32.1 million UK landlines at the end of 2020. This figure is higher than reported for 2019 because we have changed the way we collect data to better capture managed VoIP connections. CMR 2021.

<sup>5</sup> CMR 2021.

<sup>6</sup> Ofcom, 2021. [Wholesale Voice Markets Review 2021-2026](#), statement.

<sup>7</sup> Ofcom, 2020. [Online Nation – 2020 Report](#), Figure 5.2 and page 143.

networks to newer IP technology, potentially changing the way landline numbers are organised and dialled.<sup>8</sup>

## The Future of Numbering Review

- 2.9 In the First Consultation, we explained that we had identified a number of important developments in voice telephony that we considered would have an effect on how numbers are used.<sup>9</sup> We launched the Future of Numbering Review to take a forward look at how those developments may require a change to the rules that govern the use of phone numbers in the UK, the Numbering Plan.
- 2.10 The Future of Numbering Review has the following aims:
- **Promote competition between providers of phone services**, recognising the changing market, where OTT, social media and messaging platforms offer alternatives to traditional phone calls.
  - **Promote confidence in phone numbers and services** by tackling nuisance and scam calls and addressing pricing practices that lead to unexpected or unreasonable charges.
  - **Protect consumers from harm** by making sure they continue to have access to important services.
- 2.11 We plan to address the different elements in a series of consultations and through our ongoing Numbering Programme activities, as appropriate.<sup>10, 11</sup>
- 2.12 The Second Consultation considered the implications of telecoms providers' plans to transfer landline services from PSTN networks to IP networks for our rules on geographic numbers. We set out our proposals for the future rules on geographic area codes and local dialling. This Statement considers the consultation responses and sets out our decisions on these proposals.

## Our duty to administer the UK's telephone numbers

- 2.13 Ofcom is responsible for the administration of the UK's phone numbers. This duty is carried out as part of our regulation of the communications sector under the Communications Act 2003 (the Act).<sup>12</sup> In particular, we are required by section 56 of the Act to publish the Numbering Plan, setting out the telephone numbers available for allocation and any

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<sup>8</sup> We note that an individual response to our Second Consultation objected to the migration to IP, which is being led by telecoms providers, and this issue is outside the scope of our consultation. [Early, S](#) response to Second Consultation.

<sup>9</sup> First Consultation, paragraph 2.21. The developments identified were: evolution of the UK's telephone networks; alternatives to the phone bill as a micropayment mechanism for non-geographic call services; and changes in call prices.

<sup>10</sup> Our Numbering Programme manages the day-to-day numbering activities, including allocation of numbers to telecoms providers, auditing number use and promoting compliance with the Numbering Plan and [General Condition B1 on the allocation, adoption and use of telephone numbers](#).

<sup>11</sup> Scott, I's response to our Second Consultation commented on the availability of certain types of mobile phone contracts, which is outside of the scope of this consultation. However, Ofcom's ongoing strategic review of mobile services has the aim to ensure that the markets that deliver mobile services work well for people and businesses. We have recently published a discussion paper to invite responses on how these markets might develop. Ofcom, 2022. [Ofcom's future approach to mobile markets](#).

<sup>12</sup> See Annex 1 for further information on the legal framework.

restrictions on how they may be adopted or used.<sup>13</sup> We must also keep day-to-day records of the numbers allocated in accordance with the Numbering Plan, known as the ‘National Numbering Scheme’.<sup>14</sup> In carrying out our telephone numbering functions, we have a general duty to ensure that the best use is made of phone numbers and to encourage efficiency and innovation for that purpose.<sup>15</sup>

## Policy principles

2.14 Our numbering decisions have been guided by the following principles which were identified in our 2006 Numbering Review:<sup>16</sup>

- the numbers consumers want are available when they are needed;
- the numbers consumers currently use are not changed if this is avoidable;
- the meaning which numbers provide to consumers is protected;
- number allocation processes support competition and innovation; and
- consumers are not avoidably exposed to abuse.

2.15 In the First Consultation we explained that while our policy principles for managing numbers remained valid, we recognised that they were set during our last strategic review of numbering which took place over ten years ago.<sup>17</sup> Developments since then may have an impact on the future use of numbers and may require changes to the Numbering Plan to ensure that it continues to deliver what consumers and businesses understand, want and need from numbers to promote consumer confidence.

## The Numbering Plan

2.16 The Numbering Plan provides information on the type of service and/or call cost associated with different types of numbers. It has been shaped over the years by the need to support competition and consumer choice; to reflect technology innovations and restrictions; and to promote service innovation. It must evolve to make best use of numbers and reflect developments in these areas. This enables us to meet demand and support innovation. For instance, with respect to technology, once landline telephone services have been transferred to IP networks without the decoding restrictions of the PSTN,<sup>18</sup> numbers could be allocated in far smaller blocks, allowing them to be used more efficiently and managed more dynamically.

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<sup>13</sup> [The Numbering Plan](#) is amended from time to time subject to consultation – see Annex 1.

<sup>14</sup> *The National Numbering Scheme* is available on our [website](#).

<sup>15</sup> Section 63 of the Act.

<sup>16</sup> Ofcom, 2006. [Telephone Numbering: Safeguarding the future of numbers](#).

<sup>17</sup> In the intervening period, we have reviewed our policy for geographic and non-geographic numbers. For geographic numbers see: [Geographic telephone numbers: Safeguarding the future of geographic numbers](#); three documents published on 25 November 2010, 7 September 2011 and 20 March 2012; and Ofcom, 2012. [Promoting efficient use of geographic telephone numbers](#), statement. For non-geographic numbers, see Ofcom, 2013. [Simplifying non-geographic numbers: final statement on the unbundled tariff and making the 080 and 116 ranges free-to-caller](#).

<sup>18</sup> PSTN networks have a limited capacity to analyse the digits of dialled phone numbers to extract (or ‘decode’) the necessary information for routing and tariffing of calls. This means that the minimum size of block that we can allocate must be sufficiently large to accommodate the restrictions of the networks.

- 2.17 The Numbering Plan must also continue to provide the information needed to promote consumer confidence in telephony, through numbers providing service and/or call cost information. This helps people to make informed decisions on whether to make or answer a call based on the phone number.
- 2.18 Part A of the Numbering Plan sets out the telephone numbers available for adoption. Part A1 includes Public Communications Network Numbers. These are all the telephone numbers that people dial for communications services, including all geographic and non-geographic numbers. Part B of the Numbering Plan sets out the restrictions and requirements relating to telephone numbers in Part A of the Plan. Some of these are general restrictions on number use, while others are more specific in nature.

## Geographic numbers

- 2.19 Geographic numbers are landline telephone numbers that begin with the digits 01 and 02. The first part of the number forms the area code and has location significance. For example, landline telephone numbers for Edinburgh begin with the 0131 area code and are thus recognised by phone users as local to the city. The country is divided into 610 area codes.
- 2.20 This system of area codes provides phone users with helpful information about the location of the person they are speaking to when making or receiving calls.
- 2.21 The UK has an ‘open dialling plan’ to facilitate consumer dialling of local phone numbers. This means that landline calls to geographic numbers in the same area as the caller can be dialled without using the area code.<sup>19</sup> For example, in Edinburgh, consumers and businesses calling from one 0131 number to another should currently not need to dial the 0131 area code before the local number. This facility is known as local dialling.

## Statement of Strategic Priorities

- 2.22 As required by section 2B(2)(a) of the Act, we have had regard in this Statement to the UK Government’s Statement of Strategic Priorities for telecommunications, management of radio spectrum and postal services.<sup>20</sup> In particular, we have had regard to that part of the Statement of Strategic Priorities which deals with furthering the interests of telecoms consumers, which the UK Government identifies as a strategic priority area.

## Impact assessment

- 2.23 Where appropriate, we included analysis in our Second Consultation which constitutes an impact assessment of the proposals that we are deciding on in this Statement.

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<sup>19</sup> There is an exception for six area codes where we require local dialling not to be provided in order to make more telephone numbers available. This is explained in paragraph 3.42.

<sup>20</sup> DCMS, October 2019. [Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services](#) [Accessed 25 February 2022]

- 2.24 Impact assessments provide a valuable way of assessing the options for regulation and showing why the chosen option was preferred. They form part of best practice policymaking. This is reflected in section 7 of the Act, which means that, generally, we have to carry out impact assessments in cases where our conclusions would be likely to have a significant effect on businesses or the general public, or where there is a major change in Ofcom's activities. As a matter of policy, Ofcom is committed to carrying out impact assessments in relation to the great majority of our policy decisions.

## Equality Impact Assessment

- 2.25 Section 149 of the Equality Act 2010 (the 2010 Act) imposes a duty on Ofcom, when carrying out its functions, to have due regard to the need to eliminate discrimination, harassment, victimisation and other prohibited conduct related to the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation. The 2010 Act also requires Ofcom to have due regard to the need to advance equality of opportunity and foster good relations between persons who share specified protected characteristics and persons who do not.
- 2.26 Section 75 of the Northern Ireland Act 1998 (the 1998 Act) also imposes a duty on Ofcom, when carrying out its functions relating to Northern Ireland, to have due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the 1998 Act. Ofcom's Revised Northern Ireland Equality Scheme explains how we comply with our statutory duties under the 1998 Act.
- 2.27 To help us comply with our duties under the 2010 Act and the 1998 Act, we assess the impact of our decisions on persons sharing protected characteristics and in particular whether they may discriminate against such persons or impact on equality of opportunity or good relations.
- 2.28 Our decision to remove the obligation to provide local dialling is likely to affect services used more frequently by customers sharing particular protected characteristics, such as age or disability. We consider those equality impacts in Section 3.

## 3. Geographic numbering

3.1 In this section we set out our decisions on the proposals made in our Second Consultation regarding the location significance of area codes and local dialling.

### Summary of our decisions on geographic numbering

3.2 Following our consideration of responses to our Second Consultation, we have decided to implement our proposals to:

- maintain the rules on geographic allocation of telephone area codes and out-of-area use; and
- remove the obligation for telecoms providers to provide the local dialling facility.

### Area codes' geographic significance and out-of-area use

3.3 Paragraph B3.1.1 of the Numbering Plan requires geographic numbers to be allocated to landline users with the correct area code for the location they are in, according to a list in Appendix A of the Numbering Plan. However, there is an exception permitting numbers to be used out of area, when they are initially assigned or subsequently, subject to two conditions as follows:

**B3.1.1** A Geographic Number shall be assigned only to a Subscriber whose Network Termination Point is physically located within the geographic area associated with that number (having regard to the relevant Geographic Area Code), unless:

- a. the party to whom the number is assigned has requested the relevant area code, and
- b. the cost of calling the number remains consistent with charges for calling other numbers with the same area code.

### Our consultation proposals

3.4 In the consultation we outlined the findings of our Future of Numbering research<sup>21</sup> which showed:<sup>22</sup>

- There was a strong contrast between older phone users — who regarded area code location identity highly, felt that it is helpful and generates trust in the owner of the number — and younger phone users who had much less awareness of, and were largely indifferent to, location significance and tended not to trust or value geographic numbers;<sup>23</sup> and

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<sup>21</sup> Ofcom, 2019, *The Future of Telephone Numbering: a qualitative research study* (Future of Numbering research).

<sup>22</sup> Second Consultation, paragraphs 3.60 and 3.61.

<sup>23</sup> Future of Numbering research, pages 26 to 27.

- Local small businesses tended to strongly value the link to local areas provided by location significance. This contrasted with those businesses who conduct most of their trade online or want to appeal to a wide geographic area for whom the link was less valued.<sup>24</sup>
- 3.5 We proposed retaining the current rules on location significance and to continue to allow phone users the option of using numbers out of area. We recognised younger phone users tend not to value or understand location significance, and therefore we would expect to see the value of area codes continue to decline. We considered this decline is also likely to accelerate as the migration to IP progresses and numbers are used more flexibly.<sup>25</sup> However, we proposed not to take steps to hasten the erosion of this link which remains of value to many phone users and businesses.
- 3.6 In our consultation we summarised responses to the First Consultation, of which a substantial majority favoured retaining the link between location and area codes. The reasons for this included:
- the numbers still help to determine a locality, with familiarity and trust for consumers who are calling or receiving calls from these numbers;
  - geographic numbers give consumers confidence about how much a call will cost, so moving to a numbering system they are less familiar with could affect that confidence;
  - it is good for businesses to be able to promote association with the location where they operate; and
  - routing and analysis of incoming calls can be based on location (for example, routing a call to a bank branch local to the caller based on the incoming geographic number).
- 3.7 We also highlighted some of the benefits of allowing consumers and businesses to use numbers out of area:
- it can be very convenient for phone users to keep their landline number when moving home, even out of area, and we consider this an important reason to allow out-of-area use.
  - we recognise the value to businesses of being able to develop trust and recognition among customers locally by using area codes linked to a local location, even when calls may be answered elsewhere.

## Responses to our Second Consultation

- 3.8 In the Second Consultation we asked, “*Do you agree with our proposal to retain the provisions in the Numbering Plan which (i) allocate location significance to area codes and (ii) allow phone users to request out-of-area use of geographic numbers?*”.

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<sup>24</sup> Future of Numbering research, pages 29 to 30

<sup>25</sup> For background on geographic numbering and the migration to IP see Section 2.

3.9 Responses overwhelmingly supported our proposal to retain geographic area codes and the location significance that they provide.<sup>26</sup> We received:

- 18 responses which agreed with our proposal to maintain the geographic link with telephone area codes.<sup>27</sup>
- 15 responses which agreed and one response which disagreed with our proposal to maintain the rule allowing out-of-area use of geographic telephone numbers.<sup>28</sup>

### Maintaining the geographic link

3.10 All respondents who commented on our proposals agreed that consumers and businesses continue to recognise and value the geographic link that area codes provide.

3.11 FCS and Twilio highlighted the likely convergence of fixed and mobile telephony arising from the migration to IP.<sup>29</sup> Twilio said that Ofcom should continue to monitor this issue and be prepared to move to a more flexible numbering system, as is the approach in some other countries.

### Continuing to permit out-of-area use

3.12 Almost all respondents agreed that it would be sensible to continue to allow out-of-area use where requested by the end user and considered that the benefits of out-of-area use (such as retaining your landline number when moving house) outweigh the risk that in the long term it may further erode recognition of the geographic link.

3.13 One individual respondent disagreed with our proposal and said that out-of-area use of numbers feels like number spoofing.<sup>30</sup> This point echoed some responses to our First Consultation regarding the potential for out-of-area use to provide a mechanism for scammers to appear to be calling from a local area, thus increasing the likelihood of the call being answered.<sup>31</sup>

3.14 Two individual responses highlighted concerns about the potential for scam calls to use spoofed Calling Line Identification (CLI) numbers.<sup>32</sup>

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<sup>26</sup> Clear Mobitel Jersey (CMJ)'s response said that the Crown Dependencies should be separated out of the Numbering Plan to give better clarity to consumers about charges for calls to the Channel Islands, which is out of scope of the proposals considered in this Statement. This is similar to points raised by BT, Telefonica and Fair Telecoms Campaign which we considered in the Second Consultation, paragraphs A1.41 to A1.42. We said that we expect retail call charges to the Crown Dependencies to be treated increasingly the same as calls within the UK due to a downwards trend in termination rates.

<sup>27</sup> [Aldington, M](#); [Name Withheld 1](#); [Belcher, P](#); [Carter, S](#); [Name Withheld 5](#); [Name Withheld 6](#); [[3<](#)]; [KCOM](#); [Name Withheld 3](#) (partly); [Meehan, C](#); [Comms Council UK](#); [Dynamic Mobile Billing \(DMB\)](#); [FCS](#); [Gamma](#); [Last Frontiers](#); [Sky](#); [Telecom2](#); and [BT](#) responses to Second Consultation.

<sup>28</sup> [Aldington, M](#); [Belcher, P](#); [Carter, S](#); [Name Withheld 6](#); [KCOM](#); [Meehan, C](#); [Comms Council UK](#); [DMB](#); [FCS](#); [Gamma](#); [Sky](#); [Twilio](#); [Telecom2](#); [BT](#); and [[3<](#)] responses to Second Consultation. [Name Withheld 5](#) disagreed in their response to Second Consultation.

<sup>29</sup> [FCS](#) and [Twilio](#) responses to Second Consultation.

<sup>30</sup> [Name Withheld 5](#) response to Second Consultation.

<sup>31</sup> Second Consultation, paragraph 3.69.

<sup>32</sup> [Carter, S](#) and [Meehan, C](#) responses to Second Consultation.

- 3.15 Solitaire Payphones noted that some private payphone users would incur higher charges to call local lines if they use out-of-area numbers rather than local numbers.<sup>33</sup>

### Clarifying the rules on out-of-area use

- 3.16 BT said in its response that it considered that the rules should not require telecoms providers to allocate customers an out-of-area number in all circumstances, and that we should clarify that the default position should be for telecoms providers to allocate a number in-area unless requested otherwise.<sup>34</sup>

### Mapping of area codes

- 3.17 Appendix A of the Numbering Plan provides a list of area codes and named geographic areas which correspond to the exchange footprint of the PSTN networks. In the Second Consultation we discussed the views of stakeholders who had suggested that there may be a need for Ofcom to develop a more detailed mapping of area codes to ensure consistency since new IP networks will not always be able to refer to the PSTN footprint as the migration to IP progresses.<sup>35</sup> We proposed that industry is best placed to develop an approach for mapping area codes to individual premises. Although we recognised this may lead to geographic boundaries for area codes becoming less clearly defined over time, we considered that it would not be proportionate for Ofcom to undertake a detailed exercise to define these boundaries.
- 3.18 BT and Sky's responses set out their respective approaches to mapping individual premises to area codes.<sup>36</sup> BT's response encouraged Ofcom to produce a more clearly defined map of area codes to ensure greater consistency between telecoms providers in marginal cases.
- 3.19 One individual respondent<sup>37</sup> commented that the Numbering Plan provided additional location significance beyond the area code for some numbers<sup>38</sup> and considered that this restricted flexibility in number use and was redundant for consumers and telecoms providers.

## Our decision and reasoning

- 3.20 Having considered responses to our first and second consultations, we have decided to maintain the existing Numbering Plan rules on geographic significance and continue to permit telecoms providers to offer out-of-area use of geographic numbers (where requested by the end user) for the following reasons.

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<sup>33</sup> [Solitaire Payphones](#) response to Second Consultation.

<sup>34</sup> BT response to Second Consultation, paragraphs 4.7 to 4.8.

<sup>35</sup> Second Consultation, paragraphs 3.77 to 3.79.

<sup>36</sup> BT, page 8; and Sky, page 3 in their responses to Second Consultation.

<sup>37</sup> Name Withheld 3 response to Second Consultation.

<sup>38</sup> The additional location significance is provided through the first digit of the local number. For example, 01423 is currently subdivided in the Numbering Plan with local numbers beginning with digits 2, 5, 6, 7 and 8 assigned to Harrogate, while Boroughbridge has local numbers beginning with digits 3, 4 and 9.

### Maintaining the geographic link

- 3.21 We recognise that, given the major communications trends we have observed, the use, awareness and significance of geographic numbers is declining. This evolution is likely to accelerate as the restrictions inherent in the PSTN are removed and phone users start to benefit from greater flexibility in the use of telephone numbers that IP networks will provide.
- 3.22 Nevertheless, given the value that many phone users and businesses still continue to attach to the link between geographic numbers and location, we will not take steps to hasten the erosion of this link. However, we also recognise that, over time, the value will naturally continue to decline and consider that it would not be appropriate to take steps to stifle the effect of network and service evolution.
- 3.23 Given the value that consumers and businesses still place on geographic significance we consider that now is not the right time to consider more wide-ranging changes to geographic and mobile numbering.<sup>39</sup>

### Continuing to permit out-of-area use

- 3.24 We consider that it is appropriate to maintain the rules which permit out-of-area use of geographic numbers. We consider that out-of-area use benefits consumers and businesses by enabling phone users to retain landline numbers when moving out of area, and by enabling businesses to develop trust and recognition through the use of an area code linked to a local area. On balance we consider that these benefits outweigh any risks that might be posed by this flexibility.
- 3.25 We consider that CLI spoofing is much more likely to provide an avenue for scammers than taking advantage of the legitimate allocation of numbers out-of-area.<sup>40</sup> Our proposed Plan of Work for 2022/23 includes our ongoing work to tackle nuisance calls and scams by encouraging telecoms companies to develop technical solutions and strengthening our rules on preventing the misuse of communications.<sup>41</sup> In particular we have recently published a consultation on measures to improve the accuracy of CLI data.<sup>42</sup>
- 3.26 In relation to the point raised by Solitaire Payphones, since the use of private payphones is in decline, this issue is likely to affect a relatively small number of phone users (who are calling from a private payphone to an out-of-area number located in the local exchange area) and only where the operator of the payphone has chosen to set different rates for local and national calls. We therefore consider that it would not be proportionate to limit flexibility in use of geographic numbers because of the issue described.

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<sup>39</sup> Convergence of fixed and mobile services was also raised in responses to the First Consultation, which we considered in the Second Consultation, paragraphs A1.43 to A1.51.

<sup>40</sup> Second Consultation, paragraph 3.76.

<sup>41</sup> Ofcom, 2022. [Plan of Work 2022/23](#) consultation.

<sup>42</sup> Ofcom, 2022. [Improving the accuracy of Calling Line Identification \(CLI\) data](#).

### Clarifying the rules on out-of-area use

- 3.27 We also recognise that, although IP networks may allow geographic numbers to be used more flexibly, out-of-area use may not be possible in every circumstance. Consequently, in relation to the point for clarification raised by BT,<sup>43</sup> telecoms providers are not obliged to provide an out-of-area number if requested. We consider that Paragraph B3.1.1 of the Numbering Plan covering out-of-area use is sufficiently clear on this point.

### Mapping of area codes

- 3.28 We expect geographic numbers will be used much more flexibly after the migration to IP, due to the removal of technical restrictions, and so we consider that detailed mapping may provide less value over time. However, we recognise that industry may need to develop new approaches to this issue. If the need arises, we will engage further with industry on approaches to the mapping of area codes to ensure that there is an appropriate level of clarity and consistency about the allocation of geographic numbers.
- 3.29 We note that in a few areas the Numbering Plan provides additional location significance beyond the area code. We expect that telecoms providers will also exercise flexibility in how they assign numbers in this respect. However, we have no plans to change the Numbering Plan to remove this local area significance as this may also continue to have value for some consumers and businesses.

### Legal duties

- 3.30 We consider, for the reasons we have set out above, that it would not be appropriate to amend the provisions of the Numbering Plan regarding the allocation of area codes and out-of-area use at this time.<sup>44</sup>
- 3.31 We consider the maintenance of the current provisions fulfils our general duty as set out in section 63 of the Act to secure the best use of appropriate numbers and encourage efficiency and innovation for that purpose. It maintains a use of geographic numbers that is valued by consumers and businesses alike while giving the flexibility of out-of-area use that can support home movers and businesses.
- 3.32 We also consider this decision is consistent with our duties in sections 3 and 4 of the Act.

### Local dialling

- 3.33 The Numbering Plan has required telecoms providers to make local dialling available to their landline phone customers as set out in paragraph B3.1.2:

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<sup>43</sup> BT response to Second Consultation, page 9.

<sup>44</sup> See Annex 1 for further information on the legal framework.

**B3.1.2** Geographic Numbers shall not be Adopted or otherwise used other than where Calling Parties with Geographic Numbers with the same Geographic Area Code as the Called Party are able to dial using only the Local Number except where:

- a. those numbers are National-Dialling-Only Numbers – see B3.1.5 below; or
- b. Calling Parties are dialling from Geographic Numbers with a Geographic Area Code in respect of which Local Dialling has been closed – see B3.1.3 below.

3.34 Paragraph B3.1.3 of the Numbering Plan provides an exception to the local dialling requirement for six area codes where we require local dialling not to be provided, to alleviate a shortage of numbers.<sup>45</sup>

3.35 A number of factors will affect the use of local dialling over the next few years:

### The migration to IP

3.36 The way landline voice services are provided across the UK is undergoing a fundamental restructure with the move to IP networks. In this context local dialling may be more difficult to maintain.

3.37 In traditional PSTN networks, the local exchange plays an important role in the routing of calls and connects callers directly to other numbers within the local exchange area when the area code is omitted. IP phone networks are structured very differently; all calls are connected centrally and there is no local exchange or local call routing.

3.38 Local dialling on IP networks therefore requires additional functionality and configurations to be added to the IP network and/or the phone user's home router to correctly route calls when the area code is omitted. These configurations, or dialling plans, which help to route calls will have a degree of customisation for each landline customer depending on their location and may require ongoing maintenance to update if they move to a new property. Due to this complexity, we recognise that telecoms providers may increasingly wish to provide voice services to customers without local dialling.

3.39 There are additional technical feasibility constraints on the provision of local dialling for some telecoms providers offering voice services to large organisations and currently they commonly do not offer the local dialling facility.

### Usage of landline phones is in decline

3.40 Long term trends show significantly declining usage of landline phones and so the use, value and knowledge of local dialling and area codes is diminishing, particularly as phone users are more used to mobile phones which do not provide the facility and require the full number to be dialled. This was reflected in our Future of Numbering research which

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<sup>45</sup> The six area codes are: 01202 (Bournemouth); 01224 (Aberdeen); 01273 (Brighton); 01274 (Bradford); 01642 (Middlesbrough) and 01908 (Milton Keynes).

showed that some phone users are unaware of the local dialling facility and others considered it only of marginal benefit.<sup>46</sup>

### Many landline users will enjoy greater flexibility in use of numbers

3.41 The growth of IP-based services will make it easier for numbers to be used out-of-area. This will, for example, allow more landline users to keep their numbers when moving home. However, such use may further diminish the value of local dialling and recognition of area codes since over time the location of landline users may increasingly differ from their area code.

### Our approach to addressing number scarcity

3.42 The number of telecoms providers has increased considerably in recent years, leading to more choice for consumers but also increasing demand for the limited stock of numbers available for use in each area.<sup>47</sup> In area codes where we forecast that our supply of numbers available to allocate to telecoms providers is likely to run out, our approach to releasing additional capacity is to close local dialling and always require the dialling of the area code.<sup>48</sup> Closing local dialling increases the supply of numbers in an area code by allowing local numbers beginning with the digits 0 and 1 to be used. In areas where local dialling is provided it is not possible to use local numbers beginning with the digits 0 or 1.<sup>49</sup>

## Our consultation proposals

- 3.43 We provisionally concluded that it was no longer appropriate to maintain the obligation for telecoms providers to provide local dialling for landline telephone services given that:
- a) Our research indicated that local dialling is no longer regarded as an essential feature of landline telephone services and that its value to phone customers generally had declined.<sup>50</sup> It also indicated that consumers would be unlikely to be significantly inconvenienced by the withdrawal of local dialling.<sup>51</sup>
  - b) Maintaining local dialling would add complexity to the provision of telephone services on IP networks, and it may be more costly for some telecoms providers to implement and maintain this facility on IP networks.

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<sup>46</sup> Future of Numbering research, page 31.

<sup>47</sup> Ofcom allocates geographic numbers to telecoms providers in large blocks, typically of 1,000 numbers due to technical routing constraints. Although the quantity of numbers that telecoms providers hold exceeds the likely demand from their customers, individual telecoms providers need new allocations of geographic numbers from time to time to be able to offer their services. So even though consumers' use of landlines might be declining, telecoms providers' demand for geographic number allocations continues to grow.

<sup>48</sup> BT's response to Second Consultation, paragraphs 3.15 to 3.17, also referred to Ofcom's pilot scheme of charging for geographic numbers, which it said should be paused to verify if having a useful effect on managing demand for geographic numbers. We set out our response to this point in the Second Consultation, paragraphs A1.65 and A1.66.

<sup>49</sup> This approach to addressing localised geographic number scarcity was set out in Ofcom, 2011. [Geographic telephone numbers: safeguarding the future of geographic numbers](#). Further explanation is provided in Annex 2 of the Second Consultation.

<sup>50</sup> Future of Numbering research, page 31.

<sup>51</sup> Future of Numbering research, page 32.

- c) Our previous experience of local dialling closures (in individual area codes to alleviate a shortage of numbers) was that telecoms providers had been able to manage the changes effectively and provide clear communications to their customers.
- 3.44 We therefore proposed to remove the obligation to provide local dialling from the Numbering Plan, allowing individual telecoms providers to decide whether to maintain local dialling and the timing of any withdrawal.
- 3.45 We anticipated that many telecoms providers would be likely to withdraw local dialling when migrating their landline customers to IP networks. We said that our proposals would allow the telecoms providers to efficiently communicate the change to individual customers as they are migrated.
- 3.46 We also considered whether it would be appropriate to require all telecoms providers to withdraw local dialling in a coordinated manner. However, we provisionally concluded that such an obligation would not be justified. This was principally because it could be more costly and complex to implement, and because there was no pressing need to close local dialling across the UK to free up additional geographic numbering capacity. We considered that local shortages of geographic numbers could continue to be addressed by closing local dialling in individual area codes. We also did not consider it appropriate to prevent telecoms providers from continuing to offer local dialling if they consider it of value to their customers.
- 3.47 We set out our intention to take steps to ensure that there would be appropriate communication with customers about any future withdrawal of local dialling. The steps proposed were to:
- a) monitor telecoms providers' IP migration plans to determine whether they include a change to local dialling and if they have received any feedback from customers;
  - b) engage with the relevant stakeholder groups on technical and communications aspects of withdrawing local dialling; and
  - c) issue guidance to ensure telecoms providers provide sufficient information to customers about any change to local dialling.
- 3.48 We also recognised that landline phones are used more often by older and vulnerable consumers. We thus considered whether some consumers sharing particular protected characteristics (such as age or disability) may be more likely to be impacted by any withdrawal of local dialling.<sup>52</sup> We said that our research, which involved consumers across a number of age ranges, indicated that no group sees local dialling as an essential facility and even older phone users did not experience significant inconvenience from its withdrawal.<sup>53</sup> We considered that any potential confusion or harm for consumers can be

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<sup>52</sup> See background on Equality Impact Assessments in paragraph 2.25.

<sup>53</sup> The Future of Numbering research focus groups included consumers from each of the following groups: young, single (c. 16-21); pre-family (c. 22-34); family (c. 32-44); empty-nesters (c. 45-64); and retirees (65+).

mitigated by appropriate communications targeted at relevant customers before any withdrawal of local dialling.

## Responses to our consultation

3.49 In the Second Consultation we asked, “Do you agree with our proposal to remove the obligation for telecoms providers to provide the local dialling facility?”.

3.50 There were 23 responses which commented on our local dialling proposal:

- 15 responses agreed with our proposal.<sup>54</sup>
- Eight responses disagreed with our proposal.<sup>55</sup>

### Views on the value of local dialling

3.51 Of the responses agreeing with our proposal, BT and one individual agreed that local dialling is useful but not essential,<sup>56</sup> and nine responses agreed that local dialling is increasingly less valued and used.<sup>57</sup>

3.52 Of the responses disagreeing with our proposal, Last Frontiers and three individuals highlighted that the local dialling facility was useful to some people or organisations and said they would prefer not to lose it.<sup>58</sup> One individual said that Ofcom could help London landline users benefit from local dialling better by advertising that the correct way to display the London area code is in the form 020.<sup>59</sup>

3.53 One individual said that as numbers become more commonly used out-of-area with the move to IP, it would become increasingly confusing if local dialling was still in use.<sup>60</sup>

### Concerns about the impact of withdrawal on customers

3.54 BT and VMO2 noted our research from previous closures had found that harm did not result from the closure of local dialling.<sup>61</sup> BT said that customers were likely to be used to calling from mobiles or IP services where local dialling is not available. It also cited its own experience of migrating customers to its Digital Voice product (which does not include local dialling) and said this had not resulted in negative feedback from customers.<sup>62</sup> One

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<sup>54</sup> Aldington, M; Belcher, P; Carter, S; Name Withheld 5; [§<]; KCOM; Name Withheld 3; [VMO2](#); Comms Council UK; DMB; FCS; Sky; Twilio; Telecom2; and BT responses to Second Consultation.

<sup>55</sup> Name Withheld 1; Name Withheld 6; Name Withheld 2; Meehan, C; Solitaire Payphones; Gamma; Last Frontiers; and [TalkTalk](#) responses to Second Consultation.

<sup>56</sup> Belcher, P and BT responses to Second Consultation.

<sup>57</sup> Name Withheld 5; Name Withheld 3; DMB; Telecom2; FCS; BT; Aldington, M; VMO2; and Comms Council UK responses to Second Consultation.

<sup>58</sup> Name Withheld 1; Name Withheld 2; [§<]; and Last Frontiers responses to Second Consultation.

<sup>59</sup> Name Withheld 1 response to Second Consultation, page 1. This comment refers to people commonly mistaking the 020 London area code for 0203, 0204, 0207 and 0208. This would cause calls to fail if dialled without the area code as the local number would be missing the leading digit (i.e., the digit 3, 4, 7 or 8 that had been wrongly added to the area code).

<sup>60</sup> Name Withheld 3 response to Second Consultation, page 1.

<sup>61</sup> BT, page 5; and VMO2, page 3, in their responses to Second Consultation.

<sup>62</sup> BT response to Second Consultation, page 5.

individual also commented that given their increasing use of mobiles, they would automatically always include the area code when dialling.<sup>63</sup>

- 3.55 Gamma considered that we did not sufficiently take into account the differences between our proposal and the previous closures of local dialling in concluding that consumers would not be significantly inconvenienced.<sup>64</sup> Gamma highlighted that local media campaigns and misdial announcements were an important feature of the previous local dialling closures.
- 3.56 TalkTalk, FCS, Gamma and one individual noted their concern about the potential impact of local dialling being withdrawn on some vulnerable or older groups of phone users who may use the facility more frequently.<sup>65</sup> Gamma said that our proposal unnecessarily exposes vulnerable consumers to risk by removing the obligation.<sup>66</sup>

### Views on the impact on telecoms providers of providing local dialling

- 3.57 BT and Sky said that there was significant additional complexity and maintenance entailed in providing local dialling on IP networks.<sup>67</sup> Telecom2 and Dynamic Mobile Billing (DMB) said that maintaining local dialling will become uneconomic following the move to IP.<sup>68</sup>
- 3.58 BT, KCOM and VMO2 said that the additional flexibility provided by our proposal would aid the migration to IP for some telecoms providers.<sup>69</sup> Twilio said that removing the local dialling requirement would help to facilitate innovative voice services and greater competition.<sup>70</sup>
- 3.59 TalkTalk and two individuals disagreed and said we had overstated the difficulty of providing local dialling on IP networks.<sup>71</sup>

### Views on the process of withdrawing local dialling and communication

- 3.60 KCOM, BT, Sky and others said that removing the obligation would allow individual operators to respond to the needs of their customers and manage any withdrawal in the most efficient way.<sup>72</sup> Sky supported removing the obligation but noted that it had no plans to remove local dialling.<sup>73</sup>
- 3.61 Some other respondents favoured a co-ordinated closure of local dialling across the UK. FCS considered it would have the benefit of allowing Ofcom to manage communications with all stakeholders.<sup>74</sup> Gamma said that it would achieve a significant benefit in addressing

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<sup>63</sup> Aldington, M response to Second Consultation, page 1.

<sup>64</sup> Gamma response to Second Consultation, page 3.

<sup>65</sup> TalkTalk; FCS; Gamma; and Name Withheld 6 responses to Second Consultation.

<sup>66</sup> Gamma response to Second Consultation, page 3.

<sup>67</sup> BT, page 6; and Sky, page 2 in their responses to Second Consultation.

<sup>68</sup> Telecom2, page 1; and DMB, page 1 in their responses to Second Consultation.

<sup>69</sup> VMO2, page 2; KCOM, page 1; and BT, page 6 in their responses to Second Consultation.

<sup>70</sup> Twilio response to Second Consultation, page 3.

<sup>71</sup> TalkTalk; Name Withheld 2; and [redacted] responses to Second Consultation.

<sup>72</sup> KCOM; BT; DMB; Sky and Carter, S responses to Second Consultation.

<sup>73</sup> Sky response to Second Consultation, page 2.

<sup>74</sup> FCS response to Second Consultation.

any risk of future shortages of geographic numbers, particularly as it considered that the migration to IP may increase demand on numbering resources.<sup>75</sup>

- 3.62 However, an individual respondent said that a coordinated closure of local dialling would create the need for a national publicity campaign and complex technical implementation requirements, which were unnecessary and had the potential to cause disruption in many dialling areas where no benefit would be forthcoming from the change.<sup>76</sup>
- 3.63 Telecom2 suggested that there should be a minimum standard expected of telecoms providers to ensure adequate publicity of any change to local dialling provision.<sup>77</sup> Gamma said it was concerned about the enforceability of any such guidance.<sup>78</sup>

## Our decision and reasoning

- 3.64 Having considered responses to our first and second consultations, we have decided to remove the obligation for telecoms providers to provide local dialling for the reasons set out below. This change will have effect as of the date of publication of this Statement.

### Local dialling could add complexity for IP voice networks

- 3.65 The requirement to provide local dialling is likely to complicate the provision and maintenance of IP voice services for at least some telecoms providers and be a potential barrier to the development of new types of services.
- 3.66 We recognise that there are differing views on the difficulty of providing local dialling on IP networks, and we consider it is likely to be more of a barrier to some telecoms providers than others depending on the design of their network. Nonetheless, when weighed against the declining value of local dialling, we do not consider it appropriate to mandate a facility that is of limited value to callers and that may present additional complexity for some IP networks. Removing the obligation will leave telecoms providers free to choose to continue to provide local dialling if they consider it remains of value to their customers and if it is feasible to provide it on their network.
- 3.67 Removing the requirement is consistent with our objectives to secure best use of numbers and encourage efficiency and innovation for that purpose. Allowing telecoms providers to make their own decisions about the provision of local dialling would allow them to respond to customer demand in differentiating their services and reduce the costs and complexity of developing new IP services. We agree with those telecoms providers who said that this flexibility is likely to aid the migration to IP for some providers.
- 3.68 We also agree with Twilio that the removal of the requirement may help to facilitate innovative voice services. A requirement to provide local dialling could, for example, be a barrier to new services making use of mobile technology to enable customers to use their

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<sup>75</sup> Gamma response to Second Consultation, page 3.

<sup>76</sup> Carter, S response to Second Consultation, page 2.

<sup>77</sup> Telecom2 response to Second Consultation.

<sup>78</sup> Gamma response to Second Consultation.

landline number to make and receive calls while on the move, since local dialling would be difficult to implement on the mobile network.

### The value of local dialling has declined

- 3.69 We consider that responses did not present significant new evidence about the value of local dialling. We recognise that some landline users enjoy the convenience of the local dialling facility and would prefer not to lose it. However, as we set out in our Second Consultation, our research about local dialling closures shows that it is viewed as a nice-to-have rather than an essential facility.
- 3.70 Mobile use now accounts for the majority of call minutes. For these calls most customers will use phone numbers stored on their device or, if they dial manually, will need to dial the full number. Use of OTT services is also rising. This means that local dialling is not available for the majority of calls made. This has resulted in less awareness of local dialling and hence a decline in its use and value to phone users. This weakens the justification for maintaining a requirement to provide the local dialling facility.

### We can mitigate the impact of the withdrawal of local dialling

- 3.71 We anticipate that telecoms providers are most likely to withdraw local dialling facilities as part of the migration to IP-based voice services. IP migration represents a major evolution in the provision of voice services and customers will have to adjust to some differences in the use of phones. We consider that, if communications with customers are handled appropriately, the potential removal of local dialling can be managed as part of this change and is unlikely to prove a significant barrier to acceptance of IP.
- 3.72 We agree that it would be helpful for Ofcom to set out guidance to ensure telecoms providers put appropriate communications in place if they decide to withdraw local dialling. In paragraphs 3.87 to 3.90 below we explain how we consider telecoms providers should communicate any withdrawal of local dialling to their customers and the steps we expect them to take in relation to vulnerable customers.
- 3.73 Our experience from requiring the closing of local dialling in six area codes indicates that telecoms providers were able to manage the changes effectively in multiple areas and provide clear messaging to customers on the need to change dialling behaviour. Ofcom had direct involvement in leading the programme of communication with consumers for the first closure in 2012 in Bournemouth. However, for the five area codes closed in 2014, the focus moved to telecoms providers' contact with their customers. This took the form of written communications as well as, importantly, the provision of a misdial announcement played if a number is dialled incorrectly without the area code.
- 3.74 We consider the most effective elements of communication, which mitigated any risk of harm when closing local dialling — direct communication from telecoms providers to their customers and the misdial announcement — can be replicated in any future withdrawal of local dialling at the telecoms provider level, and we have included these elements in our guidance. We therefore disagree with Gamma's view that our consultation overstated the

relevance of previous closures, and with their concerns about setting out our expectations in guidance. Our experience shows that communication was not an issue in practice, and we plan to monitor providers' observance of our guidance.

### Vulnerable customers

- 3.75 We recognise that removing the obligation to provide local dialling is likely to affect services used more frequently by customers sharing protected characteristics such as age or disability. In reaching our proposals, we carefully considered responses to our First Consultation on this issue, some of which noted concern about the potential impact on these groups. We came to the provisional view, based on our experience of localised closure of local dialling and our research, that phone users generally did not find it significantly inconvenient to adjust to this change.
- 3.76 Responses to our Second Consultation on this issue did not provide significant new evidence concerning the impact on some older or vulnerable consumers. We continue to take the view that our experience of previous closures demonstrates that any potential confusion or harm can be mitigated by telecoms providers issuing clear communication directly to customers in advance of local dialling being withdrawn and by providing a misdial announcement.
- 3.77 We set out more below on our guidance and our next steps in working with telecoms providers and industry working groups to ensure that there is appropriate communication with customers about any withdrawal of the local dialling facility. We also draw attention to telecoms providers' responsibility to consider the needs of vulnerable customers when planning changes to their services under General Condition C5.<sup>79</sup>

### Closing local dialling across the UK would not be proportionate

- 3.78 We consider that a coordinated closure would not be proportionate, as it may be complex and costly to implement, and it offers few other benefits while foreclosing telecoms providers' ability to offer local dialling to customers if it is considered to be of value.
- 3.79 As mentioned in the Second Consultation, requiring all telecoms providers to close local dialling on an arbitrary date may entail reconfiguring any legacy networks still in operation which may be unnecessarily costly and expensive. Similarly, for those providers that migrate customers to IP before that date, it would involve unnecessary cost to implement local dialling temporarily on the IP network.
- 3.80 We recognise, as Gamma said, that a coordinated closure could reduce the risk of future geographic number shortages by freeing up more numbers. We also note Gamma's comments about the potential impact on numbering resources of the migration to IP. We agree that a coordinated closure across the UK may have been the most efficient approach if we had needed to close local dialling in a significant number of area codes to manage number scarcity. However, we have looked at the forecast for areas that may run out of

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<sup>79</sup> Ofcom, 2021. [General Conditions of Entitlement](#), C5.

numbers for us to allocate. We anticipate that around ten area codes may require local dialling to be closed during the period before the withdrawal of PSTN networks in the mid-2020s to allow for more efficient allocation and use of numbers. This means there would be only around 16 out of 610 area codes<sup>80</sup> where the provision of the local dialling facility would need to be prohibited to address number scarcity.

## Legal tests

- 3.81 To implement this decision, we are modifying the Numbering Plan to delete paragraph B3.1.2 and renumber subsequent paragraphs. It is our duty, when modifying the Numbering Plan, to show how we consider our decision complies with our legal tests and duties in the Act.<sup>81</sup>
- 3.82 We consider that our decision to modify the Numbering Plan by removing the requirement to provide local dialling meets the tests set out in section 60(2) of the Act as being:
- **objectively justifiable**, because the value of local dialling to consumers is in decline and this modification will ensure that our regulation reflects the technical evolution of voice services in the migration to IP. It will remove a barrier to future innovation in voice services and allow telecoms providers to make commercial decisions about the future provision of the facility that take into account the level of demand from customers and the ongoing maintenance burden.
  - **not unduly discriminatory**,
    - from the perspective of consumers: although we recognise that the local dialling facility may be used by some groups of consumers more frequently, and we are mindful of the potential for confusion for vulnerable groups, our research indicates that in areas where local dialling has been closed in the past no groups of consumers experienced significant inconvenience.
    - from the perspective of telecoms providers: the proposed change applies to all regardless of whether utilising traditional PSTN networks or more modern IP networks. It removes an obligation that may be more onerous for some networks than others.
  - **proportionate**, in that this modification to the Numbering Plan is the minimum necessary to ensure that regulation does not present a barrier to innovation and an inefficient maintenance burden which is not justified by consumer needs. The impact on those who may be more affected by the removal of local dialling can be mitigated by clear communications from their telecoms provider.
  - **transparent**, in that our reasoning for making this modification is set out in this document and follows a public consultation.

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<sup>80</sup> Including the six area codes where local dialling has already been withdrawn, set out in the footnote to paragraph 3.34 above.

<sup>81</sup> See Annex 1 for further information on the legal framework

- 3.83 We consider that we are fulfilling our general duty as to telephone numbering functions set out in section 63 of the Act by:
- **securing the best use of appropriate numbers**, in that this modification, while not impacting directly on the use of numbers, would allow the decline of local dialling which may simplify future closures to alleviate number scarcity in area codes.
  - **encouraging efficiency and innovation for that purpose**, in that this modification would remove a requirement which represents an increasing burden on the providers of voice telephony services, and a potential barrier to the development of new innovative services and flexibility in number use.
- 3.84 We consider that this decision is consistent with our general duties in carrying out our functions as set out in section 3 of the Act. This modification to the Numbering Plan furthers the interests of citizens in relation to communication matters and consumers in relevant markets by ensuring that our regulation does not oblige providers to maintain a facility that is no longer valued by many consumers (who ultimately bear the cost of its provision) and by removing a potential barrier to the development of new innovative services which may offer greater value to consumers in the long term. Giving telecoms providers more choice about the services they provide may contribute to competition by allowing them to differentiate their services from those of competitors. We have also had regard to the needs of older and vulnerable consumers as set out above. Our research indicates that, in areas where local dialling has already been withdrawn, consumers did not experience significant inconvenience.
- 3.85 We also consider that we have acted in accordance with the duties set out in section 4 of the Act, particularly the first requirement to promote competition in the provision of electronic communications networks, services and associated facilities, as well as the requirements to promote the interests of all members of the public in the UK and to be technology neutral. This modification would facilitate such promotion as removing the requirement to provide local dialling would remove a potential barrier to developing innovative voice services and service differentiation.

## Implementing our decision on local dialling

### The revised Numbering Plan

- 3.86 We have published the revised Numbering Plan, and the modification removing the requirement to provide local dialling takes effect immediately.

### Our expectations of telecoms providers

- 3.87 We understand that local dialling is likely to be withdrawn by most providers when individual customers are migrated to IP networks. This will provide an opportunity to include details of the change to local dialling with any other communications provided to that customer about the migration.
- 3.88 When considering their approach to communicating any change to local dialling, telecoms providers should bear in mind their obligations under General Condition C5 in relation to

vulnerable consumers and end-users with disabilities. GC C5.2 requires regulated providers to “establish, publish and comply with clear and effective policies and procedures for the fair and appropriate treatment of Consumers whose circumstances may make them vulnerable”.

- 3.89 To mitigate any potential confusion or harm to customers, we consider that when withdrawing local dialling (whether as part of a migration to IP-based networks or at another time) telecoms providers should as a minimum:
- a) provide a misdial announcement which will be played when the customer forgets to include the area code when dialling a local number. This message should contain clear instructions about redialling using the area code and should ideally be a permanent feature (to address the risk that someone other than the customer who was notified about the change may need to use the landline);
  - b) take reasonable steps to ensure that customers are given adequate notice of any change to local dialling and clearly explain what this means for their use of their voice telephony service, including the potential need to update any numbers which they rely on and store without the area code. Providers should inform their customers about the change directly, in an enduring format such as by email and/or letter; and
  - c) consider whether a customer’s individual needs require any additional measures, such as providing information in different formats or speaking to the customer about the change.

## **Next steps**

- 3.90 We plan to work with telecoms providers and industry working groups to ensure that there is appropriate communication with customers about any withdrawal of the local dialling facility. We will:
- circulate the guidance set out in paragraphs 3.87 to 3.90 above to ensure telecoms providers provide sufficient information to customers about any withdrawal of local dialling;
  - monitor telecoms providers’ observance of our guidance. We will also monitor their IP migration plans to determine whether they include a change to local dialling and if they have received any feedback from customers on withdrawing local dialling; and
  - engage with the relevant stakeholder groups on technical and communications aspects of withdrawing local dialling.

## A1. Legal framework

A1.1 We set out below our powers and duties that are relevant to the decisions set out in this Statement.

### Our general duties

A1.2 The Communications Act 2003 (the Act) places a number of duties on Ofcom that we must fulfil when exercising the regulatory powers and functions we have been given. Section 3(1) of the Act states that it shall be our principal duty, in carrying out our functions:

- a) to further the interests of citizens in relation to communication matters; and
- b) to further the interests of consumers in relevant markets, where appropriate by promoting competition.

A1.3 In doing so, we are required to secure certain specific objectives and to have regard to a number of matters set out in section 3 of the Act.

A1.4 We must have regard to the principles under which regulatory activities should be transparent, accountable, proportionate, consistent, and targeted only at cases in which action is needed, as well as to the interest of consumers in respect of choice, price, quality of service and value for money.

A1.5 We are also required to have regard to a range of other considerations, as appear to us to be relevant in the circumstances. For the purpose of this review, we consider that a number of such considerations are particularly relevant, including:

- the desirability of promoting competition in relevant markets;
- the desirability of encouraging investment and innovation in relevant markets; and
- the needs of persons with disabilities, of the elderly and of those on low incomes.

A1.6 We have a wide measure of discretion in balancing our statutory duties and objectives. In doing so, we take account of all relevant considerations, including responses received during our consultation process, in reaching our conclusions.

### Our duties in relation to telephone numbering

A1.7 The Act sets out Ofcom's powers and duties in relation to telephone numbering. Among other things, under section 56 of the Act, Ofcom is required to publish, and from time to time review, the Numbering Plan. The Numbering Plan sets out:

- the numbers that Ofcom have determined to be available for allocation by Ofcom as telephone numbers;
- such restrictions as Ofcom consider appropriate on the adoption of numbers available for allocation in accordance with the Numbering Plan;
- such requirements as Ofcom consider appropriate, for the purpose of protecting consumers, in relation to the tariff principles and maximum prices applicable to numbers so adopted or available for allocation; and

- such restrictions as Ofcom consider appropriate on the other uses to which numbers available for allocation in accordance with the Numbering Plan may be put.

A1.8 Section 60 of the Act provides for the modifications of provisions in the Numbering Plan and explains the procedures for doing so. Section 60(2) provides that:

“OFCOM must not revise or otherwise modify the relevant provisions unless they are satisfied that the revision or modification is—

- (a) objectively justifiable in relation to the matters to which it relates;
- (b) not such as to discriminate unduly against particular persons or against a particular description of persons;
- (c) proportionate to what the modification is intended to achieve; and
- (d) in relation to what it is intended to achieve, transparent.”

A1.9 Section 60(3) further provides that:

“Before revising or otherwise modifying the relevant provisions, OFCOM must publish a notification—

- (a) stating that they are proposing to do so;
- (b) specifying the Plan or other document that they are proposing to revise or modify;
- (c) setting out the effect of their proposed revisions or modifications;
- (d) giving their reasons for making the proposal; and
- (e) specifying the period within which representations may be made to OFCOM about their proposal.”

A1.10 The Notification of our proposed modifications for the decisions set out in this Statement was published in Annex 5 of our Second Consultation on 23 April 2021.

A1.11 Ofcom also has a general duty under section 63(1) of the Act in carrying out its telephone numbering functions:

“(a) to secure that what appears to them to be the best use is made of the numbers that are appropriate for use as telephone numbers; and

- (b) to encourage efficiency and innovation for that purpose.”

A1.12 Section 4 of the Act requires us, when carrying out our numbering functions, to act in accordance with six requirements for regulation which include in summary:

- a) to promote competition in the provision of electronic communications networks and services, associated facilities and the supply of directories;
- b) to promote the interests of all members of the public in the United Kingdom;

- c) to take account of the desirability of Ofcom's carrying out of its functions in a manner which, so far as practicable, does not favour one form of or means of providing electronic communications networks, services or associated facilities over another (i.e. to be technology neutral);
- d) to encourage compliance with certain standards in order to facilitate service interoperability, end-to-end connectivity, and secure freedom of choice for the customers of telecoms providers; and
- e) to promote connectivity and access to very high capacity networks by members of the public and businesses in the United Kingdom.

A1.13 We consider that the first, second, and third of those requirements are of particular relevance to the matters under review and that no conflict arises in this regard with any of our general duties in section 3 of the Act.

## A2. References

- A2.1 We have noted throughout this consultation the external evidence we have collected to inform our analysis and how we have relied upon that evidence. This annex provides a list of the main sources of external evidence used and, where possible, the web links to where that information is published online.
- A2.2 While this annex lists the main evidence we have relied upon, the list is for convenience only and is not intended to be exhaustive.

### Consultation responses

- A2.3 On 23 April 2021 we published the Second Consultation, outlining our proposals on area codes, local dialling and a prohibition on the sharing of revenue with calling parties.
- A2.4 We received 33 responses to this consultation:
- 24 Seven
  - Aimm
  - Aldington, M
  - Belcher, P
  - BT
  - Carter, S
  - Clear Mobitel Jersey
  - Comms Council UK
  - Core Telecom
  - Dynamic Mobile Billing (DMB)
  - Early, S
  - FCS
  - Gamma
  - KCOM
  - Last Frontiers
  - Meehan, C
  - Scott, I
  - Sky
  - Solitaire Payphones
  - Spoke
  - TalkTalk
  - Telecom2
  - Twilio
  - Virgin Media O2 (VMO2)
  - Nine respondents requested their names be withheld.
- A2.5 We have published non-confidential responses on [our website](#).

## Regulation and guidance

- a) Ofcom, 2022. [National Telephone Numbering Plan](#) and the [National Numbering Scheme](#).
- b) Ofcom, 2021. [Consolidated General Conditions of Entitlement](#).
- c) DCMS, 2019. [Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services](#) [Accessed 28 February 2022].

## Consultations and statements

- a) Ofcom, 2021. [Wholesale Voice Markets Review 2021-2026](#), Statement.
- b) Ofcom, 2021. [Ofcom's plan of work 2021/22](#), Statement.
- c) Ofcom, 2020. [Wholesale Voice Markets Review 2021-26](#), Consultation.
- d) Ofcom, 2019. [Promoting trust in telephone numbers](#), First Consultation.
- e) Ofcom, 2019. [First consultation: Future of telephone numbers](#) (First Consultation).
- f) Ofcom, 2018. [Guidelines for Calling Line Identification Facilities](#), Statement.
- g) Ofcom, 2013. [Changes to making local calls in five area codes](#), Consultation.
- h) Ofcom, 2012. [Promoting efficient use of geographic telephone numbers](#), Statement.
- i) Ofcom, 2012. [Changes to making local calls in the 01202 area code for Bournemouth, Christchurch and Poole](#), Statement.
- j) Ofcom, 2006. [Telephone Numbering: Safeguarding the future of numbers](#).
- k) Ofcom, 2011. [Geographic telephone numbers: safeguarding the future of geographic numbers](#), Statement.
- l) Ofcom, 2010-2012. [Geographic telephone numbers: Safeguarding the future of geographic numbers](#): three documents published on 25 November 2010, 7 September 2011 and 20 March 2012.

## Research and reports

- a) Ofcom, 2020. [Online Nation – 2020 Report](#).
- b) Ofcom, 2021. [Communications Market Report 2021](#).
- c) Ofcom, 2020. [Declining calls and changing behaviour: a qualitative research study](#).
- d) Ofcom, 2019. [The Future of Telephone Numbering: a qualitative research study](#) (Future of Numbering research).
- e) Ofcom, 2011. [Geographic Numbering: Summary report of findings](#).

## A3. Glossary

Term	Description
<b>The Act</b>	The Communications Act 2003.
<b>Area codes</b>	The area code is that part of the telephone number that specifies the local telephone exchange to which a subscriber is attached. Telephone numbering plans assign area codes to local exchanges to enable the routing of calls between subscribers attached to different local exchanges.
<b>CLI, Calling Line Identification</b>	An identifier that allows a subscriber to determine the telephone number of the party who has called or is currently calling them. The CLI is sent from the calling subscriber to the called subscriber during call initiation.
<b>CLI Spoofing</b>	The practice of a person deliberately changing the CLI when making calls to hide their identity or mimic the number of a real company, person or location.
<b>Geographic numbers</b>	A telephone number from the Numbering Plan where part of its digit structure contains geographic significance used for routing calls to the physical location of the network termination point of the subscriber to whom the number has been assigned.
<b>IP, Internet Protocol</b>	A packet data protocol used for the routing and carriage of data packets across the internet and similar data networks.
<b>Local dialling</b>	The facility which allows landline phone users to dial geographic phone numbers omitting the Area Code (where the called number has the same Area Code as the number they are calling from).
<b>The National Telephone Numbering Plan, the Numbering Plan</b>	A document published by Ofcom from time to time pursuant to section 56 of the Act.
<b>Non-Geographic numbers</b>	A telephone number from a range of numbers in the Numbering Plan designated for assignment to end-users, the digit structure of which contains no geographic significance for routing calls.
<b>OTT, Over-the-Top</b>	Communication apps and platforms (voice, instant messaging and video) that are delivered via an internet connection rather than through a traditional telephony network.
<b>PSTN, Public Switched Telephone Network</b>	The traditional type of telephony network used to provide telephone calls using (or emulating) circuit-switching and using telephone numbers to identify subscribers or called locations, allowing all customers connected to the network to call all other customers.

**Telecoms provider** A person who provides an Electronic Communications Network or an Electronic Communications Service.

**VoIP, Voice-over-IP** A method of carrying voice calls on fixed and mobile networks by converting speech into data packets (and back) and carrying it using IP.

## A4. Ofcom's decision to modify the National Telephone Numbering Plan

### Modification of the National Telephone Numbering Plan

#### Background

- A4.1 On 23 April 2021, Ofcom issued a notification pursuant to section 60(3) of the Act, to modify the provisions of the Numbering Plan (the "Notification").
- A4.2 Ofcom invited representations on the proposals set out in the Notification and accompanying consultation document by 2 July 2021. In summary, Ofcom proposed in the Notification to remove the requirement to provide local dialling, and to prohibit revenue sharing with any calling party.
- A4.3 By virtue of section 60(5) of the Act, Ofcom may give effect to the proposals with respect to which it has published a notification under section 60(3), with or without modifications, where Ofcom has:
- a) considered every representation about the proposals made to Ofcom within the period specified in the notification; and
  - b) had regard to any international obligation of the United Kingdom notified to them by the Secretary of State.
- A4.4 Ofcom has considered every representation made to it in respect of the proposals set out in the Notification (and in particular those representations in relation to the aspect of the proposals given effect to by this decision). No international obligation of the United Kingdom relating to these proposals has been notified to Ofcom by the Secretary of State.

#### Decision

- A4.5 Ofcom has decided to modify the Numbering Plan to give effect to the proposals so far as relating to the removal of the requirement to provide local dialling. The modifications are set out in the Schedule to this decision.
- A4.6 Ofcom's reasons for reaching this decision, and the effect of the decision, are set out in the explanatory Statement accompanying this decision.
- A4.7 Ofcom has not reached a decision on whether to give effect to the proposals so far as relating to the prohibition of revenue sharing with the calling party at this time. Section 1 of the explanatory Statement sets out the position as regards this aspect of the proposals.
- A4.8 Ofcom considers that the modifications comply with the requirements of section 60(2) of the Act.

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- A4.9 Ofcom has considered and acted in accordance with its general duty as to telephone numbering functions under section 63 of the Act and its duties under sections 3 and 4 of the Act.
- A4.10 Ofcom has also had regard to the Statement of Strategic Priorities in making these modifications.
- A4.11 The modifications set out in the Schedule will be reflected in the revised Numbering Plan being published at the same time as this decision and take effect immediately.<sup>82</sup>
- A4.12 In this decision (including the Schedule):
- a) **“the Act”** means the Communications Act 2003;
  - b) **“Ofcom”** means the Office of Communications;
  - c) **“Numbering Plan”** means the National Telephone Numbering Plan published by Ofcom pursuant to section 56(1) of the Act, and amended from time to time; and
  - d) **“Statement of Strategic Priorities”** means the Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services designated by the Secretary of State for Digital, Culture, Media and Sport for the purposes of section 2A of the Communications Act 2003 on 29 October 2019.

Signed by



Brian Potterill

Director of Mobile Network Strategy

A person authorised by Ofcom under paragraph 18 of the Schedule to the Office of Communications Act 2002.

**11 March 2022**

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<sup>82</sup> The revised Numbering Plan is available [here](#).

## Schedule: Modifications to the National Telephone Numbering Plan

The modifications that Ofcom has decided to make to the Numbering Plan are set out below.

The modifications will be reflected in the revised Numbering Plan being published at the same time as this decision and take effect immediately.

Paragraph B3.1.2 of Part B of the Numbering Plan will be deleted, as shown in strikethrough text below.

~~B3.1.2 Geographic Numbers shall not be Adopted or otherwise used other than where Calling Parties with Geographic Numbers with the same Geographic Area Code as the Called Party are able to dial using only the Local Number except where:~~

~~a. those numbers are National-Dialling-Only Numbers — see B3.1.5 below; or~~

~~b. Calling Parties are dialling from Geographic Numbers with a Geographic Area Code in respect of which Local Dialling has been closed — see B3.1.3 below.~~

As a result of this change, the existing paragraphs in the Numbering Plan will be renumbered as follows and any references to these paragraphs will be updated accordingly:

Existing paragraph number	New paragraph number	Paragraphs added or removed
B3.1.2	-	Paragraph removed
B3.1.3	B3.1.2	
B3.1.4	B3.1.3	
B3.1.5	B3.1.4	
Unnumbered paragraph starting with the words "Where a National-Dialling-Only Number is Adopted or used..." <sup>1</sup>	B3.1.5	

<sup>1</sup> The unnumbered paragraph immediately following new B3.1.4 will now be numbered as B3.1.5 to preserve the numbering of the subsequent paragraphs.