

1. Background

The European Union Telecoms Regulatory Group (ERG), which consists of EU member states' national telecoms regulators, is currently conducting an investigation into the cost of using mobile phones abroad. The investigation is due to be completed by July, and follows an EU inspection of mobile phone companies in the UK and Germany and their pricing practices for mobile calls abroad. The ERG has made an initial finding that "retail charges are currently very high without clear justification".

This investigation is running parallel to a separate inquiry, which examines the cost of "roaming" charges made by UK operators.

"Roaming" is the system whereby mobile phones automatically find a local network when foreign users are located abroad, allowing them to make or receive calls. International roaming charges are frequently higher than national mobile calls for both text messages and calls, including calls to pick up voicemail messages. Pre-pay tariff users usually pay the highest charges.

Mobile phone operators charge for making and receiving calls, as UK networks have to pay a foreign network to send calls to mobile phones abroad, passing on the charges to the UK consumer. This can lead to huge phone bills on return to the UK. Sample tariffs for receiving and making calls are given in the tables below:

What it costs to receive a call when abroad					
Roaming costs by network and country					
Country	Vodafone	Virgin	T-Mobile	MMO2	Orange
France	75p	30p	70p	94p	30p
Rep of Ireland	50p	20p	50p	94p	20p
USA	99p	80p	70p	£1.20	65p
Australia	75p	30p	70p	£1.30	35p

Source: Mobile phone company websites (all costs per minute based on customers signing up to a monthly tariff)

What it costs to make a call to the UK when abroad					
Costs by network and country					
Country	Vodafone	Virgin	T-Mobile	MMO2	Orange
France	75p	60p	75p	85p	70p
Rep of Ireland	60p	40p	50p	94p	40p
USA	£1.25	£1.40	90p	£1.37	£1.10
Australia	79p	60p	75p	85p	70p

Source: Mobile phone company websites (all costs per minute based on customers signing up to a monthly tariff)

2. Consumer redress

Consumers can reduce mobile phones charges abroad by a variety of steps. These include:

- Using a pay phone to make calls
- Buying a local SIM card, providing that the mobile phone is “unlocked”
- Buying a global SIM card, for travelling to multiple destinations in one trip
- Renting a mobile handset from a telephone supplier in the destination country
- Checking tariffs using price comparison websites such as www.onecompare.com
- Checking tariffs using the EU comparison site on www.cec.oug.uk
- Diverting all incoming calls straight to your mailbox before leaving home
- If possible, switch from a pre-pay tariff

3. Conclusion

Evidence appears to support the European Union Telecoms Regulatory Group view that “retail charges are currently very high without clear justification”. It is hoped that the European Commission will take a stronger stance against the current practice and bring legal action under the European competition legislation, unless Mobile Phone operators review and reduce their prices significantly. Inevitably, it may take some time for this legal process to come to fruition. In the meantime, Manchester residents are advised to make themselves aware of the very high cost for both receiving and making calls on a mobile phone whilst abroad. A number of steps are recommended that an astute and well-informed consumer can take to avoid these high charges, and Manchester Advice aims make this information available to Manchester residents.

IMPLICATIONS FOR KEY COUNCIL POLICIES

There are no implications of this report for the Council’s environmental policies.

The implications of this report for the Council’s policies of combating poverty and disadvantages are that these charges are more likely to impact on Manchester residents who are on low or fixed incomes and travel abroad to visit family and friends, or students on gap years or courses abroad.

The implications of this report for the Council’s policies of combating inequality and discrimination faced by women, gay men, lesbians, disabled people and black and ethnic minority people are that many people rely on mobile phones to keep in touch with people from the UK when visiting family and friends abroad on extended visits.

There are no implications of this report concerning employment.

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