

# Communicate

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## An introduction to BT

In 2005, convergence is at the heart of BT's strategy. By this, we mean bringing together our services in new ways to make life better, simpler and cheaper for our customers.

The days of only being able to communicate via one telephone at home are a thing of the past for most people. We have become used to communicating with friends, family, and colleagues via mobile phones, broadband, Blackberry and PDAs, and have become increasingly comfortable with technology through products like digital cameras and the internet.

In the future, BT customers will benefit from being able to communicate and access the same information and applications however and wherever they want. No longer will you have to carry multiple devices, look up contact details on different phones, or use more than one voicemail or phone number. For customers of all kinds, it means a more joined-up communications experience.

### So, for example:

- We are offering our customers a converged "best of fixed and best of mobile" combination, giving them freedom and flexibility, rather than them having to worry about choosing between those two ways of delivering services.
- And convergence is also what our 21st Century Network (21CN) programme is all about. We are investing up to £10 million to provide a modern communications infrastructure across the UK. 21CN will support a range of

technologies and services to allow customers to do the things they want, only faster, seamlessly, and cheaper.

- Additionally, our global networked IT capability will deliver end to end services to major corporate customers around the world, leaving them free to do what they do best: running their own businesses.

Through all this we continue to focus on broadband delivery and, most importantly, on customer satisfaction.

### About us – the Group

BT is one of the world's leading providers of communications solutions serving customers in Europe, the Americas and Asia Pacific. Our principal activities include networked IT services, local, national and international communications services, and higher-value broadband and internet products and services.

In the UK, we serve over 20 million business and residential customers, as well as providing network services to other operators. We employ over 100,000 people in 70 countries

### About us – our lines of business

**BT Retail** provides a comprehensive range of communications and related services to more than 20 million consumers and businesses in the UK.

## First Edition

Welcome to this first edition of 'Communicate', a newsletter from BT's public affairs team.

BT is one of the leading providers of communications infrastructure and services in the world. Being world-class in both of these fields is an essential pre-requisite for the future economic and social success of the UK.

In this publication we set out some of the things we think will be of interest to you about our company, its strategies and objectives. We also look at some of the main issues affecting our customers today.

BT inevitably interacts with you and those you represent in some way. We would be very pleased to hear from you if you would like to know more about our company, the issues covered in this newsletter, or if you have any other queries. Our contact details are at the back of this newsletter. If you wish to discuss any BT products or services then there is



**Tim O'Sullivan**  
Director of BT  
Public Affairs

a dedicated sales and support team ready to help you – their contact details are also shown at the back.

I look forward to hearing from you and working with you during the Parliamentary session ahead.

**BT Wholesale** provides network services and solutions within the UK to more than 600 fixed and mobile operators and service providers including the provision of broadband and private circuits.

**BT Global Services** provides networked IT services to meet the needs of multi-site organisations globally. BT Global Services operates in more than 130 countries and also offers international carrier services.

BT is transforming itself from a traditional telecoms company into a world-leading integrated communications provider.

# Current issues for customers

These issues were raised towards the end of last Parliament, and in future editions we will cover issues of current parliamentary concern.

## Mis-selling of telecommunications services

Every month, more than 18,000 BT customers – consumers and businesses – tell us that rival companies are transferring their communications services without permission, using techniques such as:

- “slamming” – transferring the customer’s telephone service without permission
- “selling on cancellation” – transferring the customer even if he just asks for information
- pretending to be BT, or “working in association” with BT.

We are pleased that Ofcom has recognised that there is a mis-selling issue. However we are concerned at their failure to act to date on mis-selling by using existing enforcement tools such as the Enterprise Act.

Ofcom has issued a set of guidelines for drawing up individual sales and marketing codes. BT has published its own code, but is not convinced that Ofcom’s approach will work. We would prefer a mandatory code

Telephone firms face fines for switching

for all providers. Ofcom’s approach will lead to delay and is unlikely to lead to any meaningful enforcement action certainly in the short term. Much depends on the extent of customer awareness and hence greater emphasis is needed on early provision to customers of relevant information.

BT hopes Ofcom will take early and public action against companies engaged in mis-selling to avoid the problems faced by the energy industry. Greater transparency of measurement and reporting by communication providers

15,000 A MONTH HIT BY PHONE SCAM

and Ofcom is needed. In the meantime, BT is continuing to raise awareness of mis-selling both publicly, with its customers, and where appropriate, taking legal action.

Other countries have developed solutions. In the USA, transfers have to be “verified” by a neutral third party, and there are fines of \$50,000 per customer for slamming. In Ireland, and much of Europe, the losing company can challenge the gaining company to produce evidence that the customer has agreed to transfer.

## Internet Diallers – public concern and what we are doing about it

Over recent months there have been many cases where customers have received higher than expected bills for internet use as a result of the installation of diallers for calls to premium rate service numbers. Why? And what is being done?

### Background

Customers usually access the internet using an ‘08’ number. Once on the internet, customers can move to any website they choose. Some sites require connection to higher rate Premium Rate Service (PRS) ‘09’, or international ‘00’ numbers. Both also require the computer to download a dialler to connect to the new number. Legitimate services will reconnect to the customer’s default settings at the end of the call, but some diallers are being installed that do not do this.

The premium rate industry is regulated by ICSTIS, which has powers to issue fines and to require network operators to bar

access to numbers being used in ways that do not conform to the Code of Practice for the industry. The communications regulator Ofcom produced a Report for the DTI at the end of 2004, setting out 18 recommendations that it believed would deal with many of the issues that have been identified.

### What is BT doing?

Although the cost of the calls appears on its bills, BT’s share of the revenues is less than 3%. BT donates this share from disputed bills to the charity Childline. The Treasury receives 17.5% as VAT. Most of the money goes to service providers rather than to network operators. However, BT has been very active in trying to protect customers from potential problems. For example, we have introduced free

software downloads to provide on-screen alerts the moment a dial-up modem calls a premium rate or international modem, and we offer call barring options to customers. We have tried to educate customers to protect themselves and to understand the effects of ‘clicking’ on links they do not recognise or understand.

BT hits phone fraud

BT ready to cut off rogue diallers

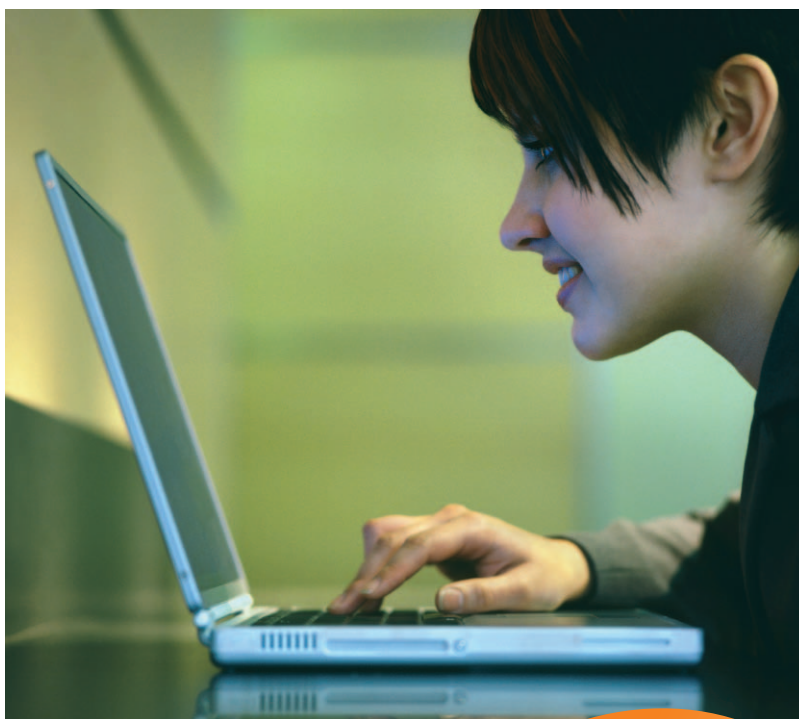
Please contact us if you require further information on these issues. Our contact details are on the back page



# Delivering a vision

## Broadband – a success story for the UK!

It is not that long ago that people were asking why the UK was so far behind other countries in bringing broadband to customers. Now, after massive investment and commitment from BT, over 99% of the country will be able to receive BT's basic broadband services by next month. And those broadband services have increased in 'speed' from 512 Kbps to 2 Mbps – up to nearly 40 times 'faster' than internet connections via dial-up access. Trials of even faster services are to start very soon.



Availability in the UK is now the best in the G7, according to the OECD, and take up is rising. The UK government set a target of having the most extensive and competitive broadband market in the G7 by 2005. We are there on the first of these and closing in on second place in the second (source: Ovum December 2004).

But the UK now needs a communications infrastructure for the 21st Century. BT's part of this is a £10 billion investment plan for its 21st Century network that will provide the communications infrastructure for the

new Digital Networked Economy – where business is done, education and public services are delivered, knowledge is shared, and competitive advantage gained.

BT's infrastructure investment is already higher than any other European communications company, and represents 3-4% of all fixed capital investment in the UK. The outcome of Ofcom's Strategic Review is, therefore, of national significance. Investment needs to be encouraged, and innovation rewarded, across the whole communications industry.

### Did you know...

Broadband is now one of the fastest growing consumer products of all time with a higher initial take up rate than televisions, CD players, video recorders or mobile phones

## Innovation from BT

BT's investment and commitment to innovation is significant. Leading analysts, such as Forrester, have identified BT as setting the standard for the most comprehensive and open approach to innovation in our market. BT has chosen to embrace an extensive partnership approach at the heart of this strategy, aimed at exploiting technology for the benefit of our customers and shareholders.

Existing partnerships span many universities, including several strategic relationships. We have also forged links with some of the world's foremost thinkers and innovators to create an exciting new communications institute which will set the agenda for future communications technologies. Launched at the BT Tower last year, the new Communications Innovation Institute – whose principal sponsor is BT – has brought together academics from three of these strategic partners; University of Cambridge, the

Massachusetts Institute of Technology (MIT) and University College London (UCL).

Its aim is to address a range of topics that will be critical in coming years to the fast-growing UK information and communications technology industry, the growth of which is being fuelled by the rapid convergence of computing and communications technologies. By joining with other companies at the new Institute, BT is keeping its eye on the future, helping to ensure its customers will have access to the best

new products and services that new technologies will be able to deliver.

### Date to hold in your diary

Please hold the following date in your diary when we will be holding a showcase of the many innovative products and services BT currently offers, as well as looking to the future. You will receive a formal invitation shortly.

**BT Innovation Showcase,  
6th July, 6.30pm-9.30pm,  
QEII Centre, Westminster**

# BT and Education

let's make a  
**better**  
world

BT is committed to being a socially responsible company. The Education programme is a major element of BT's overall not-for-profit investment back into the society it serves as a business. The programme has a specific aim: helping young people, their teachers and families to develop a sound set of skills at spoken communication. The future is shaped in schools, and by promoting speaking and listening skills through its Education Programme, BT aims to give young people – and adults – in the UK the best possible start in life.



## What does the Programme do?

The BT Education programme is backing the drive to better communication in a number of key areas:

By providing primary and secondary schools with a unique range of free educational resources, dedicated to supporting the teaching of speaking and listening skills. Some of these resources are available as DVDs while others are accessible via the internet. All have been developed in consultation with teachers and are strongly linked to curriculum requirements.

By encouraging schools to become more active at promoting better

communication. One way is through the Communication Skills Roadshow, which visits schools around the country, using a mixture of drama and classroom workshops to stimulate interest in getting more out of life through better communication. Another is through the BT Volunteers scheme, which enables schools to draw on the support of nearly four thousand volunteers, taken mainly from BT's own staff.

By offering funds to school projects that demonstrate novel ways for students to improve their communication skills and become more active and

effective young citizens. Through the BT Schools Award scheme, the Education Programme provides financial backing for hundreds of such programmes a year.

BT extends its support of education by being a major sponsor of the National Teaching Awards, which sets out to share best practice among teachers and recognise excellence within the profession.



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## How to contact us

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If you have an enquiry about your own home or business lines including new orders, please call the Parliamentary Helpline on 0800 200 789 (Monday – Friday 8.00am – 5.00pm)

[www.bt.com/public-affairs](http://www.bt.com/public-affairs)

## Further information

Please get in touch if you would like details of how the BT Education Programme is involved in your constituency. Additionally, further information can be found on our website at [www.bt.com/education](http://www.bt.com/education)

## Did you know...

BT is the world's largest purchaser of green electricity – an initiative which saves the equivalent amount of carbon dioxide emissions produced by 100,000 cars.