

# Dealing With Nuisance Calls – How the UK Still Lags Behind

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While yesterday's announcement concerning the powers of the Information Commissioner's Office (ICO) is a welcome step in addressing the problem of nuisance calls and texts, the UK is still trailing many other countries in its approach to dealing with the problem, according to a major new report released today by StepChange Debt Charity.

[Combatting Nuisance Calls and Texts](#), commissioned by the charity from a visiting fellow at the London School of Economics, highlights major gaps in the protections for consumers in the UK, and compares various methods used around the world to reduce levels of nuisance calls and texts. The charity is calling on government to implement a number of policies used by countries such as Germany, the United States and Norway that would provide substantially better solutions for dealing with nuisance calls.

## 'Opt-in', not 'opt-out'

The Telephone Preference Service is the UK's main form of defence against unwanted telemarketing calls, but our current 'opt-out' system is the lowest level of regulation permitted by EU legislation. Many other European countries, including Germany and Austria, operate a higher level 'opt-in' system, where people are assumed not to want telemarketing calls unless they register otherwise. In Germany, the number of complaints to the regulator about nuisance calls is three-times lower than in the UK.

The rate at which UK households have signed up to the TPS has been levelling off since 2006, and it is likely that those not signed up are amongst the most vulnerable. An opt-in register would provide greater consumer protection and reduce pressure on regulators.

## More powerful penalties

Ofcom and the Information Commissioner's Office have existing powers to fine offenders, but despite the lowering of the threshold for ICO enforcement, continuing restrictions on both regulators mean that these fines often do not reflect the seriousness of offences.

Greater powers for the UK regulators to impose fines per call made may act as a greater deterrent for telemarketing firms. In the US, the Federal Trade Commission (FTC) and Federal Communications Commission (FCC) have the ability to issue fines of up to \$16,000 per violation. This has led to 118 fines issued by the FTC, totalling \$80m, and a record fine from the FCC of \$7.5m.

## Contracts in writing

The Financial Conduct Authority (FCA) has agreed to consult on restricting unsolicited marketing, a move that StepChange Debt Charity pushed for and still believes to be crucial. But further regulation is needed to prevent other high-risk financial products being sold via unsolicited calls to families who are already in financial difficulty.

In Norway, the 'Cancellation Act' means that a consumer is not bound by a contract concluded as the result of an unsolicited telephone call until they have confirmed the offer in writing. The UK could be brought up to this higher consumer protection standard by mandating that certain products sold via direct marketing – including high-risk credit products - must have contracts accepted in writing before they commence.

## Identifying wrongdoers

The resource of the UK's regulators is insufficient relative to the scale of the nuisance call problem, and is unlikely to increase in the near future, so a more innovative approach to policing nuisance calls is necessary to make the most of existing means.

US regulators have had success with 'honeypots' of monitored telephone lines which attract and detect automatic calls and patterns of call by telemarketers. UK regulators and industry firms should work together to launch a similar enforcement tactic.

## Frank is Answering

Germany's "Frank geht ran" (Frank is answering) allows consumers to use a generic phone number when filling out forms rather than using their own personal number. Any calls then go to the independent answering machine – Frank – and are met with a recorded message saying that the customer does not wish to receive marketing calls. StepChange Debt Charity recommends introducing a "Frank for the UK".

Mike O'Connor, chief executive of StepChange Debt Charity, said:

*"Government and regulators have taken positive steps towards dealing with the harm caused by nuisance calls, but this report highlights clear holes in protections which could be filled with relative ease. If we do not strengthen the tools at our disposal, then we will continue to fail families, many of whom are amongst the most vulnerable people in our society and can be suffering real damage."*

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