

EU calls time on mobile phone 'roaming' charges

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CALLING home from the Costas using your mobile phone has been far too costly for far too long. Indeed, most of us have returned home from our summer holidays to be greeted by a whopping – and unexpected – mobile phone bill littered with so-called “roaming” charges.

For the “privilege” of making a quick call home from the beach to check on family or friends, some operators have been charging customers extortionate, and in Europe’s view, unnecessary, tariffs – up to a staggering 94p a minute.

Unsurprisingly the companies are cagey about quite how much they make from these “roaming” charges. But what we do know is that the system has been biased in their favour.

In short: Operators charge each other rates for allowing the other’s customers to use their networks; Your operator then passes this cost on with a huge mark-up when they charge you – often two or three times the price that they’ve paid.

Moreover, most “roaming” traffic is kept in-house as customers are directed on to partner networks that are often owned by a customer’s home network. So for most “roaming”, prices are simply a way of charging different parts of the same company. With that in mind the mark-up for consumers is even more exorbitant.

For the past two years, I and my MEP colleagues have fought to get a better deal for mobile phone users. And it’s been an uphill struggle.

Almost without exception, the mobile phone companies have been openly hostile to the EU moves to introduce a maximum “roaming” call charge across Europe. They claimed their various existing deals provided enough protection for consumers, and that a maximum charge would stifle competition.

But last week, after a long battle which has included efforts to get operators to reduce roaming costs voluntarily, Euro-MPs backed plans to limit the charges the operators can levy for “roaming”.

Under the new European Consumer Tariff the cost of making a call will be automatically capped. It will see charges almost halved at around 39p a minute, and falling further each year over the following two years.

Customers will also receive texts telling them exactly how much they are paying when using their mobile in other EU countries.

And our campaign for a better deal for mobile users won’t end there. We are

determined to extend it to tackle the massive overcharging for sending text messages and data when in other European countries.

This is not a case of European regulations stifling business. On the contrary, so many customers have been stung by high prices or have heard others' horror stories that many forgo the convenience of their mobile while abroad – and that surely can't be good for business.

Certainly, prices which are so high that they cause undue resentment are not an ideal basis for future business success.

And there is another development with even more devastating potential which the mobile phone operators appear to be ignoring. Perhaps they haven't noticed it. Maybe they hope it will go away.

But as international calls across the internet, through providers like Skype, increasingly become mainstream, consumers are rapidly getting used to all phone calls being free.

The real threat to the mobile phone operators' profit is not coming from the EU. It is coming from new technology that puts the very idea of voice-only telephone networks in jeopardy.

The fact is that cheap and efficient communications are good for everyone. The communications revolution has brought untold benefits in both richer and poorer countries and communities. These benefits need to be protected and enhanced, and this new EU regulation forms part of this challenge.

Protecting consumers and their interests is an essential part of the EU's overall objective to improve the quality of life of all Europeans.

Last week, by ending rip-off mobile phone charges, the EU has struck yet another victory for consumers and their pockets.

And, of course, it also gives you another excuse to call home from holiday this summer to gloat about just how great the weather is!

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