

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Fifth Delegated Legislation Committee

DRAFT TRADE (MOBILE ROAMING)  
REGULATIONS 2023

*Tuesday 21 February 2023*

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**The Committee consisted of the following Members:**

*Chair:* †SIR GEORGE HOWARTH

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|--|--|
| † Baynes, Simon ( <i>Clwyd South</i> ) (Con)   | † Mohindra, Mr Gagan ( <i>South West Hertfordshire</i> ) (Con)   |
| † Blake, Olivia ( <i>Sheffield, Hallam</i> ) (Lab)                                   | † Nicolson, John ( <i>Ochil and South Perthshire</i> ) (SNP)     |
| † Davies-Jones, Alex ( <i>Pontypridd</i> ) (Lab)                                     | † Simmonds, David ( <i>Ruislip, Northwood and Pinner</i> ) (Con) |
| † Duffield, Rosie ( <i>Canterbury</i> ) (Lab)  | Spellar, John ( <i>Warley</i> ) (Lab)                            |
| † Greenwood, Lilian ( <i>Nottingham South</i> ) (Lab)                                | † Swayne, Sir Desmond ( <i>New Forest West</i> ) (Con)           |
| † Holmes, Paul ( <i>Eastleigh</i> ) (Con)  | † Wood, Mike ( <i>Dudley South</i> ) (Con)                       |
| † Jarvis, Dan ( <i>Barnsley Central</i> ) (Lab)                                      | Nicholas Taylor, <i>Committee Clerk</i>                          |
| † Kniveton, Kate ( <i>Burton</i> ) (Con)   |  |
| † Lewis, Brandon ( <i>Great Yarmouth</i> ) (Con)                                     |  |
| † Lopez, Julia ( <i>Minister of State, Department for Culture, Media and Sport</i> ) |  |
| † Maynard, Paul ( <i>Blackpool North and Cleveleys</i> ) (Con)                       | † <b>attended the Committee</b>                                  |

# Fifth Delegated Legislation Committee

Tuesday 21 February 2023

[SIR GEORGE HOWARTH *in the Chair*]

## Draft Trade (Mobile Roaming) Regulations 2023

2.30 pm

**The Minister of State, Department for Culture, Media and Sport (Julia Lopez):** I beg to move,

That the Committee has considered the draft Trade (Mobile Roaming) Regulations 2023.

I thank you, Sir George, for chairing the debate and hon. Members for the extremely impressive turnout today. I am pleased to move the regulations, which were laid before the House in draft form on 15 December 2022.

The Department for Science, Innovation and Technology—DSIT—now has telecoms in its remit. I am a Minister in the Department for Culture, Media and Support—DCMS—but for the sake of continuity I shall take this legislation forward today. It represents a world first in international trade: the UK-Norway, Iceland and Liechtenstein free trade agreement contains the world's first provisions regulating mobile roaming charges. Many recent free trade agreements mention mobile roaming, but provisions in those agreements talk of co-operating or even endeavouring to co-operate. This FTA takes a further step, ensuring the regulation of charges in order to make a real difference to Britons travelling overseas, and we believe it is an example of the innovative trade deals we can strike that will bring real benefit to British travellers.

The regulations are necessary to implement domestically the UK's international obligations under the terms of the agreement. Technically, the legislation implements the agreement's provisions that regulate international mobile roaming wholesale charges. As hon. Members will appreciate, wholesale charges are what mobile operators charge each other, as distinct from retail charges, which are what they charge their customers. The wholesale charges that Norwegian and Icelandic mobile operators can charge UK operators will be capped by their domestic legislation. The legislation we are debating today will cap the charges that UK operators can apply to Norwegian and Icelandic mobile operators. The caps cover wholesale charges for mobile data, voice calls and text messages, and we expect the savings to be passed on to consumers in the form of surcharge-free roaming.

Although the regulation of wholesale charges in the agreement is with a view to facilitating surcharge-free roaming for British consumers in Norway and Iceland, it will not apply to Liechtenstein. Liechtenstein decided to opt out, given its operators' commercial relationships with Switzerland. Owing to its topography and limited geographical area, a significant part of its territory is co-supplied by masts in neighbouring Switzerland. The legislation also ensures that Ofcom has the power to enforce the caps on wholesale charges.

Before debating the detail of the regulations, I want to quickly cover an issue that might prompt questions from hon. Members: the agreement's coverage of wholesale, rather than retail, charges. The reason the agreement covers wholesale and not retail is that wholesale charges have to be covered by an international agreement. Wholesale charges are a cross-border issue, so an international agreement is required to cover them, and UK legislation alone cannot bind the charges of Icelandic or Norwegian operators. The parties concluded that the agreement should only cover wholesale, because that has to be covered by international agreement. The fact that it does not cover retail reflects a light-touch regulatory approach, and we think this will ensure that UK operators are protected from high wholesale charges and that they will subsequently pass on savings to their consumers. However, let me be very clear: one of the key publicly stated achievements on the face of the FTA was to keep costs low for holidaymakers and business travellers. The Government are committed to delivering that aim, and we expect those cost savings to be passed on. If they are not, we have the capacity to intervene.

As I say, we believe that the legislation represents a world first in a free trade agreement, and it is a promising precedent for the future. I expect the regulations to make a real difference to Britons travelling overseas, and I commend them to the Committee.

2.33 pm

**Alex Davies-Jones (Pontypridd) (Lab):** It is a pleasure to serve under your chairmanship, Sir George.

In the modern world, connectivity is a necessity, not a luxury, and this is no less the case when travelling abroad. A working connection is vital for accessing everything from banking, maps and tickets to local emergency services if things go wrong. Mobile connectivity also enables us to communicate with people back home, be they colleagues or loved ones, allowing businesses and families to stay connected across borders.

Since the end of the Brexit transition period, the majority of UK mobile operators have reintroduced roaming charges for customers travelling to EU and European economic area countries. I am therefore pleased to welcome the statutory instrument and the associated free trade agreement. By protecting UK operators from high wholesale charges, the legislation will see consumers in the UK come one step closer to accessing surcharge-free international mobile roaming in Norway and Iceland again. As per the free trade agreement, it is also welcome that the maximum rates the legislation will enforce are consistent with international benchmarks, particularly those currently in force in the EU and the EEA. However, there are still questions about how consumers will go on to benefit from the deal. The Minister mentioned how the Department will work to ensure any savings from caps are passed down from the telecoms companies directly to consumers at retail level. She mentioned that the capacity to intervene is there and that that would enable consumers to experience the benefits of surcharge-free roaming. Can she tell us about the exact circumstances in which she would intervene to ensure that happens?

Further, though this is a step forward for customers who want to roam in Iceland and Norway, there will be no such wholesale cap in the majority of other countries. Can the Minister confirm whether the Government

plan to utilise free trade agreements similarly in the future, baking in maximum rates for wholesale roaming charges? In the meantime, how are Ministers working with Ofcom to encourage telecoms companies to offer a range of tariffs and add-ons, with clear and transparent prices for roaming so no customer is met with an unexpectedly high bill after travelling.

More generally, telecoms operators have shared with us concerns that legislation such as this will only benefit a specific number or subset of customers. Though any fall in roaming prices is welcome, those most in need of reductions in their mobile bills are not those who can frequently fly but those bearing the brunt of the cost of living crisis, such as people on universal credit or those who have been forced to choose between heating and eating. What efforts are being made in the Department, alongside this agreement, to encourage and advertise cheap social mobile tariffs across the industry so everyone can benefit? In particular, I am interested in hearing about how the Department is ensuring social mobile tariffs are advertised online and in ways accessible to those currently unable to afford an internet connection.

In conclusion, it is vital that we honour the commitments made to Norway and Iceland in our free trade agreement through this legislation today. I look forward to the price fall holidaymakers and business travellers will hopefully receive as a result, but more must be done if we are to ensure the benefits are directly passed on to the consumer and fully realised and replicated domestically, where they are truly most needed.

2.37 pm

**Julia Lopez:** I thank the hon. Lady for her warm support of this particular legislation. It has been a pleasure debating with her today and I thank her for her comments.

I do not intend to reinvestigate Brexit, but we put forward proposals during the negotiations with the EU to try and get this legislation applied to our relationships with other EU countries. The hon. Lady asked about whether we intend to try and bake this into future free trade agreements. I cannot speak for the Department for Business and Trade, as it is now known. It is a great roadmap, put forward within the Department's negotiations with the European Free Trade Association nations, and I anticipate we will see similar provisions, given that I suspect this will be warmly welcomed by consumers in all affected countries.

The hon. Lady asked about social tariffs. We agree on how important they are, as an innovation that came about during the pandemic when we worked closely with the mobile network operators. I hosted a roundtable with them to see what more we could do as a team to try and make sure there is awareness of those tariffs, which is currently very low. People on universal credit can get very low rates on their broadband and telecoms packages, with very good high-speed connections for something like £10, and they should be aware of that. We are working closely with the mobile network operators to try and improve the communications and with the Department for Work and Pensions to make sure eligibility can be proven quickly.

I am happy to continue discussions with the hon. Lady on how we can improve the situation for consumers and get elements such as those being debated today into

future free trade agreements so we can continue to benefit travellers, customers and businesses when they go abroad.

2.38 pm

**John Nicolson** (Ochil and South Perthshire) (SNP): It is a pleasure to serve under your chairmanship, Sir George.

The new free trade deal with Iceland and Norway includes a commitment to co-operating on mobile phone roaming charges. The legislation just sets the maximum wholesale charges that UK-based firms can charge Norwegian and Icelandic firms for using their services here, in exchange for the same roaming there. [*Interruption.*]

**The Chair:** Order.

**John Nicolson:** That does not guarantee that retail rates will be free or low to roam, but it opens up the possibility. It is very small in scope compared to the former free roaming in the entirety of the EU that we once enjoyed, which the EU has extended to all member states for another decade.

Before the tremendous folly of Brexit, we had free roaming in all 27 member states—frictionless, borderless, open communications. Years later, with many suppliers charging big fees for using our phones abroad, we are presented with this global Britain legislation that will perhaps prevent us from getting ripped off when we travel to Norway and Iceland. So much, so little; what a metaphor for the sorry mess of Brexit surely.

I am tremendously in favour of Scotland having close relationships with our Nordic neighbours, but we should be more ambitious than this. I do not doubt that diligent civil servants have done their very best behind the scenes to bring the legislation to fruition, but it is a shame surely that they had to expend their energy and devote their time to securing something significantly less good than what came before.

2.40 pm

**Julia Lopez:** I thank the hon. Gentleman for his extremely uplifting contribution to the debate.

**John Nicolson:** You can always rely on me.

**Julia Lopez:** I know. I have covered some of the questions in relation to wholesale and retail charging, but I appreciate the concerns that have been raised about that. It is on the face of the free trade agreement that the intention of the legislation is to reduce prices for consumers, and I hope that will give a level of reassurance in that regard.

As I have said, we are trying to get a light-touch regulatory approach. We think it is in the interests of mobile network operators to pass those savings on to consumers, but we will consider intervening if that is not the case. Ofcom is also doing a bit of work on data roaming, which relates to one of the points raised by the hon. Member for Pontypridd, in relation to transparency of charging.

I hope the regulations will be entirely welcomed and I commend them to the Committee.

*Question put and agreed to.*

2.42 pm

*Committee rose.*





