

ENJOY

PAY

OVERVIEW

WHAT WE DO AND
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UNDERSTANDING
YOUR FEE

GOVERNANCE
& COMPLIANCE

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SIMPLE TO PAY ENJOY EVERY DAY



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MANY DIFFERENT WAYS TO ENJOY

PEOPLE ARE ENJOYING TELEVISION IN MANY DIFFERENT WAYS THESE DAYS THANKS TO ADVANCES IN TECHNOLOGY

We are huge consumers of TV. On average we are watching about 28 hours of TV a week – which includes 2.5 hours of catch-up and recorded programmes – on the traditional set. In addition some viewers spend an average of three hours watching programmes on our laptops, smartphones and tablets

Developments in technology are making it easier for us to watch 'on the go' and by catch-up, but watching using the traditional TV set is still firmly the main way we watch.

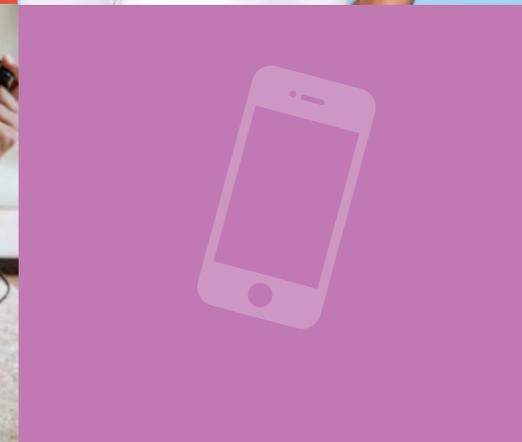
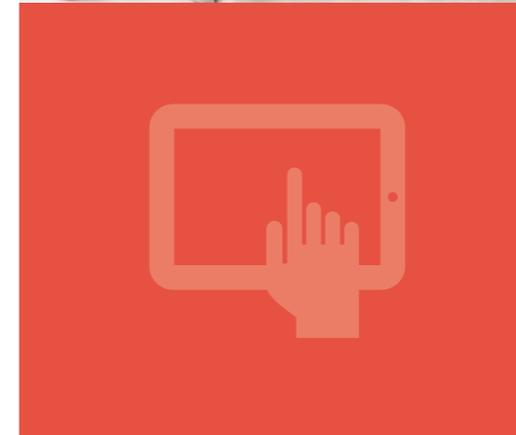
This has been an eventful year for big live TV events, which brought people together in record numbers:

- 28.7 million Britons watched the opening ceremony of the London 2012 Olympic and Paralympic Games, which was the most watched programme on British TV since 1996. Overall, the coverage of the Olympics reached 52.1 million or 90.7% of the viewing public.
- 14.7 million, or 57.4% of the viewing public, tuned in to watch the Diamond Jubilee Concert.

But technology is also fuelling our love affair with our TVs, and making us tune in for 'live' viewing.

People are increasingly 'chatterboxing', or commenting on live television using social media on a second smaller screen such as a tablet or smartphone.

You can read more about how we consume television [here](#).



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PROVIDING DIFFERENT WAYS TO PAY

TECHNOLOGY HAS INCREASED OUR WAYS OF VIEWING TELEVISION. IT ALSO HELPS IN PROVIDING DIFFERENT WAYS FOR PEOPLE TO PAY FOR THEIR LICENCE

Everyone's circumstances are different, and we work very hard to provide a wide range of easy ways to pay, so people can choose the method which suits them best.

A licence currently costs £145.50. We know not everyone is able to pay the full amount up front, which is why we offer ways for people to spread the cost. Direct Debit allows people to pay annually, monthly or quarterly, and people can pay weekly, monthly or fortnightly via cash payments.

As well as changing the way we are all watching TV, developments in technology allow us to provide a whole host of ways people can pay for their licence. Debit and credit card payments can be taken on our website, over the phone and via text message. Our cash Payment and Savings Cards mean people can, for example, pay for their licence at any of the 24,000 PayPoint outlets around the UK.

We have increased our use of email, and last year 3.1 million people chose to receive their TV Licence by email, saving us the cost of posting out the licence, and helping us to make sure that as much money as possible goes to programmes and services.

Payments by cheque are still much used by those who prefer this method.



ABOUT US

'TV LICENSING' IS A TRADEMARK FOR THE ORGANISATIONS RUNNING THE COLLECTION AND ENFORCEMENT OF THE LICENCE FEE. ALL THE ORGANISATIONS WORK UNDER CONTRACT TO THE BBC, THE LICENSING AUTHORITY.

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Our aim

Our aim is to collect the licence fee as efficiently as possible to provide the maximum amount of money for BBC programmes and services. We want to provide a choice of simple ways to pay so people can buy their licence in a manner which best suits them.

We always prefer people to pay but, on behalf of the honest majority, we will pursue those who refuse to buy a licence.



Our partner organisations

TV Licensing comprises a range of specialist organisations, led by a small group at the BBC.

- **Capita Business Services** – main customer service centres, team of enquiry officers
- **iQor** – cash scheme customer service centres

- **PayPoint** – over the counter ways to pay*
- **Proximity London** – marketing and printing services
- **UK mail** – postal services

The above description of our business partners applies to the year 2011/12.

* In Jersey, Guernsey and the Isle of Man over-the-counter services are available at the Post Office.

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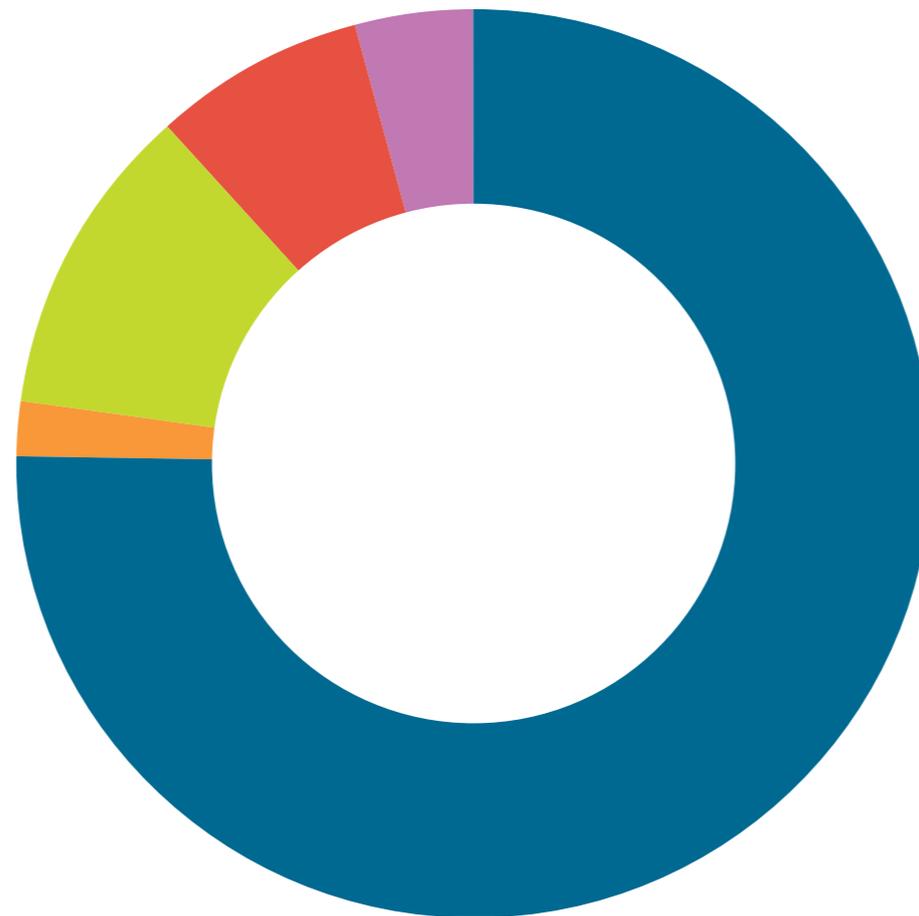
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2011/12 AT A GLANCE
COLLECTION



£95.0M (75.33%)

Costs including call centres, field force, detection and over-the-counter services*

£2.5M (1.98%)

Depreciation of new systems

£13.9M (11.02%)

Communications including reminders

£9.5M (7.53%)

Postage

£5.2M (4.12%)

Administration, contract management and projects**

£126.1M (100%)

TOTAL

* Including cost rebate from government for Over 75 licences.

** This includes offsetting of interest received against costs.

TV Licensing collected **£3.7billion**, up **£19.1million** from the previous year.

TV watching is as popular as ever, with the percentage of households which have a set at 96.5%, and also people are watching using PCs and tablets.

The cost of collecting the licence fee was 3.4p per £1 collected (the same as last year).

2011/12 AT A GLANCE CONTINUED

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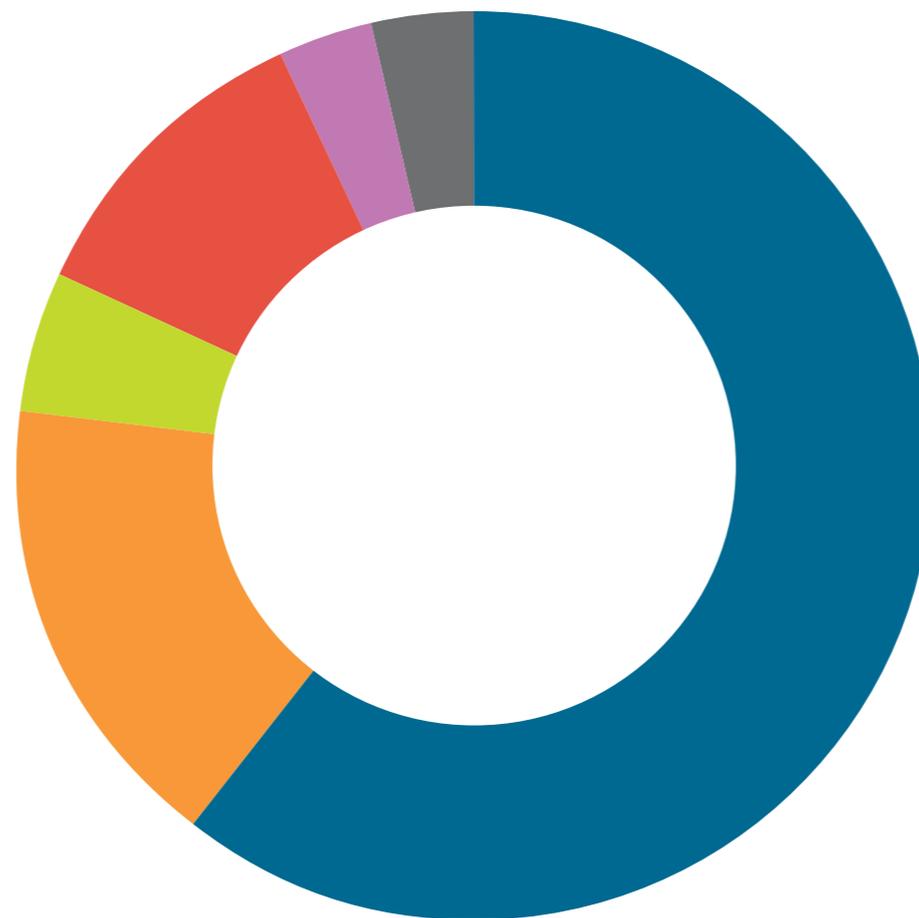
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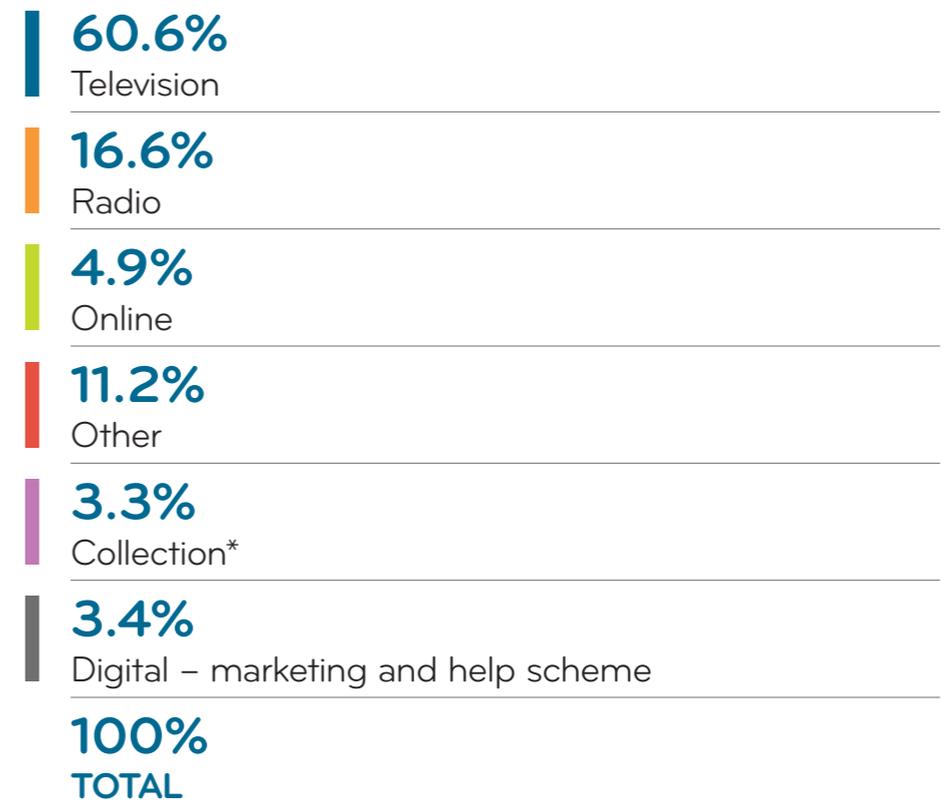
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Last year, each household's colour TV Licence cost about £12.13 a month. On average this is how the BBC spent its money on UK public service broadcasting.

AVERAGE SPEND PER MONTH



* This figure relates to the proportion of the BBC's expenditure and is different from 3.4% on the previous page which represents collection costs as a proportion of licence fee collected.

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EVASION

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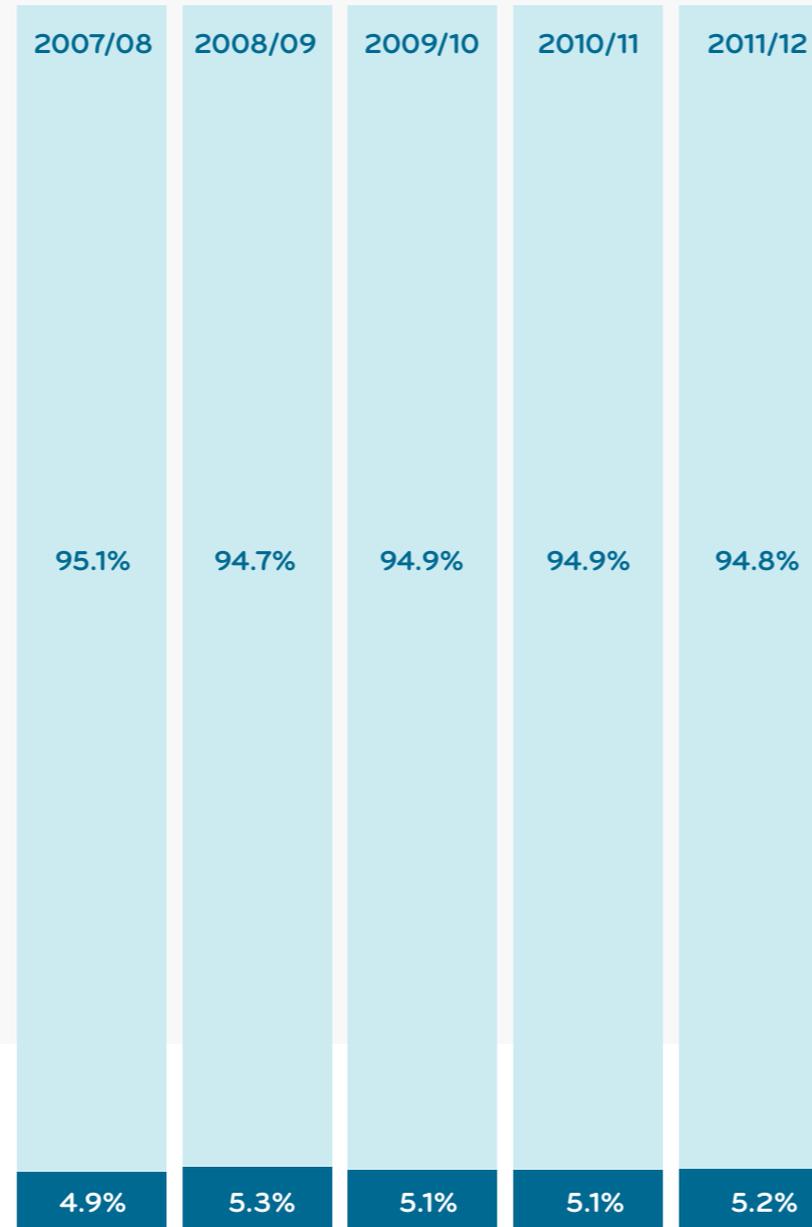
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We collect the licence fee which provides money for BBC programmes and services.

We provide many ways in which people can pay. But a very small majority of people try to avoid paying. It is our duty – on behalf of the honest majority who do pay – to take action against would-be evaders.

This year once again, we have maintained evasion at a low level, despite continuing tough economic conditions. Evasion has now remained steady at about 5% for the last five years. The overwhelming majority of people – or 19 out of 20 households and businesses – are therefore correctly covered by a TV Licence and so can enjoy the peace of mind which comes with that. This year evasion represented £204million in lost income to the BBC, an increase of £5.7million on last year.



† Historical evasion is restated using latest assumptions.

SUPPORTING PAYERS

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TO MAKE IT AS EASY AS POSSIBLE FOR PEOPLE TO PAY – AND SO THAT PEOPLE CAN FIND A METHOD OF PAYMENT WHICH SUITS THEIR NEEDS – WE HAVE PROVIDED A WIDE RANGE OF PAYMENT METHODS.

This includes weekly, monthly or fortnightly cash payments or monthly, quarterly or annual Direct Debit payments.

Payment trends

Automatic payments using Direct Debit are the preferred method of payment for the vast majority. Some 70.2% of licences issued were paid by Direct Debit, up from 69.6% last year.

As many as 2.5 million licences were sold online via our website, up from 2.3 million last year and representing nearly a third (31%) of sales excluding DD renewals and Over 75 licences (which are automatically renewed).

People are also increasingly choosing to receive their licence by email, which saves on paper and postage costs. There were 3.1 million customers who chose to receive their licence in this way this year, up 112%.

Payments by text continue to be popular. More than 600,000 payments were made, representing an increase of 16% on the previous year. These texts also account for more than £6million worth of payments.

Over the last 12 months TV Licensing has written to more than 14 million Direct Debit customers letting them know they will no longer receive an annual paper licence as long as they automatically renew and pay on time. This initiative, made possible because the licence fee is fixed until 2016, is expected to save £1million a year.



3.1M

3.1 MILLION
CUSTOMERS CHOSE
TO RECEIVE THEIR
LICENCE BY EMAIL

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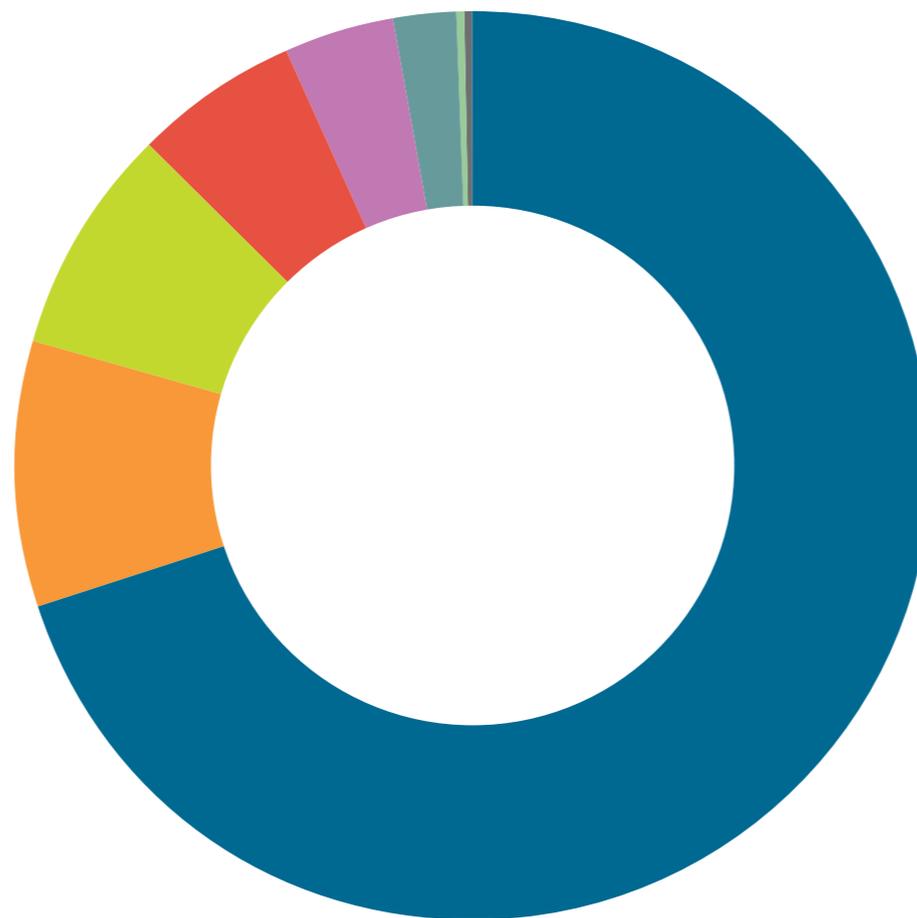
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WAYS PEOPLE PAY PAYMENT TYPES



% OF LICENCES ISSUED BY PAYMENT CHANNEL

70.2%

Direct Debit

9.5%

Credit/debit card

8%

Payment Card

5.9%

PayPoint (full fee by cash/card)

4%

Cheque/cash via post

2.2%

Savings Card

0.2%

Home banking

0.1%

Cheque/cash at Post Office on Jersey, Guernsey and Isle of Man

100%

TOTAL

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WAYS WE REACH PAYERS

Nearly every household – and many businesses – has a television so we aim to ensure people know when they need a TV Licence and how simple it is to buy one. We try to reach people in a variety of ways to do this, including letters, email, our website, customer service centre telephone calls, texts, advertising, public relations and our field team.

Letters

With more people using Direct Debit and the website, we send fewer letters to people than we used to. For those who need reminding to pay, most will respond after one letter. But if customers fail to renew, letters become stronger in tone to warn of the consequences of non-payment. Email and texting is playing, and will continue to play, an increasing part in our communications.

Website

Over the year our website received 12.8 million visits from 10.7 million customers, with the number of visits increasing by more than 22% during that time. You can find out if you need a licence, buy one, or even tell us you don't need one on our website. We have continued to make improvements to the website including a better Direct Debit application and help to sign in, which have allowed thousands more customers

to transact online with us. The website won the silver in the Best Corporate Website Award, and was shortlisted for three other awards.

Our website: www.tvlicensing.co.uk

Email

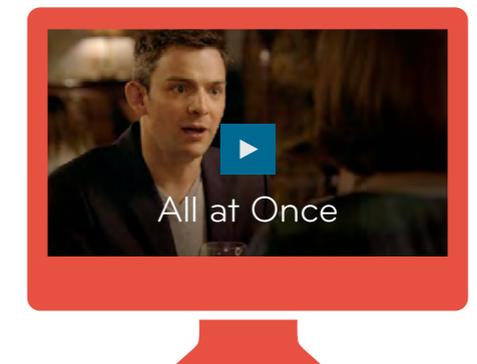
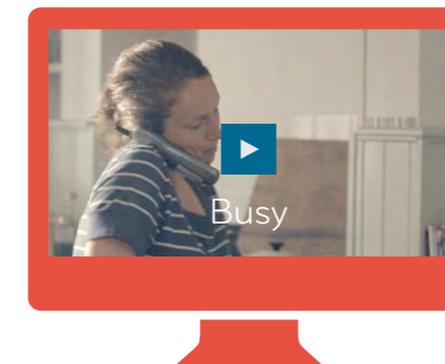
We often email people if they have given us permission to contact them using this method. The number of people receiving reminder emails has increased to more than 1.7 million, up from half a million last year. We expect this upwards trend to continue.

Customer service centre

We have seen a continuing fall in the number of calls to our main customer service centre – 11% fewer calls (6.2 million) than last year. The decline is as a result of people using other channels such as the website. Additionally we have improved our ability to resolve queries on first contact. Our customer service centres also actively contact customers when we think it might be helpful, for example if their licence has expired.

Advertising

Early in the year we launched two new trails in which we featured messages about easy ways to pay using two humorous scenarios. The trails can be viewed here:



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Public relations

We work with many organisations to try to get our messages to hard-to-reach and low-income groups or communities. We recognise the important work these organisations do and are grateful to all of them. We have carried out this work with 83 national umbrella organisations. They include the RNIB, the Magistrates' Association, the Institute of Money Advisers, and Age UK. Our work extends to local organisations also – 380 of them. Some of our partner organisations have supplied endorsements contained in this document. You can read more about our community relations work [here](#).

Complaints

Despite aiming to do everything right first time we recognise this does not always happen. If we do make a mistake, we apologise, correct things and establish why the error occurred so we can learn from it to make improvements. We have been making steady progress and last year complaints were down 13%. Over the last three years the reduction is just over 40%.

Texts

We increasingly communicate by text, sending an average of 730,000 per month to 1.5 million customers on Cash Card schemes. This is an increase of 5% compared to last year.

Field team

If our database shows no licence is held at an address, one of our enquiry officers visits. This team also operates our fleet of detector vans. If somebody is found to be watching TV without a licence, enquiry officers take a statement and our legal experts then consider the case for prosecution.



13%

COMPLAINTS LAST YEAR WERE DOWN 13%



730,000

WE SENT AN AVERAGE OF 730,000 TEXTS A MONTH



1.5M

WE SENT TEXTS TO 1.5 MILLION PEOPLE

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WHEN YOU NEED A LICENCE

EVERYONE IN THE UK WHO WATCHES OR RECORDS TV PROGRAMMES AS THEY ARE SHOWN ON TV – OFTEN REFERRED TO AS ‘LIVE’ TV – NEEDS TO BE COVERED BY A TV LICENCE. THIS INCLUDES TV ON COMPUTERS, MOBILE PHONES, DVD/VIDEO RECORDERS AND OTHER DEVICES INCLUDING PVRs.

The Government sets the level of the licence fee and it will remain at its current level of £145.50 until the end of the current BBC Charter period in 2016.

The annual cost of a colour TV Licence is £145.50 (as from 1 April 2010). A black and white TV Licence is £49. There are concessions available for people who are aged 75 or over, blind or severely sight impaired, those living in qualifying residential care and who are disabled or over 60, and for businesses providing units of overnight accommodation (e.g. hotels)

More information on when you need a licence can be found [here](#).



£145.50

COLOUR TV LICENCE



£49

BLACK AND WHITE TV LICENCE

HOW THE LICENCE FEE WAS SPENT IN 2011/12

BETWEEN 1 APRIL 2011 AND 31 MARCH 2012 THE COST WAS £145.50 – THE EQUIVALENT OF £12.13 PER MONTH OR JUST UNDER 40P PER DAY.

The BBC used its income from the licence fee to pay for its TV, radio and online services, plus other costs, as shown overleaf:



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HOW THE LICENCE FEE WAS SPENT IN 2011/12 CONTINUED

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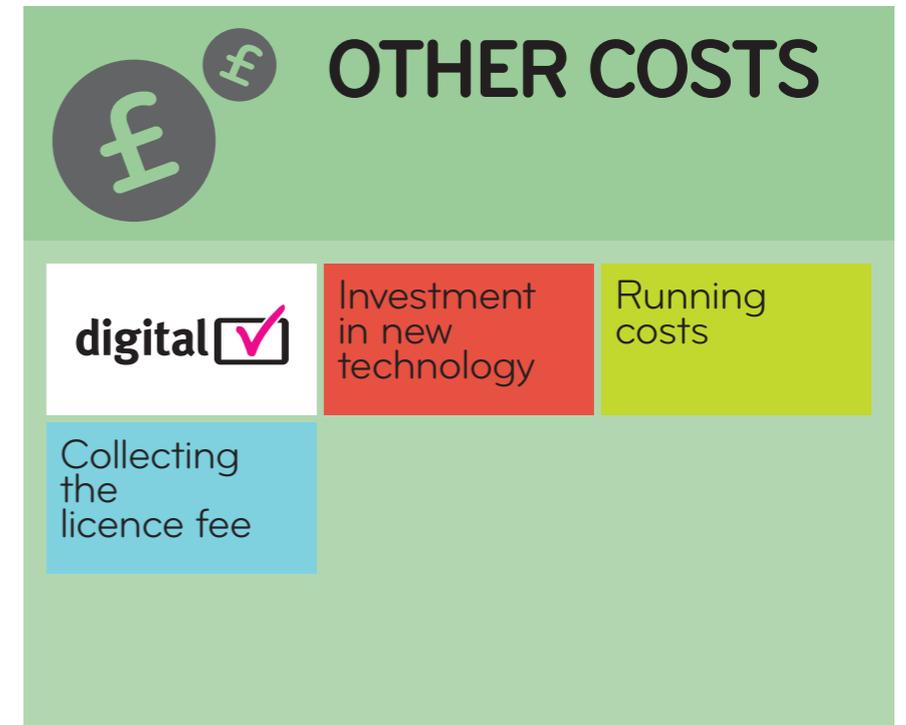
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'TV Licensing' is a trademark of the BBC. The BBC Trust oversees the BBC and ensures arrangements for licence fee collection are 'efficient, appropriate and proportionate'.

We received a total of 110 FOI requests during the year, compared to 139 last year, or an average of nine per month. This is approximately 7% of all FOI requests received by the BBC. Our frequently asked FOIs can be viewed [here](#). Exemptions were used in about half of replies, the same level as last year. Exemptions most commonly used are when releasing the information would prejudice the prevention or detection of crime, or the commercial interests of the BBC or our partners, or when information requested is covered by the Data Protection Act.

Diversity and equality

A new TV Licensing Equality and Diversity Action Plan for 2011/12 was agreed in line with the requirements of the Equality Act 2010 and is available [here](#).

Data security

We view with the utmost importance the security of the information we hold. We have robust policies and controls to ensure information is safe.

Legislation

A number of laws cover the work of TV Licensing. They include:

Name	Effect
Communications (Television Licensing) Regulations 2004 (as amended annually)	Sets out the licence fee and describes what a TV Licence covers you for.

Name	Effect
Communications Act 2003	Allows the BBC to issue, cancel or modify TV Licences. Makes it a criminal offence not to have a TV Licence when one is required.
Freedom of Information Act 2000	Means the BBC has a legal obligation to provide information about TV Licensing in response to requests, except where an exemption in the Act applies.
Regulation of Investigatory Powers Act 2000	Covers the lawful use of surveillance equipment to detect unlicensed use of television receivers.
Data Protection Act 1998	Places obligations on the BBC to ensure personal information is managed in a proper way.

How we apply these laws

We have policies in place to interpret this legislation for practical use. Our policy adviser develops the policies with specialist lawyers using the criteria of whether they are legally correct, fair to the customer, appropriate and proportionate. Many of our policies are available on our website. For example you can find out about our refund policy [here](#).

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Yvette Davies
Age Concern
Morgannwg,
Pontypridd

"Age Concern works with thousands of disadvantaged older people every year, many of whom are struggling to make ends meet on relatively low fixed incomes. Against this background, the free TV Licence for over 75s is a welcome initiative. Age Concern Morgannwg fully supports TV Licensing's efforts to raise awareness of the scheme in the South Wales area and make applying for the free licence as simple as possible."



Andy Barrick,
Head of
Membership
& Information
Services,
RNIB

"We welcome TV Licensing's drive to encourage more registered blind or severely sight impaired people to take advantage of this concession and would urge all those eligible for the 50% discount to get in touch with them."



Pam Carlyle,
Senior Money
Adviser,
Ipswich Housing
Action Group

"We applaud TV Licensing for making it as easy as possible for people to spread the cost of their TV Licence and enable them to make payments online. Rather than risk breaking the law and receiving a fine, we urge anyone having trouble with payments to give TV Licensing a call so they can help find a payment scheme that suits them."

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Maurice Millar
Housing
Support Officer,
Triangle Housing
Association,
Ballymoney

"This year saw Triangle Housing Association develop our relationship with the TV Licensing Community Relations team, a relationship which has proved very useful to myself and our other housing officers as well as our clients. Through uploading information to our website and including a TV Licensing article in our tenants' newsletter we were able to remind our tenants about important TV Licensing issues such as the various concessions available and the textphone service for the deaf. We also placed and received an order for information leaflets which we make available to tenants."



Elizabeth Iheoma,
Training
Coordinator,
Ethnic Minority Law
Centre,
Glasgow

"We are dealing with an increasingly diverse mix of communities and it's important that agencies such as TV Licensing provide a broad mix of languages which we can make available to our partners."

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Contact us

We like to receive feedback. Please contact us with your views on this Annual Review or to comment on TV Licensing more generally.

Members of the public can ask a question using the [website](#), calling **0300 790 6131** or writing to TV Licensing, Bristol BS98 1TL.

For those contacting TV Licensing on behalf of an organisation or in a professional capacity, please go through the Campaign Office on **020 8752 6537** or email campaignoffice@tvlicensing.co.uk

Please note, the Campaign Office is unable to deal with individual customer enquiries.

Copies of this report are available in Braille on request by calling **0300 790 6131**.

Our textphone facility for the deaf or hard of hearing is on **0300 790 6050**.

This report is available on the 'about us' section of the TV Licensing website: www.tvlicensing.co.uk