



GIBRALTAR REGULATORY  
AUTHORITY

# High Cost Roaming Networks

## Guidance Notes

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# FOREWORD

*The GRA has composed the below public guidance notes, with the intention of raising public awareness of the potential but substantial financial risk posed to consumers of mobile services when travelling outside the European Union (EU).*

# HIGH COST ROAMING NETWORKS

## WHAT IS ROAMING?

Roaming, is the ability for customers to use their home mobile phone services (voice calls, SMS and mobile data), on foreign networks. Customers who consume mobile services on foreign networks are referred to as "roaming customers" and are essentially temporary users of that foreign network. For local providers to offer this service to their travelling customers, it is necessary for local providers to first establish roaming agreements with these foreign network providers. These agreements, among other things, will allow roaming networks to accurately bill for charges incurred while roaming on their networks.

Whether it's exploring a new city with the help of map applications, sending emails, or sharing photos over the internet, people's lives are increasingly dependent on internet access and mobile phone users now expect these services to also be available when travelling to a foreign destination. Data usage is increasingly becoming the most desired of the traditional mobile services, but it is also the most likely to incur significant charges. As a result, the focus of these guidance notes will primarily be on mobile data usage while travelling abroad.

## ROAMING WITHIN THE EU

For mobile phone users who regularly travel into neighbouring countries, as Gibraltarians often do, roaming is a familiar process and is something which many have grown accustomed to. Most users who travel into neighbouring Spain, Portugal or any of the other EU Member States, should be aware that they are now able to "Roam Like at Home"<sup>1</sup>, meaning that they can consumer their home services at no extra expense over their home mobile packages and applicable voice call, SMS and data allowances.

## ROAMING REGULATIONS

All European mobile network operators, including those authorised locally are subject to the provisions of European Roaming Regulations<sup>2</sup> (the Regulations).

The Regulations require mobile network operators to send their customers an automatic message (usually sent as an SMS) containing the applicable tariffs of the network which the individual has roamed onto. The purpose of this message is to provide the roaming customer with sufficient information to make an informed decision on whether to remain on the selected network or switch to another. If a roaming customer decides to switch to another available roaming network, their mobile network operator is obliged to once again warn them of the applicable tariffs for this other network, in order to make the same assessment. The process continues until the user settles on a network which they find to be adequate, or, if all available tariffs are deemed excessive, disable data roaming altogether.

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<sup>1</sup> <https://ec.europa.eu/digital-single-market/en/faq/question-and-answers-roaming>

<sup>2</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32012R0531&from=EN>

Further to informing their customer of any roaming charges applicable to them while on a foreign network, the Regulations also require mobile network operators to apply a default financial limit to all its customers. This financial limit is designed to minimise a roaming customer's exposure to bill shock, meaning that, once the financial limit is reached, their service will be barred temporarily. Customers can reactivate their service by contacting their mobile network operator and can set a new financial limit, or even remove it altogether.

## ROAMING OUTSIDE THE EU

Outside the EU, roaming customers are subject to unregulated tariffs and it is therefore essential that consumers inform themselves of the potential costs when travelling outside the EU.

Some of the mobile networks available for users to roam in foreign countries will charge relatively high roaming tariffs when compared to the EU regulated tariffs. However, in some cases, a minority of those foreign networks offer roaming tariffs which are substantially higher than the other mobile networks available in that country. Roaming customers should, therefore, remain vigilant when roaming, in particular if they have previously requested to remove their financial limits (referred to as whitelisting by some mobile network operators).

## REMOVAL OF SAFEGUARDS

Although customers have the right to ask their providers to remove all financial limits, they could be putting themselves at significant financial risk. The current limit should be set at the equivalent of €50 (in £GBP) and this will automatically apply to all local mobile phone users, unless roaming customers have previously requested either a customised financial or volume limit or the outright removal of financial or volume limits.

It is important to note that the removal of financial or volume limits will continue in force until a mobile network operator is instructed to reinstate it.

## TAKING CONTROL OF SPENDING

Having a financial limit set by default is a perfectly functional safeguard and effectively protects customers from significant financial risk. However, customers may find that due to the significantly higher tariffs they are being charged, they could be reaching this financial limit far quicker than they had anticipated and as a result will find that their mobile service is soon barred.

Hypothetically, a customer may mistakenly roam onto a foreign network which charges £20 for every MB of data instead of any of the other available networks which may charge just 17p per MB. On the first mobile network, customers would reach their limit after consuming just over 2MB of data and on any of the other 17p per MB networks, the same customer could have consumed over 100 times more data before reaching their financial limit.

## NETWORK SELECTION - AUTOMATIC OR MANUAL

Customers can decide whether to allow their mobile phones to choose a mobile network operator automatically or manually.

On the automatic selection, mobile phones will choose a mobile operator's network based on the current location and may switch from one mobile network operator to another throughout the day.

In Gibraltar's context, given the close proximity to Spain and North Africa, it is possible for consumers to inadvertently roam on Spanish and Moroccan mobile networks. In the case of Moroccan mobile network operators, consumers will have to be extra vigilant given that non-EU mobile network operators usually charge much higher than their European counterparts. Customers are therefore warned that they may inadvertently access non-EU mobile networks whilst physically still being in Gibraltar.

By manually selecting a mobile network, the above can be avoided given that customers will maintain an element of control and only register on a roaming network with tariffs that they deem to be acceptable.

## CHOOSE WHICH MOBILE APPS CONSUME MOBILE DATA

Switching off apps which consume a lot of data, such as those which share photos and videos, will save a lot of unnecessary mobile data consumption. If customers need to use a particular app, they can momentarily activate it and once finished, disable it again. This may cause inconvenience but getting into this habit while roaming outside the EU, can make all the difference when trying to avoid bill shock.

## HOW BAD CAN IT REALLY BE?

Roaming customers need to understand that if they request the removal of all financial limits, they are essentially granting their mobile network operators and roaming partners permission to charge indefinitely. In these circumstances, no protective measures are required to be in place.

For the sake of illustrating this point, a reasonable daily consumption of data is around 160 MB<sup>3</sup>.

For customers who have data allowances included in their mobile service plans, they can continue to consume these at no extra cost when roaming locally or within the EU. When the data allowance runs out, mobile network operators will begin charging them an "out-of-bundle" charge, which in Gibraltar, ranges from 1p per MB up to 17p per MB, depending on their selected package and which mobile operator they subscribe to.

Within the EU or in Gibraltar, 160MB of data, out-of-bundle, could cost local customers between £1.60 and £27.20. Outside the EU however, consumption of data in some mobile networks can cost up to £20 per MB, which is over 100 times more than the most expensive

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<sup>3</sup> Figure based on a popular 5Gb data packages, split evenly over a period of 30-day contract period.

out-of-bundle charge in Gibraltar. As a result, roaming customers who have requested that their financial limit be removed, would, in this scenario, incur a charge of around £3,200 for 160 MB of data if they roam onto one of these mobile networks. Note that this is just for one single day of average use. If the trip is prolonged and this theoretical person were to consume say, 1 GB of data, it could cost as much as £20,000.

## HOW CAN ROAMING CUSTOMERS PREVENT THIS?

The GRA recommends roaming customers follow the advice below to avoid incurring bill shock while roaming. The following recommendations are particularly important if travelling outside the EU.

1. Visit your local mobile network operator's website and inform yourself of roaming costs before travelling abroad. If you require assistance finding this, make sure you contact your mobile network operator.
2. If mobile data roaming is not required, turn off your data roaming function and only use your mobile phone on Wi-Fi, which is often free. Public Wi-Fi hotspots are now plentiful especially in airports, hotels, restaurants and bars.
3. Turn your network selection function to manual. By doing this you choose which mobile network operator to roam on and you can take control of your spending. Try and compare different mobile network operator charges before selecting the appropriate one.
4. If you have chosen to remove the financial limit, get in contact with your mobile network operator and set a custom limit instead. Ensure that the custom limit allows you to enjoy your service during your travels, but still limits your spending to a level which you are content with. Note that this limit may be higher than the default one.
5. Consider purchasing a local SIM card at your destination, especially outside the EU. This will allow you to use equivalent mobile services to one of the local mobile network operators and therefore avoid roaming charges altogether. Always check the local mobile network operator charges and ensure that your mobile phone is not locked to your home mobile network operator before doing so.
6. If you receive a bill shock, in the first instance contact your local mobile network operator and follow their complaints and dispute resolution procedures. If you are unsatisfied with the outcome, you can contact the GRA who may be able to investigate the matter.

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