

# News story: New Payment Plans for Licence Fee to be trialled

Customers on the new plan will still pay the same amount of licence fee (£150.50 per year) as everyone else, however instead of paying the cost of the licence fee in full at the start customers will be able to pay-as-you-go each month with the cost split evenly over the course of the year. Currently weekly and monthly payment plans require higher initial payments over the first six months to protect against a risk of non-payment.

This more flexible payment plan will help manage the cost of living for those who might struggle to pay the licence fee, and was one of the key recommendations from the 2015 independent review on TV licence fee enforcement carried out by David Perry QC. He recommended that the government should make available simple and flexible payment plans for those facing difficulty in paying the licence fee, and the government is committed to delivering this.

DCMS Secretary of State, Matt Hancock said:

The licence fee enables the BBC to produce fantastic programmes that we want everyone to enjoy and be entertained and informed by. But we know that sometimes households may struggle to pay the licence fee, which is why we've worked with the BBC to develop a simpler and more flexible payment plan to help those on low incomes.

It is expected that simplifying the payment plans will have the added benefit of reducing the amount of prosecutions for licence fee evasion. There were 159,637 convictions for evasion in 2016 and currently the BBC estimate that 6-7% households evade the fee.

The six month sign up period for the new plan, will run from 1 April 2018 to the end of September 2018. The trial plan will only be available to certain groups of customers:

- people who have sought debt advice from certain charities
- those who have previously held a licence which was recently cancelled because of missed payments
- people who have been questioned under caution for TV licence fee evasion

Eligible customers will be invited to join the scheme through via three different recruitment methods:

- Referral through specified debt reduction charities
- Via a letter from TV Licensing
- During a visit from a TV Licensing enquiry officer

Pipa Doubtfire, Head of Revenue Management at the BBC said:

The BBC has worked with DCMS on the best way to implement David Perry Q.C.'s recommendation and we welcome government legislation enabling us to run the Simple Payment Plan trial, which has been designed to help those most in need.

Jane Tully, director of external affairs at the Money Advice Trust, the charity that runs National Debtline, said:

The increased flexibility to pay for a TV licence that the Simple Payment Plan provides is an important step forward in improving support for people in financial difficulty in this area. Five percent of the people we help at National Debtline have a TV licence debt. We look forward to working with TV Licensing on this trial and to see how it helps those people we hear from who are struggling to pay the licence fee.

Dawn Stobart, Director of External Affairs for debt counselling charity Christians Against Poverty said:

For those on a very low income, the cost of a new TV licence can be very difficult to meet so this new arrangement looks set to be a great help.

Customers joining the scheme will be compared with other customer groups to see how well they keep up with the payments and if they renew their licence. This assessment period will conclude in September 2019 after which the BBC will evaluate whether the trial has been successful.