

Calling cards can save you money

Author: Debra Cleveland Publication: Australian Financial Review
Date: 19/03/2005 Section: Smart Money
Words: 1028 Page: 39
Source: AFR

FINANCIAL REVIEW

In many cases international calling cards offer much cheaper rates to overseas destinations than the main telephone providers.

If your phone bill is skyrocketing thanks to lots of overseas calls, one option is to use an international phone card. The choice of cards at local newsagents can be overwhelming, so it is worth knowing how they work and the differences between each card.

The first step is to get the lingo right they are not phone cards but calling cards. They are pre-paid generally from \$10 to \$50 and in many cases offer much cheaper rates to overseas destinations than the main telephone providers.

Calling Britain costs 9c a minute with Optus but one-tenth of that 0.9c a minute with a Telstra SuperBuzz Global calling card. Other cards can be even cheaper.

The call rates are so low either because cards have wholesale arrangements with big international telecom carriers or because they use voice-over internet protocol (VoIP), which is much cheaper than landline charges.

Many newsagents have an electronic screen of providers from which you make your choice and you are issued a piece of paper containing your PIN.

Do not take the paper because you'll lose it, says Peter Ciliberto of www.phonecardrates.com.au. Ask for the card instead. "A lot of telephone companies rely on the fact that you'll lose the piece of paper before you have used up all the credit," he says.

Before you buy, work out which countries you call most often because some cards offer better rates to different parts of the world. If you call mobiles rather than landlines, it usually costs more, so it may be worth looking for a plan with lower rates for calls to mobiles if you plan to make a lot of them.

And when you see an attractive call rate, ask whether there's a connection fee.

The accompanying table shows many companies charge a one-off connection fee as well as a call rate.

"If all your calls last for an hour, this doesn't matter," says telecommunications consultant Paul Budde.

"But often the person you're calling may not be there and you may have to make a few calls before making connection, perhaps leaving a message on an answering machine."

It hits home when you compare getting through first time to Britain for a 10-minute call (65 ¢ to 59 ¢ connection plus 9 ¢ for the 10 minutes) and four unsuccessful attempts (\$2.36 in connection fees alone plus a few minutes each time for leaving a message).

The other charge to look out for is when you have to dial a 1300 or 1800 number to get access to the service.

Many cards offer a number in your own city, which you dial to make your call. Others allow access only through 1300 or 1800 numbers. Or if you live outside metropolitan areas, you may find your only access is through these numbers.

The charges can be astronomical compared with the tiny per minute rates. On a random search through some of the cards' websites, we found dialling via a 1300 number added an extra 10 ¢ a minute (Victory card) and through a 1800 number as much as 45 ¢ a minute (Card Call's OZcall card).

Worse, often card companies don't make clear the amount of the surcharge they just state there is one.

Ciliberto's website is a great resource for shopping for cards. When you type in a country, it brings up a screen full of cards, their rates and connection fees. It is worth double clicking on a card whose rate you like to find out whether there are hidden charges.

Ciliberto's company, C-Direct, markets Telstra's calling cards but started the comparison website a few years ago. Card companies update their own information and it is worth noting that not all of them are open about all

the charges. So ring them up and ask if you're not sure.

The website also details which companies are behind the cards. This is important, says Budde, because there have been so many fly-by-night operations and some card users have found themselves halfway through a card when the service closes. "Make sure you don't buy yourself a year in advance of calls [if you're not sure of the card company]," he says.

Buy a card from a company with which you're familiar, even if the per minute rate is marginally more expensive. The better-known operators, he says, are Telstra (Say G'Day and SuperBuzz Global) and Card Call, a division of Telecorp, whose cards include Go Talk, OZcall and Daybreak.

Also check how the calls are charged they range from one-second increments to three-minute increments. If your calls are under three minutes, for instance, you will still be charged the three minutes.

Work out whether there are different peak and off-peak rates, or whether the same rates apply all the time. If you're banking on off-peak rates, make sure these coincide with the availability of the people you will be calling.

If you're calling your grandmother in another part of the world, for instance, she will not appreciate being woken up in the small hours just because the lower rates suit you.

If your card uses VoIP, realise that the quality of your calls will not always be perfect.

"There is a quality difference when it comes to VoIP cards which can be quite substantial," says Ciliberto.

"Sometimes there is a gap, where you have to wait before the other person speaks and that can triple or quadruple the time you spend on the phone."

Budde says some VoIP cards use better quality networks, while others simply use the internet.

"Typically, the really cheap ones use the internet rather than networks. It's not a major problem as long as you're aware of it. For lots of residential callers, the quality is good enough but it may not be for business use."

Thus, to avoid calls cutting out and inferior sound the choice of card becomes more important.

FAQ

Should I go for the cheapest rate when I buy an international calling card?

Not always. As well as the per minute rate, many cards have connection fees and yet another one called a surcharge if you dial a 1300 or 1800 number. So there can be as many as three layers of charges.

Are there some shonky operators?

Yes, so go for a card you know (through word of mouth) or do some research on the internet on its backing company to see how long it has been around. Card companies have been known to close, leaving consumers high and dry. If you're not sure, spend only a small amount at first.
