

Phone-paid Services Authority: Strategic Priorities

Date: November 2016 (previously revised: n/a)

1. Phone-paid Services Authority

- 1.1. We are the UK regulator for content, goods and services charged to a phone bill. This includes TV voting lines, competitions, adult entertainment, chat lines, business information services, gambling, technical helplines, game downloads, directory enquiries and charity text giving.
- 1.2. In law these are called Premium Rate Services (PRS), but we know that for many consumers the term is not well understood. Instead we aim to use terminology that everyone can recognise.
- 1.3. As a regulator our role is to make sure that consumers are fully protected when paying for content, goods and services through their phone bill. We do this by upholding the standards we set through our Code of Practice, and by eradicating scams and sharp practices in the market.
- 1.4. For clarity, it is not our role to get refunds for individual consumers (other organisations provide dispute resolution between consumers and providers), although this may happen as a consequence of any investigations we undertake and in particular as a result of decisions made by our independent Code Adjudication Tribunal.
- 1.5. The market for content, goods and services charged to a phone bill is very diverse and, for much of it, fast changing. Some areas are growing fast (e.g. game downloads), while others are in sharp decline (e.g. directory enquiries). Appendix A provides an overview of the various factors currently shaping our regulation of the market.

2. Vision

Our vision is a healthy and innovative market in which consumers can charge content, goods and services to their phone bill with confidence.

3. Mission

3.1 Our mission is twofold:

- To protect consumers from harm in this market, including where necessary through robust enforcement of our Code of Practice;
- To further their interests through encouraging competition, innovation and growth in the market.

We will seek to do this through:

3.1.1. Providing clarity about the market for content, goods and services charged to a phone bill:

- Helping consumers to understand how purchases can be made to a phone bill, and how they can do so with confidence;
- Setting out our role as a regulator, and directing consumers to those who can help with their enquires;
- Explaining how consumers can get redress if things have gone wrong;
- Working with industry, consumer and Alternative Dispute Resolution bodies to improve every part of the consumer experience;

3.1.2. Applying an outcomes-based Code of Practice:

- Building on industry-wide consultation and securing required approval from Ofcom;
- Supporting with clear guidance and compliance advice;
- Developing new Code versions to best address identified issues and opportunities;
- Achieving recognition for being fair and proportionate;

3.1.3. Delivering a balanced approach to regulation:

- Applying informal and policy-based solutions as well as robust formal enforcement activity;
- Enhancing our market and consumer behaviour knowledge, and identifying emerging trends;
- Engaging positively and constructively with industry, both collectively and with individual organisations;

3.1.4. Working in partnership with Government and other regulators:

- Establishing regulatory clarity where there is overlap both in terms of (a) content, goods and services; and (b) payment mechanism;
- Identifying relevant regulatory issues and influencing their potential impact on the market.

3.2. As a public body, we will underpin the delivery of our mission through:

3.2.1. Delivering high standards of organisational support

- Maintaining our commitment to the principles of good governance;
- Ensuring our business systems are appropriate and fit for purpose;
- Managing our finances in line with our regulatory remit and market context;
- Developing and rewarding a highly motivated workforce;
- Providing responsive and accurate legal guidance.

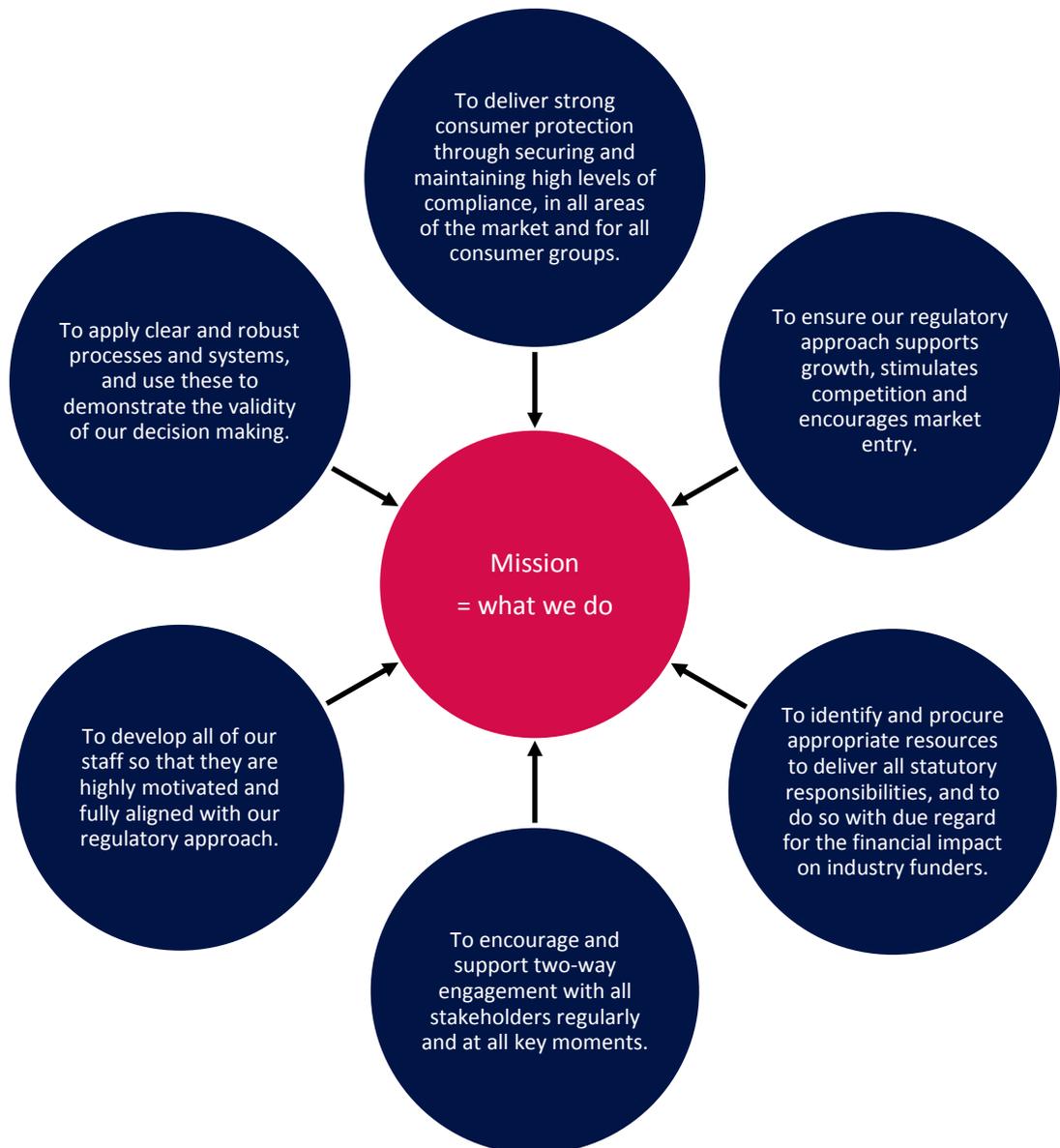
4. Values and Behaviours

4.1. Our core values and behaviours underpin everything we do to deliver our mission:

Right Touch	Fair and Proportionate	<ul style="list-style-type: none"> • Be fair, reasonable and well-informed. • Ensure our actions support good regulatory outcomes for all stakeholders and give certainty and confidence.
	Aware of the Bigger Picture	<ul style="list-style-type: none"> • Anticipate developments that may affect us and those around us. • Be curious and inquisitive, ask questions and challenge assumptions. Be flexible and enabling of responsible innovation. • Plan for the future and think of the impact of our work.
Collaborative	Open	<ul style="list-style-type: none"> • Look outward, share ideas, listen to others and embrace their knowledge. Collaborate with everyone. Be approachable, transparent and accountable.
	Decisive	<ul style="list-style-type: none"> • Make decisions in a timely manner with confidence and clarity.
Value for Money	Effective and Productive	<ul style="list-style-type: none"> • Pursue our priorities energetically. • Get it right first time and swiftly deliver effective outcomes. • Innovate to find creative solutions and work more efficiently.
	Professional	<ul style="list-style-type: none"> • Be experts: we are role models and we support others. • Be reliable because we are consistent, pay attention to detail and are focused on quality.

5. Strategic Priorities

5.1 Our mission describes *what* we do as an organisation. The six strategic priorities set out below provide the emphasis as to *how* we want to deliver our mission:



Appendix: Market Context – Regulatory Impact

The market for content, goods and services charged to a phone bill is fast changing. There is a high pace of technological change, and there are other payment mechanisms competing for consumers (e.g. PayPal, Apple Pay, contactless payments). Our regulation clearly needs to be flexible enough to respond effectively to any market changes.

The market is also very diverse. We need to apply different regulatory approaches, to take into account a wide range of factors:

- There are an estimated 23 million consumers in this market. Their demographics (including the number of users, spend, and consumer behaviour) vary across the different types of content, goods and services that can be charged to a phone bill. This is not surprising when the range includes TV voting lines, competitions, adult entertainment, chat lines, business information services, gambling, technical helplines, game downloads, directory enquiries and charity text giving;
- Some of these areas are experiencing significant financial growth (e.g. gambling, games, music and video content), while others are in steep decline (e.g. directory enquiries);
- Different types of content, goods and services have different consumer satisfaction levels. They operate at different levels of compliance with our Code of Practice, as measured by the consumer queries and complaints we receive, and the monitoring we are able to do;
- Mobile-based content, goods and services now account for 70% of the market, and within this the growth area is consumer spend via operator billing (charge to mobile). Voice-based services continue to decline;
- Industry players vary, not only in terms of size and profile, but also in their timing of entry into the market. Relatively new major merchants such as Google Play exist alongside long-established providers of text and voice services;
- The market continues to offer opportunities for growth, competition and choice, but threats to consumers and the need for vigilance and protection remains. We know complaints are generally under reported, and that consumer understanding differs with the type of content, goods and services being purchased;
- The ways in which content, goods and services are paid for are converging. This requires constructive engagement with other regulators and government agencies. Those we work closely with include:

- Ofcom, who approve our Code of Practice;
- Department for Culture Media and Sport, to whom we are designated as an Arms-Length Body;
- the Financial Conduct Authority re: digital payments;
- the Advertising Standards Authority re: adverts using charging to a phone as a payments device;

- Our different stakeholders value different things from us:
 - industry players want certainty, consistency and to be treated fairly;
 - consumers want information, protection and advice;
 - other partners want collaboration, professionalism, value for money, and effectiveness.

Our [Annual Market Review](#) provides ongoing detailed information.