

# Ofcom's Review of the General Conditions of Entitlement

Phone-paid Services Authority's Response – March 2017

## Response to Ofcom's consultation

### About the Phone-paid Services Authority

1. The Phone-paid Services Authority (PSA) is 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.
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.
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.
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.
5. The market for phone-paid services is very diverse and, for much of it, fast changing. Some areas are growing fast (e.g. gaming and video downloads), while others are in sharp decline (e.g. directory enquiries).

### Information requirements for communication providers

*Question 5: Do you agree with our proposals in relation to information publication and transparency requirements, including removing the separate condition relating to publication of quality of service information?*

*Question 6: Do you agree with our proposal to replace the existing detailed requirements in relation to small businesses with a general obligation to ensure price transparency and to notify small business customers where the terms and conditions that apply to them differ from those that providers are required to comply with in relation to consumers?*

*Question 7: Are there any other modifications to the conditions relating to information publication and transparency requirements that you consider would be appropriate?*

6. We are supportive of the changes made in relation to information requirements. The introductory paragraph sets out the outcome that is sought from the provisions below. The PSA has had success in regulating services through enforcement of an outcomes-based Code of Practice since September 2011.
7. The PSA considers the intention would be still clearer if the emphasis in the introductory paragraph were placed on the Regulated Providers, instead of the condition. The text might be amended as below:

~~“Regulated Providers must~~ ~~This condition aims to~~ ensure the availability of adequate, up-to-date, comparable information for consumers on the prices, tariffs, terms and conditions of communications services, and any charges applicable on termination of their contract so as to enable consumers to easily compare the offers and services available in the market. In addition, ~~Regulated Providers must~~ ~~it aims to~~ ensure that pricing and charges relating to premium rate services, non-geographic numbers and personal numbers are clear.”

8. While the condition at C2 does seek to achieve these things by placing the emphasis on the regulated parties, the purpose of these outcomes as set out in the General Conditions is clearer and potentially more effective.
9. The PSA is supportive of the amendments to the old conditions, which are now found in C2. The emphasis is placed on equipping consumers and self-help, beginning with information relating to phone-paid services and how they operate. Furthermore, the amendments highlight the options available to consumers who seek assistance with their enquiries and complaints relating to PRS.
10. The PSA considers that the provisions at C2 will be effective in equipping Regulated Providers to support consumers when issues arise placing due priority to signposting consumers to relevant service providers. It remains appropriate for consumers to be provided details of the regulator of PRS in situations where the complaint identifies market issues or complaints require escalation for some reason. C2 covers the full range of scenarios in its list of information that ought to be available and provided to consumers as appropriate.

### Consequential amendments to the PRS Condition

*Question 22: Do you have any comments on the consequential changes we are proposing to make to the national telephone numbering plan, the premium rate services condition or the metering and billing direction?*

11. The Phone-paid Services Authority welcomes the proposed minor amendments to the PRS Condition as set out in the consultation. The ‘effective date’ is no longer relevant and the removal of the relevant text relating to the transition that took place on 1 July 2015 takes away any confusion relating to relevant services to which PSA regulation applies.
12. Looking at the wider review, we note that the PRS Condition has not been reviewed substantively as part of this process. It is important to make sure the PRS Condition sets the right parameters for ‘controlled premium rate services’ as the standards we set for communication providers in relation to information requirements, and for controlled PRS providers more broadly, apply only to these services.
13. We will be pleased to continue to work with Ofcom to make ensure that the scope of controlled PRS (as defined) continues to reflect correctly the level of risk of consumer harm associated with particular service types.