

**MINUTES OF THE 397th MEETING
PHONEPAYPLUS BOARD MEETING**

Thursday 18 June 2015

1.00pm – 5.40pm

PHONEPAYPLUS LIMITED, CLOVE BUILDING, 4 MAGUIRE STREET, LONDON SE1 2NQ

Board Members

Andrew Pinder (Chairman)
Kevin Brown
Hugh Griffiths
Peter Hinchliffe
Steve Ricketts
Howard Webber
Joanne Prowse (Chief Executive)

Price Bailey Auditors

Richard Vass (item 2.0)

PhonepayPlus

Mark Collins (item 7.2)
Colin Livingston (items 2.0 and 2.1)
Ayo Omideyi
Mike Pemberton (items 6.1 and 6.2)
Oliver Sweeney (item 7.4)
Simon Towler

Stephanie Ratcliffe (minutes)

1.0 Apologies and Introduction

Apologies were received from Lynn Parker, Director of Consumer Protection at Ofcom and Board member Ruth Sawtell.

2.0 Draft PhonepayPlus and IMCB Report and Audited Financial Statements Year ended 31.3.15 for approval.

Richard Vass of Price Bailey presented revised versions of the accounts, with the report and financial statements, for year ended 31 March 2015, for PhonepayPlus and IMCB, to the Board. He provided an overview of the annual accounts and confirmed there were no issues of concern arising from the external audit, other than one minor issue of documentation, which has since been addressed. Richard Vass issued a clean audit for the year and confirmed excellent controls and systems are in place.

The Executive withdrew from the meeting whilst a short discussion with the Board and Price Bailey auditors took place.

The Executive returned to the meeting. The Board **APPROVED** the signing of PhonepayPlus and IMCB annual accounts. The Chairman signed copies of the strategic report, balance sheet and letter of representation on behalf of the Board; the CEO signed copies of the director's report and balance sheet.

The Board formally **RECOMMENDED** for IMCB Ltd to be made dormant and for any surplus funds to be distributed accordingly. A review will follow in two years to determine whether to strike off the company. The Board **AGREED**, in the interim, to appoint Peter Hinchliffe as a Director of IMCB Ltd.

The Board expressed gratitude to the finance team in delivering a clean audit. The Board **NOTED** that Peter Hinchliffe, Deputy Chair and Chair of the Audit, Risk and Corporate Governance Committee (ARCGC) and Colin Livingston, Senior Assistant Accountant, were content with the current auditor's performance and service.

2.1 Price Bailey auditors contract extension approval

The Board **APPROVED** the recommendation to extend Price Bailey's contract for a further 12 months under the existing terms and **AGREED** for the ARCGC to take the matters forward with a tendering process to be held in 2016.

(Action: C Livingston/S Ratcliffe)

3.0 Minutes of the 396th Board meeting held on 23rd April 2015

The Board **APPROVED** the draft minutes of the meeting held on 23rd April 2015.

4.0 Matters arising, action log and glossary

Matters arising

There were no matters arising from the Board meeting held on 23rd April 2015, other than clarification sought under item 5.1 concerning the implementation of an internal audit framework, which has been assigned to the ARCGC for review.

4.1 Action log

The Board **NOTED** the updates to the action log. The Board **REQUESTED** the presentation from Dr Victoria Nash, presented to the ILP on 12th May and the discussion document on vulnerability is circulated to the Board for consideration (AC400).

(Action: S Towler)

Glossary

The current glossary of terms was **NOTED** by the Board.

4.2 Standing and other declarations of interest on agenda items

There were no standing or other declarations of interest recorded.

5.0 REPORTS FROM THE CHAIRMAN, CHIEF EXECUTIVE & COMMITTEE CHAIRS

5.1 Chairman's report

The Executive withdrew from the meeting whilst discussions took place off line. An update was provided by the Nominations Committee and discussions continued whilst the Chair and Deputy Chair withdrew from the meeting.

5.2 Chief Executive's update

The Board **NOTED** the Chief Executive's update as set out in the paper and **CONGRATULATED** Joanne Prowse on her award for 'Outstanding Contribution to the Industry', presented by AIME at the mPayments Summit on 9th June 2015.

The following points and recommendations were made:

- Ofcom/PhonepayPlus MoU – ensure the Board passes a formal resolution to approve the MoU is undertaken by the Board.
- Rule 3.12.3 – industry guidance based on commissioned research will be published following the Code publication.
- High level of contacts into the call centre - engagement is planned with the Heads of Regulatory Affairs at the mobile network operators to find ways to reduce the number of enquiries forwarded to PhonepayPlus. Steve Ricketts offered his assistance.
- The GIAG meeting was valuable and we are building further on the cross party representatives.
- ONS –follow up with further enquiries to DCMS and provide an update at the next meeting.

(Action: J Prowse)

(Action: S Towler)

5.3 Committee Report

Audit, Risk & Corporate Governance Committee Report - meeting held on 2nd June 2015.

The Board **NOTED** an ARCGC meeting took place on 2nd June 2015 and that discussions focused on year end accounts for PhonepayPlus and IMCB as well as existing insurance arrangements. The Board **NOTED** that Part 2 of the ARCG Committee meeting will be taking place on 25th June and will include a paper on reserves in the context of required increased resources and budget pressures.

6.0 REPORTING AND PERFORMANCE

6.1 KPI and Complaint Drivers

The Board **NOTED** the paper providing an overview of the customer services function and challenges faced, with particular focus on the increase in complaints, relating mainly to competition and adult services.

The Executive explained the measures in place to tackle the increase and improve productivity with customer services in responding to the drivers of enquiries, including ways to improve the customer journey. The Executive advised a compliance notice will be issued to the industry shortly and discussion followed on the work being undertaken with AIME and the MNOs in responding to the issue. The industry Board members offered to assist, as required.

The Board **APPROVED** the recommendations as set out in the paper and **RECOMMENDED** the following:

- Further research and analysis into complaint drivers.
- Circulate a monthly list of those companies instigating complaints to mobile networks.
- Consider other possible means to handle complaints, such as outsourcing.
- Provide a progress report illustrating actions implemented and responses received and produce an update on complaint levels.

(Action: M Pemberton/S Towler)

6.2 Management Summary Report period ended 31st May 2015

The Management summary report and tabled monthly operational report, period ended 31st May 2015, was **NOTED** by the Board alongside agenda item 6.1.

7.0 LEGAL TRIBUNALS AND ADJUDICATIONS

7.1 Application of the Code to Providers Based in Other EU States

The Board **NOTED** the Executive's update regarding the applicability of the Code to providers based in other EU member states in relation to the e-Commerce Directive. Discussion followed on the prevention of future harm and the ensuring of adequate levels of consumer protection. The Executive advised that it would be liaising with Ofcom and DCMS on the matter. The Board will be kept updated on progress.

(Action: S Towler)

7.2 Assessment report: Code 13 implementation, Guidance and Special Conditions timescales

The Board **NOTED** the Code review project update as provided in the paper and that the expected publication date 1st July 2015 is in line with the NGCS Ofcom review. Several amendments to the Guidance and Special Conditions have now been carried out following analysis of feedback from the consultation, and the Board were informed of the major changes, and that they had been approved by the Code Project Board, in the accompanying paper. It is expected that the Guidance and Special Conditions will be published concurrently with the 13th edition of the Code of Practice.

The Board formally **APPROVED** the publication of the Code and delegation to the Project Board of the final versions of the Guidance and Special Conditions for publication.

7.3 Part 4 Review of the Code of Practice: update

The Board **NOTED** the progress update concerning Part 4 of the Code of Practice. The project remains on track to deliver to the agreed timelines and work remains in progress.

Recommendations on proposals will be brought to the Board by the end of August for approval, with final approval for proposed amendments to the Code (after full stakeholder consultation) to be approved by the Board, Ofcom and the EU in Q1 2016.

7.4 EP Protocol revisions

The Board **NOTED** the amended version of the EP protocol, following the previous submission of proposals to the Board on 23 April 2015. The Board **APPROVED** the amended EP protocol and made the following recommendations:

- Code Compliance Panel to review and consider providing guidance to itself (further to Annex C, the decision-making matrix for CCP).
- Review the reference in the EP protocol to 'important public interest reasons' with the aim of providing guidance on what would fall within this definition.

(Action: O Sweeney)

7.5 Tendering of External Legal Support

The Board **NOTED** the paper outlining PhonepayPlus' external legal support requirements to date and the need to assess value for money on a regular basis. The Board **NOTED** the Executive's proposed approach and timeframe for putting out a tender for external legal services. The Executive confirmed that following the tendering exercise and selection of a preferred provider, a review will normally be conducted every 2 years.

The Board **REQUESTED** that following the recommendations should be brought to the Board for a final decision.

(Action: A Omideyi)

8.0 STRATEGY

8.1 Strategic Plan Implementation progress

The Board **NOTED** the progress made on the implementation of the strategic plan as outlined in the paper and it was agreed for the Terms of Reference of the Ofcom Digital Communications Review and Sharon White's speech to the recent forum hosted by Which to be circulated.

(Action: S Towler)

8.2 Relocation Authority to Commit

The Board **NOTED** the plans in progress concerning the relocation of offices and that the current timetable for relocation has shifted to now take place in September 2015. The Board were asked to approve the authority to commit to the office relocation and its associated costs.

The Board **APPROVED** the recommendations as set out in the paper and highlighted the need to mitigate any associated risks.

(Action: R Sherrington)

9.0 AoB

There were none.

End of Minutes

Date & location of next meeting:

Date: Wednesday 16th September 2015

Time: 1.00-17.00

Location: PhonepayPlus, Clove Building, 4 Maguire Street, London, SE1 2NQ