

**MINUTES OF THE 396th MEETING**  
**PHONEPAYPLUS BOARD MEETING**

**Thursday 23 April 2015**

**1.30am – 5.45pm**

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

**Board Members**

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

**Ofcom**

Lynn Parker

**Code Compliance Panel**

Mohammed Khamisa (item 5.2)

**PhonepayPlus**

Ayo Omidéyi  
Simon Towler  
Laura King (item 5.4)  
Jonathan Levack (items 7.1 and 7.2)  
Alex Littlemore (item 7.3)  
Rob Sherrington (items 1.0 to 4.3a)  
Oliver Sweeney (items 5.3 and 5.4)

Stephanie Ratcliffe (minutes)

## **1.0 Apologies and Introduction**

There were no apologies received.

## **2.0 Minutes of the 395th Board meeting held on 29<sup>th</sup> January 2015**

The Board **APPROVED** the draft minutes of the meeting held on 29<sup>th</sup> January 2015.

## **3.0 Matters arising, action log and glossary**

### **Matters arising**

There were no matters arising from the Board meeting held on 29<sup>th</sup> January 2015.

The Board **RECORDED** that at the Board Strategy Away Day, held on 18<sup>th</sup> March 2015, the Board formally **APPROVED** the changes to the 12<sup>th</sup> edition of the Code of Practice that were to be published with immediate effect and to follow through to the 13<sup>th</sup> edition of the Code of Practice.

### **3.1 Action log**

The Board **NOTED** the updates to the action log and that ongoing actions are included on the current agenda.

### **Glossary**

An updated and current glossary of terms was tabled and **NOTED** by the Board.

## **3.2 Standing and other declarations of interest on agenda items**

The following declarations of interest were recorded:

- Ruth Sawtell – non Executive Director on the Parliamentary and Health Services Ombudsman
- Andrew Pinder – non Executive Director on Nominet as of 1<sup>st</sup> July 2015
- Peter Hinchliffe – related roles within the Financial Conduct Authority and the Payment Systems Regulator

## **4.0 REPORTS FROM THE CHAIRMAN, CHIEF EXECUTIVE & COMMITTEE CHAIRS**

### **4.1 Chairman's report**

The Executive was asked to leave the room, whilst the Chairman provided the Board with an update on recent developments.

### **4.2 Chief Executive's update**

The Board **NOTED** the Chief Executive's update as set out in the paper.

The following points and recommendations were made:

- The 13<sup>th</sup> edition of the Code of Practice has now been submitted to Europe and implementation of the Code is expected for 1<sup>st</sup> July 2015. The Board **RECOMMENDED** the Executive liaise with the industry at the next forum to ensure they are primed for the changes to the Code.

**(Action: Leadership Team)**

- Produce an assessment report, illustrating options available, to accommodate for any potential delays arising from the implementation of the Code and the Guidance and Special Conditions;

**(Action: J Prowse/S Towler)**

- Rule 3.12.3 of the Code - discussion continues with Ofcom as to next steps;
- The Leadership team restructure is now complete with Peter Barker, Director of Corporate Services and Operations, joining PhonepayPlus in July 2015;
- ONS – constructive dialogue remains ongoing with DCMS.

#### **4.3 Committee Reports**

##### **4.3a Resources Committee Report**

The Board **NOTED** a Resources Committee meeting had taken place on 10<sup>th</sup> February 2015 and that there were no matters arising for the attention of the Board, other than those already provided for on the agenda.

##### **4.3b Location Decision**

The Board **NOTED** the position on office location options and potential savings as set out in the paper.

The Board **AGREED** an office relocation and for notice to be served on the current landlords and for the Executive to make the decision on which option to proceed with.

**(Action: Leadership Team/R Sherrington)**

##### **4.3c Audit, Risk and Corporate Governance Committee Report**

The Board **NOTED** an ARCG Committee meeting had taken place on 11<sup>th</sup> March 2015 and that there were no matters arising for the attention of the Board, other than those already provided for on the agenda.

#### **5.0 LEGAL TRIBUNALS AND ADJUDICATIONS**

##### **5.1 “Lessons Learned” Report (Judicial Review)**

The Chairman provided the Board with an overview of a ‘lessons learned’ report for wider discussion. The Board **NOTED** the issues underlying the JR and that improvements have taken place, inclusive of the EP process and notification requirements. Quality assurance processes, particularly around Part 4 of the Code, are also under review.

The Board **RECOMMENDED** external legal support is revisited and that processes continue to be improved upon whilst consideration is given to the implementation of an internal audit framework, every few years.

The Chairman and Deputy Chairman will document the issues addressed and circulate a report to the members.

**(Action: A Pinder/ P Hinchliffe)**

##### **5.2 Chair of the Code Compliance Panel First Year report**

The Board **NOTED** the Chair of the CCP’s first year report, which provided an overview of challenges addressed and improvements made within the year. Further challenges were identified and

recommendations made to improve the function and composition of the CCP as well as a subsequent review of Part 4.

Mohammed Khamisa thanked Joanne Prowse and Ayo Omideyi for their invaluable support over the year.

### 5.3 New Emergency Procedure protocol

The Board **NOTED** the paper summarising the EP protocol, reasons leading to the protocol and the safeguarding amendments made to the EP provisions, in both the 12<sup>th</sup> and proposed 13<sup>th</sup> Code of Practice, as well as the Annexes to assist in the decision making matrix.

The Board **RECOMMENDED** the some further amendments to the protocol. The following amendments were suggested:

- introduce guidance notes to accompany the protocol and assist the Code Compliance Panel;
- replace words 'suitable' and 'appropriate' with 'necessary;'
- emphasise the EP will be used as a last means of resort and include a threshold by which an EP procedure may commence;
- ensure sufficient technical and advisory support is available to the panel, in advance of handling an EP case;
- use the e-Commerce Directive 2000/31/EC Art 3(4)(i) reasons for the purposes of interpreting the words 'important public interest reasons' added to the Code.

The Board **REQUESTED** a further version of the protocol to be circulated to the Board and Lynn Parker at Ofcom for review.

**(Action: O Sweeney)**

### 5.4 Revision of the Investigations and Sanctions Procedure

The Board **NOTED** the revisions made to the I&SP to reflect the 13<sup>th</sup> edition of the Code of Practice and the changes made to the emergency procedure under the 12<sup>th</sup> edition of the Code. The Executive confirmed no major structural changes were made. A further and separate I&SP review will take place and submitted for Board approval, as part of the review of Part 4.

The Board **APPROVED** the changes proposed to the I&SP and Lynn Parker requested that Ofcom have some further time to consider the I&SP revision and provide their comments.

**(Action: O Sweeney/ L King)**

**Kevin Brown apologised for his early departure from the meeting.**

### 5.5 Review of Part 4 of the Code of Practice

The Board **NOTED** the progress paper on the review of Part 4 and the approval of the terms of reference. The Board **COMMENDED** the project developments and next steps.

## 6.0 REPORTING AND PERFORMANCE

### 6.1 KPI and Complaint Drivers

Due to time constraints the item will be covered at the next meeting.

### 6.2 Management Summary Report period ended 31<sup>st</sup> March 2015

Due to time constraints the item will be covered at the next meeting.

## **7.0 STRATEGY**

### **7.1 Strategic Implementation Plan progress and Annual Market Review presentation**

Due to time constraints the item will be covered at the next meeting. The Annual Market Review presentation to be circulated to members.

**(Action: J Levack)**

### **7.2 App Store pilot**

The Board **NOTED** the update on the app store pilot.

The Board **RECOMMENDED** the following points:

- end the pilot and make the pilot exemptions permanent;
- extend a grace period on children's spending caps for a further 12 months;
- the Executive work together with Google over the grace period to ensure a more permanent solution to this issue can be found.

**(Action: J Levack)**

The Board **AGREED** to end the pilot and to continue a 12 month grace period on children's spending caps and contract provisions within the Code, in order to allow Google to demonstrate that they have equivalent mechanisms in place.

### **7.3 0870 exemption request**

The Board **NOTED** the recommendations as set out in the paper, to exempt 0870 from the registration scheme.

The Board **AGREED** that for purposes of proportionality and consistency of treatment with similar number ranges, to exclude 0870 from the registration scheme only, and as until such time the existing exemptions are again reviewed.

**(Action: A Littlemore)**

## **8.0 AoB**

**End of Minutes**

### **Date & location of next meeting:**

**Date:** Thursday 18<sup>th</sup> June 2015

**Time:** 1.00-17.00

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