

MINUTES OF THE PhonepayPlus BOARD MEETING

THURSDAY 24th APRIL 2008

NO. 361

14:00 – 16.25

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

Attendees:

Sir Alistair Graham (Chairman)
Bob Chilton O.B.E (Deputy Chairman)
Stephen Locke
Nicolas Higham
David Clarke
Ed Boddington
Sara Nathan
Mike Short
Mike Tully
David Cockburn (part)

Peter Phillips (Ofcom)

George Kidd
Brian Lund
Paul Whiteing
Ted Lean
Simon Bates (part)
David Oatway (part)
Debbie Singh (part)
Dawn Taylor (part)
Stephanie Ratcliffe (Minutes)

1.0 Apologies

Andrew Bud
Trays O'Reilly

The Chairman introduced David Cockburn, the new Chair of the Code Compliance Panel (CCP) to the Board. He advised that the CCP comes into operation, and George Kidd joins the Board as an executive member, on 28th April.

2.0 Introduction David Cockburn and CCP Reporting

David Cockburn presented a synopsis of his background and his role within the CCP. He introduced a paper on CCP reporting propositions; the introduction of business forums; and a consistent reporting system, which will allow compliance issues to be identified quickly.

In discussion the Board made some recommendations on the simplification of the case overviews, and the recording of emerging issues identifying trends which can be shared with the industry.

It was noted that the CCP and its adjudications remain independent from the Board. Ted Lean confirmed that the terms 'code compliance' and 'tribunal' will continue to run along side each other.

The Board approved the implementation of propositions and reporting system.

3.0 Minutes of the 360th Board Meeting

The minutes were read and approved with the minor amendments:

- 3.1, point 1 – amend the wording to read 'will include an independent assessor'
- 4.2.2 – amend the wording to read 'discussions continue between the Gambling Commission and Ofcom'

3.1 Matters Arising

There were no matters arising.

3.2 Action Log

It was recommended that any issues approved by the Board, which are agreed as ongoing, can be closed.

3.3 Standing Declarations on Conflicts of Interest on Agenda Items

There were no Standing Declarations on Conflicts of Interest.

4.0 SECTION A: REPORTS FROM THE CHAIRMAN AND CHIEF EXECUTIVE

4.1 Chairman's Update

1. Board recruitment. Following an outstanding response to our advertisement, the selection panel has shortlist candidates, and interview dates are now confirmed.
2. The industry forum on consumer issues, held on 22nd April, was a great success. The video presentation of eight and nine year olds' experiences of mobile phones, shown at the forum, will be circulated to the Board.
3. The sanctions guide has been finalised and outstanding issues now resolved.

4.2 Chief Executive's Update

George Kidd provided an overview of the organisation and key issues:

- Our financial position at end 2007/8
- Ofcom scope review consultation has been delayed until after May.
- A marked increase in complaints, enquiries and cases related to mobile content

In discussion the Board noted the following:

- A shift toward data services on the basis of the flat rate exists within the industry
- An induction programme for the CCP and new Board members should include industry visits to encourage positive links with the industry
- Consumer confidence and trust within the industry must be monitored carefully
- 0871 – Ofcom issues had delayed the publication of the consultation document

(Action: George Kidd/Brian Lund)

5.0 SECTION B: REPORTS FROM THE EXECUTIVE TEAM

5.1 STRATEGY, BUDGET AND GOVERNANCE

5.1.1 Plan 2008/9 – Benchmarking and Reporting

The Executive introduced a paper on our Activity Plan for 2008/9 in line with the Three Year Plan. The paper included an operational report, benchmarking, planned reporting arrangements and organisational developments.

In discussion the Board noted the following:

- Stephen Locke offered his assistance with measuring public trust
- The weekly report will be replaced with a monthly report, which will be issued on the third work day of each month. Urgent issues will however be 'flagged' as they arise
- The Monthly Report should flag and comment on any trends
- Reports should show absolute figures as opposed to percentages, and provide an analysis of the nature of any emerging risks in the market
- The organisation should look to extend the level and where appropriate frequency of information sharing with external shareholders, including the ILP

The Board approved the benchmarking and monthly report.

(Action: Brian Lund)

5.1.2 Codification of existing governance arrangements

Ted Lean introduced a paper on the codification of existing governance arrangements. He sought the Board's approval to issue a Scheme of Delegated Authority, in order to be able to develop procurement practices and present these to the AR&CG Committee at the next meeting.

In discussion the Board noted the following:

- Include the reserve powers of the Board to approve code changes
- Clarify the changes made to the HR&RC terms of reference

The Board agreed further comments were to be finalised with Ted Lean, and approved the paper on that basis.

(Action: Ted Lean)

5.2 POLICY AND EXTERNAL AFFAIRS

5.2.1 Mobile Strategy Project

Paul Whiting briefed the Board on the current issues identified with mobile phone paid products, and outlined the concerns and proposed steps to take in reducing complaints, consumer harm and raising public awareness. Positive feedback from aggregators has been received and we continue to collect further evidence. A press release will be launched on 1st May and a wide ranging consultation document produced.

In discussion the Board noted the following:

- Mobile content issues seem to exist in many markets. There is a strong need to address the nature of harm and its root causes within mobiles
- The proposed document must be proportionate and all implications of regulatory action should be tested
- We must engage and consult with Ofcom and the Information Commissioner
- The review should look at the new trend of charging 'per page viewed'
- Aggregators should aim to encourage a mutual 'name or shame' policy

The Board supported the project.

(Action: Paul Whiteing)

5.2.2 Code Compliance in Mobile

Ted Lean provided the Board with an update on code compliance in Mobile. The sanctions guide aims to secure compliance as well as ensure stakeholders are kept informed.

In discussion the Board noted the following:

- Review and monitor the success of the sanctions guide over the next 12 months
- The guide must be in hardcopy as well as published online
- We must ensure the guide is properly publicised

The Board approved the sanctions guide.

(Action: Ted Lean)

5.2.3 Research Priorities and Strategy for 2008/9

David Oatway advised the Board of the proposed research strategy, and sought approval of the outlined approach.

In discussion the Board noted the following:

- Scoping of any major research project must be shared with the Board
- Consideration needs to be given to ongoing research into children and young people issues. We need to work with Ofcom to gather relevant data to gain a better understanding of children and use Ofcom's research expertise.
- We also need to work with the industry to gain a better understanding of mobile data charging issues

The Board approved the strategy and are to be kept informed and given the opportunity to comment, as appropriate.

(Action: David Oatway)

5.2.4 Publication of Adjudications

Simon Bates briefed the Board on the plan and process of publicising adjudications, including the notification of the launch of emergency procedures.

The Board was asked to agree the notifications of emergency procedures (EP), as well as the summary of adjudications being released, in a timely manner.

In discussion the Board noted concern over publicising EP cases before having gained sufficient evidence. It was recommended that safeguards are implemented as follows:

- Advise the service provider attracting an EP that we will publish details of the provider and the breach. The service provider can use this time to apply for the case to be downgraded to standard procedure or to present an IP needing to assume responsibility for the case

In addition the Executive is to encourage good working relationships with the industry's press offices

The Board approved the paper subject to the above recommendations subject to a final confirmation over legal liability.

Under a separate note it was agreed that the benefits of PRS would be discussed at the next meeting.

(Action: Trays O'Reilly and Simon Bates)

5.2.5 Regulator's Compliance Code

Paul Whiteing updated the Board with a preliminary assessment report on how PhonepayPlus complies with the Regulator's Compliance Code, seeking agreement from the Board to approve the;

- a) Executive's assessment for the Code
- b) Proposal to document a complaint process for handling complaints about PhonepayPlus.

The Board approved the report.

5.3 FINANCE & OPERATIONS

5.3.1 Annual unaudited Financial Report to 31st March 2008

Dawn Taylor presented the un-audited financial report to 31st March 2008. The Board were advised:

- The overspend on budget is currently £11K
- The collection rate of fines is 87%
- A total of £2.3million of reserves will be used in next year's funding.

The Board noted and approved the report.

6.0 SECTION C: ITEMS FOR INFORMATION ONLY – SEPARATE BUNDLE

6.1 HR&RC Meeting Minutes 20th February 2008 and ILP Meeting Minutes 26th February 2008

- NOTED the items for information only

6.2 Unfair Commercial Practices Directive

- NOTED the items for information only
- Stephen Locke recommended that the 11th Code of Practice is checked in conjunction with the children's service implications.

(Action: Paul Whiteing)

7.0 AOB

7.1 Name Change to PhonepayPlus Ltd

Ted Lean informed the Board of the process required to complete the branding transfer to PhonepayPlus. He sought the Board's agreement and requested the company members of ICSTIS Ltd pass a written resolution.

The Board approved the paper and duly signed the written resolution.

NEXT MEETING

Date: Thursday 19th June 2008

Time: 14:00 – 17:00

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