



ICSTIS' response to Ofcom's consultation on the 'Ofcom Annual Plan: April 2004 – March 2005'

Executive summary

We welcome the release of this consultation document, which is a useful contribution to clarifying, and getting buy-in for, Ofcom's operating priorities and in helping to ensure regulatory certainty.

Overall we believe that the Plan has identified the main challenges for 2004/5 and focuses resources on the right priorities for its detailed work. We do, however, have some specific comments, focused around clarifying the timeline for our Code of Practice (Section D3) and some observations about empowering the citizen-consumer.

We seek to address these points by responding to the questions set out at 9.3, 'Issues for Consultation'. Naturally we focus on those issues which have a bearing on the effective and proportionate regulation of premium rate services.

Issues for consultation

Q1: Have we correctly identified the main challenges for Ofcom in 2004/5, as summarised in Section 3?

Overall we agree that Ofcom has identified its main challenges for 2004/5.

To pick up on a specific point, we very much agree that technological developments continue apace – and this no more so than in the rapidly developing premium rate services marketplace. Increasing penetration of technologies such as digital interactive TV, the Internet and visual content-enabled mobile phones will only serve to increase the amount and diversity of premium rate services. This is a development we very much welcome.

We would seek to stress however your observation that consumers need access to information on quality, price and functionality so that they are able to take full advantage of greater choice. This is especially pertinent in the context of "change being led by younger age groups". We see young people and children as one of the main targets for many premium rate services being offered and being developed.

Effective and proportionate regulatory action to ensure compliance with rules that set out to ensure that access to information on quality, price and functionality is needed both for the good of the consumer and for the good of the industry. In this vein, ICSTIS will continue to apply its Code of Practice for premium rate services and very much welcomes Ofcom's support for its work.

Q2: Are we focusing on the most relevant areas for strategic review given the above (Section 4)?

Yes

Q3: Have we identified the right priorities for our detailed work in 2004/5 (Sections 4, 5 and 8)?

Overall we would agree that these are the right priorities. We wish to make the following detailed comments, however:

C1: Promote competition

ICSTIS would like to note that it is jointly conducting “further monitoring and review of performance of 118 directory enquiry services” with Ofcom. Also, although naturally Ofcom is fully aware of ICSTIS’s regulatory responsibility for the operation of directory enquiry services, with the full support of Ofcom, it may be helpful, for a public domain record, to note this role for the sake of completeness in your 2004/5 Plan.

D3: Develop, implement and extend co-regulation of premium rate services

ICSTIS welcomes Ofcom’s commitment to “further develop Ofcom’s relationship with ICSTIS on premium rate services”. Effective collaboration with Ofcom is absolutely key to effective regulation of premium rate services, given Ofcom’s role in regulating network operators, which complements our regulation of service providers.

We seek to clarify our timeframe for the next (11th) edition of the ICSTIS Code of Practice (Ofcom notified its approval for our current Code of Practice, the 10th Edition, in December 2003).

The planned timeframe is as follows:

- Feb-Mar 04 Pre-consultation meetings with key stakeholders on Code issues to influence the drafting of the 11th Code before it goes out for formal consultation
- Apr-Jul 04 Release of draft 11th Code of Practice for formal consultation to all stakeholders (three month consultation period)
- Aug-Nov 04 Draft 11th Code of Practice to ‘rest’ with the European Commission in Brussels, as mandated by the EU Technical Standards Directive, to allow Member States to comment on the information society (Internet) provisions in the Code
- Nov-Dec 04 Release of draft 11th Code of Practice to Ofcom for approval
- Jan 05 11th Code of Practice comes into effect

E1: Protect the interests of the citizen-consumer

ICSTIS welcomes Ofcom's commitment that all of its work must be to the ultimate benefit of the citizen-consumer and we would be very interested in collaborative working, joint projects and joint research focused on how to serve best the citizen-consumer.

We would also like to note a particular interest in Ofcom's policy on "furthering the interest of the citizen-consumer via telephone numbering programme". We recognise that better understanding of the premium rate number ranges, on 'conventional' 090 numbers and on mobile shortcodes, will empower consumers to make more informed choices. As a general observation, a better understanding by consumers of numbering ranges as a whole (from national geographic numbers to find-me-anywhere '070' numbers to national rate numbers) will help empower consumers in the same way.

E2: Promote informed citizen-consumer

ICSTIS welcomes Ofcom's objective "to encourage the provision of timely, relevant accessible and accurate information to citizen-consumers and enable them to make informed decisions" and its commitment to develop a strategy for fulfilling its media literacy duties.

We take our duty to help empower the consumer to make educated and rational choices about premium rate services very seriously and seek opportunities to distribute our information through those intermediaries that are best placed, best equipped and best skilled to deliver effectively our messages.

ICSTIS, for example, has produced and distributed many thousands of copies of its leaflet 'A Consumer Guide to Premium Rate Services' to help trading standards departments, Citizens' Advice Bureaux and other consumer information and protection professionals to empower consumers better.

E3: Deal effectively with citizen-consumer complaints

The ICSTIS call centre, through IVR and the call handlers, took over 200,000 calls last year, which resulted in some 27,000 complaints about premium rate services.

ICSTIS very much supports the stance that Ofcom has taken that citizen-consumers should be able to direct complaints straight to their communications provider and is working with the networks to help ensure that they deal with as many enquiries as they can, to ensure that the ICSTIS call centre receives in-remit complaints, and a decline in general enquiries. There remains however widespread misunderstanding about premium rate services and our call centre delivers a valuable service in helping the consumer – thereby promoting trust and confidence in premium rate as a charging mechanism.

F2: Establish effective network for external relations

ICSTIS, as Ofcom, takes its stakeholder dialogue very seriously and has an extensive programme of events to engage them. These stakeholders include the very diverse range of commercial organisations that rely on (or use) the premium rate charging mechanism (from, for example, a 'one person' ringtone company to Sky Television), the Government and other regulators, those with a consumer (and child) protection remit, as well as the media, which takes a considerable interest in services based on premium rate services.

Q4: Do you think that Ofcom's resources have been appropriately allocated given its planned work (Section 6)?

Yes

Q5: Do you agree with the general approach we are taking to measure our effectiveness (Section 7)?

Yes

Q6: Are any particular needs not being addressed?

No