

**NOTES OF THE ILP MEETING NO. 45th HELD ON
TUESDAY 12th MAY 2015**

Present:

Graham Pottie – BT (Chair)
Geoff Brown - Ofcom
Ann Cook - ITV
Cathy Gerosa - FCS
Suzanne Gillies – Action 4
Hugh Griffiths – PP+ Board and Mobile Services
Justin Hornby – representing UKCTA
Hamish MacLeod - MBG
Rory Maguire – AIME
Andrew Pinder - Chair of PhonepayPlus
Steve Ricketts – PP+ Board

PhonepayPlus

Jo Prowse (Chief Executive)
Jonathan Levack
Peter Morton
Mike Pemberton
Simon Towler
Stephanie Ratcliffe (minutes)

Guest Speaker

Dr. Victoria Nash, Deputy Director of the Oxford Internet Institute

Apologies

Mark Collins - PPP
Jeremy Stafford Smith – Vodafone

Industry Liaison Panel – Ongoing Actions Log

Meeting/ Action number	Description	Owner	Status
45.2b	ILP Way Forward: industry members proactively promote their membership on the ILP and seek feedback to ensure the industry is properly represented at ILP meetings. Further ways to be sought to encourage trade association's participation and participation from broadcasters via specific topics for discussion at meetings.	ILP Members	NEW
45.3b	The protocol on instigating the rapid response team to be agreed and published. Draft in place and being discussed and agreed.	R Maguire	NEW
45.4c	Operational report: provide an update at the next meeting on rapid response team progress on competition services, in relation to managing complaint volumes. AIME to provide assistance. Agenda item for 21 st July meeting.	M Pemberton R Maguire	NEW
45.5a	Online child protection presentation by Dr. V Nash: circulate slides and consider possible ways of co-regulation with industry to improve and implement protective measures.	ILP Members	NEW
45.5b	Volunteers to come forward with topics to present at future ILP meetings.	ILP Members	NEW

1.0 WELCOME AND INTRODUCTIONS

The Chair welcomed representatives to the meeting and introductions were made to Simon Towler, who joins PhonepayPlus as Director of Policy and External Relations. Apologies were noted.

2.0 REVIEW AND ACTIONS

a) Minutes and Matters arising from the minutes of the ILP meeting held on 17th February 2015.

The minutes of the ILP meeting held on 17th February 2015 were approved as an accurate record of the meeting.

Outstanding actions were updated accordingly.

b) Industry Liaison Panel – Way Forward

Since the last meeting, the revised Terms of Reference have been circulated with no further comments nor feedback received. The structure of the agenda has been revisited to ensure more industry driven items are included. On this basis, the Chair approved the Terms of Reference and confirmed meetings will now develop based on the revised agenda structure.

Invitations for the nomination of a new ILP Chair have also been received and an update will follow in due course.

Discussion followed on ILP membership and how to improve industry participation to ensure industry is fully represented and no sectors are marginalised. The following recommendations were made:

- existing members to act as representatives to the industry and be proactive in promoting themselves as sitting on the Industry Liaison Panel;
- PhonepayPlus to assist in promoting members who sit on the Panel;

- Industry to be encouraged to join any trade associations in order to ensure they are represented at ILP meetings;
- encourage broadcasters participation with specific topics for discussion;
(Action: ILP Members)
- Ann Cook to receive a list of broadcaster attendees from the recent forum held on 30th April for improved networking purposes.
(Action: P Morton)

The ILP agreed that the aim of the ILP meetings is to share working knowledge and identify emerging trends to prevent harmful issues arising. It was agreed that further thought be given to presenting specific topics at future meetings and to invite guest speakers to elaborate on topics.
(Action: ILP Members)

c) Chair Nominations

Nominations for the position of a new ILP Chair are forthcoming and discussions remain ongoing. The ILP will be advised as soon as arrangements have been finalised. An update/decision will be conveyed soon.
(Action: G Pottie)

3.0 ILP MEMBER UPDATE

a) Sector Update: AIME

Rory Maguire presented a detailed update on AIME activity and the following points were made:

- specific working groups have been set up to deal with issues and recommend ways to improve the running of premium rate services;
- The Payment Services Directive 2 has now been submitted to the European Parliament; 2nd Trilogue has improved exemption wording but moves to limit transactions have now been set back to €50 each and €300 aggregate per user;
- Concerns around 'forced redirects,' Facebook and Twitter advertising are being addressed through working group reviews;
- Consumer Journey workshop – AIME are working closely with PhonepayPlus and a sub group has been developing content for an information portal for consumers.

The ILP welcomed the presentation and requested the presentation slides are circulated to the members.
(Action: R Maguire)

b) Debrief on 'forced redirects'

In Jeremy Stafford Smith's absence, Rory Maguire explained the issues identified around 'forced redirects', whereby a consumer is re-directed from the intended site to PRS services. The ILP noted the difficulties and complexities of the issue and that solutions to the issue are being investigated by a working group

The rapid response team concept is being tested and early signs are positive. The protocol for instigating the rapid response team is to be agreed by the ILP, PPP, AIME and MBG and thereafter published.
(Action: J Prowse/R Maguire/
H MacLeod)

The Chair recommended the ILP assist in publicising the RRT's existence to the industry, in light of any serious issues arising, which would require addressing.
(Action: ILP Members)

c) Rotation of next meetings

The next ILP meeting agenda was discussed and the Chair requested volunteers come forward with future topics to present. Cathy Gerosa from FCS volunteered to provide an overview of the work of the FCS, including feedback on NGCS outcomes.

4.0 PHONEPAYPLUS UPDATE

a) Code, Guidance and Special Conditions

The 13th edition of the Code of Practice has been approved by Ofcom and has now been submitted to Europe for final approval. Implementation of the Code is expected for 1st July 2015. A series of seminars to help industry understand the changes involved and what industry need to do, to prepare for the new Code of Practice, are arranged for May and June 2015. AIME will also be holding a seminar on 9th June. Further information and an application can be found on PhonepayPlus' website.

The consultation period for the Guidance and Special Conditions ends mid-May. A final statement will be issued in June and it is expected to be operational with the implementation of Code 13 in July 2015.

b) Part 4 Review

Simon Towler provided an update to Part 4 Review and confirmed the terms of reference have now been approved. The terms of reference will be circulated to the ILP and published on our website.
(Action: S Towler/P Morton)

Proposals for Part 4 Review of the Code of Practice are scheduled to be developed by the end August and consultation is expected to follow in September, with a view for implementation of Part 4 of the Code, to take place in 2016.

The Executive requested for any comments concerning Part 4 to be fed back to Simon Towler and/or Steve Ricketts.

c) Operational quarterly report and emerging trends

Mike Pemberton presented the operational procedures and quarterly report to the ILP for Quarter 4 and the following points were noted:

- Market Size – Q4 information will be available in the next quarterly report published on our web site in mid-July and presented at the next ILP meeting.
- The number of organisations registered under the Registration Scheme stands at 2,724 providers, a decline of 1% on Quarter 3 and 5% down on the latest forecasts.
- Overall customer contacts totalled just under 12,000 for Quarter 4 and have increased by 59% (up 4,348) when compared to Quarter 3. Consumer enquiries have increased by 92% when compared to Quarter 4 (up 2,218 enquiries).
- Complaint volumes are 43% up in Quarter 4 at just over 7,000. We have received 22,252 complaints financial year to date - an increase of 41% on the previous year.
- The main driver of complaints in Quarter 4 was competition services promoted through banner ads and affiliates, and adult services are the second main driver of complaints.
- The top 15 offenders in the last 12 months are responsible for 45% of cases and complaints.
- In Quarter 4 89% of cases (72% financial year to date) were investigated through informal tracks and 11% (28% financial year to date) through the formal Track 2 process. Average case duration is 18 weeks.
- We have 11 current open cases scheduled for hearing at Tribunal in Quarter 1 2015-16; these consist of 8 x T2 cases, 2 x breach of sanction cases and 1 x naming case.

- In terms of adjudications three cases were presented to Tribunal in Quarter 4 (41 cases financial year to date). Financial year to date the Tribunal has reviewed 11 Track 2 cases, 17 naming cases and 6 breach of sanctions. There have been 4 adjudications by consent.
- The cumulative fine collection rate year to date is 67% adjusted and 61% non-adjusted, due to the non-payment of fines from 4 providers.

The ILP noted the update and discussed the reasons behind a rise in complaint figures.

With reference to the significant rise in price points and associated bill shock element with competition services, the ILP recommended a progress update is provided at the next meeting. The ILP noted that AIME have already undertaken considerable work around this area.

(Action: M Pemberton/R Maguire)

5.0 FOCUS

a) Child Protection – on line and mobile

Graham Pottie welcomed Dr Victoria Nash and thanked her for presenting to the ILP on the impact of the internet on children. The presentation focused on research undertaken to identify changes as to how the internet is used and perceived by children and the risks associated with these changes.

Dr Victoria Nash addressed the key challenges and confirmed, that although the UK is leading in the field of online child protection, significant improvements are necessary. In particular, there is a need for increased focus on the commercial risks around sexual content and harm and understanding of children's behaviour online generally, i.e. 'risk seeking' as well as the realisation that children experience varying levels of risk and harm.

Solutions need to be sought off line and are about attitudes of communication and trust. There is a strong requirement to improve and develop a broader sense of responsibility and resilience amongst children, as well as a more informed understanding of financial literacy.

The ILP found the presentation extremely insightful and discussion followed on how the industry can put measures in place and assist with the regulatory challenges emerging around expanding children's use of mobile devices. 'Consumer Vulnerability' is further addressed in the recent FCA Occasional Paper No. 8, February 2015 and examines the contextual element of vulnerability.

The ILP thanked Dr Nash for her presentation.

b) Review and agree topics for next meeting

The Chair requested volunteers come forward with topics to present at the next ILP meeting.

Items for next meeting include:

- Overview on FCS matters with feedback on NGCS outcomes, Cathy Gerosa
- Quiz/Competition services update, Mike Pemberton

End of Minutes

ILP meetings in 2015 at PhonepayPlus Offices

- Tuesday 21st July 10-12.30noon
- Tuesday 20th October 10-12.30noon
- Tuesday 8th December 10-11.30am (Budget meeting only)