



Quarterly Report

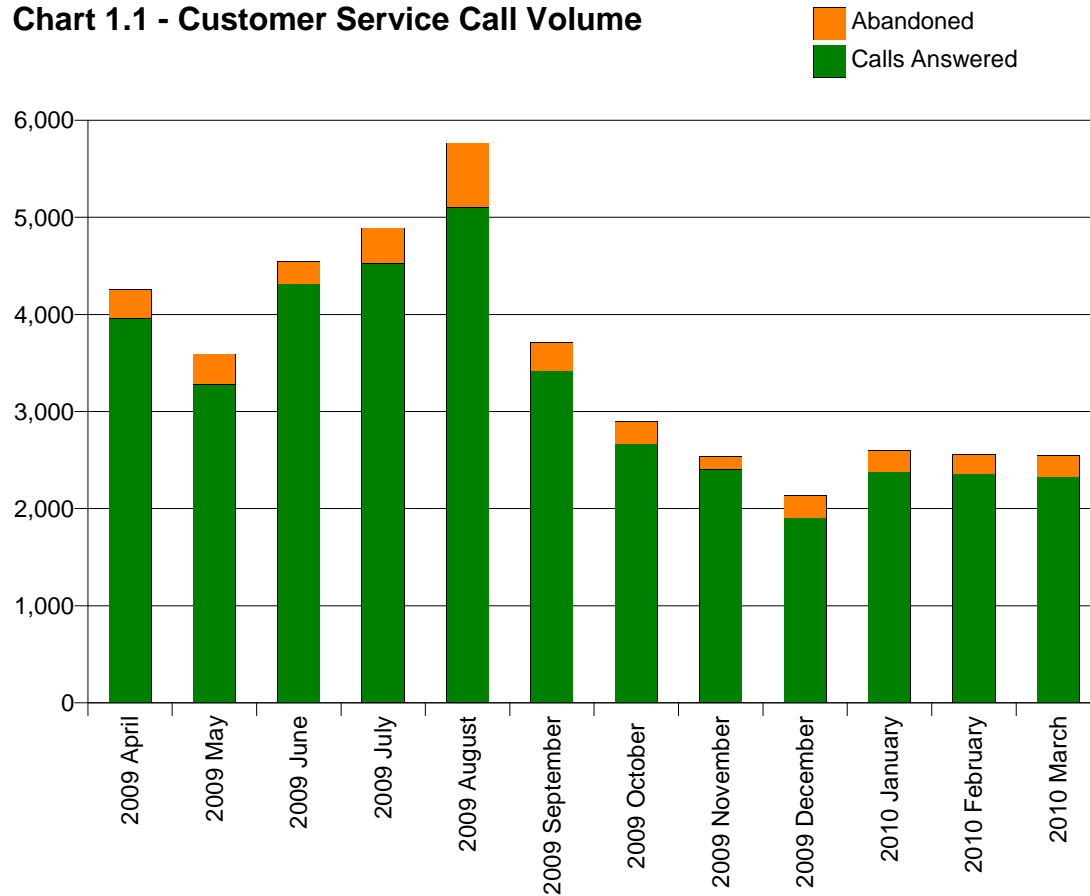
2009/2010 - Quarter 4

Published Date: 19 April, 2010

Executive Summary

- Complaints in these past two quarters (4,190) are 41% lower than Q1 and Q2 of 2009/10 (7,070) as a consequence of regulatory action taken designed to target problem areas in mobile, combined with robust enforcement action which led to £5.2m of fines being levied in the year 2009/10.
- PhonepayPlus is close to finalising its consultation on a new Code of Practice (consultation expected late April 2010), which will shift the responsibility for regulation along the value chain. At the same time, PhonepayPlus is now building a new registration database which will ensure that all providers will have to register before they provide phone-paid services. This should come into effect at the same time as the new Code (expected to be approved by Ofcom at the end of 2010).
- The increase in visitors to phonebrain.org.uk in March can be attributed to the launch of the PhoneBrain 2010 schools programme that we estimate over 1,000 schools in England and Wales will take part in.

Chart 1.1 - Customer Service Call Volume



Month	Calls Answered	Calls Abandoned	Total Calls Offered
2009 April	3,960	295	4,255
2009 May	3,276	315	3,591
2009 June	4,320	225	4,545
2009 July	4,525	361	4,886
2009 August	5,101	663	5,764
2009 September	3,421	291	3,712
2009 October	2,669	226	2,895
2009 November	2,405	128	2,533
2009 December	1,905	229	2,134
2010 January	2,379	216	2,595
2010 February	2,359	195	2,554
2010 March	2,329	214	2,543
Totals for Period:	38,649	3,358	42,007

Chart 1.2 - KPI: % of Calls Answered < 30 Sec

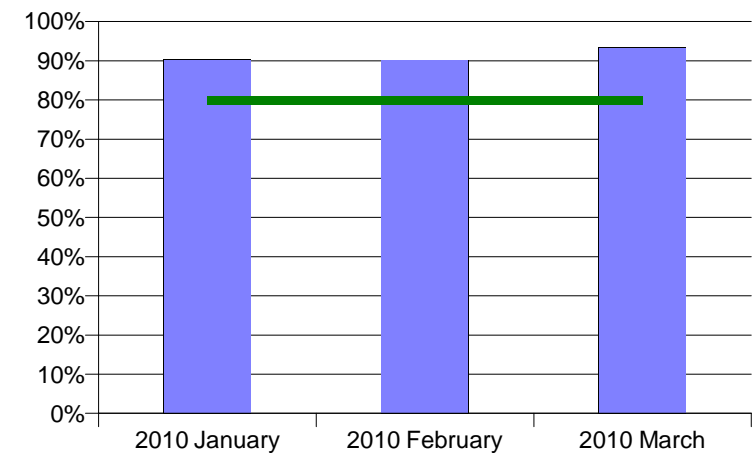
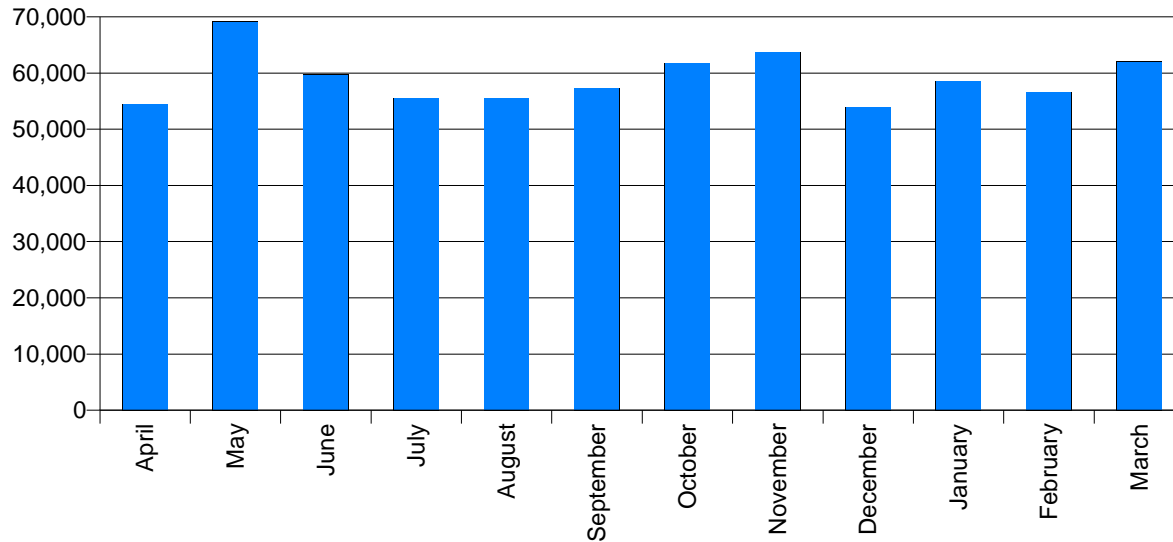


Chart 1.3 - Number Checker Usage



Comments:

- Chart 1.3 - Number Checker Usage includes web, IVR, and SMSus number checks
- PRN = Premium Rate Numbers that are not SMS shortcodes
- The "Other" category contains out of remit, National, and mobile numbers along with mistyped number searches

Number Type	PRN	Shortcode	Directory Enquiries	070	087	Other	Month Totals
April	20,644	17,120	368	550	1,310	14,461	54,453
May	28,777	19,341	327	762	1,927	17,945	69,079
June	24,512	18,660	376	583	1,566	14,027	59,724
July	22,731	16,854	419	706	1,486	13,306	55,502
August	23,608	16,647	295	667	1,889	12,397	55,503
September	24,599	15,829	280	804	1,706	14,052	57,270
October	24,101	17,803	328	817	2,186	16,506	61,741
November	26,236	16,005	315	762	2,109	18,315	63,742
December	22,160	15,820	176	576	1,671	13,479	53,882
January	23,802	15,038	317	700	2,043	16,648	58,548
February	22,941	13,996	309	736	2,079	16,492	56,553
March	23,803	16,144	316	800	2,027	18,910	62,000
Totals for Period:	287,914	199,257	3,826	8,463	21,999	186,538	707,997

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Chart 1.4 - Contact Centre Correspondence Contacts

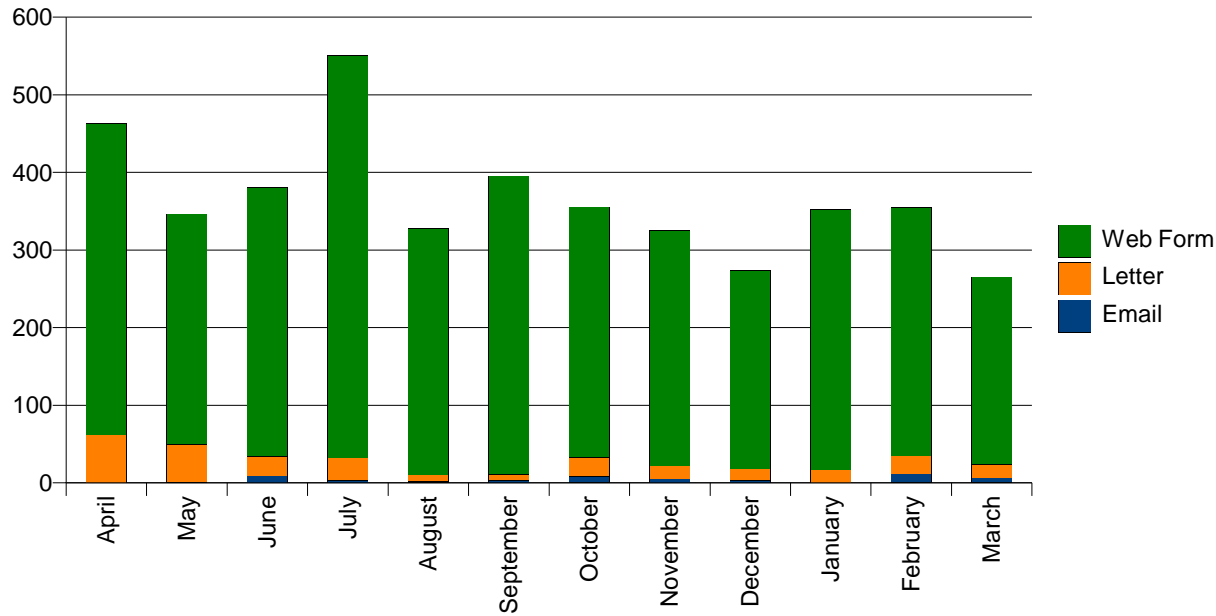
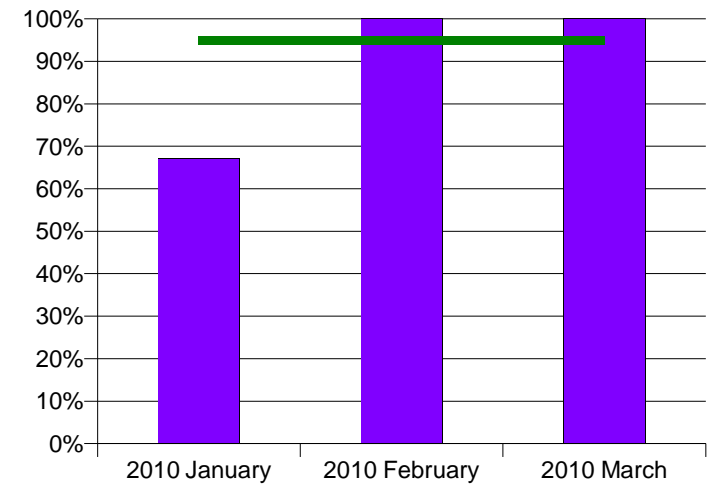


Chart 1.5 - KPI: Out of Remit Correspondence < 10 Days



Note: One of the three pieces of out of remit correspondence received in January was not closed within the target time.

Type of Contact	Email	Letter	Web Form	Month Totals
April		62	401	463
May	1	48	297	346
June	9	25	346	380
July	3	29	519	551
August	2	8	318	328
September	3	8	384	395
October	8	25	322	355
November	5	17	303	325
December	3	15	255	273
January		17	335	352
February	12	23	320	355
March	6	18	241	265
Totals for Period:	52	295	4,041	4,388

Chart 1.6a - PhonepayPlus Web Site Page Views & Visits

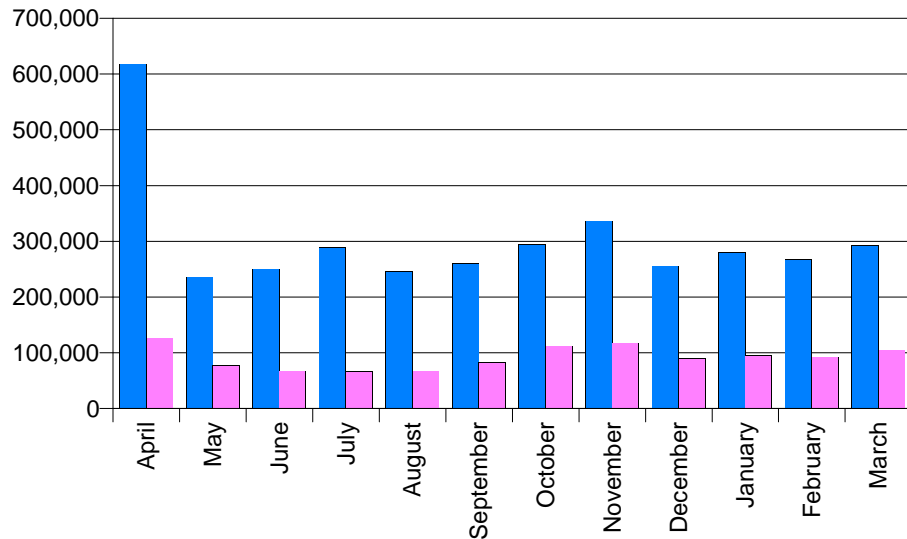
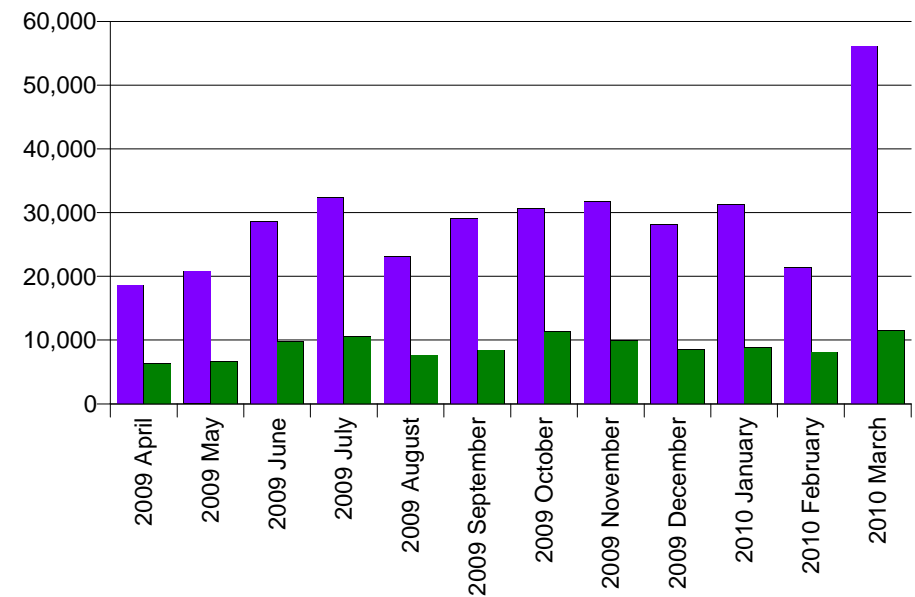


Chart 1.6b - PhoneBrain Web Site Page Views & Visits



Month	Page Views	Visits
April	617,802	126,528
May	235,240	77,237
June	249,567	66,987
July	288,131	66,407
August	245,671	67,638
September	259,522	82,109
October	294,294	111,830
November	335,290	117,394
December	255,099	89,435
January	279,465	95,038
February	266,556	91,772
March	291,972	104,435
Total for Period:	3,618,609	1,096,810

Comments:

- The spike in activity for April is due to the new PhonepayPlus website launch on April 14
- The method by which page views are calculated needed to be adjusted to match the new site's structure
- Pre-April 14 page view numbers have been modified and will vary from previous published figures
- The increase in visitors to phonebrain.org.uk in March can be attributed to the launch of the PhoneBrain 2010 schools programme that we estimate over 1,000 schools in England and Wales will take part in

Month	Page Views	Visits
2009 April	18,641	6,228
2009 May	20,815	6,612
2009 June	28,591	9,818
2009 July	32,346	10,500
2009 August	23,088	7,709
2009 September	29,115	8,460
2009 October	30,708	11,241
2009 November	31,774	9,900
2009 December	28,199	8,575
2010 January	31,302	8,762
2010 February	21,392	8,173
2010 March	56,146	11,495
Total for Period:	352,117	107,473

Chart 2.1 - All Complaints Logged

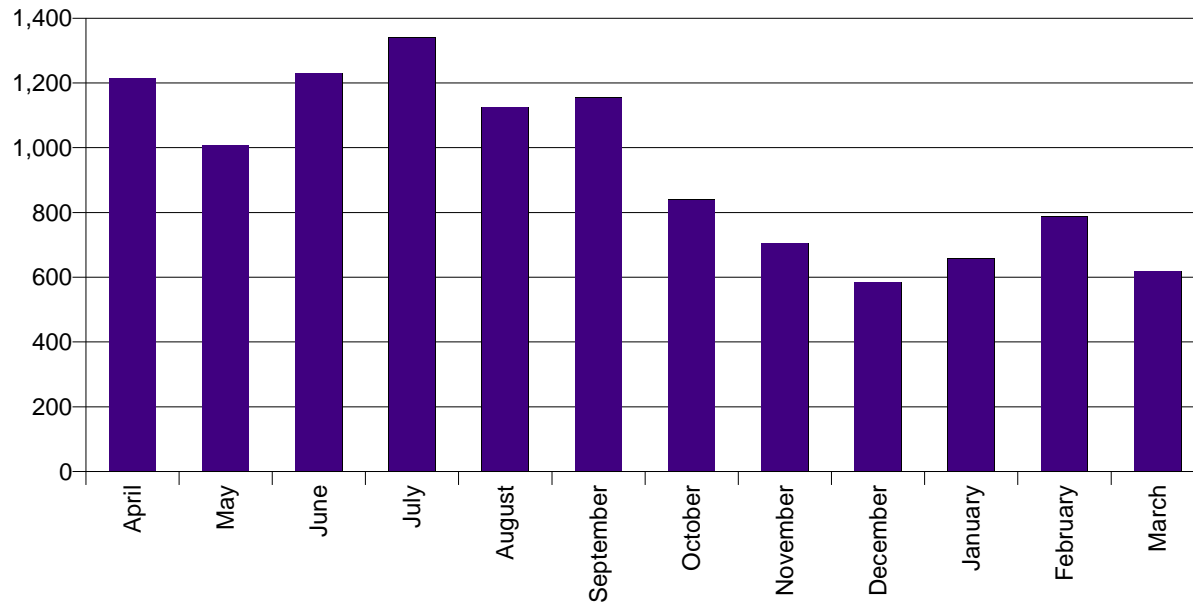
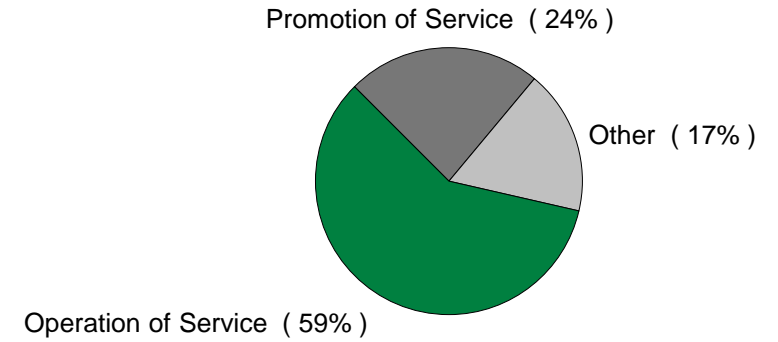


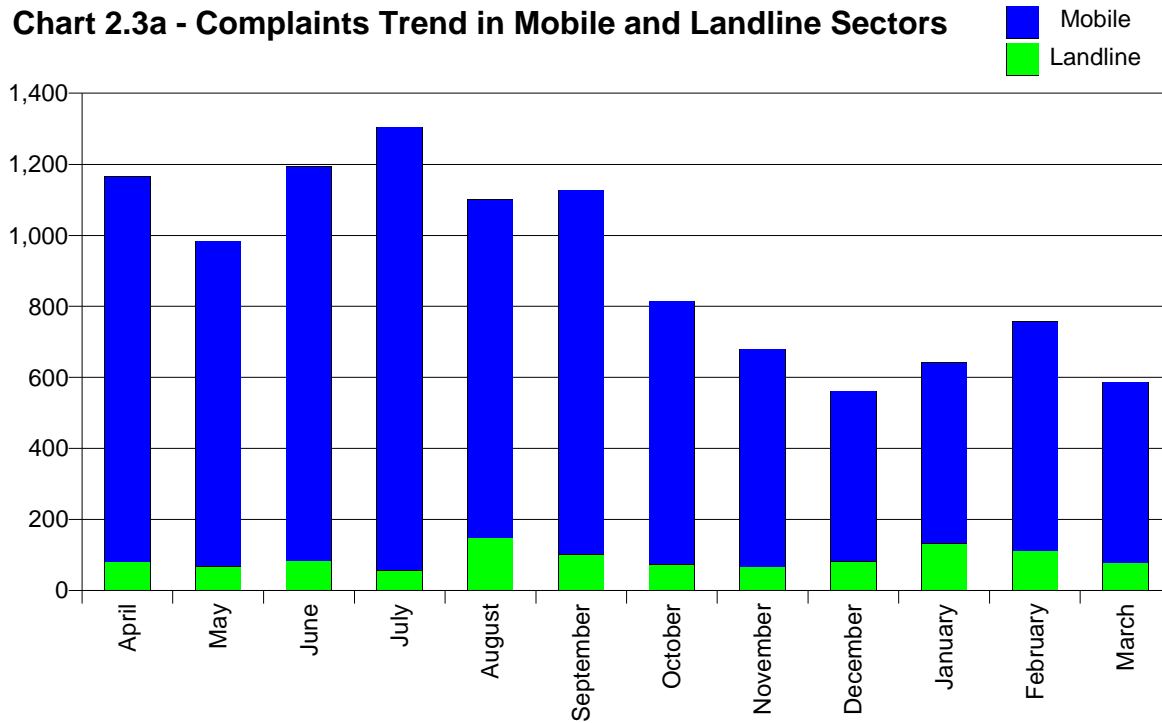
Chart 2.2 - Reason for Complaint Q4



Source of Complaint	Phone	Web	Correspondence	Other	Month Totals
April	868	339		7	1,214
May	734	267	3	4	1,008
June	927	286	6	11	1,230
July	942	371	7	20	1,340
August	831	272	2	20	1,125
September	805	330	3	15	1,153
October	547	273	9	10	839
November	458	223	4	20	705
December	335	207	7	35	584
January	360	281	4	11	656
February	486	276	15	10	787
March	397	203	9	10	619
Totals for Period:	7,690	3,328	69	173	11,260

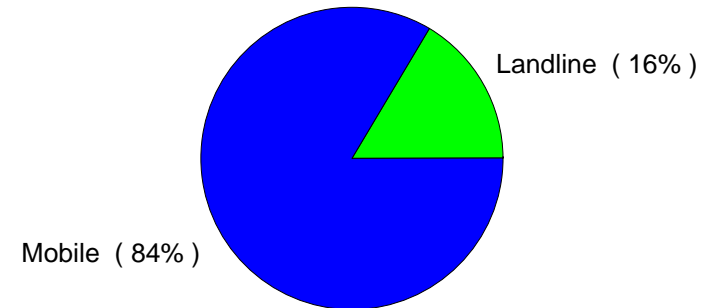
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Chart 2.3a - Complaints Trend in Mobile and Landline Sectors



Month	Landline	Mobile	Month Totals
April	82	1,084	1,166
May	69	915	984
June	84	1,110	1,194
July	57	1,247	1,304
August	148	954	1,102
September	101	1,026	1,127
October	74	740	814
November	67	613	680
December	82	479	561
January	133	508	641
February	112	646	758
March	78	509	587
Sum:	1,087	9,831	10,918

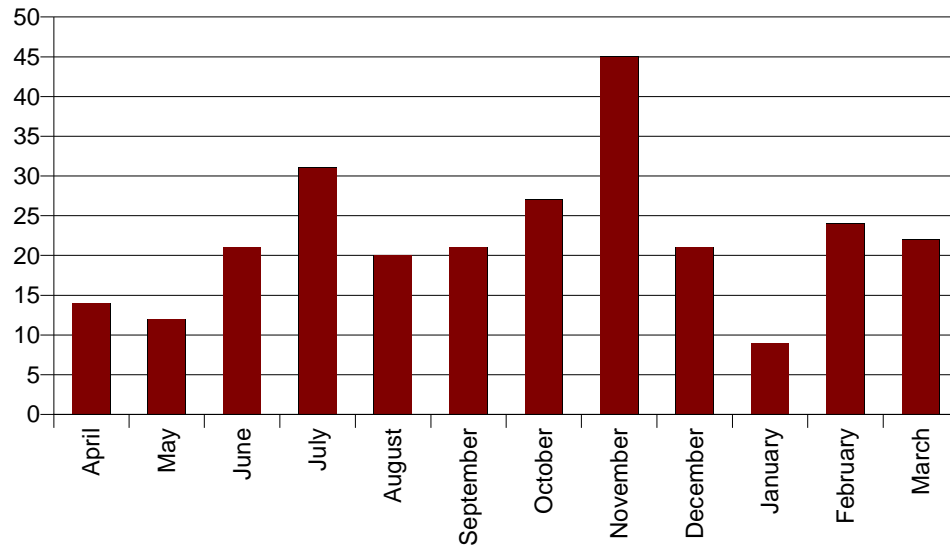
Chart 2.3b - Mix of Mobile vs. Landline Sector Complaints Q4



Month	070 Complaints
October	33
November	14
December	11
January	12
February	14
March	19
Sum:	103

Month	087 Complaints
October	15
November	26
December	36
January	8
February	16
March	12
Sum:	113

Chart 3.1 - Lead Cases Identified



Month	Lead Cases Identified
April	14
May	12
June	21
July	31
August	20
September	21
October	27
November	45
December	21
January	9
February	24
March	22
Total for Period:	267

Current Open Investigations as of April 16th: 45 Cases

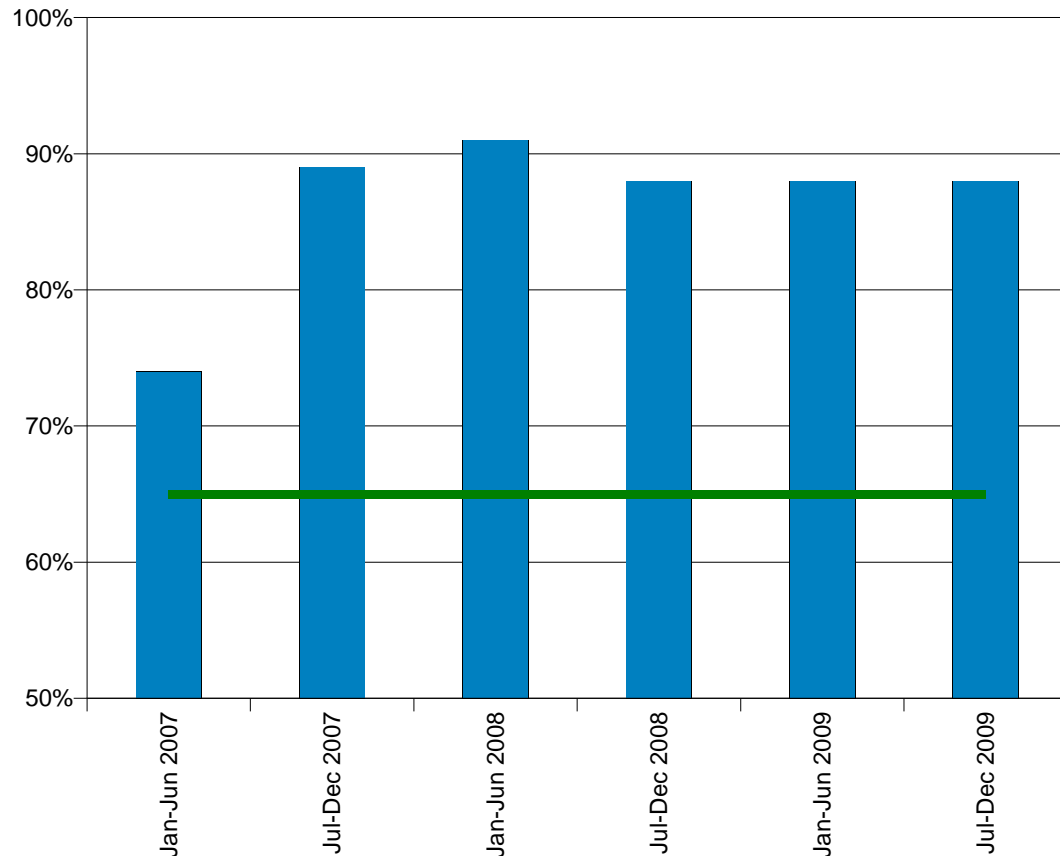
Open Investigations by Sector	Cases
Mobile	14
Landline	2
Directory Enquires	1
Network	4
Mobile short-code	11
PRN 070	2
Mobile long-number	3
PRN 087	1
PRN 09	7
Sum:	45

Key Adjudications:

The Tribunal of 4 March 2010 adjudicated using the Code provision that gives them the power to prohibit an individual who has been involved with a series of breaches from involvement in premium rate services for a defined period. These cases were the culmination of a large body of work stemming from the 070 missed call issue. All individuals were associated with service providers operating this type of service though the network Plaza Telecom (formerly Hotchilli). Prohibitions totaling 14 years were imposed on four of the individuals; in one case, the Tribunal felt that the knowing involvement required by the Code could not be demonstrated.

Read more at: www.phonepayplus.org.uk/output/Adjudications.aspx

Chart 3.2 - KPI: Customer Satisfaction



Comments:

July – December 2009

The survey for the latter half of 2009 introduced a five-point scale for consumers to choose the most suitable response. The options available are – very satisfied; somewhat satisfied, neither satisfied or dissatisfied, somewhat dissatisfied or very dissatisfied

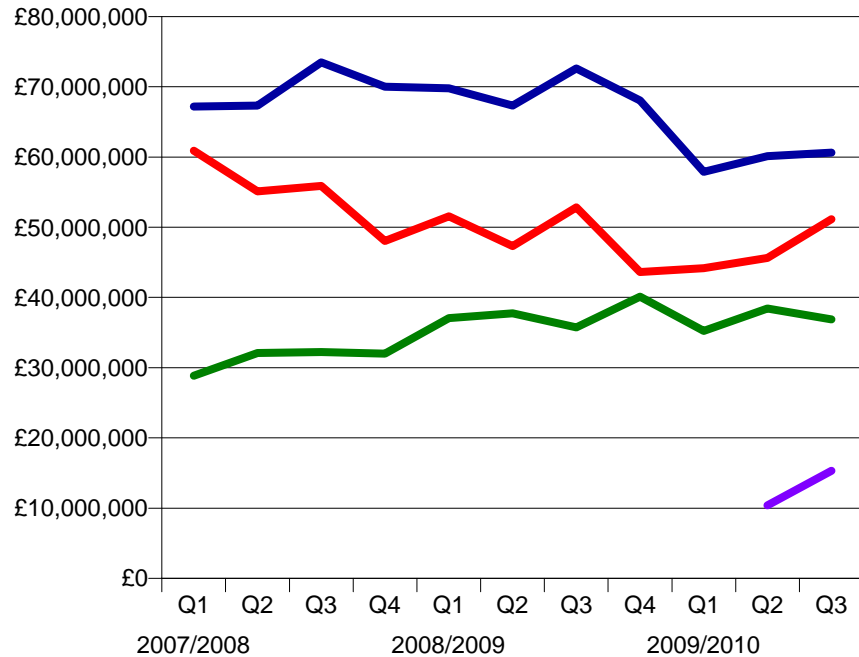
- 88% of people surveyed were satisfied or above with the service from PhonepayPlus
- 27% of complainants contacted agreed to respond to our survey (101 out of 376) – this compares to 30% in the first part of 2009
- 84% felt we met our target timeframe for the investigation
- 89% did receive notification of the outcome either electronically or by post – a significant improvement on the 66% in the first part of the year
- 96% felt we explained the outcome of the adjudication sufficiently – an increase from 62% during the first half of the year
- 96% also felt we explained clearly how to obtain a refund – an increase from 85% for the first half of the year
- 88% of consumers commented they were somewhat unlikely or very unlikely to use phone-paid services again

If you would like more detail regarding these results, please contact:

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 Head of Customer Satisfaction
mpemberton@phonepayplus.org.uk
 020 7940 7407

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Chart 4.1 - Outpayments per Sector



Financial Year	Quarter	Mobile	Landline	DQ	087	Totals
2007/2008	Q1	£67,209,538	£60,879,308	£28,869,040		£156,957,886
	Q2	£67,324,028	£55,100,297	£32,111,315		£154,535,640
	Q3	£73,490,259	£55,883,148	£32,225,116		£161,598,523
	Q4	£70,003,933	£48,057,125	£31,993,216		£150,054,274
	Totals:	£278,027,758	£219,919,878	£125,198,687		£623,146,323

Financial Year	Quarter	Mobile	Landline	DQ	087	Totals
2008/2009	Q1	£69,765,887	£51,566,146	£37,080,629		£158,412,662
	Q2	£67,320,403	£47,310,155	£37,730,948		£152,361,506
	Q3	£72,613,676	£52,829,823	£35,743,700		£161,187,199
	Q4	£68,069,852	£43,622,856	£40,102,699		£151,795,406
	Totals:	£277,769,817	£195,328,981	£150,657,975		£623,756,774

Financial Year	Quarter	Mobile	Landline	DQ	087	Totals
2009/2010	Q1	£57,885,245	£44,174,818	£35,224,540		£137,284,603
	Q2	£60,151,242	£45,656,893	£38,438,631	£10,387,235	£154,634,001
	Q3	£60,636,410	£51,149,260	£36,872,213	£15,300,151	£163,958,034
	Totals:	£178,672,897	£140,980,971	£110,535,384	£25,687,386	£455,876,638

Financial Year 2009/2010	Mobile	Fixed	070	087	Totals
Fines invoiced from 01/04/09 - 31/03/2010	£4,022,000	£100,500	£1,315,750	£3,000	£5,441,250
Sanctions suspended	£-225,000	£0	£0	£0	£-225,000
Oral hearing	£-770,000	£0	£0	£0	£-770,000
Services barred due to non receipt of payment	£0	£-10,000	£-917,848	£-1,000	£-928,848
Fines not yet due	£-75,000	£-15,000	£0	£0	£-90,000
Fines due	£2,952,000	£75,500	£397,902	£2,000	£3,427,402
Fines paid	£2,732,000	£75,500	£207,286	£2,000	£3,016,786

Collection Percentage: 88%

Chart 4.2 - KPI: Fine Invoices < 10 Days of Tribunal Date

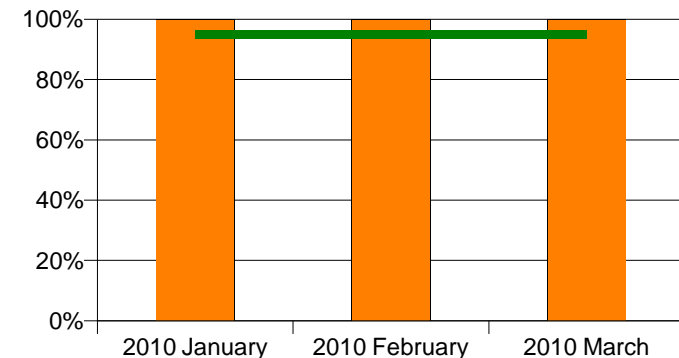


Chart 5.1 - External PhonepayPlus Newsletter Readership

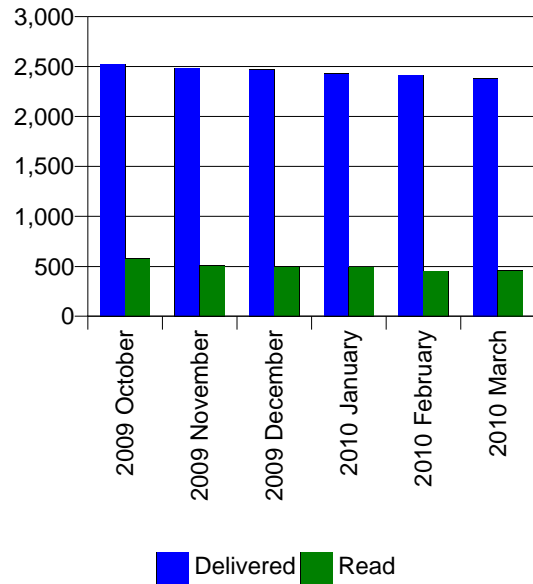
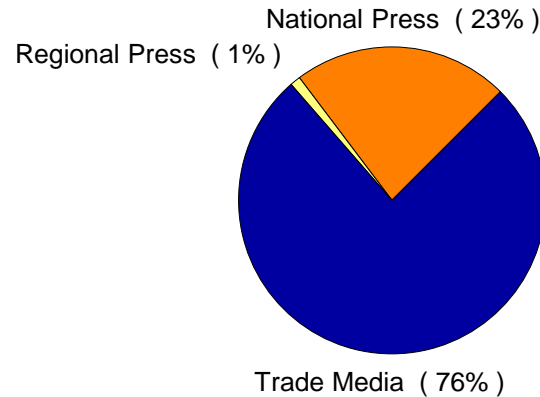
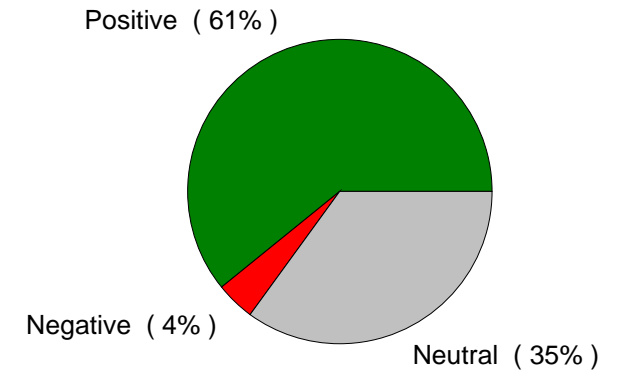


Chart 5.2a - Press Article Type Q4



Articles Published in Q4: 97

Chart 5.2b - Press Article Tone Q4



Note: Article Tone is measured internally by our Communications Team

Communications Team

10 announcements:

- Announcement by the Trustees to Contributors of the New Code Fund of the Live Conversation Service Providers Compensation Fund (26 January)
- Revised Virtual Chat services Help Note issued (9 February)
- PhonepayPlus' quarterly operations report (2009/10 Q4) published (24 February)
- PhonepayPlus warns 'no tolerance for 076 scams' (1 March)

Continued on next page...

Communications Team continued

Announcements continued:

- Teens gear up for mobile phone classroom challenge (4 March)
- PhonepayPlus announces levy for 1 April 2010-31 March 2011 (5 March)
- PhoneBrain top of the class at Hollis Sponsorship Awards (10 March)
- PhonepayPlus confirms 2010/11 Administrative Charges, Business Plan and Budget as research shows growth in some market segments (30 March)
- Notice to Industry: Administrative Charges from 1 April 2010 (30 March)
- PhonepayPlus consults on changes to Multi-Party Chat services prior permission regime (31 March)

Two events:

- PhoneBrain 2010 launch (4 March)
 - Held at the Waltham Forest City Learning Centre
 - Class of ICT students were taken through PhoneBrain lesson plan by tutor and Fugative, PhoneBrain's ambassador, performed
 - BBC Radio 1 'Newsbeat' and 'Xtra' and BBC Radio 4 'You & Yours' and 'Click On' attended
- PhonepayPlus Forum – '2010/11: The year ahead' (25 March)
 - Held at the Mermaid Conference & Events Centre in London
 - Approximately 80 stakeholder delegates (including consumers bodies, mobile networks, service providers and other regulators)
 - Presentations by Thinktank, PhonepayPlus and industry panellists; breakout sessions on PhonepayPlus' three-year strategic priorities

Other activity:

- Published three issues of *NewsPlus* – PhonepayPlus' monthly e-newsletter – on 29 January, 26 February and 26 March

Chart 6.1 - Industry Written Advice

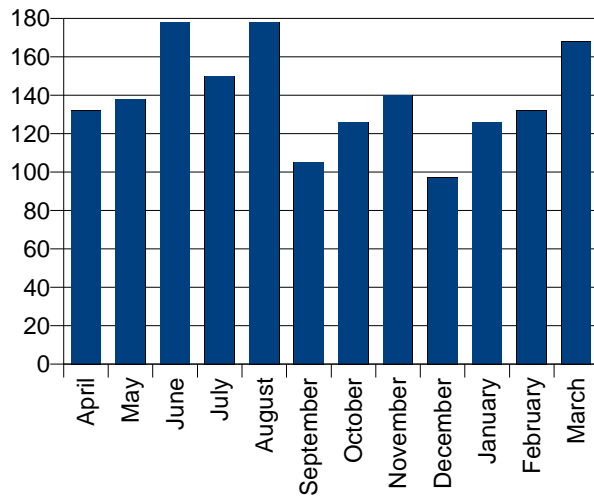


Chart 6.2 - Industry General Enquiries

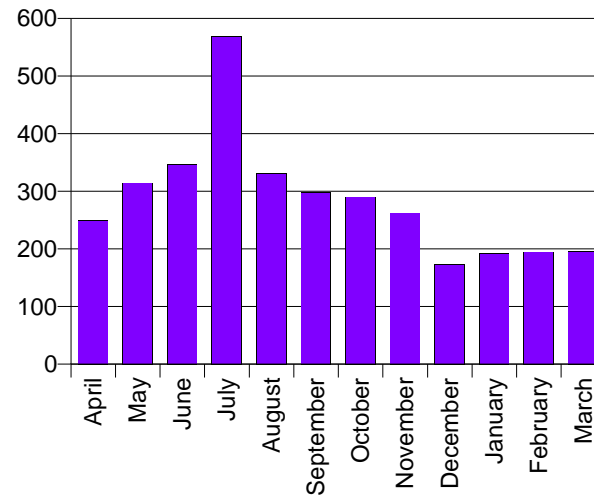
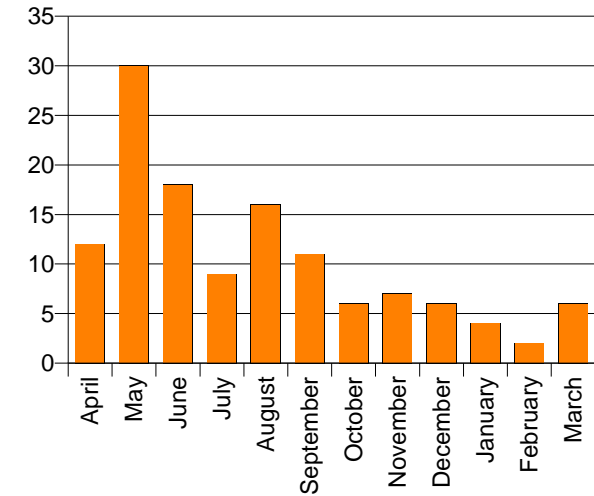


Chart 6.3 - Prior Permissions



Comments:

- After an expected lull in both written and telephone requests for compliance advice over the Christmas period, both written and telephone requests rose steadily through the last quarter. Whilst telephone requests are slightly lower in a year-on-year comparison, written advice requests (the more complex and time intensive of the two) has risen to its third highest level over the last 12 months.
- Whilst this rise in written advice requests is welcome (because it arises from more and more providers seeking promotional or operational advice as routine), it has combined with an intensive period of work on the new Code to create a backlog in Prior Permissions. As a result, the apparent drop in Prior Permissions applications is not entirely accurate, although we would expect the backlog to be worked through once the Code is issued for public consultation at the end of April.
- The new Code will be ready for public consultation once it has been signed off by Ofcom's Policy Executive. Once the Code is out for consultation, focus will shift to training (both internal and external), and communications plans. This will be important to ensure we receive the right feedback, and communicate key Code changes and expectations well ahead of schedule.

Month	Advice	Enquiry	Prior Permission
April	132	249	12
May	138	314	30
June	178	346	18
July	150	568	9
August	178	330	16
September	105	297	11
October	126	290	6
November	140	262	7
December	97	172	6
January	126	191	4
February	132	194	2
March	168	195	6
Total for Period:	1,670	3,408	127

Research Team

Commissioned research projects recently completed:

- 2009 annual market report (undertaken by Thinktank). In addition to analysis of the PRS market, the report provides insight into alternative microbilling platforms and contextualises various PRS market sectors relative to the wider market for similar services. Report is published on the PhonepayPlus website: <http://www.phonepayplus.org.uk/upload/Current-and-future-market-FINAL-Thinktank.pdf>
- Identification of vulnerable consumer groups and areas of vulnerability with respect to premium rate service promotion and use (undertaken by Stephen Locke).
- UK reverse-charge services market overview (undertaken by Thinktank).
- PRS Market Map – FirstPartner has worked with PhonepayPlus to produce a market map that sets out a visual representation of the various types of players and inter-relationships in the PRS value chain.

Commissioned research projects due for completion in the near-future:

- Consumer perceptions of the regulation of premium rate services: consumer engagement to test the principles outlined in the new Code of Practice (being undertaken by Thinktank).
- MT-billed services: consumer-focused research to better understand experiences with the use of MT-billed services. The research has focused on subscription services and text-chat services (being undertaken by Recom).
- Compliance of the market report: report following in-market testing of a range of services to determine rates of compliance in different service sectors, and to set out the nature and seriousness of non-compliance (being undertaken by WMC Global).