



Quarterly Operational Report

2010/2011 - Quarter 3

Published Date: 4 February, 2011

PhonepayPlus is changing the way premium rate services (PRS) are regulated in 2011, with new responsibilities coming in for all providers involved in delivering services to consumers.

To sign up for updates and for further information, go to:

<http://www.phonepayplus.org.uk/output/cp-code-registration.aspx>

Key Performance Indicators

For Q3 of Financial Year 2010/2011

Maximise compliance by providers with the PhonepayPlus Code of Practice and ensure that “polluters” pay

Measure	Target	Actual	Comments
Fine Collection Rate	80%	74%	The KPI of 74% (6% off target) reflects overdue IP fines which have reverted to the SP for payment (the majority of which relate to a single fine) - Excluding these, the fine and administration charges collection rate would be 94% and 80% respectively
Administration Charge Collection Rate	80%	71%	See note for fine collection rate above
Emergency Procedure cases brought to adjudication within 20 working days	90%	N/A	There have been no Emergency Procedure cases in Q3
Informal cases resolved within target (Fast-track within 10 working days/Track 1 within 30 working days)	80%	62%	This measure has been put in place for December and therefore covers a month period only - Improved working practices are being put in place to ensure adherence to the target over the next quarter

Ensure that we act in a way that is proportionate and transparent

Measure	Target	Actual	Comments
Notices to Industry sent soon after adjudication	< 30 days	N/A	There were no Notices to Industry after an adjudication required in Q3
Tribunal minutes published after panel	< 11 days	100%	
Board meeting minutes published after being agreed	< 7 days	100%	

Maximise awareness and understanding of the role of PhonepayPlus

Measure	Target	Actual	Comments
Increasing usage of PhonepayPlus website	Upward Trend	Increase of 20%	This is based on number of visitors to phonepayplus.org.uk in Q3 of 2010/2011 in comparison to Q2 2010/2011
Increasing prompted awareness of PhonepayPlus	Upward Trend	N/A	This measure is currently being reviewed by the Communications Team

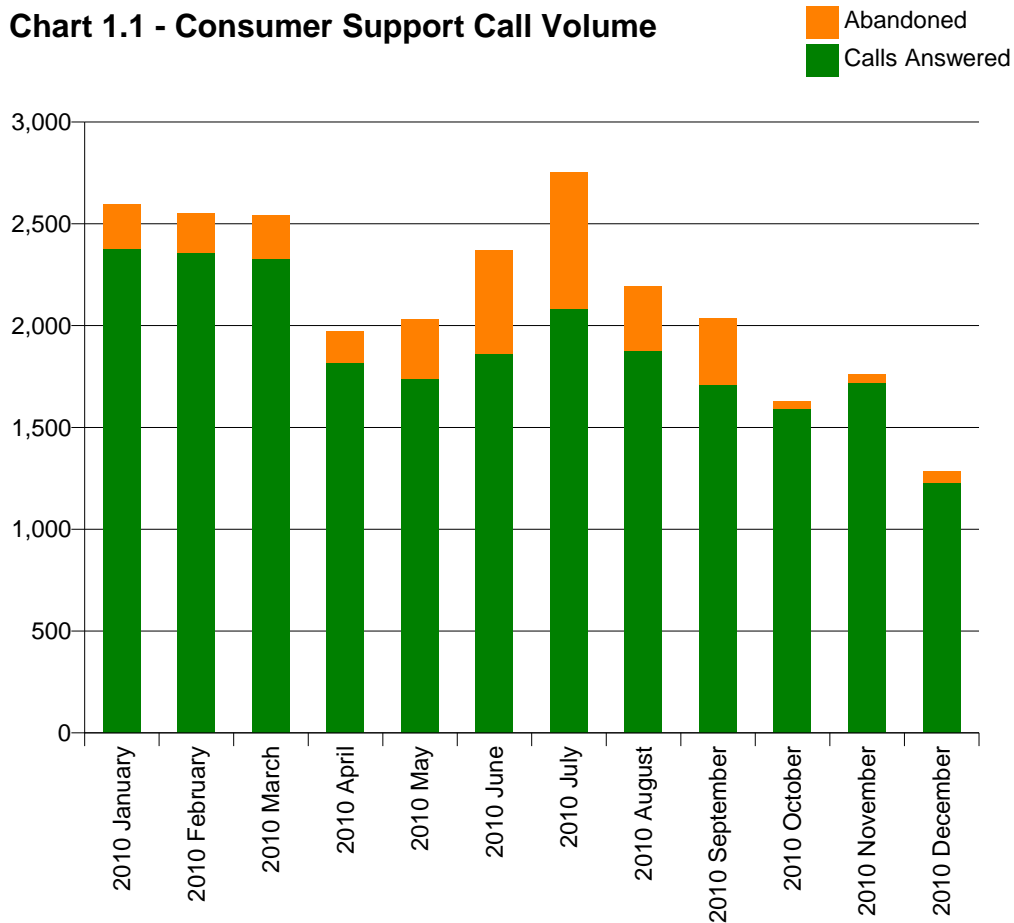
Operate efficiently

Measure	Target	Actual	Comments
Standard procedure cases brought to adjudication within 14 weeks	80%	63%	Eight cases in total were brought to Tribunal in Q3 of 2010/2011 - the three cases missing the target time were of considerable complexity
Calls to Contact Centre answered in 30 seconds	80%	95%	
Response to compliance advice requests answered within five working days	80%	97%	
Complainants are satisfied with the service from PhonepayPlus	80%	78%	Please see the Customer Satisfaction Measures page for further details
Industry seeking advice are satisfied with service from PhonepayPlus	80%	82%	This is based on data from November 2009 through April 2010 – this survey will be performed on a bi-annual basis

An Executive that is fit for purpose and knowledgeable about the sector

Measure	Target	Actual	Comments
Staff turnover	20% annual	16%	Based on calendar year 2010
Average number of training days	TBD	1.23 days	In Q3 of 2010/2011, each employee spent an average of 1.23 days in training
Number of working days lost to sickness	< 3%	2.9%	In Q3 of 2010/2011, 2.9% of working time was lost due to sickness

Chart 1.1 - Consumer Support Call Volume



Month	Calls Answered	Calls Abandoned	Total Calls Offered
2010 January	2,379	216	2,595
2010 February	2,359	195	2,554
2010 March	2,329	214	2,543
2010 April	1,817	155	1,972
2010 May	1,736	293	2,029
2010 June	1,863	510	2,373
2010 July	2,081	671	2,752
2010 August	1,878	318	2,196
2010 September	1,711	328	2,039
2010 October	1,594	35	2,040
2010 November	1,722	39	2,322
2010 December	1,231	54	1,742
Totals for Period:	22,700	3,028	27,157

Comments:

Starting in October, we only report on the true value of abandoned calls (i.e. where consumers have chosen to abort their call at some point after connection). The 'Calls Offered' volume currently includes all calls connected to our Contact Centre - including those serviced by Option 1 on the IVR. Option 1 offers callers, who need to speak to a BT operative to deal with their query, suitable BT contact details via a pre-recorded message.

Chart 1.2 - Calls Answered Under 30 Seconds

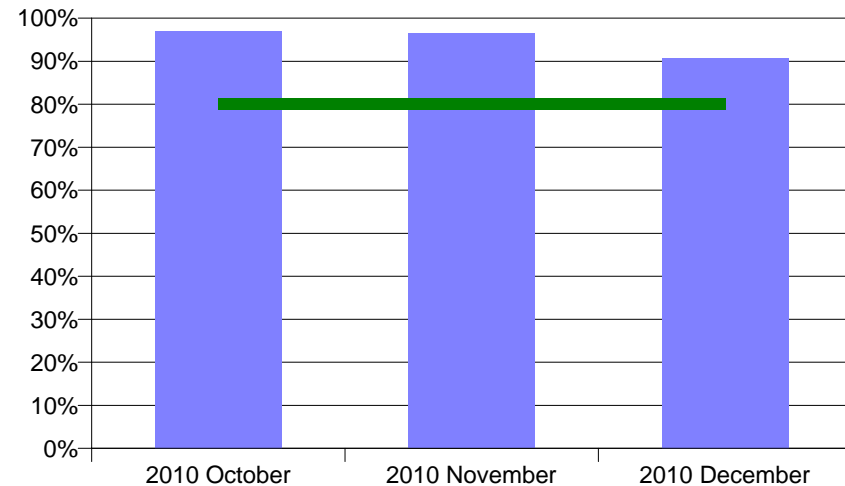
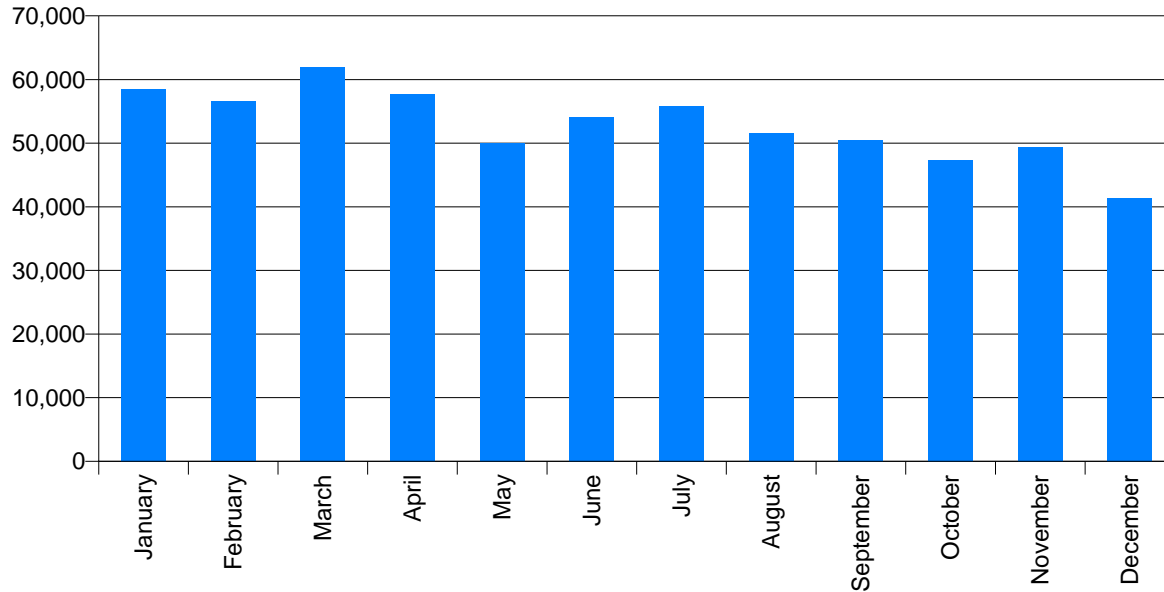


Chart 1.3 - Number Checker Usage



Comments:

- 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
2010 January	23,802	15,038	317	700	2,043	16,648	58,548
2010 February	22,941	13,996	309	736	2,079	16,492	56,553
2010 March	23,803	16,144	316	800	2,027	18,910	62,000
2010 April	20,034	16,570	243	569	1,703	18,593	57,712
2010 May	19,373	14,146	323	560	1,834	13,829	50,065
2010 June	22,460	12,745	397	555	1,951	15,965	54,073
2010 July	24,178	12,747	394	711	1,909	15,908	55,847
2010 August	21,535	11,297	427	680	1,938	15,724	51,601
2010 September	20,691	10,499	440	673	2,022	16,130	50,455
2010 October	19,047	8,283	355	626	1,924	17,076	47,311
2010 November	23,086	7,694	411	613	1,899	15,723	49,426
2010 December	18,185	7,573	320	500	1,670	13,143	41,391
Totals for Period:	259,135	146,732	4,252	7,723	22,999	194,141	634,982

Chart 1.4a - PhonepayPlus Web Site Page Views & Visits

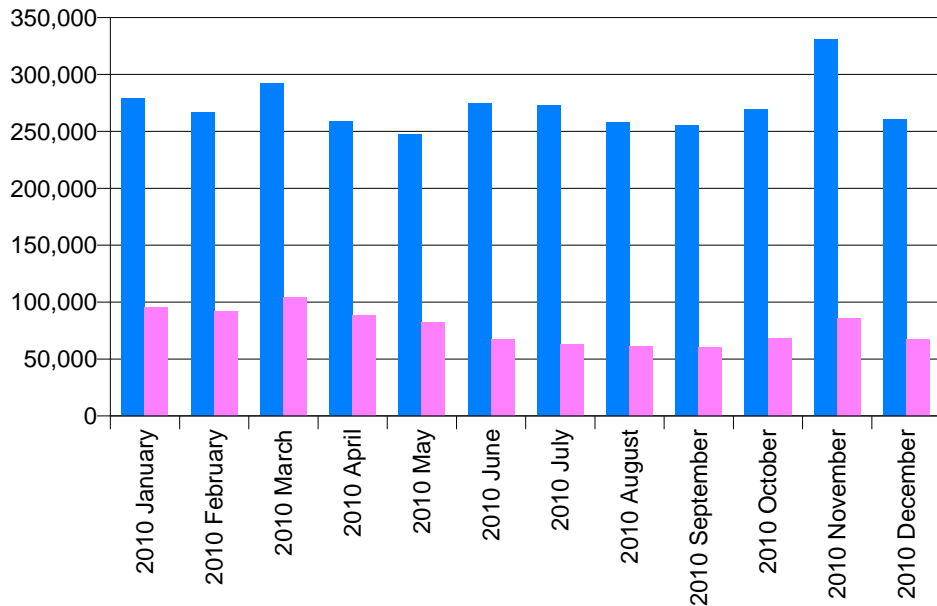
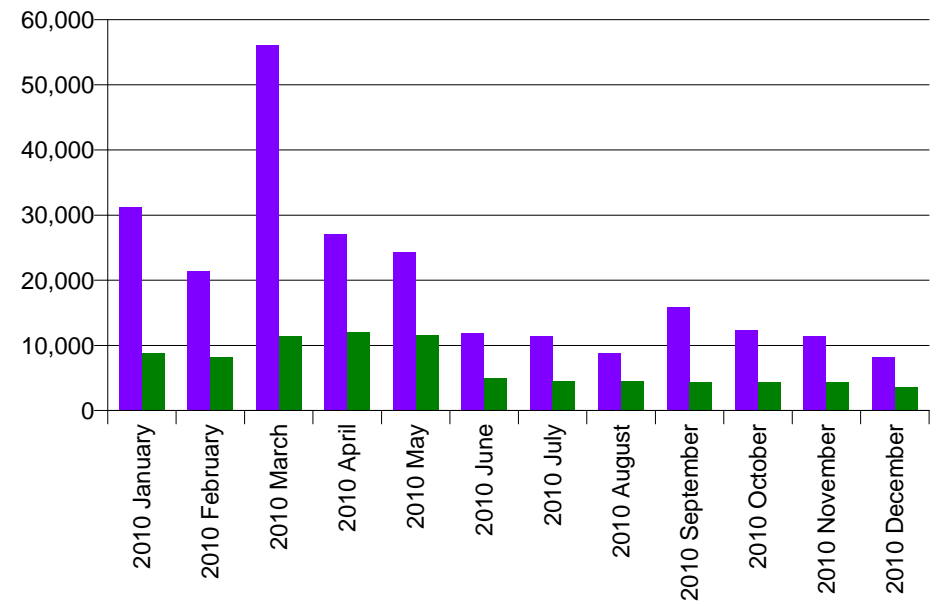


Chart 1.4b - PhoneBrain Web Site Page Views & Visits



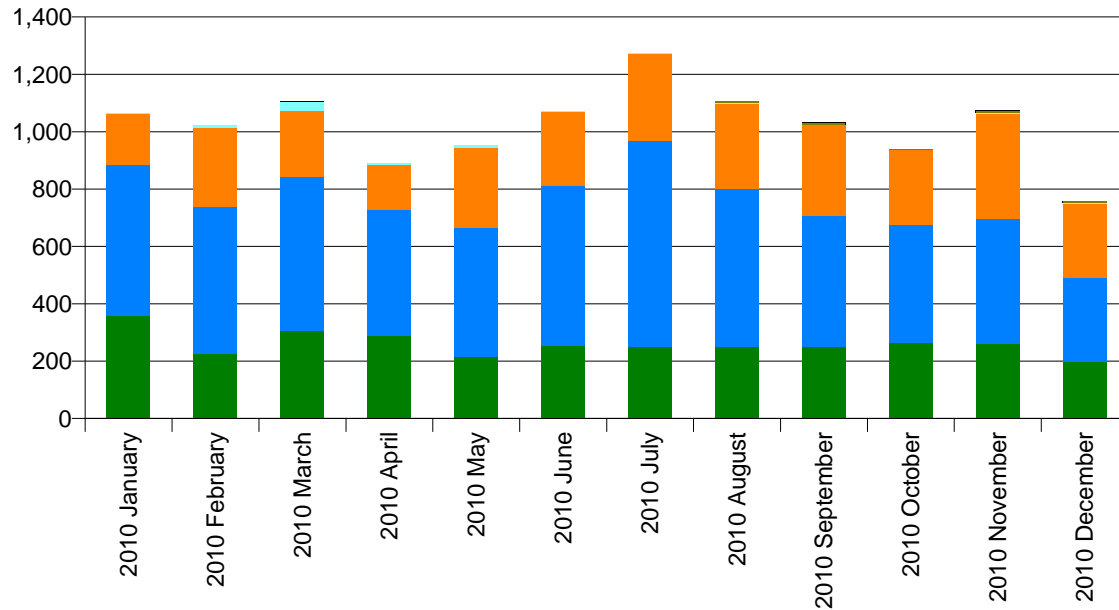
Month	Page Views	Visits
2010 January	279,465	95,038
2010 February	266,556	91,772
2010 March	291,972	104,435
2010 April	259,108	88,191
2010 May	247,140	82,094
2010 June	274,801	67,370
2010 July	272,823	62,476
2010 August	258,376	60,849
2010 September	254,981	60,637
2010 October	269,668	68,216
2010 November	330,696	85,534
2010 December	260,459	67,012
Total for Period:	3,266,045	933,624

Comments:

The increase in traffic to the PhonepayPlus website in November was caused by parcel delivery scam searches. This generated about 10% of the traffic to the site according to Google.

Month	Page Views	Visits
2010 January	31,302	8,762
2010 February	21,392	8,173
2010 March	56,146	11,495
2010 April	27,081	12,078
2010 May	24,292	11,593
2010 June	11,878	4,964
2010 July	11,488	4,555
2010 August	8,838	4,515
2010 September	15,830	4,434
2010 October	12,337	4,379
2010 November	11,482	4,330
2010 December	8,174	3,675
Total for Period:	240,240	82,953

Chart 1.5 - Consumer Enquiries



Type of Enquiry	General Enquiry	Number Check	Out of Remit	Request for Information	Other	Month Totals
2010 January	359	525	178	1		1,063
2010 February	227	512	275	10		1,024
2010 March	305	538	228	35	1	1,107
2010 April	288	440	158	6		892
2010 May	217	450	277	10		954
2010 June	252	560	257	2		1,071
2010 July	250	719	303	2		1,274
2010 August	251	550	298	2	5	1,106
2010 September	252	454	318	2	5	1,031
2010 October	265	412	260		2	939
2010 November	261	436	366	3	8	1,074
2010 December	196	295	259	2	6	758
Totals for Period:	3,123	5,891	3,177	75	27	12,293

Chart 2.1 - Consumer Complaints

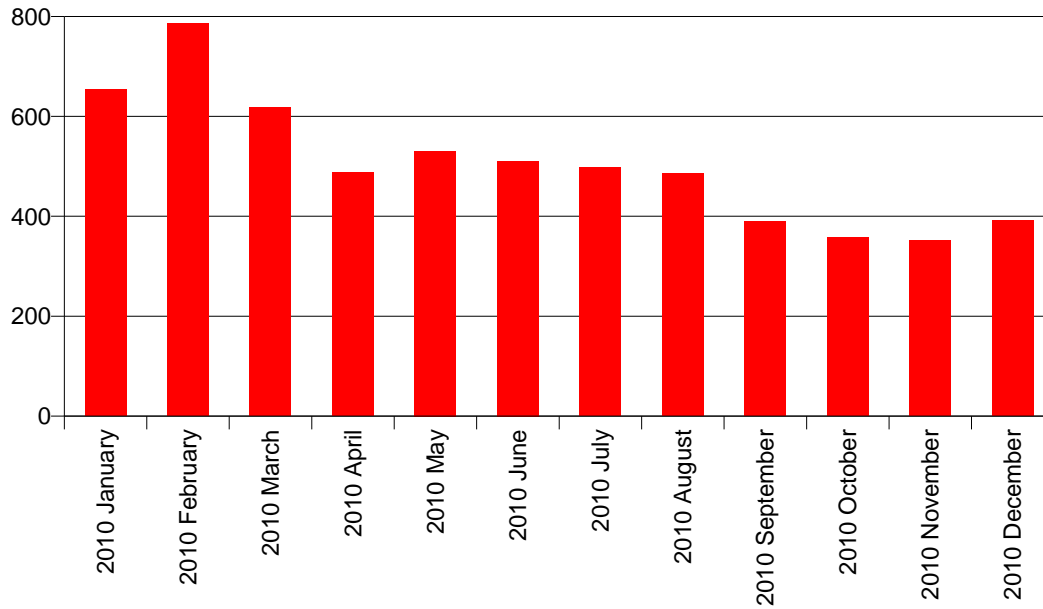
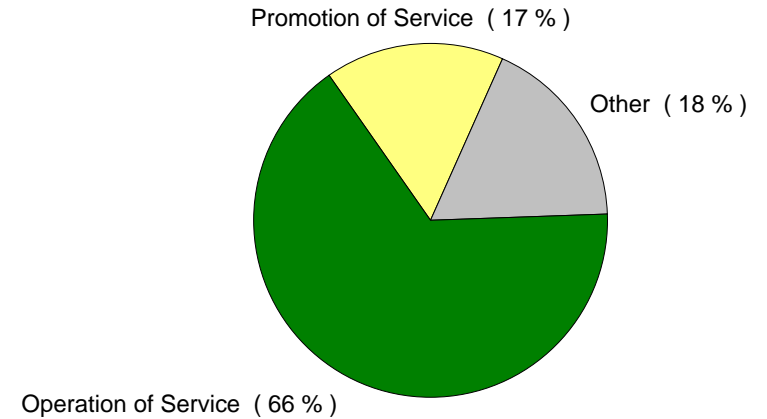


Chart 2.2 - Reason for Complaint Q3

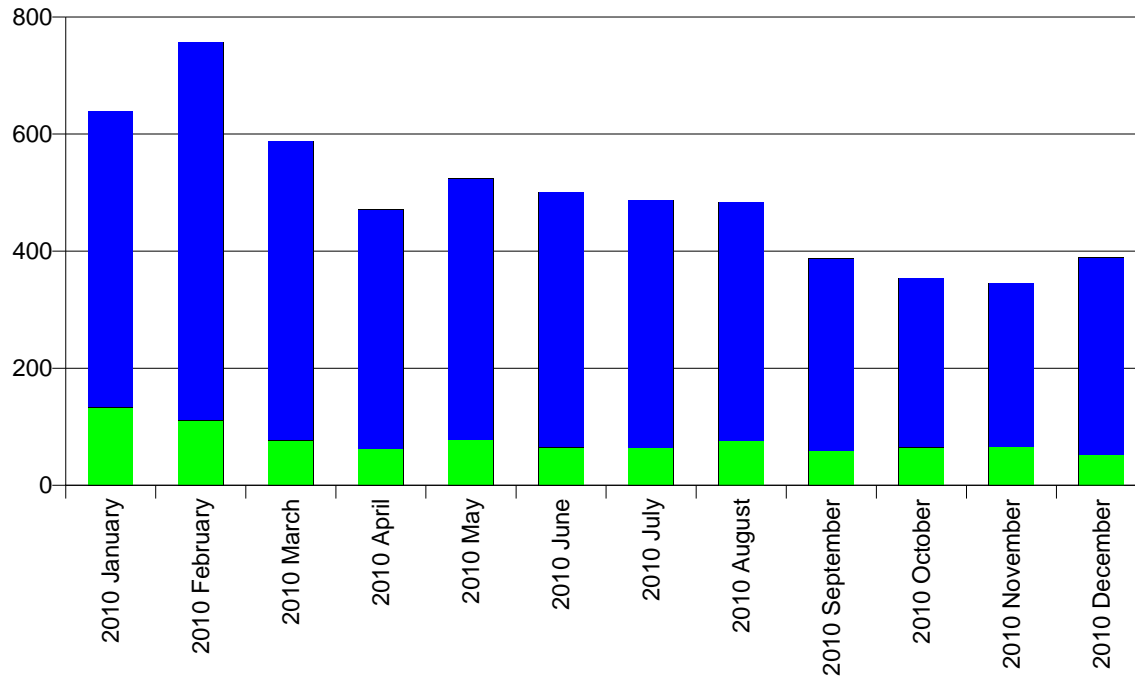


Source of Complaint	Phone	Web	Correspondence	Other	Month Totals
2010 January	359	279	5	11	654
2010 February	487	275	14	10	786
2010 March	396	202	10	10	618
2010 April	267	206	6	9	488
2010 May	312	206	10	3	531
2010 June	287	219	3	2	511
2010 July	280	201	6	11	498
2010 August	250	215	8	13	486
2010 September	214	167	8	1	390
2010 October	176	178	3	1	358
2010 November	173	169	6	3	351
2010 December	161	226	3	1	391
Totals for Period:	3,362	2,543	82	75	6,062

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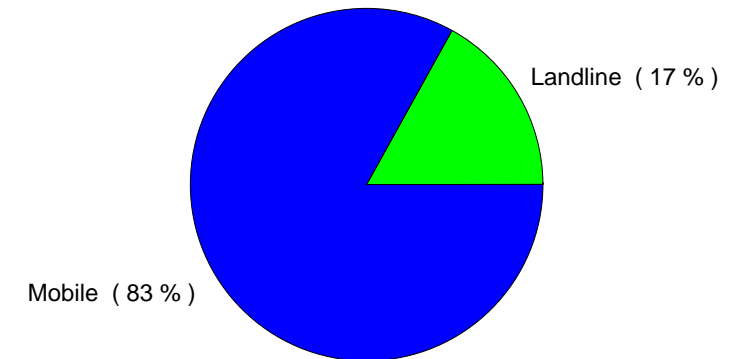
Chart 2.3a - Complaints Trend in Mobile and Landline Sectors

Mobile
Landline



Month	Landline	Mobile	Month Totals
2010 January	133	506	639
2010 February	111	646	757
2010 March	77	511	588
2010 April	63	408	471
2010 May	78	446	524
2010 June	65	435	500
2010 July	64	423	487
2010 August	76	408	484
2010 September	60	327	387
2010 October	65	289	354
2010 November	66	279	345
2010 December	52	337	389
Totals for Period:	910	5,015	5,925

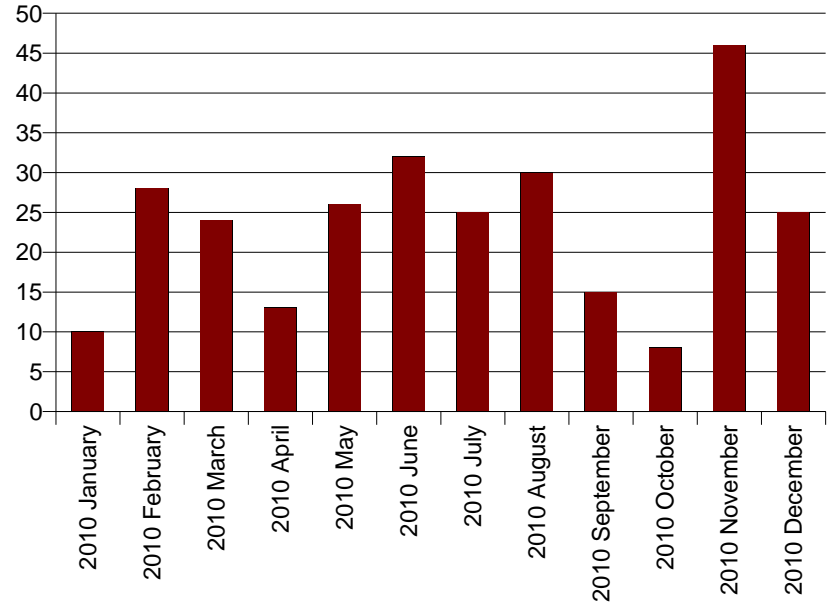
Chart 2.3b - Mix of Mobile vs. Landline Sector Complaints Q3



Month	070 Complaints
2010 July	28
2010 August	12
2010 September	25
2010 October	24
2010 November	25
2010 December	25
Sum:	139

Month	087 Complaints
2010 July	9
2010 August	20
2010 September	11
2010 October	12
2010 November	3
2010 December	16
Sum:	71

Chart 3.1 - Lead Cases Identified



Comments:

This graph displays the number of new informal and formal investigations identified in the period.

Current Open Investigations as of January 31st: 26 Cases

Open Investigations by Sector	Cases
Mobile short-code	19
PRN 09	4
PRN 070	3
Total:	26

Recent Tribunal decisions can be found at:
www.phonepayplus.org.uk/output/Adjudications.aspx

Customer Satisfaction Measures: July 2010 – December 2010

As noted in last month's report, we have recently introduced a five-point scale of responses to ensure a more balanced view of our satisfaction rating (previously we used a three-point scale).

We have since seen a decrease in the levels of performance in certain areas of the report because, previously, the answers were unfairly weighted to a positive score - the three possible responses that consumers could choose to grade their experience being - unsatisfactory, satisfactory and good.

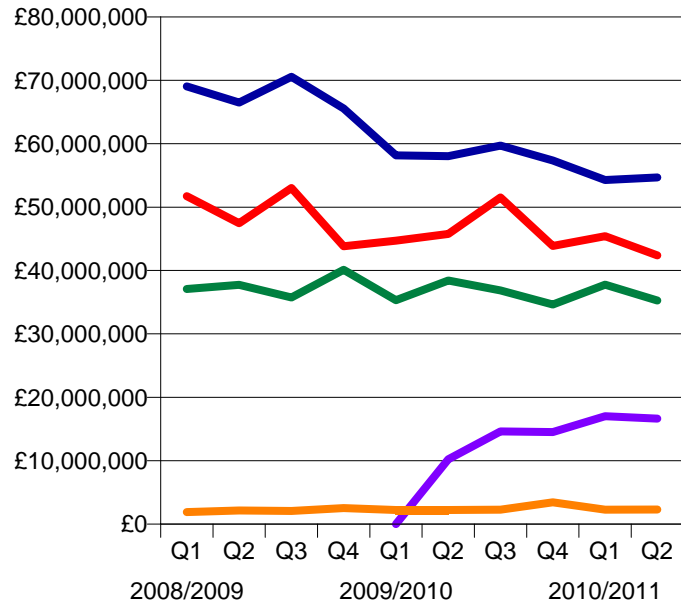
Consumers now have the opportunity to grade the questions with the following responses – very dissatisfied, somewhat dissatisfied, neither satisfied or dissatisfied, somewhat satisfied and very satisfied.

The results of the latest survey (with suitable comparisons) are:

- 78% of people surveyed were satisfied or above with the service they received from PhonepayPlus (88% previously)
- 22% of complainants contacted agreed to respond to our survey (125 out of 570) – this compares to 27% in the late part of 2009
- 78% felt we met our target timeframe for the investigations carried out (84% previously)
- 66% did receive notification of the outcome either electronically or by post (89% previously)*
- 61% felt we explained the outcome of the adjudication sufficiently (96% previously)
- 46% also felt we explained clearly how to obtain a refund (96% previously)
- 58% of consumer commented they were somewhat unlikely, or very unlikely, to use phone-paid services in the future (88% previously)

* This percentage seems unusually low when, wherever possible, we email out the adjudication letter. It could be that consumers simply forget they have received a response from PhonepayPlus.

Chart 4.1 - Outpayments per Sector



Financial Year	Quarter	Mobile	Landline	DQ	087	Payforit	Totals
2008/2009	Q1	£69,032,248	£51,719,645	£37,080,629		£1,906,133	£159,738,655
	Q2	£66,475,442	£47,470,150	£37,730,948		£2,158,133	£153,834,673
	Q3	£70,539,996	£53,020,511	£35,743,700		£2,073,680	£161,377,886
	Q4	£65,557,017	£43,830,952	£40,102,699		£2,512,835	£152,003,502
Total:		£271,604,702	£196,041,258	£150,657,975		£8,650,781	£626,954,717

2009/2010	Q1	£58,162,923	£44,715,635	£35,314,507	£0	£2,213,188	£140,406,253
	Q2	£58,031,069	£45,755,188	£38,428,137	£10,224,816	£2,221,779	£154,660,989
	Q3	£59,696,090	£51,520,062	£36,869,647	£14,611,738	£2,273,176	£164,970,713
	Q4	£57,352,895	£43,869,920	£34,644,303	£14,498,885	£3,446,338	£153,812,340
Total:		£233,242,977	£185,860,805	£145,256,594	£39,335,439	£10,154,481	£613,850,295

2010/2011	Q1	£54,288,641	£45,412,914	£37,770,540	£17,013,010	£2,281,719	£156,766,823
	Q2	£54,682,719	£42,386,368	£35,264,948	£16,624,433	£2,310,159	£151,268,627
Total:		£108,971,360	£87,799,282	£73,035,488	£33,637,443	£4,591,878	£308,035,450

Fines:

Financial Year 2010/2011	Mobile	Fixed	087	070	Network Breach	Totals
Fines invoiced from 01/04/10 - 31/12/10	£1,264,711	£144,500	£8,000	£116,000	£2,000	£1,535,211
Sanctions suspended	£0	£0	£0	£0	£0	£0
Oral hearing	£-202,959	£0	£0	£-70,000	£-500	£-273,459
Deferred Payments	£-165,863	£0	£0	£-655	£0	£-166,518
Services barred due to insolvency	£0	£0	£-8,000	£0	£0	£-8,000
Fines not yet due	£0	£0	£0	£0	£0	£0
Fines due	£895,889	£144,500	£0	£45,345	£1,500	£1,087,234
Fines paid	£703,637	£93,661	£0	£7,542	£500	£805,341
Fines due but not paid	£192,252	£50,839	£0	£37,803	£1,000	£281,893
Collection rate						74 %
% due unpaid						26 %

Chart 5.1a - External PhonepayPlus Newsletter (NewsPlus) Readership

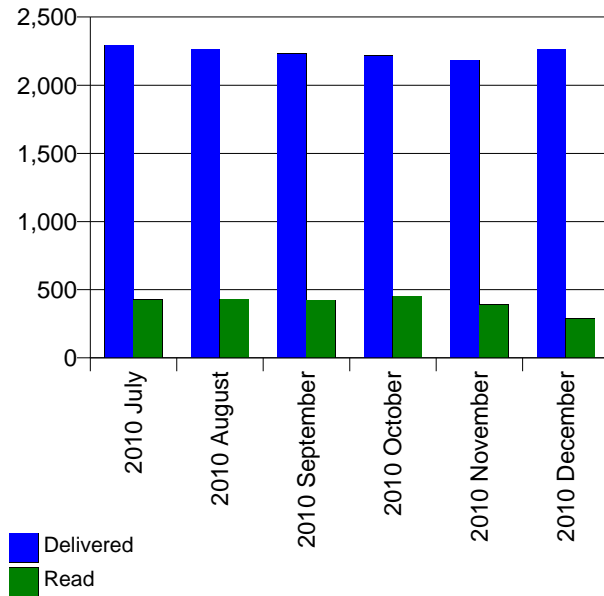
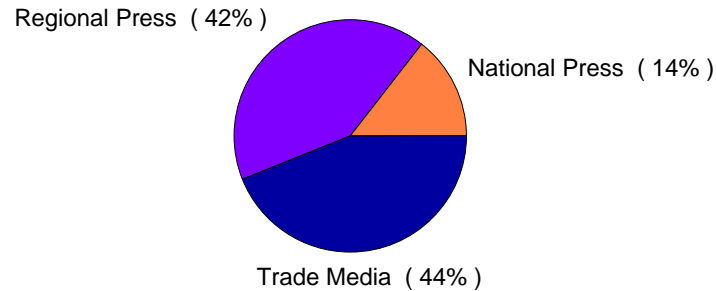
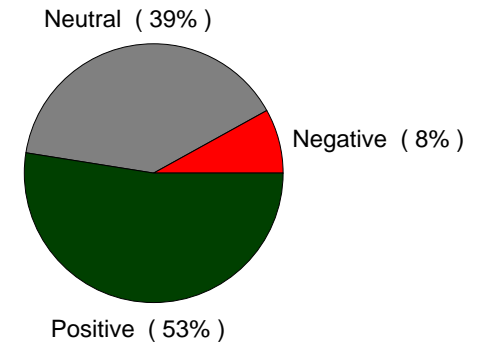


Chart 5.2a - Press Article Type (Quarter 3)



Articles Published in Quarter 3: 84

Chart 5.2b - Press Article Tone (Quarter 3)



Note: Article Tone is measured internally by our Communications Team

Communications Team

Nine announcements:

- Memorandum of Understanding between the Advertising Standards Authority and PhonepayPlus published (7 October)
- PhonepayPlus issues public consultation on Guidance to support proposed new Code of Practice (27 October)
- Notice to Industry: Questionnaire on how PhonepayPlus should communicate changes in the new Code and the need to register
- PhonepayPlus issues statement on postal scam chain email (17 November)
- PhonepayPlus publishes quarterly operations report (2010/11 Q2) (17 November)
- PhonepayPlus publishes the ten must-know facts about consumers and premium rate services, along with an overview of its consumer research over the last three years (22 November)

Communications Team

(announcements continued)

- PhonepayPlus issues public consultation on its Business Plan & Budget for 2011/12 (3 December)
- Notice to Industry: PhonepayPlus' response to increase in VAT from 4 January 2011 (8 December)
- PhonepayPlus publishes easy-to-follow guide on handling complaints and investigations (14 December)

One event:

- PhonepayPlus Forum – PhonepayPlus Strategic Plan for 2011/14 (27 October)
 - Held at the Mermaid Conference & Events Centre in London
 - Approximately 70 stakeholder delegates (including consumer bodies, mobile networks, premium rate providers and other regulators)
 - Presentations PhonepayPlus followed by breakout sessions on Code/Registration communications and the PhonepayPlus Strategic Plan for 2011/14

Other activity:

- PhonepayPlus' PayPoint campaign (messages printed on mobile pay-as-you-go top-up receipts) ran from 25-31 October and from 8-14 November and was featured on nearly 2million receipts
- PhoneBrain event at the South Hunsley School in East Yorkshire – music artist, Fugative, performed for the winning group of enterprise students from PhoneBrain 2010 (15 November)
- Initial email campaign to premium rate providers about PhonepayPlus' new Code/Registration Scheme (10 December)

Chart 6.1 - Industry Written Advice

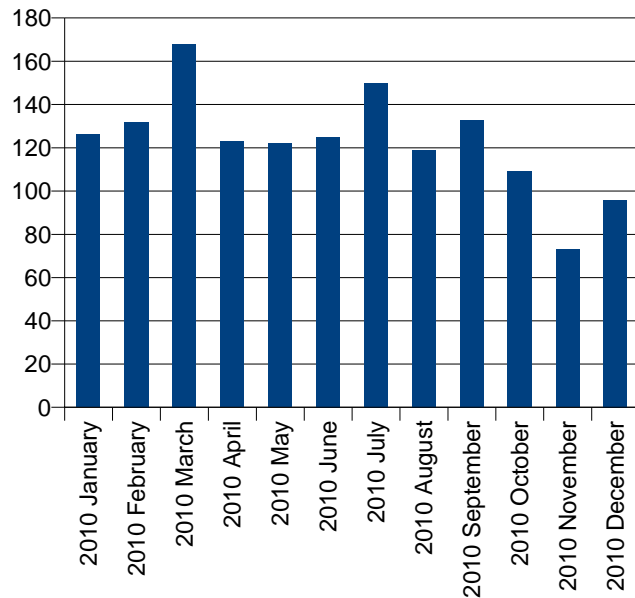


Chart 6.2 - Industry General Enquiries

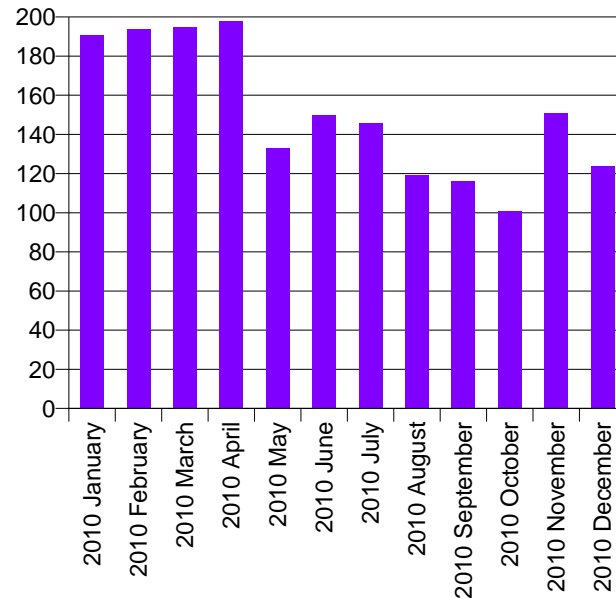
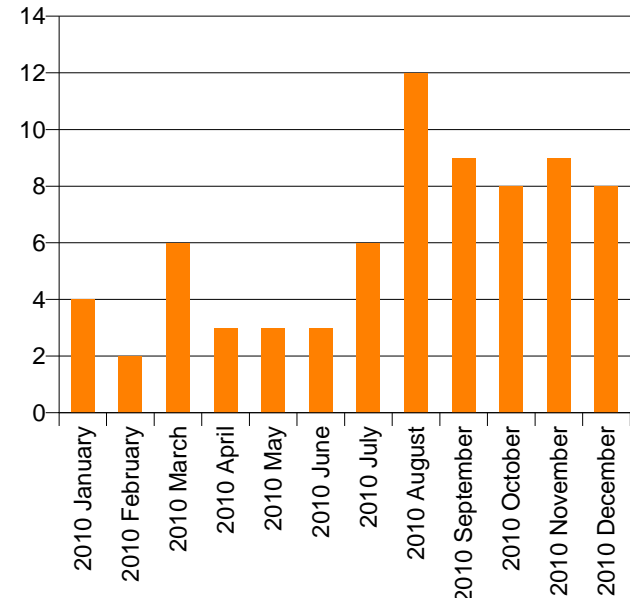


Chart 6.3 - Prior Permissions



Comments:

- Overall telephone enquiries appear at first glance to have remained fairly constant across the quarter, with written advice requests dropping by around 30% in comparison with the previous quarter. However, these figures are slightly distorted by an administration change in November which artificially inflated telephone enquiries and deflated written advice requests. This is explained directly below. Overall there has been a decrease in total compliance advice requests of around 18% in comparison with the previous quarter.
- In November, it appeared that figures for written advice fell dramatically, with a concurrent increase in telephone enquiries over the same period. However, this was caused by a period of staff adjustment to a new default setting on the system, that registered everything as an enquiry unless the system is instructed otherwise. Now that staff are fully adjusted, written advice has increased by 23 requests over December, with telephone enquiries falling by 26 requests over the same month. Requests for compliance advice, whether written or telephone-based, are traditionally low in December due to the Christmas holidays. However, the overall figure for both written advice and telephone enquiries combined decreased by less than 2% from November to December.
- The draft new Code of Practice has now been returned from the EU with no comments. The consultation on Guidance in support of the Code closed on 19 January, and we are currently working through the issues raised and altering Guidance as appropriate.

Month	Advice	Enquiry	Prior Permission
2010 January	126	191	4
2010 February	132	194	2
2010 March	168	195	6
2010 April	123	198	3
2010 May	122	133	3
2010 June	125	150	3
2010 July	150	146	6
2010 August	119	119	12
2010 September	133	116	9
2010 October	109	101	8
2010 November	73	151	9
2010 December	96	124	8
Total for Period:	1,476	1,818	73

Market Intelligence

Research Projects:

- Research project: A review of our regulation of 087 services and compliance in that market
- Commissioned research: The marketplace and regulation of micropayments (undertaken by Analysys Mason)
- Commissioned research: 2010 PRS market report & forward-look - in-depth look at different aspects of current and future promotion and operation of PRS within social media (undertaken by Analysys Mason, due for completion in February 2011)
- Review of consumer research undertaken at PhonepayPlus - published on our website at:
<http://www.phonepayplus.org.uk/upload/The-Consumer-Experience-of-Premium-Rate-Services-2010.pdf>

As part of the above review of consumer research undertaken in 2010, we also published several earlier pieces of commissioned consumer research - these can be found on the following page of our website: <http://www.phonepayplus.org.uk/output/consumer-research.aspx>

Areas of focus for intelligence-gathering, monitoring and in-market testing:

- Analysis of complaints about PRS billing for stored-value accounts for online gaming, etc.
- Analysis of complaints about MT-billing, focusing on subscription services and the operation of the most complained-about subscription services
- In-depth look at compliance rates with promotion of PRS services via SMS
- Compiling a toolkit for investigation of services promoted on the internet
- Exploration of the market and operation of affiliate marketing: focused on marketing through typo-squatting of website URLs
- Exploration of the market, technology and consumer experience with in-app PRS microbilling