



Phonepay Plus



Quarterly Operational Report

2013-2014 - Quarter 2

Publication date: 09 October 2013

INTRODUCTION

Introduction

PhonepayPlus is the organisation that regulates phone-paid services in the UK. As a strategic regulator PhonepayPlus strives to clearly define to its stakeholders the key regulatory outcomes it looks to achieve and commits to report regularly on measures and key performance indicators which best demonstrate PhonepayPlus's effectiveness in meeting these.

PhonepayPlus looks to achieve the following outcomes:

Healthy market - a trusted and healthy market that can innovate, grow and is compliant with our Code of Practice

Drivers

- The market attracts and retains new entrants
- Market participants thrive in the market
- Harm is dealt with appropriately, redress achieved and balance restored
- High levels of compliance in services specifically and the market overall
- PhonepayPlus regulation anticipates, understands and responds to market dynamics and business and commercial drivers

Consumer confidence - a market that informed consumers have trust and confidence in

Drivers

- Consumers understand how to use PRS services safely and appropriately
- Consumers receive the PRS services as expected
- PhonepayPlus is accessible to those consumers who are seeking redress
- Complainants are satisfied with the service and redress provided by PhonepayPlus

Cost effective and proportionate - a regulator that is capable, cost effective and has the confidence of stakeholders

Drivers

- Regulation is cost effective and makes best use of resources
- Regulation is proportionate, effective and fair
- Regulation is future proofed
- PhonepayPlus's internal capability is effective
- Stakeholders have confidence in the effectiveness and efficiency of the organisation

The following report provides information and metrics which look to track our progress and provide measures of success to judge our level of effectiveness in meeting our outcomes. The report is divided into four sections:

1. Market indicators
2. Key performance indicators
3. Management information
4. Tribunal information

This report is provided on a quarterly basis and is published on the PhonepayPlus website on or around the 15th of the month.

PhonepayPlus also produces independent, external stakeholder and staff satisfaction surveys on a bi-annual basis. The results of these surveys are considered an integral part of our key performance indicators providing a view from our key stakeholders on their satisfaction with the functions and services we provide, and our effectiveness as an employer in the view of our employees.

EXECUTIVE SUMMARY

Market

The market size in terms of organisations registered on the Registration Scheme declined slightly by 5% compared to Quarter 1, showing just under 3,000 providers after the second renewal period in August. The overall total of registered providers is in line with the current forecast. Outpayment figures by sector for Quarter 1 2013/14 shows an overall market decline of 9% over the first quarter of this financial year with declines in the Landline, Mobile and Payforit sectors while 087 and Directory enquires remain stable.

Consumers

We have recently reviewed our triage of consumer contacts to ensure we are capturing the correct level of complaints particularly in the light of consumer harm increasingly being caused by misleading digital promotions. The review has suggested that a higher proportion of contacts warrant processing through the complaint process and complaint levels may previously have been under reported. The complaint process allows us to undertake the analysis and monitoring required to uncover potential non-compliant services as well as investigating concerns around misleading consumer journeys on an otherwise seemingly compliant service. This has had the effect of increasing the number of complaints recorded (on average 200 more contacts per month warrant processing as a complaint) with a decrease in the number of consumer enquires.

Complaint volumes therefore increased by 20% in Quarter 2 (3,918 compared to an average of 3,300 in previous quarters). On a rolling year basis complaint volumes are up 20% and compared to the previous financial year to date are up 13%. The key drivers of complaints relate to misleading advertising related to affiliate marketing (typically related to competition and quiz services) and adult pay-per-page. 78% of complaints in Quarter 2 (77% year to date) relate to SMS mobile. 54% of complaints in Quarter 2 (and year to date) required escalation to an enforcement track (Track 1 or Track 2).

Contacts to the call centre totalled over 7,000 for the quarter with 73% of these answered within the 30 second target. Number checker remains a popular tool (at just under 120,000 checks per month) and with a healthy return rate on valid checks of over 85%.

Compliance

A measure of compliance has been introduced as part of the suite of market indicators (previously published in Quarter 1 report). The study, an indicative snapshot view on a sample of consumer journeys, found that 82% of the services measured against the Code of Practice were compliant. This is encouraging as a measure of compliance, although our day-to-day regulatory experience has given us exposure to a number of marketing methods which may not have been captured by this research, in particular, services reached via misleading affiliate marketing and which have been a significant driver in complaint volumes. It is possible therefore that the overall level of compliance is lower than the figure shown.

43% of cases and complaints are attributable to the top 15 offenders. Almost 90% of compliance advice requests have been answered within five working days and over 1,300 due diligence reports have been requested this quarter.

Enforcement

86% of cases have been investigated through informal tracks and 14% through formal tracks this year to date and 30% of complaints formally investigated. 91% of cases to date are with Level 2 providers, 7% Level 1 providers and 2% Network operators. Formal investigations on average are heard at Tribunal in ten weeks (four weeks below target) this year (compared to 12 weeks over in 2012/13) and 70% of cases year to date (against a target of 80%) met the target of 14 weeks (compared to 51% in 2012/13). However the impact of the investigation of ten cases invoking the Emergency Procedure in July and August will have an impact on case duration compared to target over the coming months. 20 cases this quarter and 32 cases this year to date have been heard by the Tribunal with the majority of (relevant) cases considered serious or above. 90% of breaches and 100% of cases were upheld. The cumulative fine collection rate for the financial year to date is 57% adjusted and 55% non-adjusted which is due to non-payment of fines by nine providers all of whom are being vigorously pursued through our debt recovery procedures and specialist agency.

MARKET INDICATORS

Description of this section

This section provides information on the premium rate market. The metrics included in this section, unlike those elsewhere in the report, are not an indicator of PhonepayPlus' performance but rather a view on the activity of the external market which PhonepayPlus regulates. Such information is seen as vital in providing an overall context to the regulator's effectiveness. The section includes information on the size of the market in terms of revenue outpayments, the number and type of industry participants providing premium rate services registered on the PhonepayPlus Registration Scheme and trends on volumes of complaints received from consumers and number checks made on services by consumers and industry.

MARKET INDICATORS

Market size and composition

Number of registered organisations:

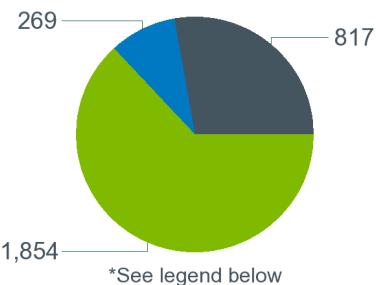
2,940

Quarterly view

1.1 Number of new registrations

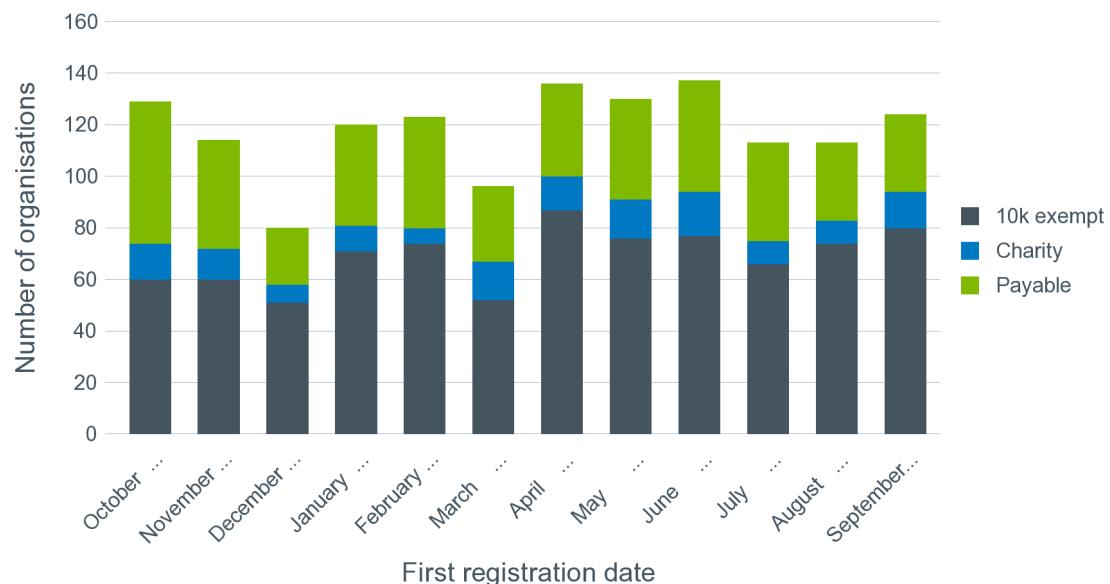
	10k exempt	Charity	Payable	Total
2013-2014 - Q2	220	32	98	350
2013-2014 - Q1	240	45	118	403
2012-2013 - Q4	197	31	111	339
2012-2013 - Q3	171	33	119	323

1.2 Registered organisations total (to date)



Annual view

1.3 Number of new registrations



Comments

This market metric gives a view on whether the market size, in terms of organisations registered, is growing or declining. The number of registered organisations on the Registration Scheme declined by 5% (compared with Quarter 1) and is due to the seasonal decline during the peak renewal period in August) and stands at just under 3,000 registrants with an average of 354 new registrants per quarter (over the past four quarters). The overall total of registered providers is in line with current forecasts. Total registrants are made up of 63% payable, 28% exempt due to revenue threshold and 9% charities.



PhonepayPlus

MARKET INDICATORS

Registration changes

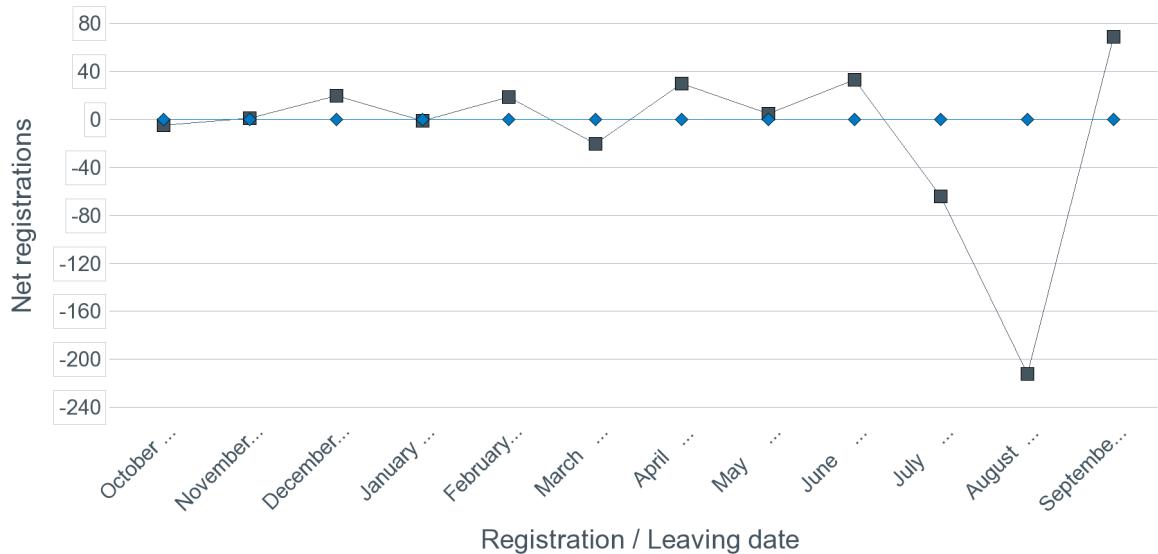
Quarterly view

1.4 Number of organisations leaving the PRS market compared to new registrations

	De-registered	Left the PRS market	Total left	New registrations	Net
2013-2014 - Q2	425	132	557	350	-207
2013-2014 - Q1	244	91	335	403	68
2012-2013 - Q4	267	74	341	339	-2
2012-2013 - Q3	286	21	307	323	16
Total	1,222	318	1,540	1,415	-125

Annual View

1.5 Net registrations per month



Comments

The net number of registrations (those joining the market minus those leaving the market) has been broadly static month by month with the exception of August, the peak renewal period, where 225 registrants left the market (this is in comparison with 600 leaving in August 2012). The overall total of registered providers is in line with current forecasts.

The Quarter 2 de-registered figure is likely to increase over the course of the next quarter as organisations that do not renew have a 30 day window to do so.

MARKET INDICATORS

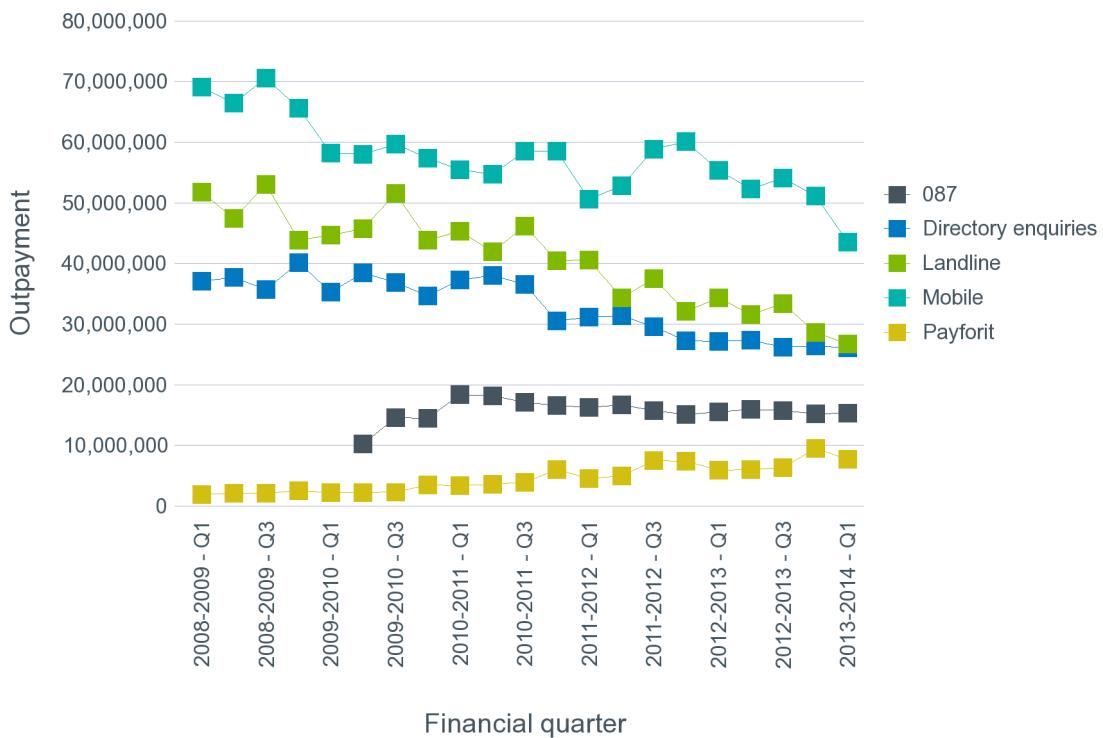
Market size and composition

Quarterly view

1.6 Outpayments by sector

	087	Directory enquiries	Landline	Mobile	Payforit	Total
2013-2014 - Q1	15,310,678	26,118,867	26,671,822	43,565,169	7,747,383	119,413,919
2012-2013 - Q4	15,208,377	26,422,991	28,642,931	51,140,933	9,455,709	130,870,941
2012-2013 - Q3	15,771,046	26,161,247	33,331,909	54,093,912	6,291,048	135,649,162
2012-2013 - Q2	15,982,224	27,319,237	31,547,508	52,276,965	6,014,539	133,140,473
2012-2013 - Q1	15,477,872	27,118,903	34,340,762	55,373,109	5,943,270	138,253,916

1.7 Outpayments by sector



Comments

The following market metric gives a view on whether the market size in terms of revenue is growing or declining.

Quarter 1 has seen a decline on the previous quarter (down 9%) with falls in mobile (15%), landline (7%) and Payforit (18%). Directory Enquiries and 087 are broadly flat. Compared to Quarter 1 2012/13 there is an overall decrease of 14% (Mobile down 21%, Landline down 22%, Directory Enquiries down 4%, 087 broadly flat and Payforit up 30%).

MARKET INDICATORS

Market size and composition

Annual View

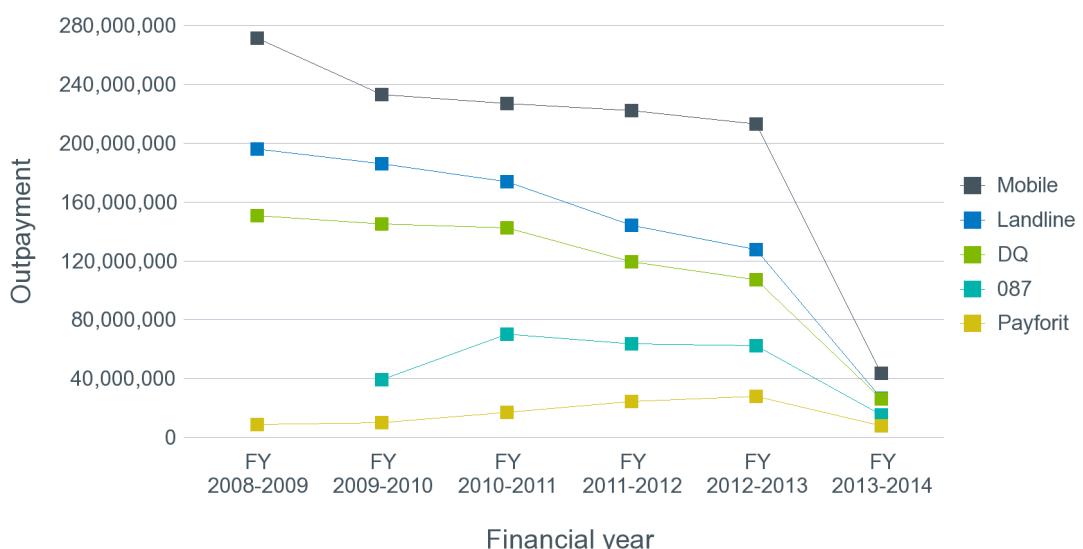
1.8 Outpayments by sector *

	Mobile	Landline	DQ	087	Payforit	Total
FY 2013-2014	43,565,169	26,671,822	26,118,867	15,310,678	7,747,383	119,413,919
FY 2012-2013	212,884,919	127,863,110	107,022,378	62,439,519	27,704,566	537,914,492
FY 2011-2012	222,371,371	144,378,889	119,325,005	63,843,734	24,455,447	574,374,445
FY 2010-2011	227,115,647	173,877,266	142,379,680	70,262,751	16,864,696	630,500,040
FY 2009-2010	233,242,977	185,860,805	145,256,594	39,335,439	10,154,481	613,850,296

* up on previous financial year

down on previous financial year

1.9 Outpayments by sector



Comments

Quarter 1 outpayments are now reflected in the financial year 2013/14 to date. The last full financial year (2012/13) showed a year on year overall market decline of 6% (Mobile sector down 4%, Landline down 11%, Directory Enquiries down 10% and 087 down 2%. Payforit increased 13%).



MARKET INDICATORS

Complaint data

Monthly view

1.10 Number of complaints received

Period	Complaints	Change
2013-2014 - Q2	3,918	19.52%
2013-2014 - Q1	3,278	-7.48%
2012-2013 - Q4	3,543	14.51%
2012-2013 - Q3	3,094	



Annual View

1.11 Complaint trends compared to previous financial year



Rolling year	Complaints	Up / Down	Financial year to date	Complaints	Up / Down
October 2012 - September 2013	13,833	19.81%	2013-2014	7,196	12.63%
October 2011 - September 2012	11,546		2012-2013	6,389	

Comments

This market metric gives an indicator of overall regulatory effectiveness, consumer confidence and a view on market compliance and harm. We have recently reviewed our triage of consumer contacts to ensure we are capturing the correct level of complaints particularly in the light of consumer harm increasingly being caused by misleading digital promotions. The review has suggested that a higher proportion of contacts warrant processing through the complaint process and complaint levels may previously have been under reported. The complaint process allows us to undertake the analysis and monitoring required to uncover potential non compliant services as well as investigating concerns around misleading consumer journeys on an otherwise seemingly compliant service. This has had the effect of increasing the number of complaints recorded (on average x more contacts per month warrant processing as a complaint) with a decrease in the number of consumer enquires. This change in procedures is anticipated to reflect more accurately the level of complaints raised by consumers and will increase our effectiveness in dealing with complaints appropriately.

Complaint volumes therefore increased by 20% in Quarter 1 (3,918 compared to an average of 3,300 in previous quarters). On a rolling year basis complaint volumes are up 20% and compared to the previous financial year to date are up 13%. The key drivers of complaints relate to misleading advertising related to affiliate marketing (typically related to competition and quiz services) and adult pay-per-page.

MARKET INDICATORS

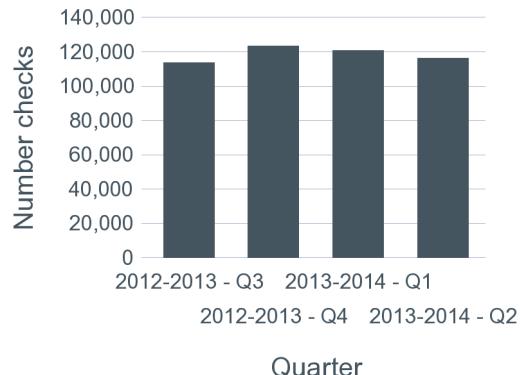
Number checker data

Quarterly view

1.12 Number of number checks

Period	Number checks	Up/Down	Valid
2013-2014 - Q2	116,181	-3.65%	79,781
2013-2014 - Q1	120,588	-2.14%	84,308
2012-2013 - Q4	123,220	8.36%	85,399
2012-2013 - Q3	113,714		79,866

1.13 Quarterly number checks



Annual View

1.14 Success rate of valid number checks



Comments

This market metric provides a measure of consumer engagement and an indicator of potential market harm.

Numbers checked continues to average approximately 118,000 per quarter. Valid checks are those which return a recognised shortcode or 11-digit fixed-line number and average 70% of the quarterly checks.



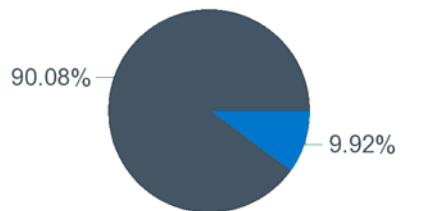
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MARKET INDICATORS

Number checker data

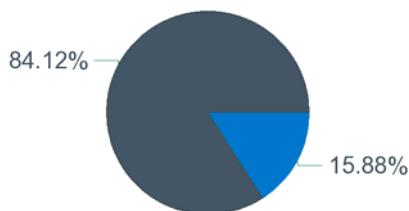
Annual View

Number checker success rate as percentages (financial year)



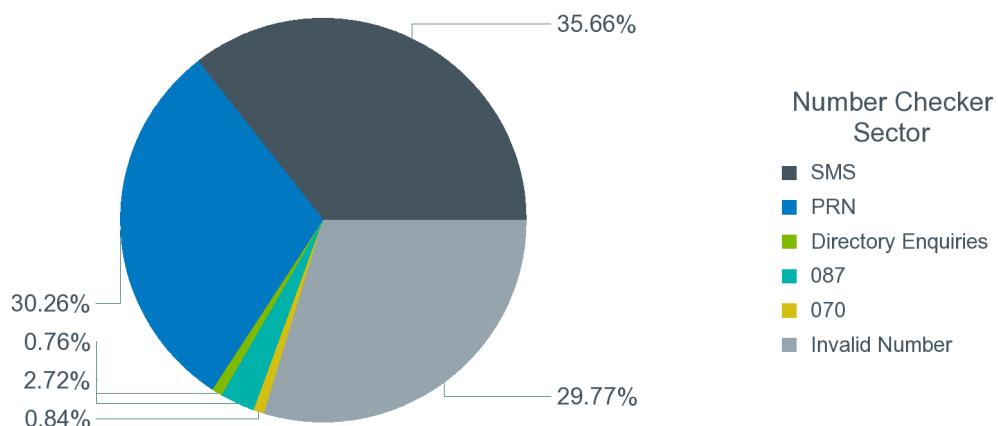
1.13 SMS success rate

■ Successful
■ Unsuccessful



1.14 PRN success rate

1.15 Number of number checks by sector (financial year)



Comments

The return rate for valid checks for SMS for the financial year to date is 90%. Fixed line success rates on valid checks is 84%. The number of checks made on SMS and PRN over the financial year to date are broadly similar, within a 10% differential.



PhonepayPlus

MARKET INDICATORS

Measurement of market compliance 2013

Introduction

As part of the suite of Market Indicators, providing a view on the activity of the market which PhonepayPlus regulates, this study provides a measure of compliance that can be used as an initial benchmark for a 'Market Compliance' indicator.

The study was necessarily limited by the resources (time and budget) available and provides an indicative 'snapshot' view on the basis of a sample of 100 consumer journeys rather than a statistically robust measure of market compliance (see Methodology below).

Result

The in-market testing exercise, measured against the Code of Practice, found that 82% of the 100 premium rate services monitored in this study were completely compliant with the Code of Practice. This is encouraging as a measure of compliance, although our day to day regulatory experience and complaint handling has given us exposure to a number of marketing methods which may not have been captured by this research, in particular, those which result in misleading marketing. It is possible, therefore, that the overall level of compliance is lower than the figure stated above.

Key Themes

Of the 18 failures identified, 16 were categorised as potentially serious (i.e. they could be considered for formal resolution - Track 2 or Emergency Procedure*).

The two most frequently occurring issues identified were 'no free or non-premium rate UK helpline, staffed throughout normal UK office hours' and formatting breaches on a number of services that use the Payforit payment mechanism.

Methodology

PhonepayPlus commissioned an external study with a specialist agency (WMC Global) to conduct an analysis of 100 consumer journeys in the PRS market. These services were monitored in the period 22 February – 1 March, 2013.

The sample selected was constructed to reflect the UK market revenues by service sector as determined by the 2011 PhonepayPlus Market Review. The sample was adjusted to ensure that no service sector sampled below ten services and, as a very small (less than 0.25%) sector of the market, 'TV Red Button' was excluded. Once completed, the results were then reweighted to reflect the market revenue of the remaining sectors – Directory Enquiries, Premium SMS, Payforit, PRS Voice and Voice 087x.

Although not constructed to provide statistically robust view, the sample of services tested was selected to provide a reasonable spread within each service area (Information, Calling, Entertainment, Personalisation and Gifts and Payments).

The services identified to test were selected via natural consumer journeys, using a variety of search methods (web, print, mobile internet and TV).

No attempt was made to focus on services that are known to be problematic or those where PhonepayPlus has received a lot of complaints (such as those reached via misleading affiliate marketing) as the intention was to provide an overall snapshot view of the market, as a consumer would experience it.

No attempt was made to monitor services over a longer period of time to see, for example, whether subscription services adhered to the rules in the longer-term or whether services captured personal information and later promoted other services without permission. As such, this study provided a 'snapshot' view.

Services were tested against the requirements of the PhonepayPlus 12th Code and the Payforit Scheme Rules 4.

Where services were found to be in breach of one or more requirements, the level of severity was assessed as to be potentially considered for an 'Informal' resolution (Fast Track or Track 1) or a 'Formal' resolution (Track 2 or Emergency Procedure).

*The study is an indicative snapshot of the PRS market and cannot therefore be compared to other data subsets such as cases investigated. There are a range of considerations taken into account when deciding on raising a T2 or EP case.

KEY PERFORMANCE INDICATORS

Description of this section

This section details PhonepayPlus's performance against key indicators. These are measures which have been identified as providing the best means to judge our achievement against our stated outcomes. The KPIs look to provide a view on how we perform against the key drivers of activity. These key drivers include how effective we are in delivering on the objectives of the Code of Practice in due diligence, risk management and control, the level of integration of the enforcement strategy, our ability to anticipate future developments, the level of consumer awareness and satisfaction with our service provision and our cost efficiency and internal capability. The measures include the level and types of formal to informal investigations undertaken, the timeliness of these investigations, a view over time of repeating offenders, and trends on the collection rates of fines and administrative charges levied.

In addition to the KPIs included in this report, PhonepayPlus also produces independent, external stakeholder and staff satisfaction surveys on a bi-annual basis. The results of these surveys are considered an integral part of our key performance indicators providing a view from our key stakeholders on their satisfaction with the functions and services we provide, and our effectiveness as an employer in the view of our employees.

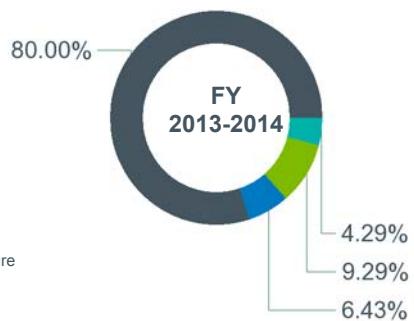
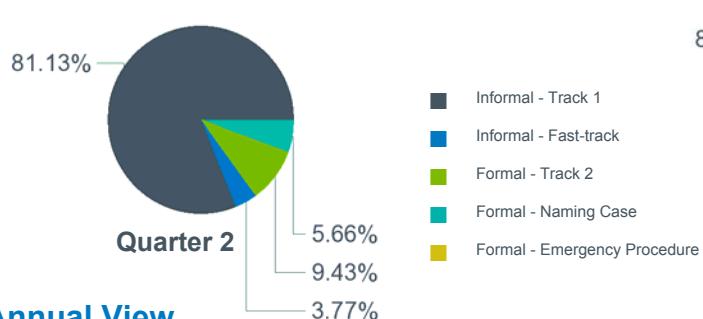
KEY PERFORMANCE INDICATORS

Investigation cases by resolution type

Quarterly view

15.09% of the cases were formal investigations in this quarter.

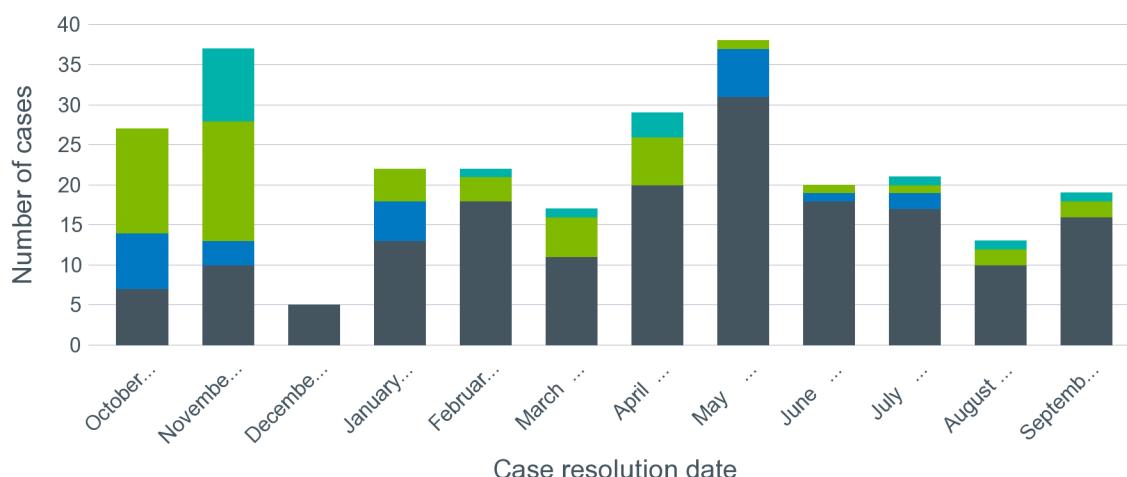
2.1 Enforcement action type by case



Annual View

13.57% of the cases were formal investigations in this financial year.

2.2 Enforcement action type by case



Comments

This KPI is the ratio of formal to informal cases. This provides a view on the level of harm in the market, the effectiveness of due diligence, risk assessment and control by providers, whether enforcement is providing a deterrent and the proportionality of the regulator in terms of dealing with harm appropriately, achieving redress and restoring balance.

The graphs reflects cases fully resolved in the period. As a result the recent Emergency Procedure cases which are subject to post adjudicatory work are not yet reflected this period.

In Quarter 2 the ratio of cases resolved was 1:6 formal to informal. Over the rolling year the profile has changed quite significantly as we have improved our categorisation of Fast-track procedure to only include cases where there are breaches which have the potential for consumer harm but which could be classed as minimal. Where breaches have been determined which can be considered of a severity which requires redress but does not warrant a formal investigation, the appropriate enforcement track is Track 1. The majority of cases assessed and resolved in this quarter have been of a nature which require consideration under the Track 1 enforcement track.



PhonepayPlus

KEY PERFORMANCE INDICATORS

Complaints by classification type

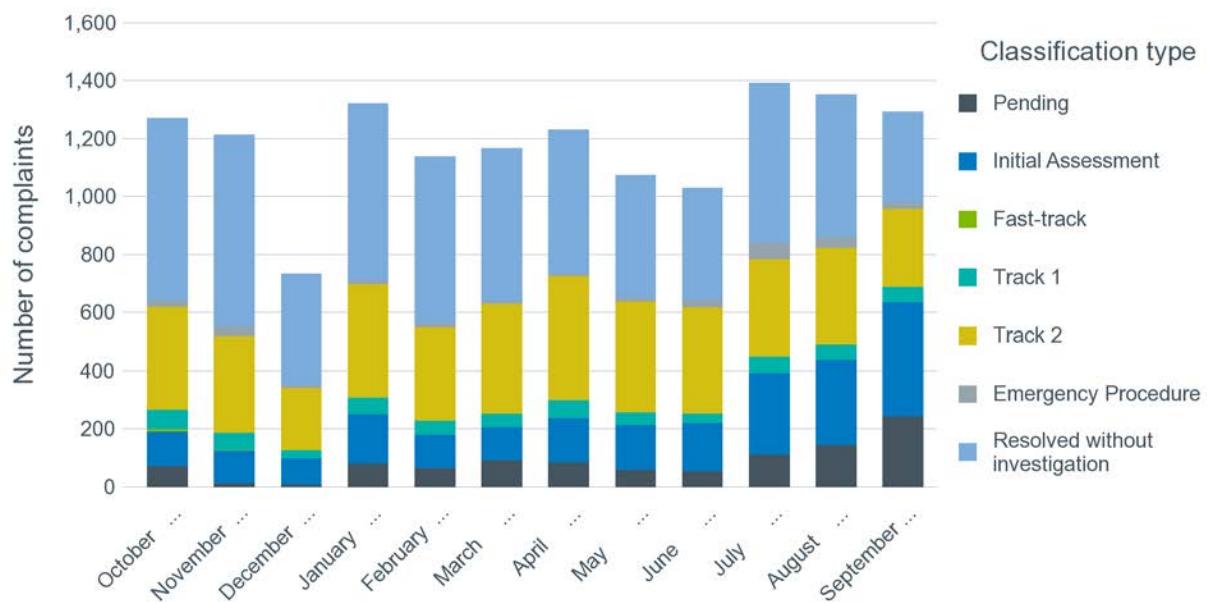
Quarterly view

2.3 Enforcement action type by complaint

Created On Period	Classification type	Number of complaints	Percentage
2013-2014 - Q2	Pending	503	12.46%
2013-2014 - Q2	Initial Assessment	965	23.91%
2013-2014 - Q2	Track 1	163	4.04%
2013-2014 - Q2	Track 2	935	23.17%
2013-2014 - Q2	Emergency Procedure	113	2.80%
2013-2014 - Q2	Resolved without investigation	1,357	33.62%
Percentage:			100.00%

Annual View

2.4 Enforcement action type by complaint per month



Comments

This KPI provides the breakdown of how complaints on a monthly basis are classified and processed. This provides a further view on the potential levels of harm in the market and the proportionality of the regulator.

24% of complaints are currently under initial assessment (detailed service information being requested from the Level 1 or Level 2 providers as per paragraph 4.2.3 of the Code). 34% were resolved without the need for investigation (or are subject to ongoing monitoring). 4% have progressed to a Track 1 procedure and 26% to a formal investigation. The pending category is higher due to this including the most recent month's complaints which are subject to initial information requests before they can be assessed, allocated and/or closed.

KEY PERFORMANCE INDICATORS

Investigation cases by provider

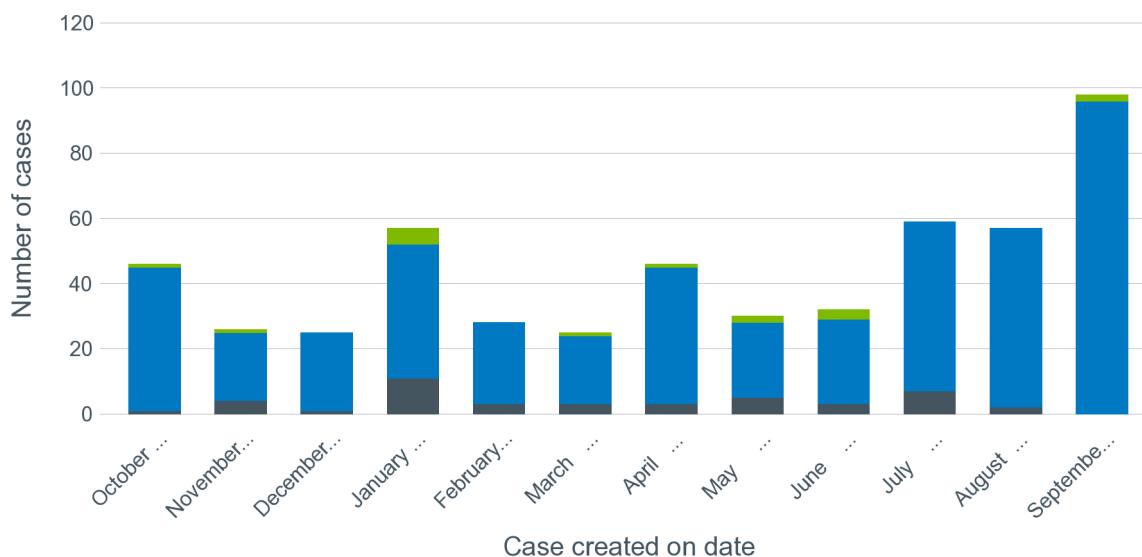
Quarterly view

2.5 L1, L2 and Network cases



Annual View

2.6 L1, L2 and Network cases per month



Comments

This KPI provides the ratio of Level 1, Level 2 and Network operator cases (all cases either under initial assessment or informal or formal investigation). This provides a view to the effectiveness of due diligence, risk management and control by those further up the value-chain both in terms of the volumes of cases investigated against Level 1s for non effective due diligence risk assessment and control procedures and on the level of Level 2 cases under formal investigation.



PhonepayPlus

KEY PERFORMANCE INDICATORS

Track 2 cases to target

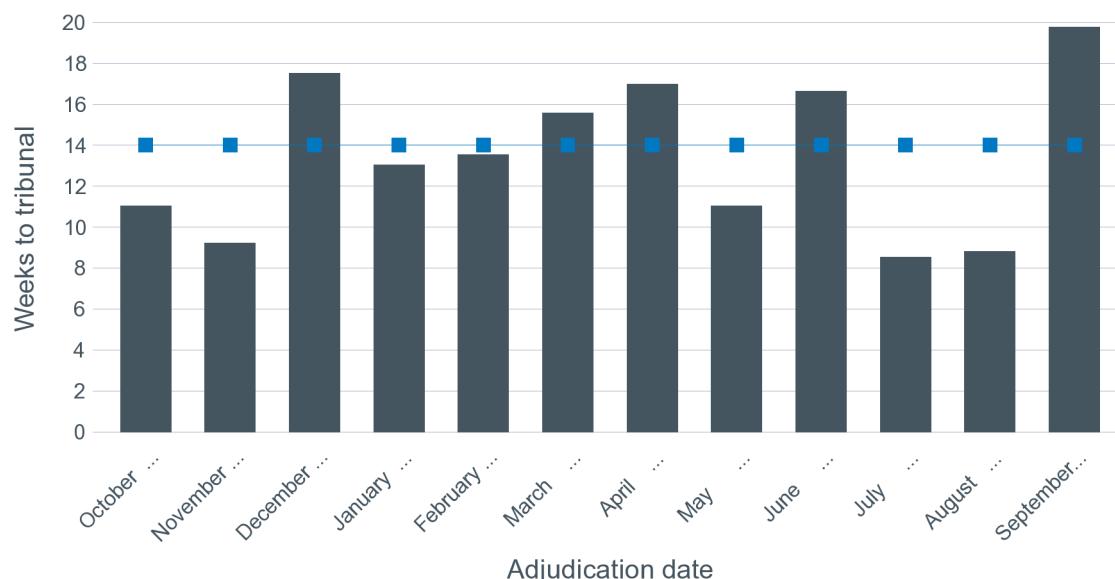
Quarterly view

2.7 Track 2 cases to target

Period	Number of cases	Average weeks to tribunal
2013-2014 - Q2	18	10
2013-2014 - Q1	9	14
2012-2013 - Q4	8	14
2012-2013 - Q3	11	12

Annual View

2.8 Track 2 cases to target per month



Comments

This KPI provides metrics on the timeliness of Track 2 cases to Tribunal which gives a view on the effectiveness of our enforcement action in preventing harm (playing also to the polluter pays principle) and so contributing to a healthy market. The indicator also comments on the performance of the Executive and gives a view on our cost effectiveness and use of resources.

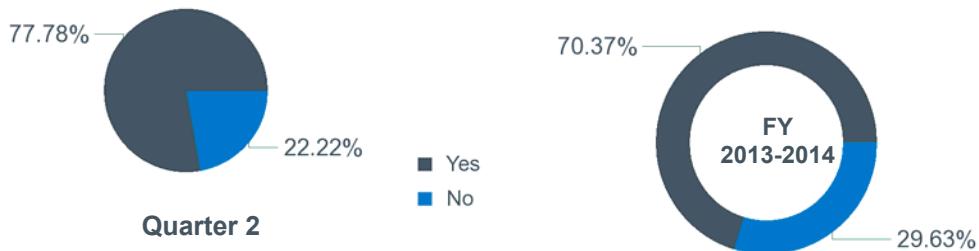
The average time to Tribunal for cases in Quarter 2 is ten (under target). It is anticipated that due to the exceptional nature of processing ten cases invoking the Emergency Procedure in July and August, this will have an effect on average times of current case workload over the coming months. Action is being undertaken to minimise these impacts and restore processing of cases to target.

KEY PERFORMANCE INDICATORS

Track 2 cases to target

Quarterly view

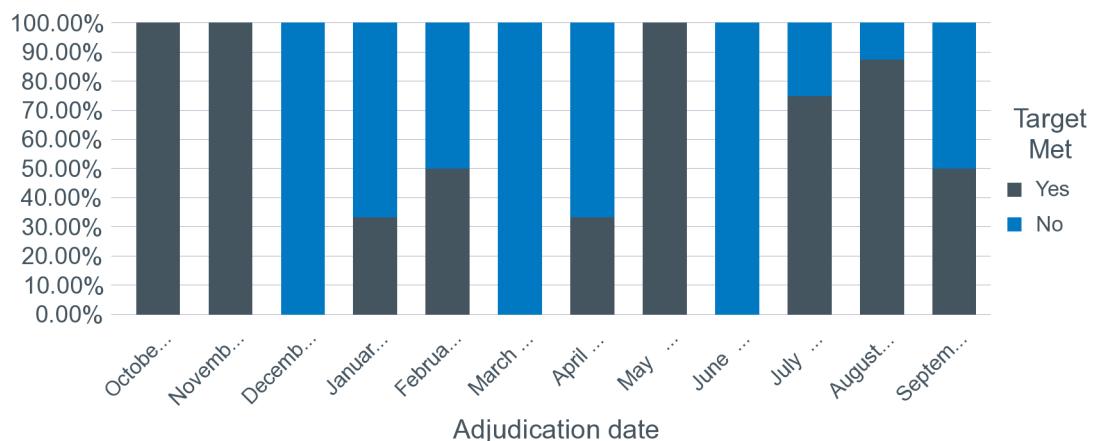
2.9 Percentage of cases which met the target



2.10 Number of cases met the target per quarter

Period	Target met	Number of cases	Percentage	Average weeks over target
2013-2014 - Q2	No	4	22.22%	8.14
2013-2014 - Q2	Yes	14	77.78%	
2013-2014 - Q1	No	4	44.44%	3.79
2013-2014 - Q1	Yes	5	55.56%	
2012-2013 - Q4	No	5	62.50%	1.94
2012-2013 - Q4	Yes	3	37.50%	
2012-2013 - Q3	No	3	27.27%	3.52
2012-2013 - Q3	Yes	8	72.73%	

2.11 Percentage of cases met the target per month



Comments

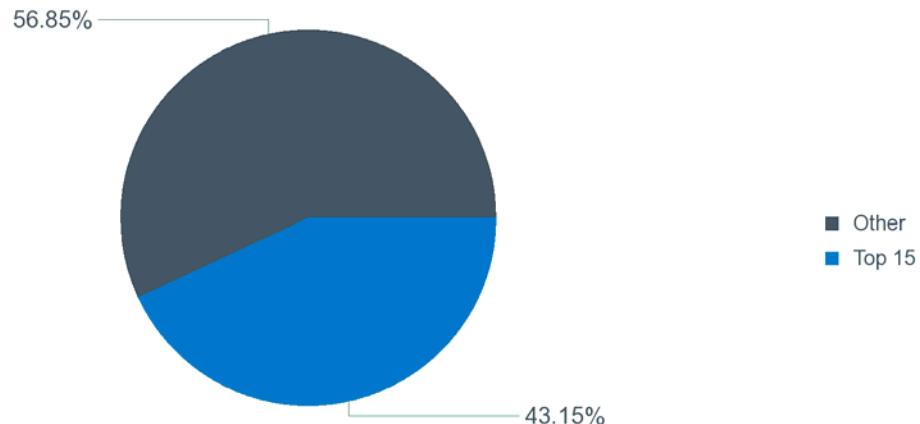
78% of cases in Quarter 2 and 70% of cases year to date have met the 14 week target. The impact of the escalation of the ten cases to use Emergency Procedure is forecasted to have an effect on the percentage of cases meeting target and will be reflecting in reporting in the coming months. Action is being undertaken to minimise these impacts.

KEY PERFORMANCE INDICATORS

Repeat offenders

Annual view

2.13 Percentage of cases and complaints the top 15 offenders are responsible for



Top 15 repeat offenders	Number of cases over the last 4 quarters
Top 15	3,204
Other	4,222

Comments

This KPI tracks the trends of repeat offenders to give a view on the effectiveness of due diligence risk management and control activity, our enforcement approach generally and specifically the effectiveness of sanctions as a deterrent for persistent offenders.

KEY PERFORMANCE INDICATORS

Fines collection rates

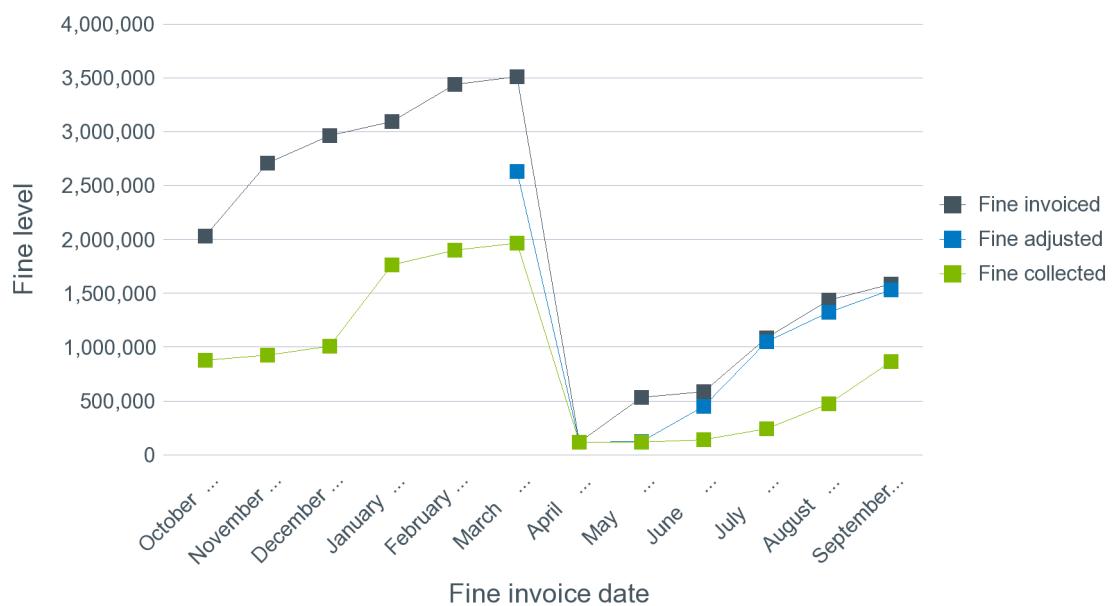
Quarterly view

2.14 Accumulative fine collection rates

Period	Adjusted KPI	Non-adjusted KPI
2013-2014 - Q2	57%	55%
2013-2014 - Q1	31%	24%
2012-2013 - Q4	75%	56%
2012-2013 - Q3		34%

Annual View

2.15 Accumulative fine collection rates



Comments

This KPI is the accumulative actual collected fines over total fines invoiced and the adjusted measure of the collection rate discounted for fine income which is suspended, deferred or not yet due. This KPI gives a view on the effectiveness of the polluter pays principle and PhonepayPlus' internal effectiveness in debt collection procedures.

Fine collection rates for the year to date stand at 55% (non adjusted) and 57% (adjusted). The outstanding debt relates to nine providers all of whom are being vigorously pursued through our debt procedures and specialist recovery agency.

KEY PERFORMANCE INDICATORS

Administration charges collection rate

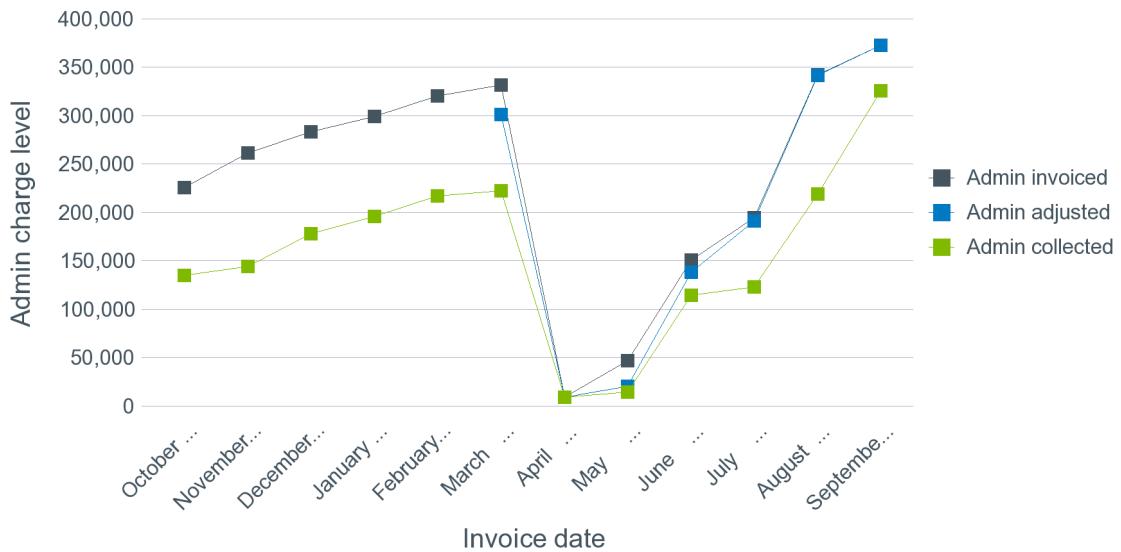
Quarterly view

2.16 Administration charge collection rates

Period	Adjusted KPI	Non-adjusted KPI
2013-2014 - Q2	87%	87%
2013-2014 - Q1	83%	76%
2012-2013 - Q4	74%	67%
2012-2013 - Q3		63%

Annual View

2.17 Administration charge collection rates



Comments

This KPI is the accumulative actual collected administration charges over total administration charges invoiced and the adjusted measure of the collection rate discounted for administration income which is suspended, deferred or not yet due. This KPI gives a view on the effectiveness of the polluter pays principle and PhonepayPlus' internal effectiveness in debt collection procedures.

Administration charge collection rates for the year to date stand at 87% (non adjusted) and 87% (adjusted).

MANAGEMENT INFORMATION

Description of this section

This section includes a range of key management information metrics and targets which produce a view on activity levels and which demonstrate the effectiveness of our delivery across our core operational functions. These measures include a view on volumes processed, inputs and outputs and timeliness and efficiency in the key business functions. The section includes information on timeliness of processing of informal complaint resolution to target, formal case management targets and volume and efficiency across prior permissions, compliance advice and industry and consumer enquiry call management.

MANAGEMENT INFORMATION

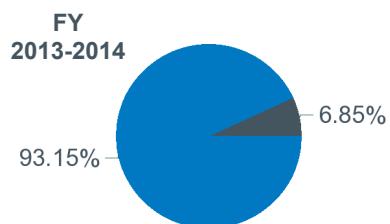
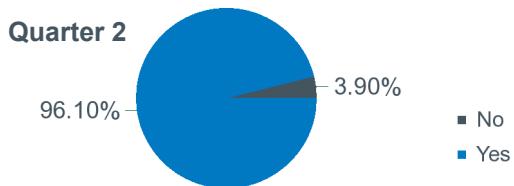
Track 1 cases to target

Quarterly view

3.1 Track 1 cases to target (30 days)

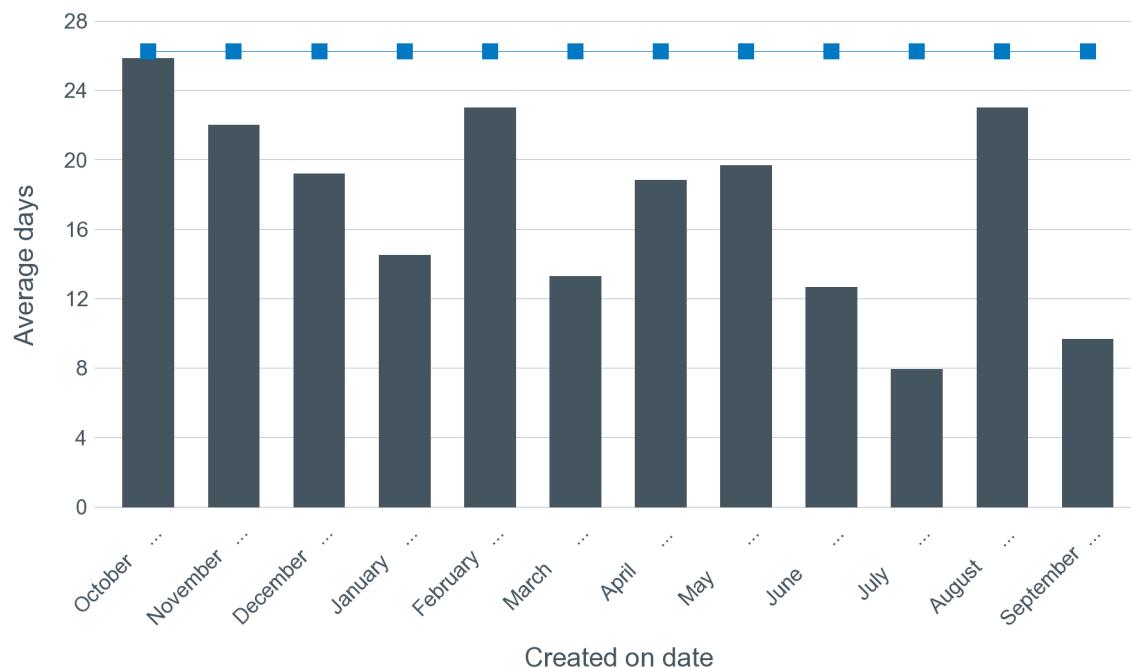
Period	Number of cases	Average length (days)
2013-2014 - Q2	77	11.65
2013-2014 - Q1	69	17.49
2012-2013 - Q4	41	16.14
2012-2013 - Q3	29	22.45

3.2 Percentage of target met



Annual View

3.3 Track 1 cases to target per month



Comments

The average time to complete a Track 1 case in Quarter 2 was 12 days against a target of 30 days. The annual view shows an overall downward trend.

MANAGEMENT INFORMATION

Track 1 cases to target

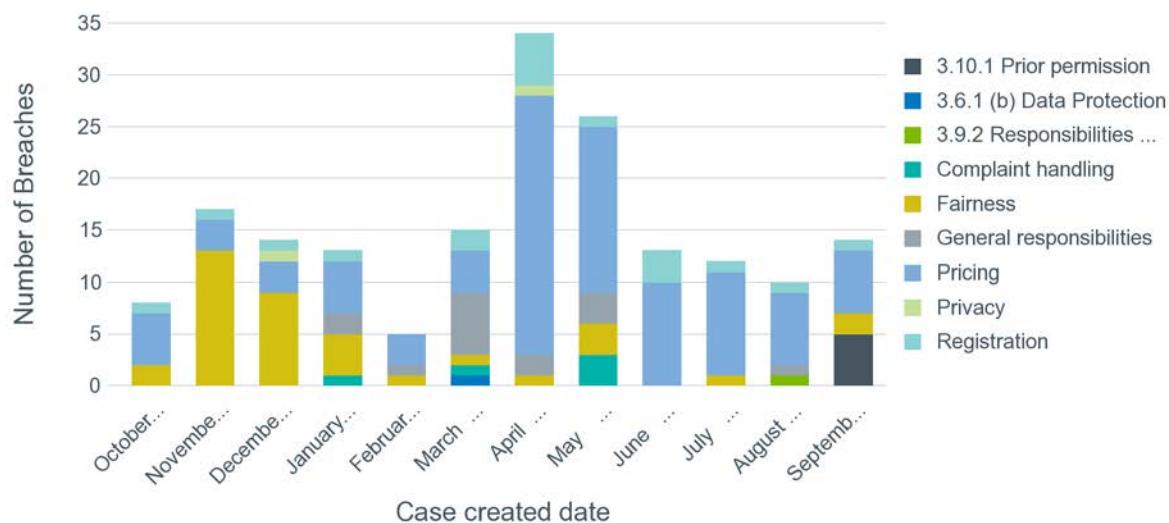
Monthly view

3.4 Track 1 cases to target

Period	Target met	Number of cases	Percentage
2013-2014 - Q2	No	3	3.90%
2013-2014 - Q2	Yes	74	96.10%
2013-2014 - Q1	No	7	10.14%
2013-2014 - Q1	Yes	62	89.86%
2012-2013 - Q4	No	6	14.63%
2012-2013 - Q4	Yes	35	85.37%
2012-2013 - Q3	No	4	13.79%
2012-2013 - Q3	Yes	25	86.21%

Annual View

3.5 Breaches raised in Track 1 procedure



Comments

96% of Track 1 cases met target in Quarter 2. The majority of breaches raised in Quarter 2 related to pricing issues.

Five Track 1 cases were raised against providers operating ICSS services that had not applied for permission prior to the deadline notified in our consultation.

MANAGEMENT INFORMATION

Actionable and non-actionable complaints

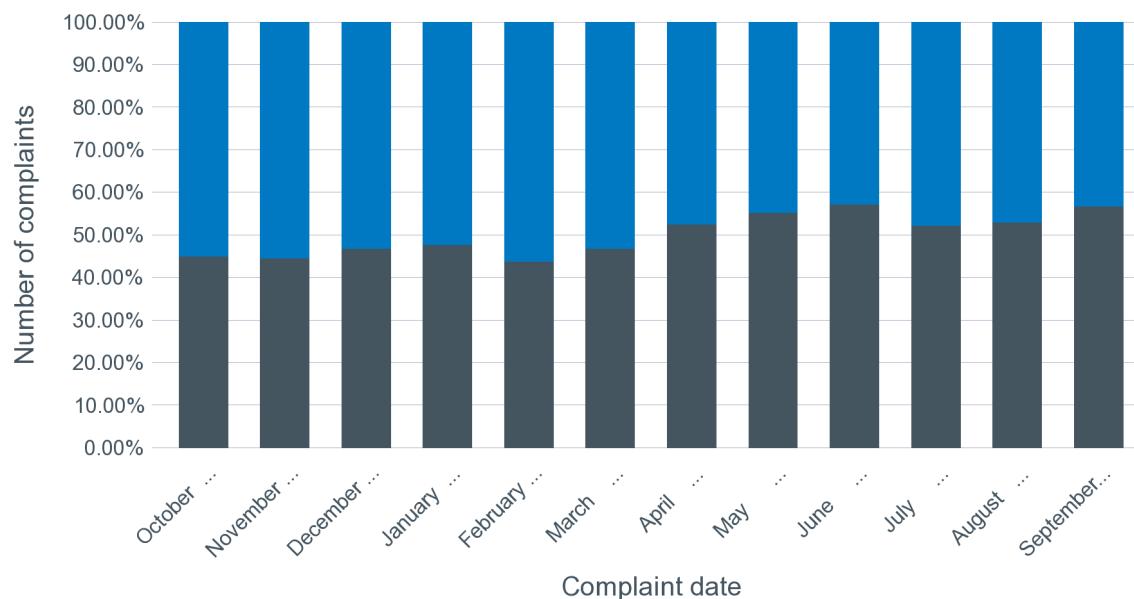
Quarterly view

3.6 Actionable and non-actionable complaints as percentage of total



Annual View

3.7 Actionable and non-actionable complaints per month



Comments

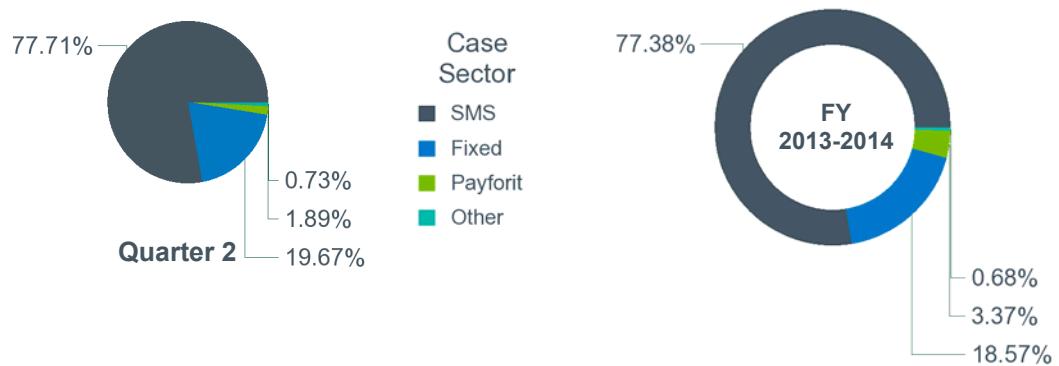
54% of complaints in Quarter 2 (and the year to date) required escalation to an enforcement track (Track 1 or 2). The remainder have either been closed without the need for investigation, are subject to ongoing monitoring or have not yet been allocated awaiting provider information.

MANAGEMENT INFORMATION

Complaints by sector

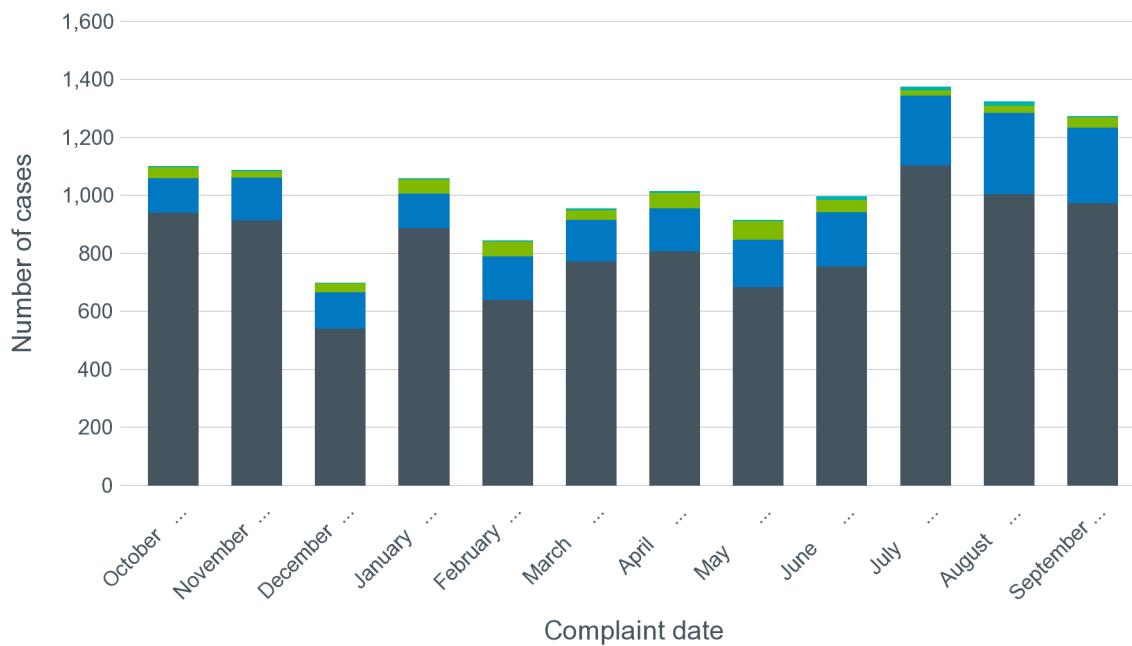
Quarterly view

3.8 Complaints by sector as percentage of total



Annual View

3.9 Complaints by sector per month



Comments

78% of complaints received in Quarter 2 related to SMS mobile.

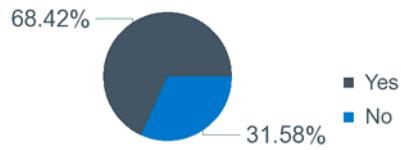
MANAGEMENT INFORMATION

Suspension of services

Quarterly view

3.10 Percentage of adjudicated cases with suspensions

Period	Suspension	Cases	Percentage
2013-2014 - Q2	No	6	31.58%
2013-2014 - Q2	Yes	13	68.42%
2013-2014 - Q1	No	3	25.00%
2013-2014 - Q1	Yes	9	75.00%
2012-2013 - Q4	No	3	37.50%
2012-2013 - Q4	Yes	5	62.50%
2012-2013 - Q3	No	9	60.00%
2012-2013 - Q3	Yes	6	40.00%



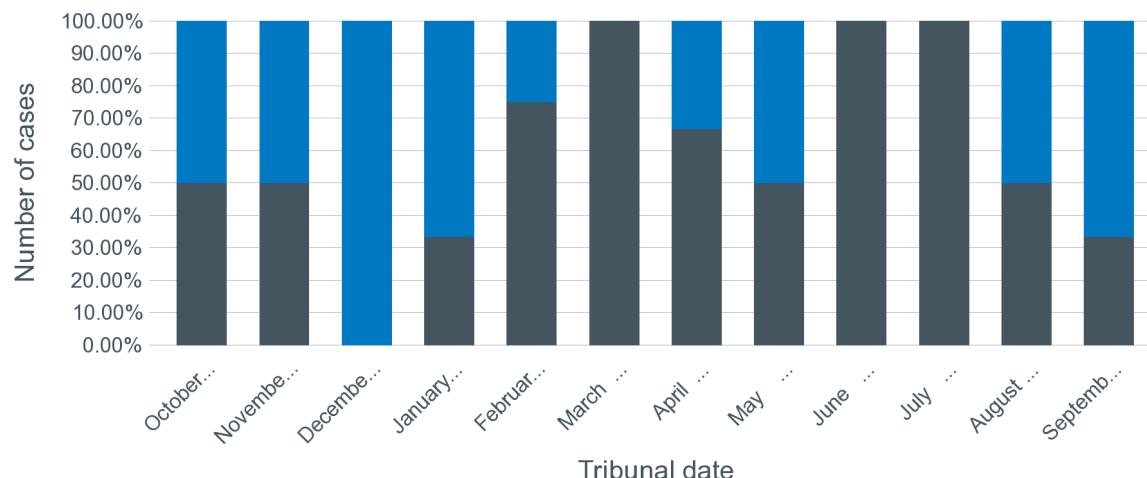
Quarter 2



FY
2013-2014

Annual View

3.11 Percentage of adjudicated cases with suspensions per month



Comments

The information on suspension of services and withhold on cases during the period provides a view on the effectiveness in optimising the polluter pays principle and minimising consumer harm from non-compliant services. Suspension of services and withholding of revenue is subject to proportionality test criteria on a case-by-case basis with higher risk services and providers subject to tighter controls.



PhonepayPlus

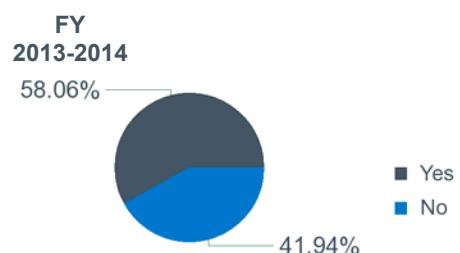
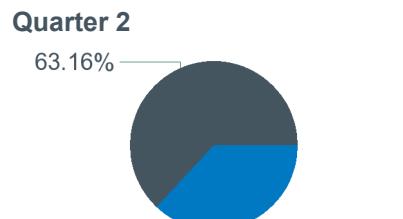
MANAGEMENT INFORMATION

Withholds

Quarterly view

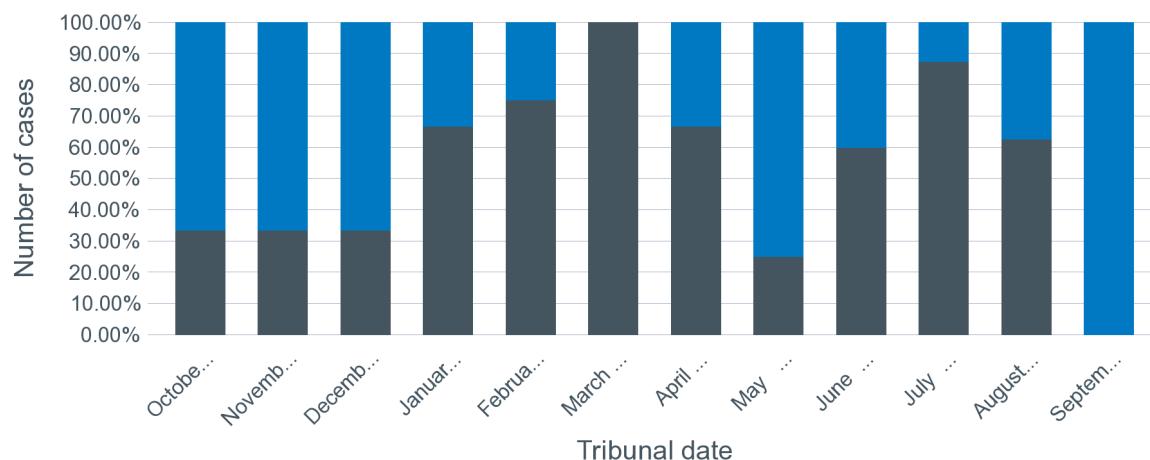
3.12 Percentage of adjudicated cases with withhold

Period	Withholds	Cases	Percentage
2013-2014 - Q2	No	7	36.84%
2013-2014 - Q2	Yes	12	63.16%
2013-2014 - Q1	No	6	50.00%
2013-2014 - Q1	Yes	6	50.00%
2012-2013 - Q4	No	2	25.00%
2012-2013 - Q4	Yes	6	75.00%
2012-2013 - Q3	No	10	66.67%
2012-2013 - Q3	Yes	5	33.33%



Annual View

3.13 Percentage of adjudicated cases with withhold per month



Comments

See page 27.



PhonepayPlus

MANAGEMENT INFORMATION

Prior permissions

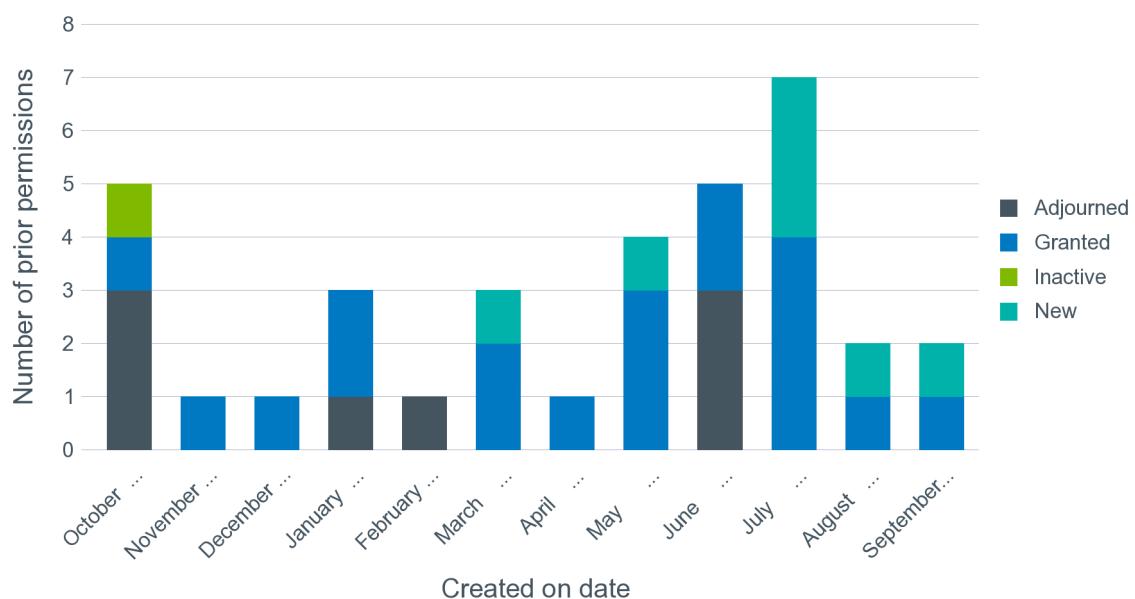
Quarterly view

3.14 Prior permissions by status

Period	New	Granted	Trial	Rejected	Adjourned	Inactive	Total	Average days
2013-2014 - Q2	5	6	0	0	0	0	0	11
2013-2014 - Q1	1	6	0	0	3	0	0	10
2012-2013 - Q4	1	4	0	0	2	0	0	7
2012-2013 - Q3	0	3	0	0	3	1	1	7

Annual View

3.15 Prior permissions by status per month



Comments

The measure for the average number of days taken to process Prior Permission applications has recently started to be recorded (from March 2013) for applications completed in that month. Prior permission applications are processed by the Executive but in some cases require referral to the Board (or its sub committee). On average valid applications were processed in six weeks in Quarter 2. In addition to the permissions noted above, we have received 45 applications from providers requesting to operate ICSS. We are currently processing these.

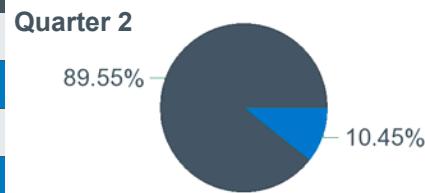
MANAGEMENT INFORMATION

Compliance advice

Quarterly view

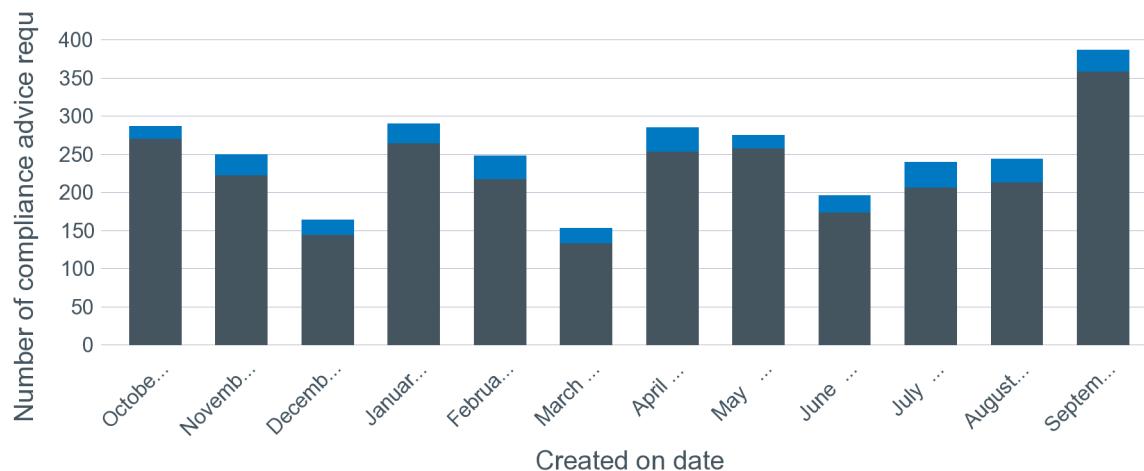
3.16 Number of compliance advice requests answered within 5 working days

Period	Target Met	Number of requests	Percentage
2013-2014 - Q2	No	91	10.45%
2013-2014 - Q2	Yes	780	89.55%
2013-2014 - Q1	No	70	9.26%
2013-2014 - Q1	Yes	686	90.74%
2012-2013 - Q4	No	74	10.71%
2012-2013 - Q4	Yes	617	89.29%
2012-2013 - Q3	No	62	8.84%
2012-2013 - Q3	Yes	639	91.16%



Annual View

3.17 Compliance advice requests per month



Comments

Compliance advice requests average 750 requests a quarter with Quarter 2 higher at 871 (15% up). The increase is due in part to calls from providers regarding applications to operate ICSS services.

MANAGEMENT INFORMATION

Consumer enquiries

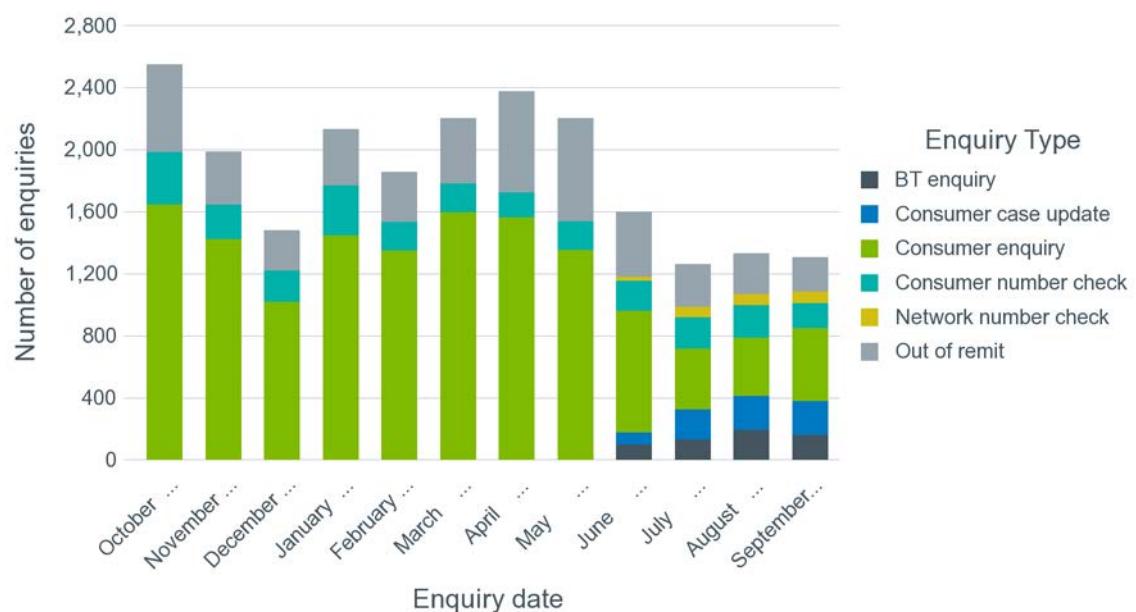
Quarterly view

3.18 Number of consumer enquiries (phone and email)

Period	BT enquiry	Consumer case update	Consumer enquiry	Consumer number check	Network number check	Out of remit	Total
2013-2014 - Q2	492	635	1,235	573	215	744	3,894
2013-2014 - Q1	103	75	3,707	540	25	1,725	6,175
2012-2013 - Q4			4,400	690		1,093	6,183
2012-2013 - Q3			4,100	761		1,156	6,017
Total	595	710	13,442	2,564	240	4,718	22,269

Annual View

3.19 Number of consumer enquiries per month



Comments

On average 5,570 consumer enquiries are received each quarter. Quarter 2 is lower at 3,894 due to the change in complaint handling procedures where an increased number of contacts are being classified as a complaint with a drop in the volume of enquiries. Enquiry categories have been reviewed and further categories added since June 2013 to provide a more detailed breakdown of enquiry type.

MANAGEMENT INFORMATION

Due diligence

Quarterly view

3.20 Number of due diligence requests

Period	Unique checks	Requesting Orgs	Target Orgs
2013-2014 - Q2	1,361	114	895
2013-2014 - Q1	1,213	117	771
2012-2013 - Q4	1,168	98	770
2012-2013 - Q3	1,176	85	790

Annual View

3.21 Number of due diligence requests per month



Comments

On average 1,230 due diligence reports are requested each quarter by 104 organisations.

MANAGEMENT INFORMATION

Call centre data

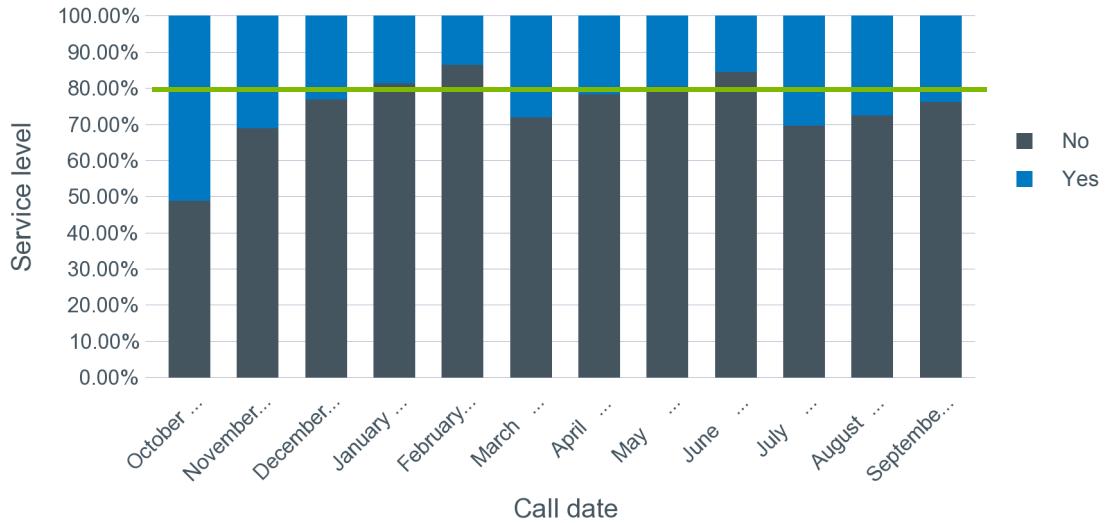
Quarterly view

3.22 Calls and service level

Period	Incoming calls	Calls abandoned	Calls answered	Calls served in time	Percentage answered	Answered within 30 sec
2013-2014 - Q2	7,163	879	6,284	4,581	86.01%	72.90%
2013-2014 - Q1	7,578	472	7,106	5,751	93.36%	80.93%
2012-2013 - Q4	9,059	687	8,372	6,699	91.79%	80.02%
2012-2013 - Q3	8,918	1,665	7,253	4,647	77.04%	64.07%

Annual View

3.23 Answered service level per month (served in time / answered)



Comments

On average 8,180 contacts are made to the call centre each quarter. In Quarter 2 service level to answer calls within 30 seconds was below target at 73% (target 80%). Levels of calls abandoned at 14% are over target by 9%. We continue to monitor resources and procedures in order to improve consistent adherence to target.

TRIBUNAL INFORMATION

Description of this section

This section provides information those cases which have been put to the Tribunal, the body which hears and adjudicates on cases against premium rate providers that PhonepayPlus suspects to be in breach of its Code of Practice. The section includes volumes of cases heard and the severity of the cases and breaches upheld.

Further detail on the cases heard and the formal record of the hearings can be found on the PhonepayPlus website <http://www.phonepayplus.org.uk/For-Business/Tribunals.aspx>

TRIBUNAL INFORMATION

Number of cases heard at tribunal

Quarterly view

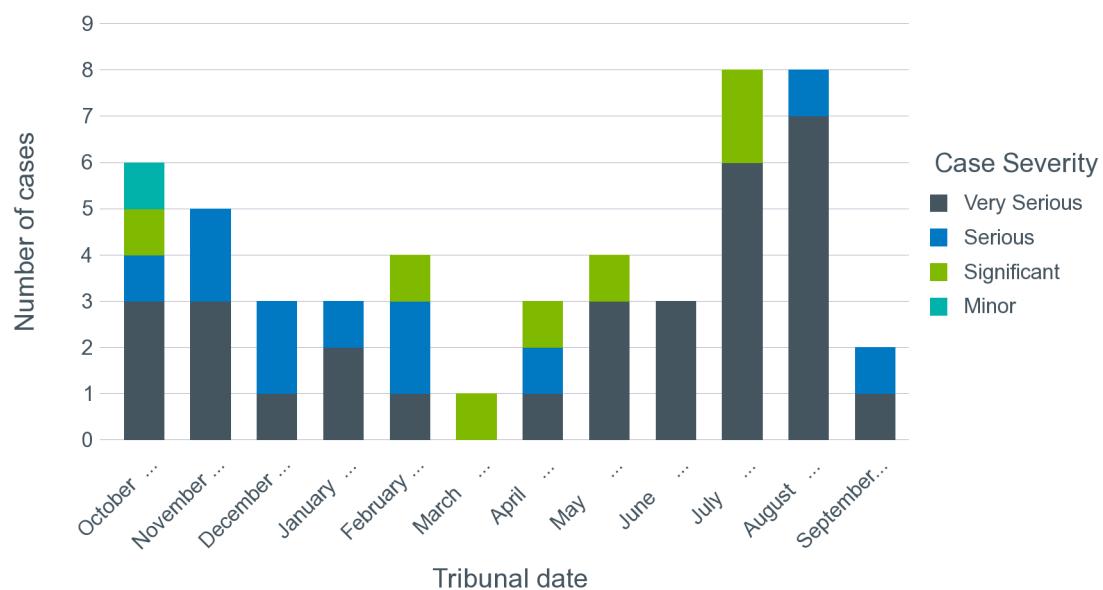
4.1 Number of cases heard at Tribunal

Period	Tribunals	Track 2	Emergency Procedure	Naming Case	By consent	Review	EP Review	Oral hearing	Total
2013-2014 - Q2	6	10	8	1	0	0	0	1	20
2013-2014 - Q1	6	9	0	1	1	0	0	2	13
2012-2013 - Q4	5	8	0	3	0	0	0	0	11
2012-2013 - Q3	7	11	0	3	1	3	0	0	18

Annual View

Annual View

4.2 Cases by severity rating



Comments

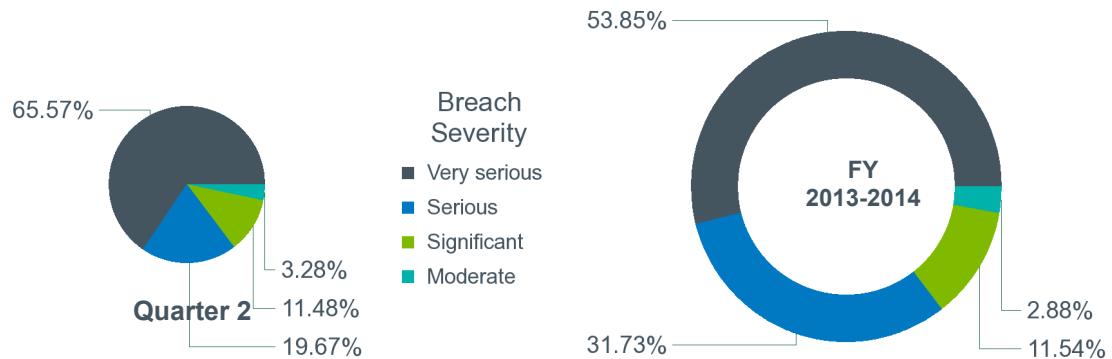
On average 15 cases are heard at adjudication per quarter. The majority of (relevant) cases are determined to have a severity rating of 'serious' or above by the Tribunal.

TRIBUNAL INFORMATION

Upheld breaches by severity

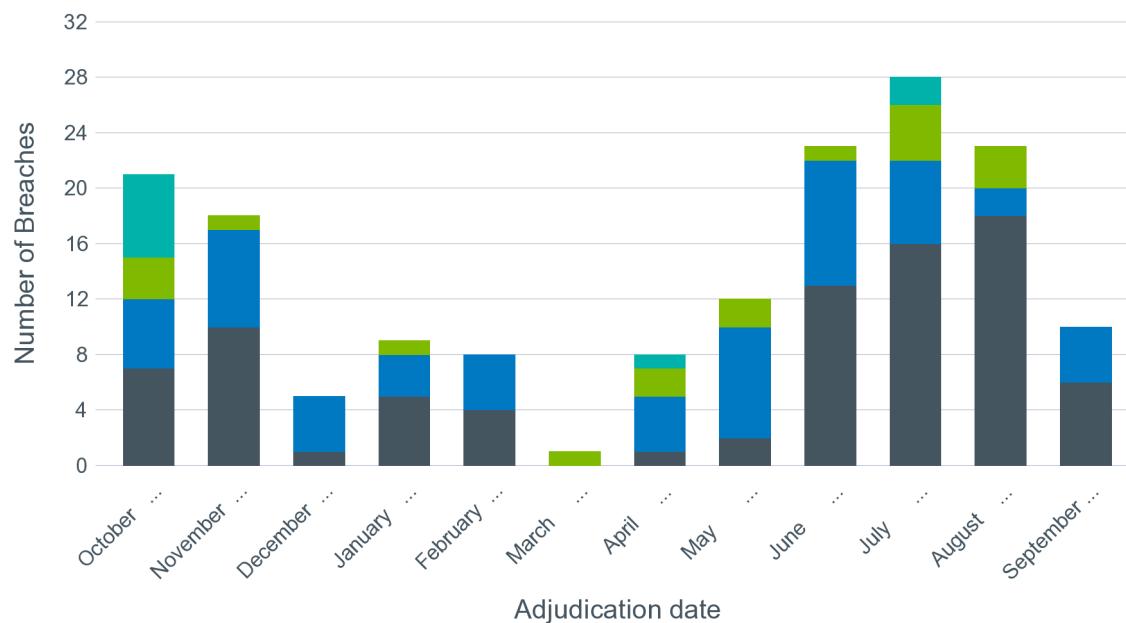
Quarterly view

4.3 Upheld breaches by severity as percentages



Annual View

4.4 Upheld breaches by severity per month



Comments

In Quarter 2 and financial year to date, 86% of breaches found by the Tribunal were considered serious or above.



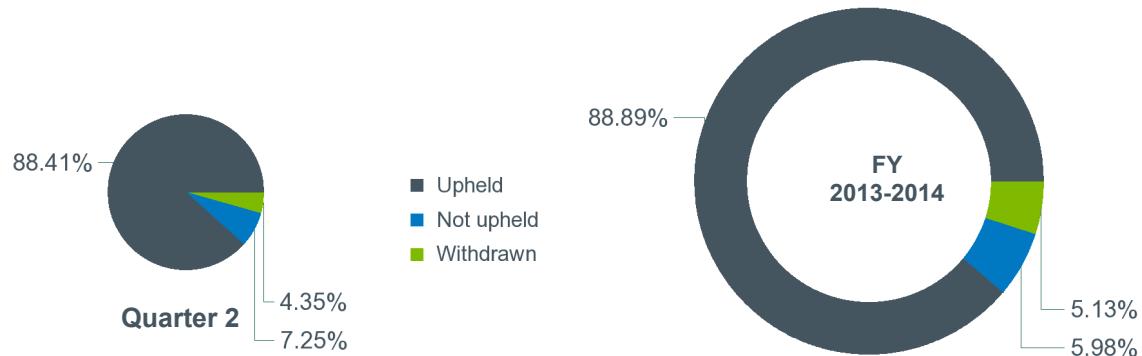
PhonepayPlus

TRIBUNAL INFORMATION

Breaches by status

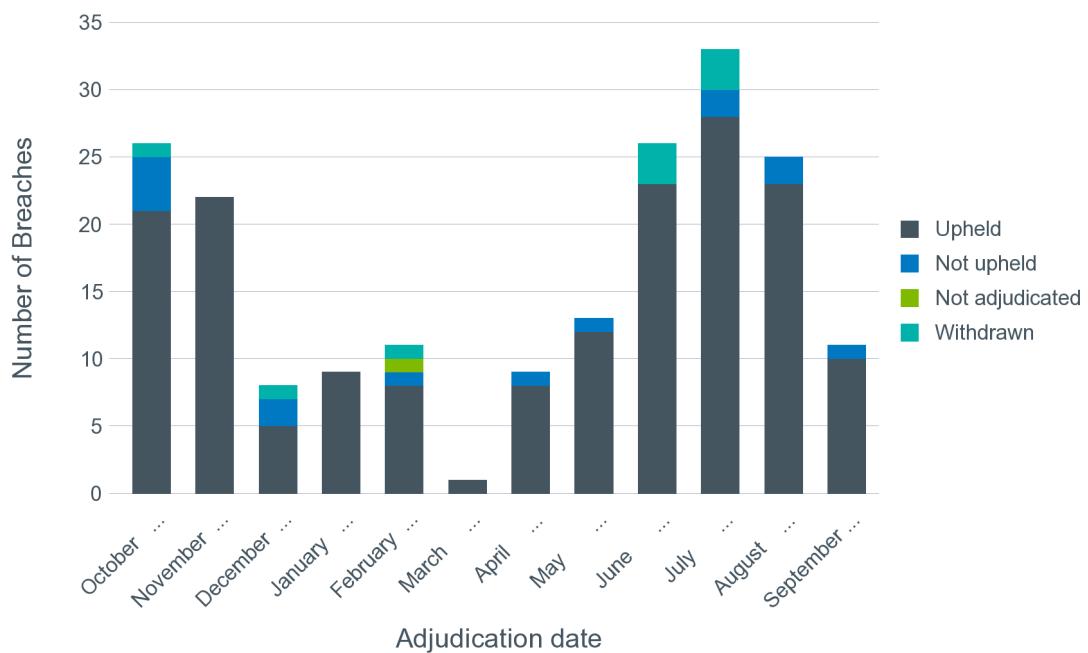
Quarterly view

4.5 Breaches by status as percentages



Annual View

4.6 Breaches by status per month



Comments

Almost 90% of breaches brought by the Executive were upheld in Quarter 2 and the financial year to date. 100% of cases were upheld.



PhonepayPlus