

## Recurring Donation Services

### Notice of Special Conditions

This Notice is being issued to inform all providers involved, or intending to be involved, in the provision of Recurring Donation Services that Special conditions apply. Relevant Level 1 and Level 2 providers are required to comply with [the Phone-paid Services Authority's Code of Practice](#), and the Special conditions set out below, which are imposed under paragraph 3.11.1 of the Code.

Under paragraph 3.11.3 of the Code, “a breach of any special condition in respect of a high risk service imposed under paragraph 3.11.1 shall be a breach of the Code”.

Recurring donation services are defined as follows:

**“Premium rate services that are solely for the purpose of donating money on a recurring basis to a charity or charities registered with the Charities Commission of England and Wales, Northern Ireland, or Scotland.”**

#### Special conditions

*Imposed under Annex 2, paragraph 1.1(k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high-risk service (including as to receipts):*

#### Promotional material

- RDS1** PRS providers must ensure it is made unambiguously clear to the consumer what the service is and who is providing it. This may include providing the consumer with the name of the service as registered with the PSA.
- RDS2** Payment options, where relevant, should clearly indicate that selecting payment through the phone account will place charges on the user's phone account (mobile or otherwise).
- RDS3** Where members of the public are interacting with a free service operated by the relevant charity or charities, material associated with the free service should not directly link to another product or service which carries a premium rate charge, unless the consumer is made aware of the separation of services and the charge associated with the premium rate service.

*Imposed under Annex 2, paragraph 1.1 (k): information that is required to be given to callers in promotional material or at various stages before and during provision of a high risk service (including as to receipts) and paragraph 1.1(b) requirements as to the mechanisms and processes used to deliver*

services to, and to enable exit from services by, consumers and 1.1 (n) requirements for caller agreement before a high risk service proceeds before the caller is charged:

### Point of purchase

**RDS4** The point of purchase must be separated from service promotion and interaction, in a clear and effective way, to allow the consumer to consider their purchase. PRS providers must ensure it is made unambiguously clear to the consumer as to when they are viewing promotional material and when they have entered a purchasing environment.

**RDS5** At the point of purchase, PRS providers must ensure that:

- (a) the point of purchase is clearly signposted by it being made distinctive from other aspects of the service (such as by design and colour scheme) and take all reasonable steps to ensure that distinction is made clear, avoiding any confusion between service promotion and the point of purchase
- (b) the consumer explicitly acknowledges that the purchase implies an obligation to pay
- (c) the consumer is made aware, in a clear and prominent manner and directly before the consumer commits to a purchase, of the cost of the service, and the frequency of charges
- (d) it is clear that the PRS subscription will be added to the consumer's phone account.

### Consent to charge

**RDS6** Prior to delivering the initial charge of a recurring donation, providers are required to ensure that the consumer provides 'double opt-in' consent to charge. To fulfil this requirement, the provider must ensure that the consumer provides two positive, recorded and auditable responses, following clear presentation of the costs and name of the recurring donation to the consumer.

PRS providers must ensure that the first consumer consent to the recurring charge is established via one of the following means of consumer interaction:

- (a) use of a password-controlled account, the password being selected and controlled by the consumer<sup>1</sup>. The account information areas must not auto-populate or self-generate and must require the consumer to enter at least two details such as:

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<sup>1</sup> For clarity, RDS6(a) will be fulfilled where;

- there is use of a password-controlled app store account that the consumer has created
- an existing third party verified account, via an eID authentication protocol (such as Facebook Connect), is used within a purchasing environment. The webpage enabling use of the verified account must be hosted by the Level 1 provider or Network operator.

- i. their verified email address; and/or
  - ii. a username that they have selected and control; and/or
  - iii. their name.
- (b) use of a secure PIN loop system, which must be initiated and confirmed by the Level 1 provider<sup>2</sup> through interaction with the consumer. The secure PIN must:
  - i. comprise no less than four truly random integers
  - ii. be entered by the consumer and must not auto-populate or self-generate
  - iii. expire if after three attempts the consumer has not entered the PIN correctly
  - iv. expire within fifteen minutes of the PIN being received to the consumer's handset.
- (c) use of a secure on-screen PIN which must be initiated and controlled by the Level 1 provider or Network operator. The secure on-screen PIN must:
  - i. not be displayed in a form that is easily readable by a client machine, (for example it should be presented as an image rather than in HTML text)
  - ii. comprise no less than four truly random integers
  - iii. be entered by the consumer (and must not auto populate or self-generate)
  - iv. expire if after three attempts the consumer has not entered the PIN correctly
  - v. expire within fifteen minutes of the PIN being displayed to the consumer.
- (d) use of a secure, consumer-controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s) of consent to be charged

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<sup>2</sup> This function may be undertaken by an independent third party on behalf of the Level 1 provider. Where a Network operator contracts directly with a Level 2 provider (i.e. there is no Level 1 provider involved in the provision of the service), the function may be undertaken by the Network operator.

- (e) through a phone-call between a person acting on behalf of the charity where audible consent to the recurring charge is obtained from the consumer. The telephone conversation must be recorded in full.<sup>3</sup>
- (f) through face-to-face engagement with a consumer as part of which the consumer is required to enter at least two details into a secure online environment for the purpose of providing consent to the recurring charge, such as:
  - i. their verified email address; and/or
  - ii. their mobile number; and/or
  - iii. their name.

**RDS7** PRS providers must ensure that the second consumer consent to the recurring charge is established via one of the following means of consumer interaction:

- (a) use of a confirmation button to confirm the purchase
- (b) use of biometric technology, such as fingerprint or facial recognition.
- (c) use of a secure, consumer-controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s) of confirmation of consent to be charged. This method must be used where the first consent to charge is obtained through the methods set out in RDS6 (e) or (f).

### **Consent to charge – converting a one-off donation to a recurring donation**

**RDS8** Where a consumer has donated on a one-off basis and through a confirmation message is lawfully<sup>4</sup> provided with the opportunity to convert their one-off donation to a recurring one, such message must seek the consumer's consent to the recurring charge and such consent must be given by way of an MO SMS as set out in RDS7 (c) above. Prior to commencement of the recurring charge the provider must provide the consumer with the name of the charity, the cost and frequency of the recurring donation and make clear that the recurring donation will be charged to the consumer's mobile phone bill.

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<sup>3</sup> Providers are reminded that the recording of telephone calls may be subject to various legal and/or regulatory requirements. Providers should ensure that they comply with all such requirements at all times.

<sup>4</sup> Providers will need to ensure that they have secured explicit consent from the consumer, prior to the conversion message, to contact them about the conversion opportunity. There may be circumstances in which explicit consent is not required such as where the one-off confirmation message is used to provide the conversion information and such information is presented in a way that does not amount to marketing. Providers are strongly advised to contact the ICO for further guidance or seek appropriate legal advice. The ICO's general Guidance can be found [here](#).

*Imposed under Annex 2, Paragraph 1.1(b) and (k):*

*(b) requirements as to the mechanism and processes used to deliver services to, and to enable exit from services by, consumers; and (k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high-risk service (including as to receipts):*

**RDS9** Where the service enables donors to skip a monthly payment, SKIP must be the instruction command which is provided to the consumer to suspend payment of their monthly donation.

**RDS10** The monthly reminder containing the SKIP instruction must be sent 24 hours prior to when the consumer is due to be charged.

### **Receipts**

**RDS11** Following the PRS provider obtaining 'double opt-in' consent to charge from the consumer (RDS6 and RDS7) or complying with the process set out in RDS8, the PRS provider must ensure that the consumer is sent a confirmation message or receipt, at no additional cost to the consumer, which sets out:

- (a) the name of the recurring donation
- (b) confirmation that the donation is on a recurring basis
- (c) the charge and frequency of charging
- (d) where there is no defined billing period, the basis on which the frequency of interaction and charging for the recurring donation is established
- (e) the contact details of the charity
- (f) instructions on how to end the recurring donation.

**RDS12** For the first 90 days from the date the consumer is donating on a recurring basis a receipt must be sent to the consumer promptly after every charge, in either SMS or email format. The receipt must set out:

- (a) the name of the recurring donation
- (b) confirmation that the donation is on a recurring basis
- (c) the charge and frequency of charging
- (d) where there is no defined billing period, the basis on which the frequency of interaction and charging for the recurring donation is established
- (e) the contact details of the charity
- (f) instructions on how to end the recurring donation.

**RDS13** Once the consumer has been subscribed to the service for 90 days, the consumer may be provided with the ability to select the frequency with which they receive receipts with a minimum of one receipt every three months. The ability to select the frequency of receipting must be wholly controlled by the consumer. Receipts must be sent to the consumer at the frequency set by the consumer. Where no frequency is set, receipts must be sent promptly after each purchase.

*Imposed under Annex 2, paragraph 1.1(b) requirements as to the mechanisms and processes used to deliver services to, and to enable exit from services by, consumers:*

**Method of exit**

**RDS14** PRS providers must ensure that effective opt-out processes are established for recurring donation services.