

PSA

Phone-paid Services Authority

Annual Report 2020/21

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PSA overview

Who we are

We are the UK regulator for content, goods and services charged to a phone bill. We act in the interests of consumers.

Phone-paid services are the goods and services that can be bought by charging the cost to a phone bill or pre-pay account. They include charity donations by text, music streaming, broadcast competitions, directory enquiries, voting on TV talent shows and in-app purchases. In law, phone-paid services are referred to as premium rate services (PRS).

We are a non-profit making company limited by guarantee. We carry out the day-to-day regulation of phone-paid services in the UK, primarily through our Code of Practice approved under the Communications Act 2003. Ofcom defines the scope of our regulatory remit and also approves our annual Business Plan and Budget to ensure we are sufficiently resourced to carry out our functions.

We are a designated public body and, as such, an arms-length body of the Department for Digital, Culture, Media and Sport (DCMS). We are audited by the National Audit Office.

Our strategic purpose

We build consumer trust in phone-paid services and ensure they are well-served through supporting a healthy market that is innovative and competitive. We do this by:

- establishing standards for the phone-paid services industry
- verifying and supervising organisations and services operating in the market
- gathering intelligence about the market and individual services
- engaging closely with all stakeholders
- enforcing our Code of Practice
- delivering organisational excellence.

David Edmonds CBE foreword



David Edmonds CBE
Chairman, PSA

2020/21 has been a year which has tested us in many ways. Like many organisations, we at the PSA have been largely operating remotely for over a year. And measured by results, we have continued to do so very effectively.

A highlight from this year has been the extraordinary drop in consumer complaints to the PSA. In 2020/21, we took 5,347 complaints from consumers, down from 13,914 the year before and way off a peak of 33,610 that we saw in 2016/17. This is not only the lowest levels I've seen in my tenure, but the lowest in a decade. And we expect this trend to continue; the first few months of 2021/22 suggest that complaints may fall even lower still.

We believe that is a testament to our relentless focus on driving out poor practice and industry's efforts to improve the consumer experience of services and underlying payment security. In recent years, we have introduced special conditions for online adult and competitions, subscriptions and Information, Communication and Signposting Services (ICSS). We worked with the networks to improve platform security. And we have ramped up investigations of the most harmful services and addressed poor due diligence. As a result, the market is in a much healthier state than it was. There is clearly room for further improvement and we will work with industry to identify and address any issues.

One of my personal priorities as chairman has been to ensure we are a cost-effective organisation that is able to perform its statutory role in the best way possible. Our budget is 20% less in real terms than it was when I joined. This is within the context of a market that has grown by nearly 10% over the same period.

While revenues have grown only moderately in recent years and seem now to be levelling off, we have witnessed significant changes in market composition. The market has continued its shift from largely voice-based to one dominated by mobile-based services. Services like directory enquiries and live chat services have largely fallen away as consumers seek alternatives, often free and online.

Almost 9 in every £10 spent on phone payment is now on a mobile-based service. Global brands like Apple, Spotify, Microsoft Xbox, UNICEF and Global Radio use phone payment. Charities, in particular, continue to turn to phone payment to raise money for good causes. UK consumers donated £65.8 million to worthy causes via text in 2020/21 – a record year.

As the market has changed, so has our regulatory approach. This coming year, we will complete our consultation on a new Code of Practice and begin the process of implementing it. Code 15 represents a significant shift in our regulatory approach – it will enable us to be a more proactive regulator that addresses harm before it happens, rather than a regulator that polices bad practice after it has occurred. We will work with industry to identify and mitigate consumer risk, while improving our ability to act more swiftly if harm arises. We believe it has the potential to be transformative for both consumers and the market.

Throughout the year we maintained excellent relations with our key stakeholders. Relations with Ofcom and the Department for Digital, Culture, Media and Sport remain very productive – and I thank them for that. We have improved our engagement with key industry stakeholders and consumer groups, including Which?, the Phone-paid Services Consumer Group and Ofcom's Communications Consumer Panel.

This year we welcomed Winnie Palmer to the Board, who replaced Kevin Brown. I'd like to express my thanks to Kevin who served on the Board for six years, three of which were as Senior Independent Director. I also thank all my colleagues at the PSA, including the Board, Code Adjudication Panel, Consumer Panel and the Executive, for their successful work in what has been a testing year in so many ways.

CEO report



Jo Prowse
Chief Executive, PSA

In the face of a challenging year, I'm pleased to report that the PSA has continued to regulate effectively and productively.

Our staff have been working largely remotely this year in line with government guidance. During this time, our core functions have been fully operational and we have delivered on our business plan through the diligence of our people and the flexibility of our stakeholders. I'd like to thank our staff and our Board of Directors for their resilience and hard work this year. And to our Code Adjudication Panel and Consumer Panel who adapted to deliver their work remotely and at continued high levels of proficiency. We are also grateful to our stakeholders, including the Industry Liaison Panel, who have attended multiples of webinars and online meetings over the year engaging with us in the furtherance of our work.

We continue to invest in our staff, whose development and wellbeing is a priority for me. This year we've strengthened our commitment to equality and diversity, pledging to make our culture more inclusive. This has included promoting greater diversity of thought, input and voices in all of our work, and reviewing our approach to recruitment and selection to ensure we reach and engage with a richly diverse mix of candidates.

This year we've also continued to invest in our systems, not least to ensure that our staff can work as effectively as possible. We've made improvements to make our systems more secure, and our monitoring and complaints handling is becoming increasingly automated – 98% of our contacts are now handled through automated means. We continue to manage our finances and resources closely, to ensure we deliver excellent value for money for the industry which we regulate.

Throughout this year, the phone-paid services market has remained strong. And I'm pleased to report better compliance in the market with complaints to us from consumers more than halving this year when compared to last. This is as a result of our strong and effective regulation, including our special conditions on subscription services which came into force in late 2019, our consent to charge guidance, and our organisational focus on due diligence, risk assessment and control. The combined effect

of these regulatory improvements, plus the actions of regulated providers, have supported the market to remain innovative and financially resilient, while better protecting consumers from harm.

While there are now less complaint-generating services in the market, we continue to strongly enforce our Code of Practice and take firm investigatory and enforcement action against providers that we suspect may be breaking our rules. This year, our Tribunal issued over £3.5 million in fines against companies and sole traders that flouted our regulations, and imposed sanctions which have taken a number of bad actors out of the market.

While complaints are down significantly, complaints about Information, Connection and/or Signposting Services (ICSS) have made up an increasing percentage of overall complaints. This has been an organisational priority for us, including a focus of our consumer education, stakeholder engagement and enforcement work. We are continuing to work closely with others including Ofcom and DCMS to better protect consumers in this space. We've also taken effective enforcement action against rule-breaking ICSS providers, levying almost £1.5 million in fines in 2020/21.

Strengthening our enforcement powers further is one of the key aims of developing our new Code. This regulatory review – the most comprehensive in a decade – has been a focus for us this year. Our intention is to build a Code that focuses on prevention of harm, is simpler and easier for industry to comply with, and that builds public trust and confidence in phone-paid services by driving up standards and boosting consumer protection, including for consumers that are in vulnerable circumstances.

We have made substantial progress in the development of this Code, including a programme of comprehensive stakeholder engagement and consultation, through events for consumers and industry, and more tailored stakeholder engagement with, for example, other regulators. Thank you to everyone who has shared their views as part of this review process, to ensure our new Code is informed by a wide range of evidence and viewpoints.

Our focus for the next financial year is the implementation of the new Code, which we anticipate will 'go live' in spring 2022. We will continue to work closely with you to ensure our new regulations are effective for the phone-paid services market of today and the future, to best protect consumer interests and to support the industry.

Delivering our strategic purpose

1) Establishing standards for the phone-paid services industry

In 2020/21 we:

Started reviewing our regulatory strategy and working towards a new Code of Practice

In January 2020, we announced the launch of a comprehensive review of our regulatory framework. Our last comprehensive review of our Code was in 2009, when we introduced outcomes-based regulation through Code 12.

Since then the phone-paid services market has changed considerably. In 2009, less than half of consumer spend was mobile based, whereas we now estimate it's nearer 90%. Major digital service providers offer phone payment as an option next to card and PayPal payments with many consumers becoming aware of and using this option.

Consumers' experiences and expectations too have changed significantly, driven by their experiences online, with consumers expecting phone payment to work as easily and securely as other forms of digital payment. As a regulator, we need to adapt to developments in the market and consumer behaviour, expectations and needs.

Through this Code review, we intend to adapt our approach to regulation, focusing on preventing harm rather than enforcing after the event. With the new Code we want to support legitimate services that offer value and build consumer confidence and deter services that disregard consumer confidence and market sustainability.

Our objectives for this new Code of Practice are to have clear and improved standards in the market to meet consumers' expectations; to focus on prevention of harm so as to build trust and confidence in phone-paid services; and to be simpler to comply with for industry.

To do this, the Code needs to be underpinned by effective enforcement time and opportunity to engage in Code 15 prior to consultation

We published a discussion document in February 2020 that set out our early thinking and sought stakeholder input on our analysis of the market, our objectives with the new code and some early proposals.

Due to the impact of the Covid-19 pandemic, we began 2020/21 with a three-month extension for stakeholders to respond to the document to ensure they had ample time and opportunity to do so. We received a range of responses from consumers, consumer advocates and industry which were extremely useful in informing our thinking in developing the new code.

As we set out in March 2020, other policy work we had planned to complete around this time included a consultation on updated due diligence, risk assessment and control (DDRAC) guidance and issuing a statement on the refunds guidance consultation in Quarter 4 of the previous year. Because of the impact of Covid-19, we decided to suspend this work and rolled it into the development of Code 15.

Engaged with regulators, consumers and other stakeholders in the development of Code 15

We have actively sought the views of stakeholders throughout this Code review, including other regulators, consumers, service providers and networks.

This year we hosted 12 webinars with stakeholders from across industry and consumers, to help us shape our proposals for the draft Code. We've also engaged specifically with network operators – this is to inform our new approach to compliance monitoring under our proposed supervisory function and for more detail on their DDRAC procedures. We also asked networks for any additional views they had on potential market trends to help ensure our new Code is fit for the market we regulate.

In November we held a dedicated session with our Consumer Panel to help amplify the consumer voice during the drafting of the Code. We presented the panelists with proposed consumer standards, and they made various suggestions and comments around, for example, customer care and vulnerable consumers. These were considered as part of the Code development.

We also held over 30 bilateral meetings with a range of stakeholders from consumer groups, regulators and industry.

Developed a new Code for consultation

Following our extensive early stakeholder engagement, we started to develop and draft a new Code of Practice. We consulted on the new Code at the start of the 2021/22 financial year, with a view to implementing our new regulatory framework in April 2022.

Enabled providers to remain compliant with the existing Code by providing over 500 pieces of free compliance advice to providers

We give non-binding compliance advice to the phone-paid services industry to ensure they remain compliant with our regulation. This year, we handled a total of 561 pieces of compliance advice. This is comparable to the previous financial year, where we handled 485 pieces of advice. Over 86% of the compliance advice requests were answered within 5 days.

The new Code will:

- **raise standards:** Code 15 proposes to introduce ten regulatory standards, seven of which are consumer-focused and three are organisational. We believe standards should be clearer and easier than outcomes for industry to implement and set minimum requirements that meet consumer needs and expectations.
- **prevent harm** by introducing new supervisory powers to enable us to work with industry to build in compliance and proactively identify and mitigate consumer risks before they result in harm.
- **be simpler and easier to comply with** by reducing complexity, simplifying our regulatory framework and ensuring the Code is clearer and more accessible.
- **be underpinned by smarter enforcement** by providing more opportunity for swift resolution of issues through Codified Engagement powers, introducing more efficient Enforcement processes and enhanced settlement opportunities.

Over 86% of the compliance advice requests were answered within 5 days

Outcomes

- developed a new regulatory framework that is fit for a mature market
- Code 15 will raise standards, focus on the prevention of harm, be simpler and easier to comply with and be underpinned by more effective enforcement
- provided clarity for industry through over 500 pieces of compliance advice.

2) Verifying and supervising organisations and services operating in the market

In 2020/21 we:

Continued to bring down complaint levels to the lowest we've seen in a decade

In 2020/21 we received 5,347 complaints from consumers about phone-paid services. This represents a 62% drop from 2019/20 and the lowest level we've witnessed in several years. This drop in complaints suggests that the consumer experience of phone-paid services is improving and is evidence of the impact of our recent policy and extensive enforcement work. Much of this is due to:

- the continued impact of new special conditions for both subscription services and Information, Communication and Signposting Services (ICSS)
- working closely with mobile network operators on platform security of their Level 1 providers
- enforcement priority on due diligence, risk assessment and control.

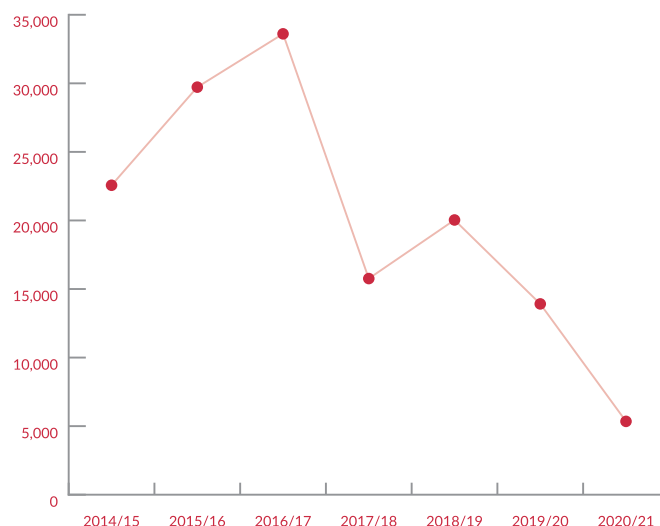
Subscription services continue to make up the majority of complaints to the PSA, although the proportion of overall complaints continued to drop throughout the year. In the last quarter of the year, subscription services accounted for less than half of complaints. The majority of complaints about subscriptions relate to services signed up to before the introduction of new special conditions.

The one countertrend relates to ICSS. Although the number of complaints about ICSS has remained at a relatively low level, they are now the most prevalent that we receive.

Worked closely with industry on implementing new Registration requirements

Throughout 2020/21 we implemented new Registration requirements introduced in September 2019. We assisted service providers in updating their accounts and checking their information for accuracy so that consumers are able to find all the information they need on the service they have used on the PSA's Service checker. Having accurate service information also helps us run effective market analysis, service monitoring and due diligence.

We have been working with industry through working groups and workshops to further improve functionality of the Service checker and make the Registration process as efficient as possible.



Complaint levels brought down to the lowest we've seen in a decade

Outcomes

- significant reduction in consumer complaints to lowest levels in a decade
- further improved the Registration process for industry to increase efficiency.

3) Gathering intelligence about the market and individual services

In 2020/21 we:

Continued working with the PSA Consumer Panel to put consumers' interests at the heart of the work that we do

The Consumer Panel continued to function effectively and efficiently throughout the year, ensuring that consumers' interest are represented in our policy and strategy, including:

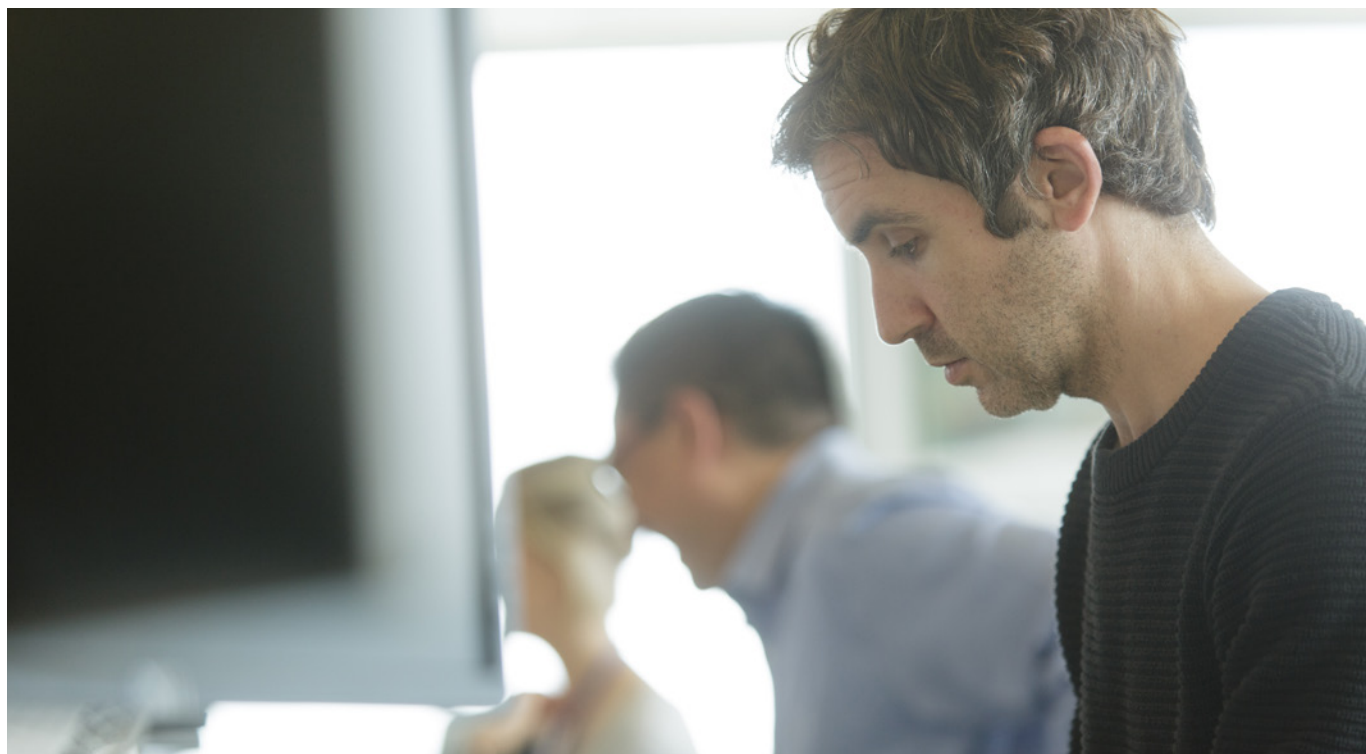
- our vulnerability work programme that has influenced the development of a vulnerable consumers standard in Code 15
- ensuring Code 15's regulatory standards meet consumer expectations. The Panel provided detailed feedback on the content and scope of Code 15 and called for further clarity in the articulation of expectations, requirements and best practice to support compliance.
- explored ways for the PSA to improve its management of communications with complainants
- helped shape our consumer engagement plan to raise awareness of phone-paid services and how they work and to improve understanding of how phone-paid services work to avoid unexpected charges.

- We were pleased to welcome Fred Forbes to the Consumer Panel in May. Fred, who provides the panel with a digital native viewpoint, has previously undertaken work experience at the Financial Conduct Authority and has a keen interest in regulation and the role it plays in protecting consumers and supporting a healthy market.

Developed a work programme to strengthen protections for vulnerable consumers

In response to some of the significant changes we have seen in this market, we commissioned a report on vulnerable consumers to help us understand the best practice among regulators, to benchmark our approach, and explore options for improvement so that all consumers use phone-paid services with confidence.

The research demonstrated how fluid vulnerability is in any market, that we need to take into consideration not only a person's needs and circumstances (age, disability, income, emotional state etc.) but also the nature of the market and the behaviour of service providers. The research found that benefits of phone payment, such as ease and convenience, can at the same time represent a risk for vulnerable consumers.



Based on the research's findings, we have developed a work programme that includes reviewing the effectiveness of our identification and responses to consumers who may be vulnerable and, working with other regulators, consumer bodies and industry stakeholders, ensuring vulnerable consumers have clear information on key areas such as on opting in and out and terms & conditions of services.

A significant part of this work will also inform our Code review where we want to put clear standards and expectations in place while also supporting innovation, and in policy proposals in relation to customer care and refunds.

Commissioned the Annual Market Review to gain insight into the phone-paid services market

We commissioned Analysys Mason to give us an accurate, independent view of the of the phone-paid services market size, key trends and consumers' experiences.

The review showed that the consumer spend for 2020/21 was £628.6 million (excluding VAT), a 2.7% decline in spending compared to the previous financial year. Charity donations increased consumer spend, by £25.7 million; although televised telethon events such as Stand Up To Cancer and Soccer Aid were postponed during the pandemic, other big campaigns including the BBC Big Night In brought extra donations.

Consumer spending declined on services using premium SMS for the first time since 2017/18 despite strong growth in spending on TV and radio engagement. There was increased spending on entertainment services as a result of consumers spending more time at home during the pandemic but overall operator billing saw a decline. This is in part due to a reduction in consumer spend on subscription-based services which followed our introduction of special conditions in November 2019. The special conditions for subscription services required service providers to be more transparent that consumers are entering into a payment environment and introduced a two-step sign up process and receipts after every charge, which has reduced revenue that had been artificially inflated as result of inadvertent sign-ups.

As expected, consumer spending on voice-based services that use short codes or the 09, 087, 118 numbering ranges declined as in previous years now that cheaper or free online alternatives for these services are available.

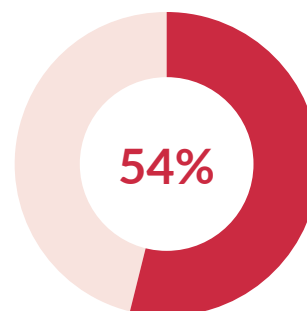
Although the market is expected decline slightly in 2021/22, it is estimated growth will return in 2022/23 by 3.1% to £631.0 million.

In terms of users, the report estimated that 54% of the UK population aged 16 or above had used at least one phone-paid service in 2020/21 with convenience being the prime reason (51%), followed by impulse purchasing (49%), affordability (48%) and habit (24%).

Consumers spent £628.6m in 2020/21

(excluding VAT)

£25.7m
increase in
consumer spend for
charity donations compared to
previous year



UK population aged
16+ that used phone-
paid services

Outcomes

- ensured we have a diverse and engaged Consumer Panel
- ensured the consumer view is at the heart of what we do
- strengthened protection for vulnerable consumers.

4) Engaging closely with all stakeholders

In 2020/21 we:

Embedded our new approach to stakeholder management

At the end of the last financial year, we introduced a new approach to stakeholder management – we have assigned key industry providers a PSA stakeholder manager. The intention behind this change was to ensure intelligence, market trends and consumer risk are identified and shared in a systematic way. This new approach has improved our market intelligence and ensured industry have clear points of access and support.

Communicated our advice to consumers through the press

We continue to engage closely with the media to ensure as many consumers as possible read our important advice about using phone-paid services. Highlights from the financial year include:

- engaging with a number of publications proactively in response to our increase in complaints about ICSS. This included securing mentions in the *Daily Mirror* and *Sunday People*, and a guest post in *Which? Conversation* to help people avoid inadvertently calling a call-connection service.
- securing press coverage in national (*Daily Mail*, *Daily Mirror*) and local (*BBC Radio Stoke*, *Daily Post*) press around the publication of our case against Salvatet Inversiones SL, a rule-breaking ICSS provider who we fined £1 million. This coverage included case studies from complainants who'd been charged by Salvatet and whose complaints had assisted in our enforcement action.
- engaging with the charity press – *Third Sector*, *Civil Society*, *Charity Times* and *UK Fundraising* – on findings from our Annual Market Review that impact their sector.

We were also mentioned in various national titles (including *Daily Express*, *The Times*, *Woman's Own*, *BBC Radio 4's Money Box*, *Daily Telegraph*, *The Scotsman* and *Sunday People*) and local titles (including *Daily Record*, *Nottingham Post*, *Edinburgh Evening News*, *Northern Echo* and *Bristol Post*) this year.

This year we've also continued to engage with trade publications – including *Telecompaper*, *SCL* and *Telemedia* – to keep the phone-paid services and wider telecoms industry abreast of key developments in our regulation, research and enforcement action.



A page spread in the *Daily Mail* about call-connection services, including our advice and tips for consumers

Rolled out our consumer engagement plan

One of the most important projects we worked on was our consumer engagement plan. Following the Board approval of a new strategic purpose for the PSA in December 2019 that put more emphasis on communicating with consumers, we started rolling out a major consumer engagement plan in April 2020. The plan aimed:

- to raise awareness of phone-paid services and how they work so that consumers understand the possibility of phone payment and how to use it well to enjoy its benefits, should they wish to
- to improve understanding of how phone-paid services work to avoid unexpected charges.

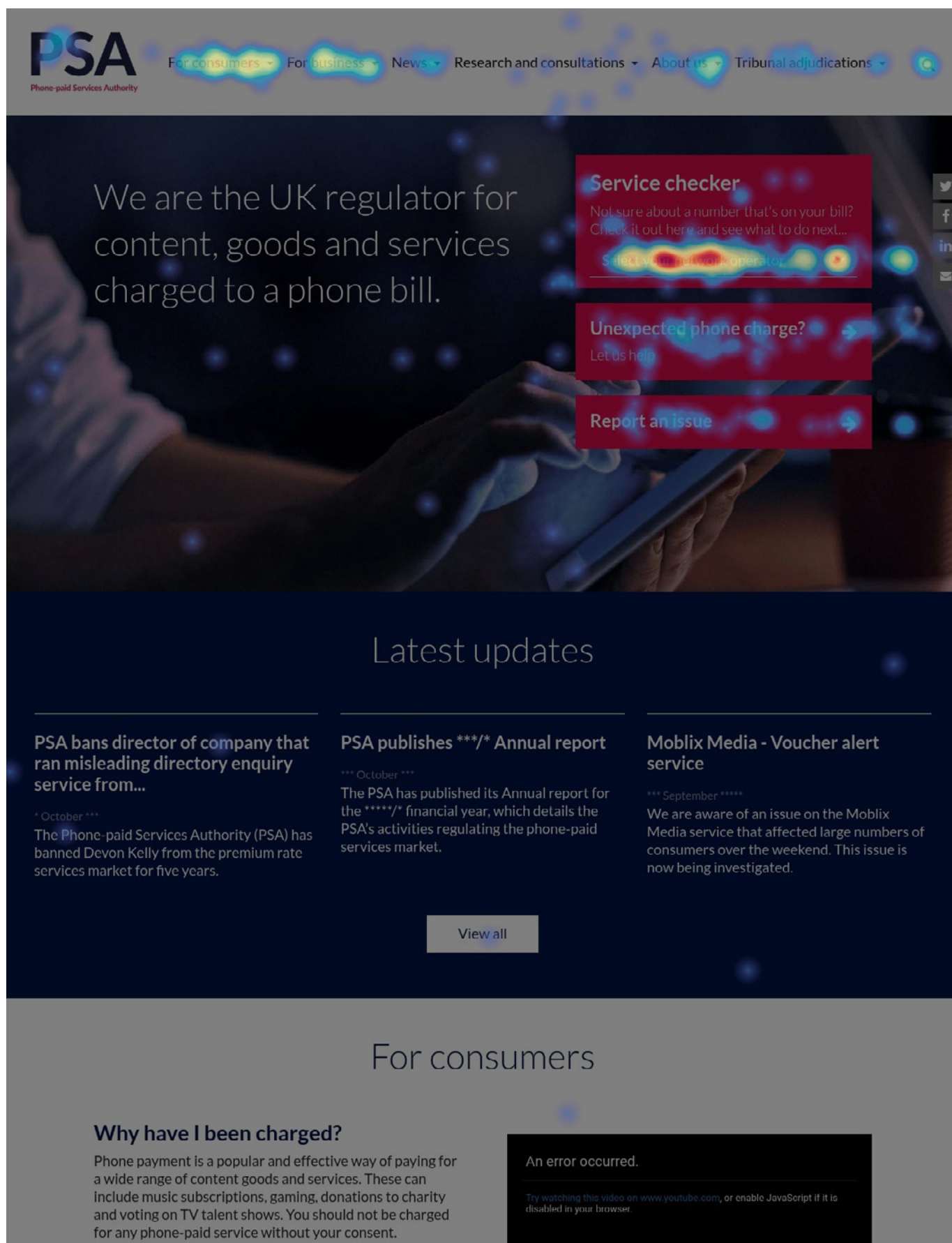
The consumer engagement plan was carried out throughout the financial year and has had a positive impact. Through implementing the plan, we:

- overhauled our consumer content on our website and tested it with users in real-time to identify areas for improvement
- implemented suggestions from consumers to improve the content quality and website user experience
- optimised the consumer content as per SEO best practice to increase our ranking in search engine results and implemented the recommendations from Google's Lighthouse report
- promoted refreshed consumer advice regularly on our social media and with help from partners, such as DCMS, Ofcom and InSafe, reached a significantly greater audience
- integrated our communications work with our market issues process. As a result we ran information campaigns on ICSS and 09 numbers on social media; also published two press releases in response to an increase in ICSS complaints, which secured national coverage.

We will continue to deliver this important work building on the experience and learnings from this year's consumer engagement plan, as part of our commitment to empower consumers of phone-paid services.

Outcomes

- improved our market intelligence through our new approach to stakeholder management
- promoted consumer advice and reached more audiences through press and partners.



PSA
Phone-paid Services Authority

For consumers ▾ For business ▾ News ▾ Research and consultations ▾ About us ▾ Tribunal adjudications ▾

We are the UK regulator for content, goods and services charged to a phone bill.

Service checker
Not sure about a number that's on your bill? Check it out here and see what to do next...
Select your network operator

Unexpected phone charge?
Let us help

Report an issue

Latest updates

PSA bans director of company that ran misleading directory enquiry service from...
* October ***
The Phone-paid Services Authority (PSA) has banned Devon Kelly from the premium rate services market for five years.

PSA publishes */* Annual report**
*** October ***
The PSA has published its Annual report for the *****/* financial year, which details the PSA's activities regulating the phone-paid services market.

Moblix Media - Voucher alert service
*** September *****
We are aware of an issue on the Moblix Media service that affected large numbers of consumers over the weekend. This issue is now being investigated.

[View all](#)

For consumers

Why have I been charged?
Phone payment is a popular and effective way of paying for a wide range of content goods and services. These can include music subscriptions, gaming, donations to charity and voting on TV talent shows. You should not be charged for any phone-paid service without your consent.

An error occurred.
Try watching this video on www.youtube.com, or enable JavaScript if it is disabled in your browser.

As part of our consumer engagement plan for 2020/21, we overhauled the consumer advice on our website and tested it with users in real-time to identify areas of improvement.

5) Enforcing our Code of Practice

In 2020/21 we:

Took effective and efficient enforcement action to protect consumers from harm

While complaints have dropped significantly, we continue to address small pockets of poor practice in the market through proportionate, targeted and efficient enforcement activity. This year we worked on 249 cases, 122 of which were informal and 127 of which were subject to formal enforcement.

Following appropriate investigations, a number of cases went to Tribunal, who this year issued a total of £3,635,000 in fines against providers that broke our rules. Our Tribunal heard and imposed sanctions in nine cases, eight that were paper-based and one an oral hearing. Additionally, the Tribunal adjudicated on two 'breach of sanctions' cases (against businesses that didn't comply with sanctions imposed) and seven 'naming' cases (prohibiting directors and other senior decision-makers within rule-breaking companies from having involvement in PRS).

A number of trends can be observed. Firstly, we have brought more naming cases this year, to ensure that associated individuals within the market who've been found to have been knowingly involved in a series of breaches are prohibited from involvement with phone-paid services for a period of time. Our Tribunal also imposed higher fines compared to last year, with a number of fines against companies approaching the £1 million mark. This is to ensure fines are seen as a real deterrence and poor practice is appropriately addressed.

Case studies

£1 million fine for ICSS provider Salvatet Inversiones SL:

In June 2020 we published the case of Salvatet – an ICSS provider who charged customers £3.60 per minute for connection to the likes of HMRC and DWP, without making these costs clear.

We received over 100 complaints about the company, with complainants reporting very high charges (one complainant said they were charged £240 when trying to contact Trainline, and another was charged over £350 trying to contact O2). One complainant told us these charges were “obscene and totally immoral”.

The Tribunal found that Salvatet had committed four very serious breaches of our regulation, including not treating consumers fairly and not making its pricing information prominent. The Tribunal imposed a £1 million fine, banned Salvatet from the market for five years and ordered it to pay refunds to any consumers who claim one.

Fine and service ban for provider that took advantage of vulnerable people:

at the end of this year, the Tribunal adjudicated in the case of Peter Jones trading as Webserve CMS.

Webserve ran a call-connection service which connected people to, for example, bank and shops. It also connected people to a number of government benefit organisations, including for Universal Credit and Jobseekers' Allowance. Calling these premium rate numbers cost 7p per minute, plus network access charges, leading to one consumer being charged over £100.

The Tribunal found Mr Jones had committed six breaches of the PSA's Code, including a breach around consumer vulnerability – this is because the service was promoted and provided in a way that meant financially vulnerable people were taken advantage of.

The Tribunal fined the provider £135,000, ordered it to refund all consumers who claim a refund and barred the service for a minimum of two years.

Outcomes

- took enforcement action to protect consumers from harm and support long term market health.

Our activity in numbers

Complaints

2020/21 — **5,300**

2019/20 — 13,900

2018/19 — 20,000

Enquiries (incl. number checks)

2020/21 — **188,000**

2019/20 — 271,200

2018/19 — 277,000

Contacts

2020/21 — **193,300**

2019/20 — 285,100

2018/19 — 297,000

6) Delivering organisational excellence

In 2020/21 we:

Delivered our business objectives while working remotely

Like many organisations across the country, our usual in-office working model has changed dramatically since the start of the Covid-19 pandemic. We moved to fully remote working in March 2020 and continued to operate on a mostly working from home model during the course of the financial year.

During this time, we were able to deliver effectively all of our core functions including handling consumer enquiries and complaints, investigations and enforcement activity, with our Code Adjudication Panel hearing adjudications remotely. Our stakeholder engagement moved to webinars and online meetings and our Board of directors and Consumer Panel continued their work remotely. In line with many other organisations we are now considering the optimal working model for the delivery of our regulation and services for the future as we emerge from the pandemic.

Invested in our data protection compliance

This year we have engaged an external provider to improve our data protection capability and to enhance our compliance with data protection law.

Following this, we launched a new workstream to enable us to enhance our processes and controls, ensure risk events are more remote and less impactful, and ensure that staff are clear about their roles and responsibilities in regard to risk management.

Improved our cyber security

During a challenging year for cyber security we continued to use our tightly controlled budget to invest in improving our cyber security, appropriately balancing usability, security and value for money.

This included investing in our network infrastructure. We are implementing the ISO 27001 information security management framework in order to provide further assurance of the quality of our controls. We're also continuing to undertake regular system penetration testing and implementing any findings from these.

Made our culture more inclusive

PSA is committed to achieving and respecting equality, diversity and inclusion in everything it does. This year we took part in the Inclusive Culture Pledge programme run by Equality Works which aims to create a network of organisations to share support, advice and resources.



To make our culture more inclusive this year we pledged to:

- carry out training for our leaders and managers to ensure that we promote and encourage greater diversity of thought, input and voices at all our meetings, engagement with others and in all our work
- review our approach to recruitment and selection to ensure we reach and engage with a richly diverse mix of candidates.

in the future. We pledge to build Equality, Diversity and Inclusion into this programme of work so that it is at the heart of what we do and fully embedded in our organisational values and ways of working.

At the end of the year we will review progress.

We take our responsibilities towards our people very seriously, and this has been acknowledged by our Silver Investors in People accreditation. In order to maintain our Investors in People status, we need to be reassessed against the standard every three years. Our next review is due in March 2022.



Outcomes

- continued to operate effectively while working remotely
- promoted and encouraged more equality, diversity and inclusion.

This year we made considerable progress against these aims. Moving to a remote working model, and therefore having virtual meetings, has improved our diversity of input by giving staff more opportunity to attend and contribute. We refreshed our approach to our regular all-staff meetings, to give teams across the organisation the opportunity to shape the agenda. This has given meetings a new perspective and encourages input from a bigger range of staff.

On recruitment, we broadened where we advertise job roles, and trialled a number of new, more targeted job sites.

In 2021, we have chosen to take part in the programme again. Our inclusive culture pledge for this year, which we have published on our website, is as follows:

Phone-paid Services Authority is committed to achieving and respecting equality, diversity and inclusion in everything it does. In 2021 we will be carrying out an organisational change programme to ensure that our people, processes, values and culture are best able to deliver our new approach to regulation both now and

Governance & accountability

Our people

Board

The Board is accountable for the performance of the PSA and oversees the strategic direction of the organisation.

The Board consists of the Chair and four remunerated non-executive members and the Chief Executive of the PSA.

The Chairman is responsible for ensuring the Board holds the organisation to account including directing, supporting and managing the Chief Executive and the PSA Executive.

To assist the Board in carrying out its duties, it is supported by two sub-committees: the Resources Committee and the Audit, Risk and Corporate Governance Committee.



David Edmonds CBE
Chairman



Ann Cook
Board Member



Meg Munn
Board Member and
Senior Independent Director



Winnie Palmer
Board Member



Jo Prowse
Chief Executive



Mark Thomson
Board Member

Leadership Team

Responsible for the day-to-day executive function, the Leadership Team ensures that Board approved strategies, plans and policies are implemented efficiently.



Jo Prowse
Chief Executive



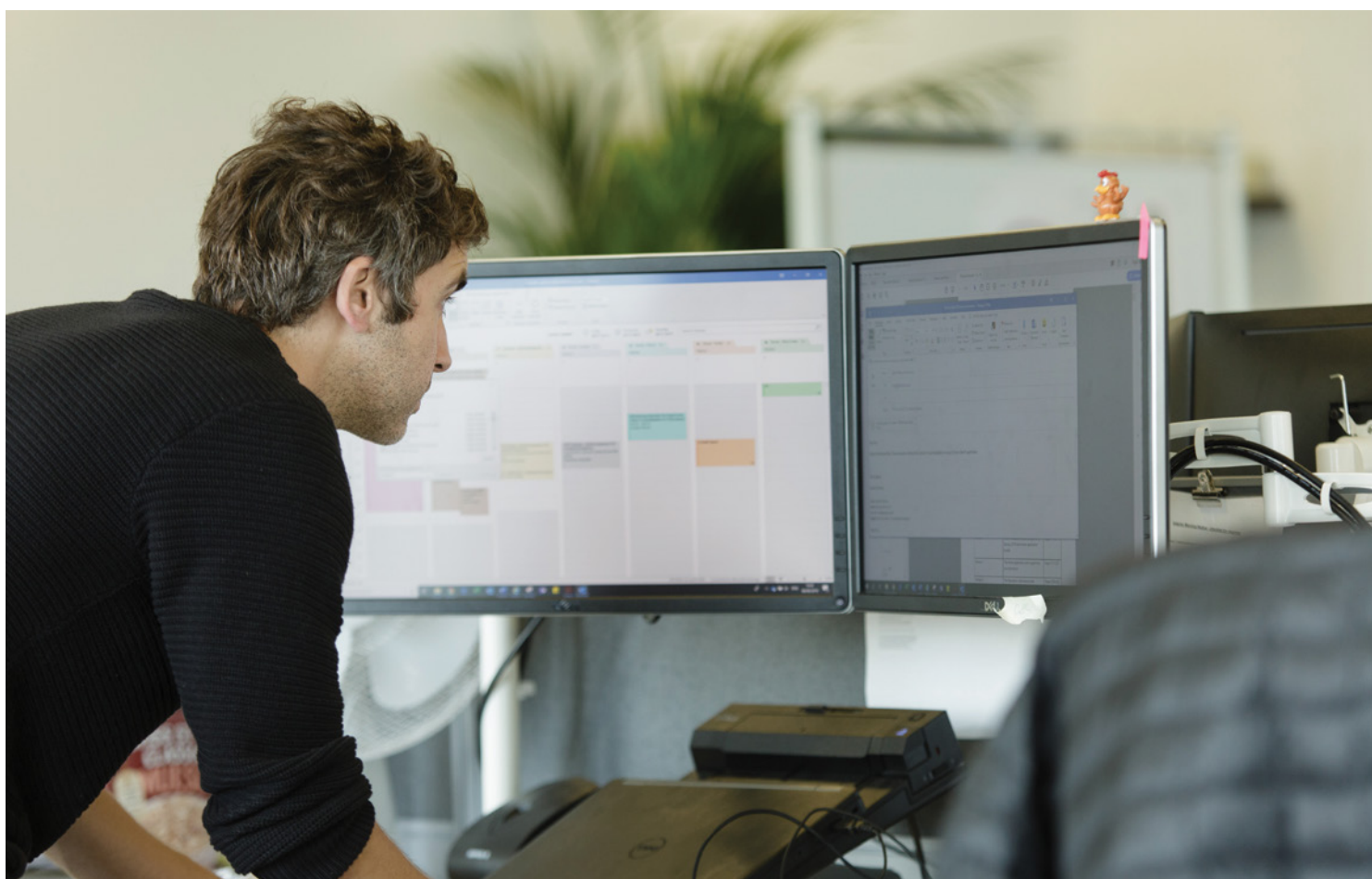
Peter Barker
Director of Corporate
Services & Operations



Ayo Omideyi
General Counsel



Simon Towler
Director of Policy
& External Relations



Code Adjudication Panel

The Code Adjudication Panel (CAP) is responsible for the Phone-paid Services Authority's adjudicatory function.

The CAP came into force when we introduced our 14th Code of Practice in July 2016 and ensures that our adjudicatory process is transparent, fair and independent.

The CAP is made up of eleven people. Four of the members are appointed for their legal qualifications and experience and six lay people with relevant experience as set out in the Code.

Three members are drawn from the CAP to form the Phone-paid Services Authority's Code Adjudication Tribunals (CAT). Each CAT consists of three people; a legally qualified chair and two lay members. CATs hear and reach decisions on cases against companies suspected of serious breaches of the Code of Practice.

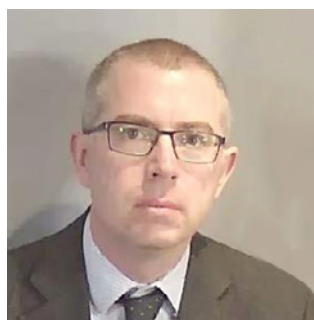
The CAP's decision-making function and process is independent of the PSA.



Mohammed Khamisa QC
Chair



Desiree Artesi
Lay



Andrew Ellam
Lay



Linda Lee
Legally Qualified



Simon Lewis
Legally Qualified



Tony Moss
Lay



Dame Elizabeth Neville
DBE QPM DL, Lay



Alison Sansome
Lay



Julian Weinberg
Legally Qualified



Peter Wrench
Lay



Martin Wrigley
Lay

Consumer Panel

The Consumer Panel provides advice and challenge on aspects of the PSA's work, to support and enhance the interests of consumers by:

- providing advice and comment from a consumer perspective on the extent to which PSA policies and regulation are aligned with its consumer-focused strategy
- bringing to the attention of the PSA issues that are or are likely to be of significance to or impact on consumers and providing advice and comment on these issues
- commenting on consultations and research undertaken by the PSA.



Rhian Johns
Chair



Louise Baxter MBE
Member



Patrick Bligh-Cheesman
Member



Paul Eaves
Member

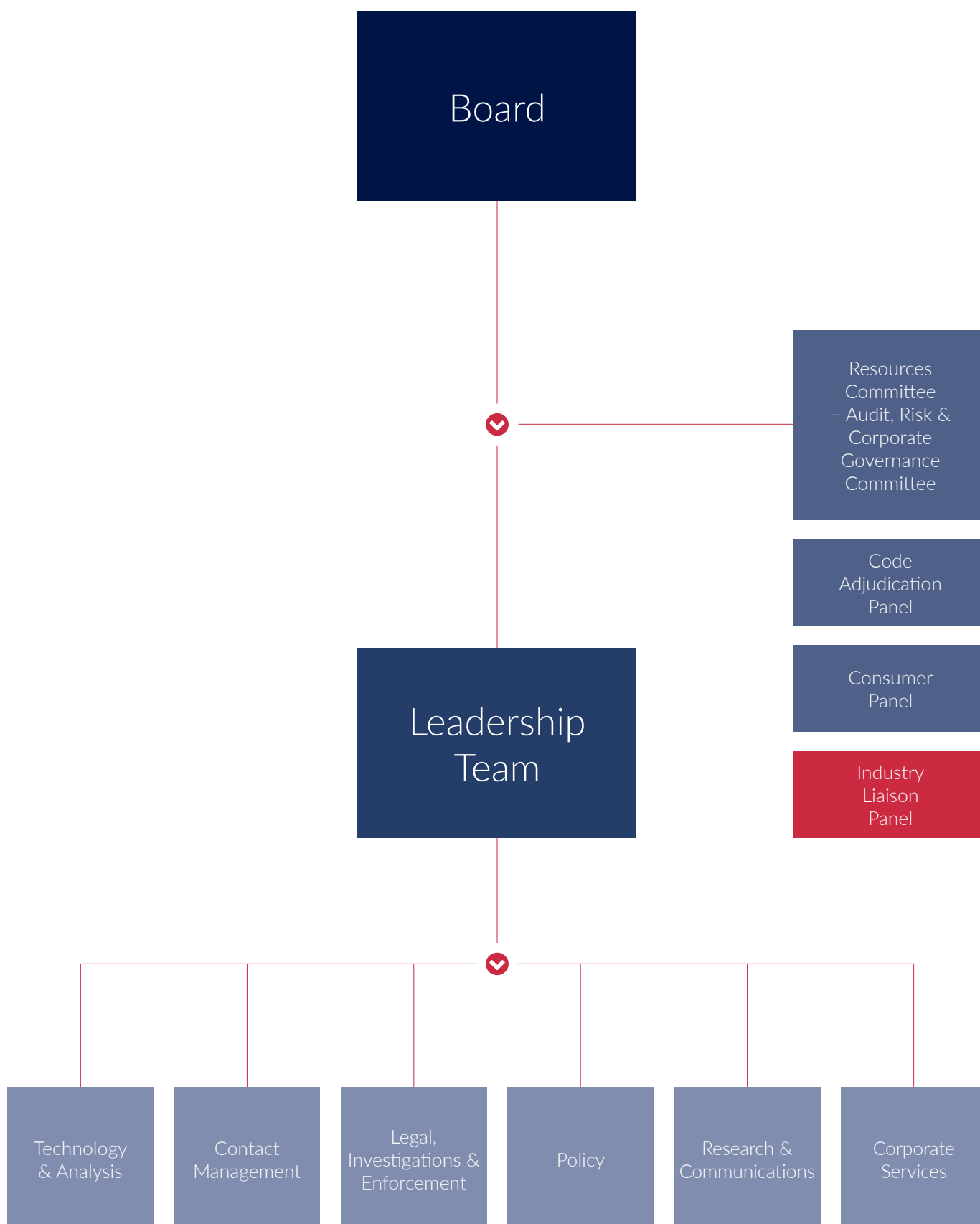


Fred Forbes
Member



Nikki Wilson
Member

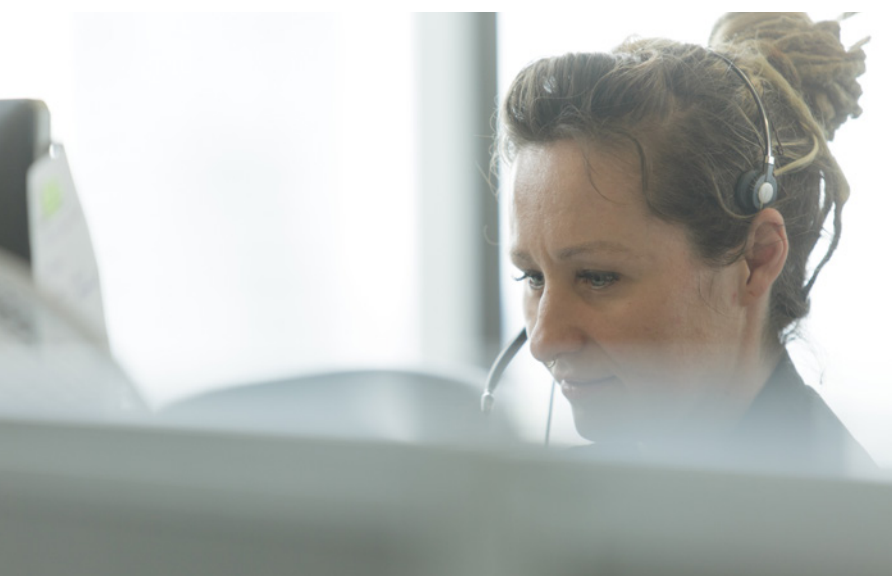
PSA organisational structure





Accounts

Income & expenditure



Income	Notes	2021 £	2020 £
Levy on premium rate telephone services	1	1,729,183	1,916,814
Adjustment to deferred income	1	1,484,977	1,558,395
Administrative charges	1	112,208	138,358
Fines	1	3,635,000	2,870,000
Registration fees		146,049	176,437
Other income		250	450
Total turnover		7,107,667	6,660,453
Interest receivable		14,681	59,230
Total income		7,122,348	6,719,683

Notes

1. The company is non-profit making. A service provider levy is collected via the network operators based on their outpayments in order to cover the proposed expenditure in any year. Any difference between the amount collected and expenditure incurred is taken into account in setting the following years levy. The company also received fines and administration charges from services that are in breach of its code.

Expenditure

	Notes	2021 £	2020 £
Staff and related costs	2	2,952,850	2,892,174
Policy, external relations and communications	3	77,033	112,400
Legal fees		165,634	(13,212)
IT system costs		333,909	304,217
Telecoms charges		41,703	57,882
Premises costs	4	436,935	448,451
Finance and governance	5	79,165	63,773
Overheads	6	43,354	69,968
Depreciation		91,818	89,246
Bad debts		3,667,942	2,683,530
Interest paid		0	0
Total expenditure		7,890,343	6,708,429
Surplus before taxation		(767,995)	11,254
Corporation tax on interest		(2,789)	(11,254)
Surplus (deficit) after taxation		(770,785)	0

Balance sheet

	Notes	2021 £	2020 £
Fixed assets	7	192,347	245,402
Current assets			
Trade debtors	8	440,037	284,780
Other debtors	8	373,253	658,828
Cash at bank and in hand		1,978,567	3,456,074
Total current assets		2,791,858	4,399,682
Current liabilities	9	(1,195,308)	(2,085,402)
Provisions	10	(184,644)	(184,644)
Net assets		1,604,253	2,375,038
Capital and resources – retained surplus		(1,604,253)	(2,375,038)

2. Staff and related costs include staff remuneration, recruitment, training, and fees for the Board members and Code Adjudication Panel.
3. Policy costs include events, research, policy consultancy, and publication of the Annual Report and Code of Practice.
4. Premises costs include rent, rates, service charge, repairs and maintenance, electricity and cleaning.
5. Finance costs include bank charges, payroll bureau, insurance premiums and external audit fees.
6. Overheads includes postage, stationery, travel and subsistence, entertainment, and general office expenses.
7. Tangible fixed assets include fixtures and fittings, office furniture and equipment, computer equipment and registration database.
8. Debtors include amounts due from the network operators for the levy, and from service providers for fines and administration charges.
9. Current liabilities includes trade creditors, accrued costs, and deferred registration income.
10. Provisions are for dilapidations on office premises.

Phone-paid Services Authority

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IN PEOPLE

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