

MINUTES OF THE 429TH MEETING
PHONE-PAID SERVICES AUTHORITY LT BOARD MEETING

Thursday 15 September 2022

10.00-13.00

Phone-paid Services Authority, 40 Bank Street, London, E14 5NR

Attendees:

Chair: David Edmonds

Board members:

Meg Munn

Winnie Palmer

Jo Prowse

Mark Thomson

PSA Executive:

Peter Barker

Tania Dosoruth

Jonathan Levack

Alex Littlemore

Ayo Omideyi

Simon Towler

Guest:

Gavin Daykin, Ofcom

Mohammed Khamisa KC, CAP Chairman

Minutes: Emma Hurt

Apologies:

1. Standing Items

1.1 Introduction and apologies

The Chair welcomed members and attendees to the Board meeting.

1.2 Previous minutes, matters arising and action log [ref 1.2]

The previous meeting minutes were approved as an accurate record of the meeting. All actions from the last meeting have been completed.

1.3 Standing and other declarations of interest

Jo Prowse recorded two declarations of interest. Her reappointment as Board Member for the Charity Commission until March 2024 and as Director of Chorleywood Music Productions Ltd. There were no other declarations of interest recorded.

1.4 Chief Executive Report

The Chief Executive presented her report on activity across the organisation.

Key points for the Board to note were:

Policy – The Thematic Review on Information, Connection and Signposting Services (ICSS) has been launched, utilizing one of the new regulatory powers available under Code 15. The response from providers to date has been positive, with the information and data being gathered enabling a better understanding of the consumer experience and detriment suffered. Under Code 15, PSA is committed to publishing a summary of the findings.

Consultation on virtual chat – the Executive is working with industry to resolve an issue regarding receipting, making good use of the flexibility available within the new Code. This would be the first general permission issued under Code 15.

Annual Market Review – the Annual Market Review has been published and the key findings will be covered in the meeting.

Supervision – this new area of the organisation is bedding in well with regular meetings, good data exchange and positive interactions.

Industry liaison – the next Industry Liaison Panel (ILP) meeting is later this month and the focus of the meeting will be on the future of regulation, Annual Market Review and Code 15 implementation.

Engagement with Ofcom and DCMS – focus is on the transfer, with much work being done in the background. Staff attended a “Hello Ofcom” session at Riverside House, which was a positive experience for all who attended.

Relocation – preparations continue for the relocation from 40 Bank Street to Riverside House.

Business Plan and Budget – The current Business Plan is on track, and reserves are being managed to ensure sufficient provision is in place to cover any and all costs arising out of the transfer.

Operational metrics – the continuing low level of complaints is indicative of a broadly compliant market.

Security – a cyber exercise for the Board followed the meeting.

Case management – the Engagement and Enforcement team are continuing to work through the outstanding Code 14 cases, with a view to resolving them during the current 22/23 year.

Legal – the team is continuing to provide support in various areas, including the regulatory transfer to Ofcom, and responding to a threat of Judicial Review by an Intermediary provider.

The Board thanked the Chief Executive for her report.

ACTION:

2. Items for discussion

2.1 Future of Regulation

The Executive and Ofcom representative gave an update on the transfer process. In addition to the relocation process, high-level timelines were discussed and the importance of maintaining market compliance both during and post transfer was emphasized.

2.2 Regulatory Oversight Group update

The Executive provided an overview of the decision-making processes and structures now in place under Code 15, with overall coordination being delivered through the Regulatory Oversight Group

A member of the Board recently observed a Regulatory Oversight Group meeting and recommended all Board members to do the same to gain valuable insight into how delivery of the new Code is working.

2.3 CAP Chair Annual Report

The Chair of the CAP joined the meeting to provide his annual review of the work of the CAP referencing the report circulated prior to the meeting.

Key highlights included:

Post Covid the panel has functioned well. With the recent easing of restrictions, there is a desire to move away from remote Tribunal hearings as the default position.

The panelists are technically skilled and appraisals of panelists during the year have been completed. All panelists meet the key criteria. There are no issues of concern to report.

The panel continues to be well supported by the Executive and enjoys an excellent working relationship. The support provided by the in-house legal team has been exceptional and of a high caliber.

The Panel Secretary has continued to provide support to the Panel in a professional, efficient, and timely manner throughout the year.

The Panel has been briefed on the transfer to Ofcom and is committed to ensuring Panel continuity during the transition period and for as long as required. The Panel has understood the key drivers and benefits that have necessitated the change.

There has been a focus on the new Code 15, which came into force on 5 April 2022. The CAP forum in March 2022 provided a useful platform for training on the key changes introduced by Code 15, including introduction of single legally qualified CAP member adjudications and sanctioning changes.

The number of substantive Enforcement cases that have been adjudicated on and prohibitions against named individuals have reduced significantly. There have been no breach of sanctions cases.

The majority of cases have continued to focus on subscription services, with the most common breaches relating to consent to charge issues and failure to co-operate with the Executive.

The Board thanked the Chair of the CAP and requested that it is recorded and reported back to the CAP.

2.4 Annual Market Review

The Executive presented the key findings from the Annual Market Review. Similar presentations will also be made to both the Consumer Panel and the ILP:

- UK consumers spent £588.7m on premium rate services last year, a £39.9m (6.3%) decrease on the year before.
- TV and Radio Engagement continues to be the largest sector, followed by Games and then Entertainment.
- Analysys Mason predict the market to be stable over the next three years with industry reporting no significant new initiatives or services that would drive growth in that timeframe.
- Growth in some service types is offset by continuing decline in voice services in common with wider trends in telecoms.
- The number of consumers using services has increased overall, but with usage skewed towards a younger demographic.
- The key driver for paying by phone remains convenience.
- The consumer experience is improving, with fewer poor and harmful services in the market. Many legacy PMS subscription services have been removed.

- The average Net Promoter Score (NPS) has risen marginally from -27 to -26. The Board were reminded that NPS is a difficult metric, as a score of 6 and below is gauged as negative and only ratings of 9 or 10 generating a positive score.

3. Items for information

3.1 Management Accounts Summary Report as presented at the Resources Committee on 6th September

The Executive presented the Accounts Summary Report as discussed at the Resources Committee on 6 September.

3.2 Asset Disposal Approach

As requested by the Resources Committee, the Executive presented to the Board the Asset Disposal approach being used both as part of the relocation exercise and transfer process. The Board noted this approach will be covered by the annual financial audit process.

4. Items for approval/decision

4.1 Staff remuneration (cost-of-living) and retention

The Board approved a recommendation from the Resources Committee to apply an in-year cost of living increase to staff remuneration. In doing so it was particularly mindful of the need to retain staff in the current operating context, while ensuring the continuing delivery of value for money.

5. Any other business

No further business was discussed.

Date of the next meeting: Wednesday 30 November 2022

Action log

Actions carried forward from previous meetings	Status	Notes
Minutes from the new internal Regulatory Oversight Group to be circulated to the Board for information.	Ongoing	

Actions from 15 September 2022 meeting