

**MINUTES OF THE 436<sup>th</sup> MEETING**  
**PHONE-PAID SERVICES AUTHORITY LTD BOARD MEETING**

**Monday 24 June 2024**

**10.00-13.00**

**Phone-paid Services Authority, Riverside House, 2A Southwark Bridge Road, London  
SE1 9HA**

**Attendees:**

Chair: David Edmonds

**Board members:**

Meg Munn

Winnie Palmer

Jo Prowse

Mark Thomson

**PSA Executive:**

Tor Ahjem

Peter Barker

Laura Carter

Jonathan Levack

Alex Littlemore

Ayo Omideyi

Simon Towler

**Guest:**

Gavin Daykin, Ofcom

**Minutes:** Emma Hurt

**Apologies:**

**1. Standing Items**

**1.1 Introduction and apologies**

The Chair welcomed members and attendees to the Board meeting. The Chairman noted the apologies.

## **1.2 Previous minutes, matters arising and action log**

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**

There were no declarations of interest recorded.

## **1.4 Chief Executive Report**

The Chief Executive presented her report on activity across the organisation. In addition to updates on operational matters and items elsewhere on the agenda, the Board noted in particular:

Due to the dissolution of Parliament on 30 May and the timing of the General Election, the Statutory Instrument transferring regulation to Ofcom was not laid as planned. The transfer is therefore delayed from the planned 1 October date, but Ofcom and DSIT remain committed to delivering it as soon as possible. The timetable for a revised transfer date will be clearer after the General Election on 4 July;

- We continue to maintain historic high levels of compliance in the market. In particular, monitoring of Information Connection and Signposting Services (ICSS) shows activity remains low and complaints about ICSS have fallen to very low levels since the Code changes to address issues in this part of the market were made in September 2023;
- It is currently expected that two enforcement cases will progress to oral hearings. Our aim is to complete matters before the transfer, but are working with Ofcom colleagues to ensure continuity of regulation in the event that outstanding issues need to be dealt with by them post transfer.;
- Finances remain sufficient for wind up purposes. The market continues to be in good financial health, with growth of 5% in consumer revenues during 2023/24 marginally exceeding that estimated in the Annual Market Review;
- The Consumer Panel met recently, and the Panel is preparing a handover document for the Ofcom Consumer Communications Panel (CCP). The Panel will meet with the new CCP chair before the transfer;
- We have been approached by Rip Off Britain for an interview on ICSS to take place in July.

The Executive confirmed the individual terms of appointment for Board members have been extended to 1 April 2025 or until the point of transfer (whichever date is sooner). The Board thanked the Chief Executive for her report.

## **2. Items for approval/decision**

There were no items for approval/decision.

### 3. Items for discussion

#### 3.1 Future of Regulation

The Board received an update from Ofcom on the process for the transfer of regulation into Ofcom, including ongoing engagement with the Department for Science, Innovation and Technology (DSIT). In particular it was noted:

- A transfer date of 1 April 2025 has been assumed for planning purposes by Ofcom, but they will be ready earlier if the legislative process allows.;
- Work is progressing to map staff to roles, and secondment roles are starting across departments;
- Ofcom's agreement on the importance of setting a planning timetable to support the preparation for the transfer of IT systems.

The Board thanked Ofcom for the update.

#### 3.2 Annual Evaluation of Board Performance

The Chairman thanked colleagues for completing the annual evaluation, noting the interesting and informed observations.

#### 3.3 Metrics review

The Executive presented a comparison of current data between 2023/24 and 2016/17. The Board noted both the overall 95% reduction in consumer complaints to PSA, and the minimal market share of those service types in which issues still persist.

The Board noted in April/May there were no ICSS complaints.

### 4. Items for information

#### 4.1 Annual Market Review

The Executive presented the key findings from the Annual Market Review for 2023/24, with the Board noting the key headlines of:

- The market performed in line with expectations, growing by £30m;
- The phone-paid services market was worth GBP624 million in 2023-24, a net growth of 5.1% year-on-year;
- Growth in operator billing (15%) and PSMS (3%) offset declines elsewhere;
- Operator billing is now worth more than half of the market;
- Games, entertainment and donations grew the most, while ICSS declined the most;
- PSMS income for radio competitions grew, while TV competitions declined;

- Charity income grew only fractionally overall with non-telethon and recurring donations declining, possibly due to prolonged cost of living pressures.

Looking into the future, the AMR forecasts the market will grow steadily over the next three years, with the following key points:

- The market is expected to be worth £645m this year and grow by 3% year-on-year for the subsequent three years;
- Growth, as in previous years, is expected to be driven by operator billing (largely app stores and game passes) and some entertainment services;
- A degree of market uncertainty continues to exist around the transfer of regulatory remit to Ofcom, with some providers claiming that this is affecting market growth. However, despite the delays to the transfer, the industry overall remains positive;
- Average Net Promoter Score for phone-paid services has improved slightly across most service types compared with last year.

The Board thanked the Executive for the presentation. The full report is expected to be published at the end of July/ beginning of August.

#### **4.2 Management Accounts Summary for the period ended 31<sup>st</sup> January 2024– as presented to Resources Committee on 6 June 2024**

The Board noted the Management Accounts summary as presented to the Resources Committee on 6 June.

#### **4.3 Risk Register as at March 2024– as presented to Audit, Risk and Corporate Governance Committee on 5 June 2024**

The Board noted the Risk Register as presented to the Audit, Risk and Corporate Governance Committee on 5 June.

### **5. Any other business**

The Board held a closed discussion on the transfer process.

**Date of the next meeting:** Monday 2 September 2024, 10.00-13.00

#### **Action log**

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