

**MINUTES OF THE 424TH
PHONE-PAID SERVICES AUTHORITY LTD BOARD MEETING**

TUESDAY 21 September 2021

12.00-13.00

Phone-Paid Services Authority, 25th Floor, 40 Bank Street, London E14 5NR

Attendees:

David Edmonds, Chairman

Board members:

Meg Munn, Senior Independent Director

Winnie Palmer

Jo Prowse, Chief Executive

Mark Thomson

PSA Executive:

Peter Barker

Gavin Daykin

Jonathan Levack

Ayo Omideyi

Simon Towler

Guest: Gaucho Rasmussen, Ofcom

Minutes: Emma Hurt

Apologies:

Ann Cook

1. Standing Items

1.1 Introduction and apologies

The Chair welcomed members to the single item Board meeting, held for the purpose of the approval of Code 15.

Apologies were received from Ann Cook for this meeting.

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

The previous meeting minutes will be ratified at the next Board meeting in October.

1.3 Standing and other declarations of interest

The Chairman informed members of his recent appointment as Chairman of a newly formed venture within the NHS. There is no associated conflict of interest.

2. Items for approval/decision

2.1 Code 15 development

The Executive referred to the draft version of Code 15 circulated prior to the meeting for members to review.

The consultation period closed on 5 July following an extensive engagement with industry, generating 45 responses and over 100 detailed comments.

Careful consideration has been given to the responses received and, stakeholders are generally supportive of the strategic shift and purpose of the new Code.

The main areas of comment by respondents were on the following:

- **The proposal for an annual re-opt-in for all subscription services including charity donations.** Comments from industry expressed the view that the proposed change could be highly detrimental to operator billing services, and charity donation income. They also argued that the subscriptions services Special conditions had been effective in reducing harm and complaints and that annual re-opt-in was not needed in addition.

Having considered arguments and evidence presented by industry including consumer research commissioned by aimm and the proposals being considered by BEIS, the Executive confirmed the proposed re-opt in would be replaced by an annual reminder excluding charity donations. Based on consideration of the evidence and understanding of current and additional controls, the Executive believe this position will be positively received by stakeholders. The Board agreed the move is good and in line with broader expectations in terms of reminding consumers on renewals.

- **For the registration validation process to be more rigorous than it currently is.** The Executive noted that consideration on this will feature as part of our internal implementation plans.
- **Sequencing of the draft code and guidance and published procedures.** The sequencing has been discussed at length, messaging during the consultation period has been consistent and industry have been informed as to the reasons why the guidance and

procedures are published after the Code. Guidance will be published in October for a short consultation period.

- **Charities should be exempt from registration as they are already regulated by Charity Commission and the Fundraising Regulator.** The Executive's view is that Registration should apply to charities but noted that the Registration fee is waived as a matter of policy.
- **Banning ICSS.** Several industry respondents argued for the banning of ICSS. While the Executive continues to have concern about ICSS and is using all the regulatory tools at its disposal to minimize consumer harm in this area, it noted that PSA does not have the powers to ban these services.
- **Timings should be in place for enforcement and investigations to adhere to.** The Executive noted that consideration will be provided within supporting procedures notwithstanding the uniqueness of cases with a number of factors affecting duration and the potential for significant, additional investment in resources. It was noted that operating standards continue to be applied internally.
- **Access to Oral Hearings.** The Executive confirmed we are not looking to limit a provider's ability to be heard in a timely manner; all we are doing is introducing a threshold to restrict the circumstances in which oral hearings may be requested, while ensuring that fair determination of circumstances is always achieved.
- **To provide clarity on Code Amendment Powers.** Industry has been assured the scope of the new powers will be narrow and that stakeholder consultation and Ofcom notification and approval will still be required.

The Executive noted no comments were offered by any respondents regarding funding arrangements and these therefore remain unchanged.

Board comments

The document is to be fully proofread for consistent application and use of acronyms.

Board members asked whether the definition of children in the draft Code had a specific statutory basis, noting that from a safeguarding perspective, children were considered as under 18s.

ACTION: the Executive will double check what has been written into the final Code and statement in terms of age and consider whether amendments might be needed in vulnerability guidance.

Next steps

The Executive is aiming to publish the final Code and Statement in the week of 18 October, subject to approval by Ofcom, whose own Statement needs to be published simultaneously. The final Code and Statement will be shared with the Board in advance of publication for information.

The Statement will be clear in setting out how comments arising out of consultation have been considered and changes made where the evidence has supported these. There will be implementation workshops/webinars in January/February 2020 to support industry implementation.

In response to a question regarding consumer engagement, a programme of work will be mapped out working with the Consumer Panel to build effective messaging through consumer bodies and other channels. The intention is to communicate with consumers in March/April around the time when Code comes into effect as this is likely to have the most impact.

Subject to clarification of the points raised during the meeting, the Board approved the draft Code.

The Board commended the work undertaken by the Executive to develop and shape the draft Code to its current position.

The Executive observed the industry is witnessing the considerable and positive results of decisions made by the Board over the past six years in cleaning up and raising compliance in the market, with consumer complaints at the lowest levels seen.

Date of the next meeting: Wednesday 20 October 2021

Action log

Actions carried forward from previous meetings

Status

Notes

Actions from 21 September 2021 meeting

The Executive will double check what has been written into the draft Code and final statement in terms of age and consider whether amendments may be need in vulnerability guidance.