

MINUTES OF THE 423RD MEETING
PHONE-PAID SERVICES AUTHORITY LTD BOARD MEETING

Tuesday 22 June 2021

10.00-13.00

Meeting held Via Microsoft Teams

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

Attendees:

Chair: David Edmonds

Board members:

Meg Munn

Winnie Palmer

Jo Prowse

Mark Thomson

PSA Executive:

Peter Barker

Laura Carter

Gavin Daykin

Jonathan Levack

Alex Littlemore

Ayo Omideyi

Simon Towler

Minutes: Emma Hurt

Guest: Mohammed Khamisa, CAP Chairman

Apologies:

Ann Cook

Gaicho Rasmussen, Ofcom

1. Standing Items

1.1 Introduction and apologies

The Chair welcomed members and attendees to the Board meeting. Apologies were received from Ann Cook and Gaicho Rasmussen for this meeting.

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

The previous meeting minutes were accepted as an accurate record of the meeting.

There was a single action from the last meeting which has been completed.

1.3 Standing and other declarations of interest

There were no declarations of interest recorded. All Board members have completed their annual declarations of interest.

1.4 Chief Executive Report

The Chief Executive presented her report on activity across the organisation, and the Board noted the following updates:

- Code 15: update is captured within item 3.2.
- Information Connection and Signposting Services (ICSS): members of the Executive presented to the Ofcom Consumer Communications Panel on 20 May, sharing ongoing oversight of ICSS. ICSS remains an enforcement priority. The PSA has been contacted by BBC Watchdog! which is planning to run an item on ICSS.
- Analysys Mason's first draft of the Annual Market Review is expected imminently, Further insight will be provided to the Board when the final report is available before publication in July/August and which will take into account Q1 revenue figures,
- Industry Forum: this was held as a remote event for the first time due to the continuing Covid situation. The events were successful from the PSA's point of view and feedback from participants was more positive than negative. The format provided an opportunity for a larger number of questions to be fielded than usual although some feedback suggested that the opportunity for in-person debate and networking was missed.
- Consumer engagement: We continue to work with consumer bodies such as Which? to provide consumer advice and raise consumer awareness. Our Code 15 consumer webinar attracted disappointingly low attendance compared with the previous one held prior to the consultation publication. More positively the working assumption is consumers tend to engage with regulators when there are higher levels of non-compliance and issues in the market.
- Complaints are at their lowest level for at least a decade running at a rate that would translate to 2,500 complaints for this financial year. The steep drop in complaints is largely the result of PSA regulatory intervention and enforcement activity coupled with the actions of the networks and other regulated providers.

- aimm quarterly: held in May, aimm reported some industry opinion towards aspects of Code 15 as negative, some of which appears inconsistent with views made at individual meetings with providers.
The Executive confirmed that all comments and responses are considered carefully by PSA in the consultation process and encouraged alternative solutions and/or evidence to support any areas of challenge.
- Organisational development: changes to internal resource is being managed particularly around legal and enforcement.
- The organisation is on track with the Business Plan for 2021-22.
- Following a Tribunal review of the case against TCS Combined Solutions Ltd, the financial sanction has been reduced from £885K to £750K.

2. Items for approval/decision

There were no items for approval/discussion.

3. Items for discussion

3.1 CAP review

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:

- Given the continuing Covid situation, Tribunals were moved to a remote platform, and despite inevitable initial set up matters to attend to the platform proved to be an effective tool enabling hearings including complex oral hearings to be conducted without delay to the process.
Electronic bundles have replaced paper bundles and have been a welcome shift.
- The membership of the panel has changed over the past 12 months with Linda Lee, Ian Walden and Elizabeth Ribbons, stepping down. The Chair recorded his thanks to the contributions the panel members have made.
The Panel has been joined by Alison Sansome (Lay Member), Desiree Artesi and Simon Lewis (Legal Chairs).
New panel members have completed their training and induction and found the programme to be of exceptional quality.

- The Chair acknowledged the outstanding professionalism of the Clerks and Panel Secretary. Comprehensive support from HR enabled a successful recruitment programme.
- Tribunal statistics/themes and trends – there has been a focus of hearings overseeing prohibition cases to associated individuals.

The Board made a number of enquiries of the CAP Chair and discussed the nature of the cases and the ongoing engagement of the Panel members in our work which is considered intellectually challenging and requiring technical knowledge and expert rigour.

The Chair noted there are a number of cases in the pipeline and does not anticipate a reduction in the caseload in the immediate future.

The Board thanked the Chair of the CAP and requested their thanks be recorded and reported back to the CAP.

3.2 Code 15

3.2.1 Code 15 development

The Executive provided an update on the development of Code 15.

The Consultation Document was published on 8 April with a 12-week consultation period to conclude on 5 July. Ofcom published their consultation in close parallel, running from 30 June, for a 6-week consultation period which closed on 11 June.

Positive stakeholder engagement has been maintained throughout the consultation period. Four webinars have taken place attended by over 50 individuals and organisations in total and constructive individual meetings have been held with all MNOs. Significant insights have been gleaned from the meetings.

Overall, there is a good and broad support behind the strategic shift. And the intention behind the coming change in approach has been understood.

Themes that have emerged include

- 12 months re-opt-in for subscription services. Messaging has been clear throughout the consultation period encouraging proposals for viable alternative options and evidencing any impact the proposed 12 months opt in is anticipated to have on industry. It is expected BEIS will publish a consultation on subscription renewals before Parliament goes into summer recess.
- Industry has shared concerns around sequencing of the consultation and supporting guidance. However, both Codes 13 and 14 followed the same sequencing model as does Ofcom. The Executive has explained to industry the rationale.

The programme is on track to meet the planned milestones.

3.2.2 Code 15 implementation

The Executive presented a short update on the Code 15 implementation programme that will support and follow on from the development programme.

The implementation programme is broadly on schedule. The recent focus has been to develop organisational development, including supporting procedures, culture, and management of critical risks. Other workstreams will fall out of these.

There have been a few changes in internal resourcing in particular within legal and enforcement. The risk will alleviate as key people are put in place.

Plans are in place to increase staff engagement and involvement as the programme progresses.

3.3 Debt recovery

Following a request by the Resources Committee, the Executive presented an overview of the debt recovery process, including a focus on the range of legal tools at its disposal.

The Board noted the wide and robust approach and process in place, including:

- Moon Beever has proven to be good value for money.
- the established DROT (Debt Recovery Oversight Team) thoroughly reviews every case.
- bad debts are only removed from the balance sheet after all economic avenues of recovery have been exhausted, and that this decision is subject to Resources Committee approval.

3.4 Ways of working

The Executive presented a roadmap which aims to guide decisions regarding future working models for PSA. The approach is consistent with DCMS guidelines and aligned to organisations, such as Ofcom.

The months ahead will be used to test, reassess and review to help influence and shape future working models.

The Board noted comments raised at the Resources Committee have subsequently been responded to, and agreed the roadmap is a sensible proposal, balancing the needs of individuals with the needs of the organisation.

The Executive anticipates and will prepare for an expected spike in infections in the Autumn. In addition, the Executive will explore options for funding flu jabs for colleagues if government does not provide combined vaccinations.

3.5 Annual Evaluation of Board performance

The Chairman thanked colleagues for completing the evaluation and observed that comments will be reflected on and implemented where appropriate.

4. Items for discussion

4.1 Draft Director's Report and Financial Statements Year Ended 31 March 2021 (as presented at the Audit Committee on 9 June 2021)

The Executive presented the draft Directors Report and Financial Statements for the period ended 31 March, as considered by the Audit Committee on 9 June 2021. The accounts will be audited through July.

4.2 Accounts Summary Report as at 31 March 2021 (as presented at the Resources Committee on 10 June 2021)

The Executive presented the Accounts Summary Report for the period ended 31 March, as considered by the Resources Committee on 10 June.

4.2 Risk Register (as presented at the ARCG Committee on 9 June 2021)

The Executive presented the Risk Register, as considered by the Audit, Risk and Corporate Governance Committee on 9 June 2021.

5. Any other business

This section of the meeting was held as a closed discussion.

Date of the next meeting: Tuesday 21 September 2021

Action log

Actions carried forward from previous meetings	Status	Notes
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Actions from 22 June 2021 meeting