

MINUTES OF THE 433rd MEETING
PHONE-PAID SERVICES AUTHORITY LT BOARD MEETING

Monday 9 October 2023

10.00-12.00

Phone-paid Services Authority, Prospero House 241 Borough High Street, London
SE1 1GA

Attendees:

Chair: David Edmonds

Board members:

Meg Munn

Winnie Palmer

Jo Prowse

Mark Thomson

PSA Executive:

Tor Ahjem

Peter Barker

Laura Carter

Tania Dosoruth

Jonathan Levack

Alex Littlemore

Ayo Omideyi

Simon Towler

Guest:

Gavin Daykin, Ofcom

Minutes: Emma Hurt

Apologies: none

1. Standing Items

1.1 Introduction and apologies

The Chair welcomed members and attendees to the Board meeting. The Chairman welcomed Tor to the meeting as Interim Head of Engagement and Enforcement, following the departure of Tania Dosoruth. The Board thanked Tania for her service to PSA.

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:

- The phone-paid services market remains largely compliant, with policy and enforcement activity in place to tackle outstanding problem areas;
- The statement on changes to Code 15 in relation to Information, Connection and Signposting Services (ICSS) was published 18 September. The new measures are already taking effect with a positive impact being seen;
- Industry continues to remain engaged with PSA, with the recent Industry Liaison Panel meeting used to provide an update on the regulation timetable and Annual Market Review;
- The Consumer Panel continue to provide useful insight, with discussions ongoing with Ofcom to see how this can still be provided post transfer;
- We continue to prioritise cyber security, including through delivery of a significantly above average Microsoft Secure Score;
- Significant progress with our Engagement and Enforcement strategy, with most issues being successfully dealt with through Engagement activity. In terms of formal Enforcement, there is only one outstanding Code 14 case to be resolved and four current Code 15 cases;

2. Items for approval

There were no items for approval

3. Items for discussion

3.1 Future of Regulation

The Board received an update from Ofcom on the transfer process, noting:

- The progress on the drafting of the Statutory Instrument;
- Transitional arrangements will be covered in the Statutory Instrument, enabling Ofcom to enforce the provisions of Code 15 and take over ongoing PSA cases;
- Discussions are ongoing in relation to PSA's debt recovery matters;

- The main focus at this point is on finalising drafting on the consultation document and supporting regulatory documents;
- There have been various people activities held over recent months to give an ‘Insight to Ofcom’. There are further activities planned over coming months including all PSA staff invited to the Ofcom@20 event on 1 November;
- Work on the various integration programme streams (including HR, IT systems, finance) are running concurrently;
- Discussions on TUPE arrangements with DSIT continue;
- The s.122 Order is planned to be laid in May/June 2024 and commence on 1 October 2024.

The Board discussed the risks to the s.122 Order commencement date being delayed, noting the timeline for completing the transfer remains conditional on (a) the delivery of the consultation on the Statutory Instrument and final statement by Ofcom and (b) the subsequent statutory processes required to bring the final version into force. The Board noted in particular the impact a General Election would have on the Parliamentary process, and asked for an update on risks to be provided at the next meeting.

ACTION: Ofcom and the Executive to provide an updated risk analysis at the next meeting.

3.2 Code Adjudication Panel (CAP) Chair Annual Report

The Chair of the CAP joined the meeting to provide his annual review of the work of the CAP. He referenced the report circulated prior to the meeting, and asked the Board to note that alongside no issues of concern to report:

- CAP members have recommended all Tribunal informal representation hearings to be recorded to protect all parties. The recommendation was agreed;
- Appraisals of panelists during the year have been completed. The panelists are technically skilled and meet the key criteria to manage complex cases;
- While recognizing the CAP will not be required post transfer, Panel members are keen to find opportunities to share with Ofcom their knowledge and experience of adjudicating in the phone-paid services market;
The Panel continues to be well supported by the Executive. The support provided by the in-house legal team has been exceptional and the Panel Secretary continues to provide support to the Panel in a professional, efficient, and timely manner throughout the year.

The Board thanked the Chair of the CAP for his report, and asked that he passed back to the CAP members its thanks for the excellent work and commitment of the CAP.

3.3 Annual Market Review

The Executive presented the key findings from the Annual Market Review (AMR), noting that these have also been shared with the Consumer Panel and the Industry Liaison Panel:

- UK consumers spent £593.7m on services last year compared to £588.7m the year before, growth of 0.9%. Two thirds of spend was in just three service categories - TV and radio, Games and Entertainment - with TV and Radio continuing to be the largest sector;

- Growth in revenue-share services was 3.5%, higher than forecast in the previous AMR and attributable to services purchased through operator billing;
- Charities experienced a decline in revenue, with spend falling by nearly £15m. This is largely due to fewer telethons in the year and declining viewer numbers as TV viewing habits change;
- Premium Short Message Service (PSMS) revenue fell by 6.7%, with no broadcast competitions run during the period of national mourning following the death of Queen Elizabeth;
- Growth of 4.3% is forecast for 23/24, with the market expected to grow 2.8% per year over the next three years;
- The overall Net Promotor Score remains static at -26.

4. Items for information

4.1 Management Accounts Summary Report as presented at the Resources Committee on 19 September

The Board noted the Report, and that the Directors' Report and Financial Statements for the year ended 31.03.23. will be presented for sign-off in November.

4.2 Business Plan and Budget process

The Board noted that given the timetable outlined in 3.1 above, a Business Plan and Budget for 2024/25 would be required and be subject to the usual annual consultation and approval timetable. A draft will be presented at the Resources Committee in November for recommendation to the Board later that month.

5. Any other business

None.

Date of the next meeting: *Tuesday 28 November 2023*

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 9 October 2023 meeting Ofcom and the Executive to provide an updated risk analysis at the next meeting.	Open	