

**MINUTES OF THE 20<sup>th</sup> MEETING**  
**PHONE-PAID SERVICES AUTHORITY CONSUMER PANEL**  
**Wednesday 28 June 2023, 11.00-13.00**  
**Microsoft Teams**

**Attendees:**

**Chair:** Rhian Johns

**Consumer Panel members**

Louise Baxter

Patrick Bligh-Cheesman

Paul Eaves

Fred Forbes

Nicola Wilson

**Phone-paid Services Authority**

Jonathan Levack

Sarah-Louise Prouse

Simon Towler

**Minutes:** Emma Hurt

**Apologies:**

**1. Introduction**

***1.1 Introduction and apologies***

Rhian welcomed members to the Consumer Panel meeting. No apologies were received.

***1.2 Previous meeting minutes and action log***

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

Matters arising were picked up during the meeting.

***1.3 Executive update***

The Executive provided an update. The key highlights are:

**Complaint Levels: Alert services** – the increase in complaints around alert services discussed at the previous meeting has stabilised. Currently there is an open enforcement case against the group of companies responsible for alert services.

**MNO's complaint levels** – One MNO is reporting a higher level of complaints than usual. The Executive believes this is a definitional issue with contacts being recorded differently from the other MNOs.

#### **1.4 Panel update**

Fred Forbes departs the Consumer Panel as he now lives outside of the UK and the Consumer Panel is based in the UK. Rhian thanked Fred for his service to the panel and for his significant insight and contributions during his time on the panel.

## **2. Theme**

### **2.1 Code 15 one year on**

The Executive provided the Panel with an update on Code 15 and its impact after a full year of implementation. The review looked at key areas as follows:

**Raising standards** – Code 15 has had a positive impact on the market, industry has responded positively, and a number of providers have updated their vulnerable persons policies, improving their DDRAC policies, and are working collaboratively through supervision. Where issues have arisen, i.e. the broadcasting competitions issue, the agile nature of Code 15 has been demonstrated in being able to make amendments to the Code quickly.

**Preventing harm** - the supervision team has built healthy relationships with industry, receiving data provides an insight into the market and where harm is happening. Thematic review as a new tool has provided data and insight at a new level enabling more effective policy requirements to be designed and implemented.

**Compliance** – Code 15 is very clear compared to previous iterations. The move to standards has been welcomed.

**Smarter enforcement** – the engagement approach has been rolled out, underpinned by procedures. Enforcement is quicker and more efficient. We are able to repute spurious claims for oral hearings, and cases are heard quicker.

The Executive outlined that a refreshed organisation and new governance structure has significantly supported the effective delivery of Code 15, and that in its view industry is generally more comfortable with it after some initial nervousness. In addition, the market has outperformed AMR predictions despite the challenging economic context.

During the past year, the Executive has been able to comprehensively test the usability of most components of the Code, including – thematic review, supervision, engagement approaches, enforcement, adaptations to the Code.

The Panel thanked the Executive for the comprehensive update. The Panel asked about potential risks arising from the transition into Ofcom.

The Executive assured the Panel that industry is largely happy/content with the new Code and industry have been informed that PSA regulation will continue right up to the point of transfer.

The Panel noted Code 15 has been a success story, largely attributed to the established, dynamic and responsive PSA team. The success of Code 15 has the potential to be used as a case study useful for other regulatory bodies to hear about.

The Executive thanked the Panel for the feedback and added that there are opportunities to share experience through work with Ofcom and others, for example the Executive have been invited to present at a Stop Scams event on effective reduction on complaints.

### 3. Policy

#### 3.1 ICSS

The Executive provided an update on ICSS which remains a top priority for PSA.

The consultation on changes to the Code to reduce consumer harm closed in April. The consultation included proposals to:

- Cap calls at £40 to stop very high bills for individual calls – in line with our measures for other service types.
- Require a positive opt-in for onward connection – giving better information to consumers and allowing them to make informed choice.
- Positive opt-in required for PSMS – reducing detriment associated with PSMS sent as part of the ICSS.

17 responses were received, from a range of mostly industry stakeholders including networks and ICSS providers. The majority of responses were supportive of the proposals. A number of respondents called for ICSS to be banned.

At the time of the meeting, the Statement outlining our post-consultation decision had been sent to Ofcom for approval. **Post Meeting Note:** approval from Ofcom of the statement has been received and the Statement was published on 24 July.

A compliance update was published on April 4<sup>th</sup>, reminding providers of their existing obligations under the Code. The update covered three areas: transparency, fairness and receipting, and leaned on recently published adjudications to illustrate non-compliant practice.

Further directions for information were issued to all registered ICSS providers in April to continue to monitor market activity. The directions mirror the data sought through the thematic review but cover the period from July 2022 to March 2023. The majority of providers have responded. Initial assessment of the data provided suggests similar market activity and consumer detriment, noting that this was before the compliance update was published and also prior to the Code changes taking effect.

ICSS cases remain a priority in our enforcement activity. We have published two ICSS-related adjudications this year, banning both providers from the market.

There are also currently 8 further engagement and enforcement cases against ICSS providers. A combination of adjudications and successful engagement has the potential to reduce the harm from non-compliant ICSS significantly.

### 3.2 Future of regulation

The Executive provided an update on the transfer process

- A first full draft of the entire SI has been shared with DSIT/PSA and the final draft of the accompanying consultation document is in its advanced stages.
- Work on the various integration programme streams (including HR, IT systems, finance) are running concurrently.
- The timeline for completing the transfer remains conditional on both the delivery of the consultation on the SI and final statement by Ofcom and the subsequent statutory processes required to bring the SI into force. The Panel noted the Parliamentary process would be impacted in the event of a General Election, but that currently the transfer is expected to happen in May/June 2024.

## 4. Any other business

### 4.1 Terms of office

The terms of office for the Panel have been extended up to the point of transfer.

The next meeting will be hosted at Riverside House with the option to dial into the meeting if required.

**Date of the next meeting:** Thursday 7 September 2023

### Action log

<b>Actions carried forward from previous meetings</b>	<b>Status</b>	<b>Notes</b>
A Code 15 update will remain on the Consumer Panel agenda.	<b>Closed</b>	Consider closing as this has been added to the workplan