

Notification of exemption for specified lower cost service types

For the attention of all Network operators, Level 1 providers and Level 2 providers who are involved, or intend to be involved, in:

- operating premium rate services on the 0870 number range
- operating premium rate services on Voice shortcodes which cost 20p per minute or less.

Background

Paragraph 3.4.1 of the PhonepayPlus Code of Practice (12th edition) (“the Code”) requires all Network operators, Level 1 providers and Level 2 providers to register with PhonepayPlus before providing any premium rate service. Paragraph 3.4.2 of the Code allows PhonepayPlus to exempt particular categories of service from the need to register and paragraph 3.4.3 further states that any Network operator, Level 1 and Level 2 provider which only provides exempt services does not need to register its organisation.

3.4.2 – PhonepayPlus may identify particular categories of premium rate services in respect of which registration will not be required (‘exempt services’). PhonepayPlus will provide public notice of any such exempt service and will publish a full list of exempt services from time to time.

3.4.3 – Network operators, Level 1 and Level 2 providers who provide only exempt services are not required to register with PhonepayPlus.

PhonepayPlus has previously granted an exemption to services provided on the 0871/2/3 number range for the reasons set out below:

- services operating on this range cost 10p per minute or less (plus network access charge), so the risk of financial detriment to consumers is considerably reduced in comparison to other PRS
- the majority of services operating on this range provide data capture or customer service functions. As such they do not represent the main business of the providers, but rather a service which is ancillary to their main business. This reduces the incentive for these providers to mislead in order to increase PRS-derived income.
- The historically low level of complaints received by PhonepayPlus, and formerly Ofcom, about services on the 0871/2/3 range. Therefore, for reasons of proportionality an exemption from registration was provided for services operating on 0871/2/3.

Services on the 0870 number range

Following Ofcom's Review of Non-Geographic Call Services (NGCS), which is implemented on 1st July 2015, services provided on the 0870 number range are included to those premium rate services which fall into the definition of Controlled premium rate services (CPRS). As such from 1st July 2015 services operating on 0870 numbers will be regulated by PhonepayPlus.

The PhonepayPlus Board has determined that services that operate on the 0870 range should also be exempted under paragraph 3.4.2 of the Code from the requirement to register. This decision draws on four years of experience regulating the parallel 0871/2/3 range and is made for the same reasons as summarised above in respect of that range. In addition, the Board deems that other changes introduced by the NGCS Review will serve to further ensure pricing transparency.

Voice Shortcodes which cost 20ppm or less

Following a separate consideration of Voice shortcodes – i.e. mobile shortcodes with voice functionality as opposed to text functionality – the PhonepayPlus Board has determined that where these shortcodes operate at 20p per minute or less, they share the characteristics of reduced risk of financial detriment and reduced incentive on the part of providers to mislead or unfairly treat consumers. It should be noted that while Voice shortcodes above 10p per minute carry a higher service charge, they do not carry any network access charge, and as such the total cost to consumers is highly likely to be comparable to the total charge to consumers calling 0871/2/3 services at 10p per minute or less.

Notice of exemption

PhonepayPlus formally gives notice that providers operating premium rate services on the 0870 range will be exempt under Paragraph 3.4.2 of the Code from the need to register with PhonepayPlus. PhonepayPlus also gives notice that Voice shortcodes which have the following characteristics will be exempt under Paragraph 3.4.2 of the Code from the need to register those services with PhonepayPlus:

- a) The services are operated on Voice shortcodes which cost 20ppm or less in total
- b) The services provided are to facilitate data capture, customer services or enquiries, or any other function which is ancillary to the main business of the provider.

In addition, where a Level 1 or Level 2 provider, or Network operator, provide only PRS which operate as outlined above, they will further be exempt under Paragraph 3.4.3 from the requirement to register themselves with PhonepayPlus.

Providers are reminded that this exemption applies only to the requirement to register services, or themselves in circumstances where all services provided are exempt from registration. Providers will continue to be responsible for compliance with all other provisions set out in the Code (unless exemption has also been granted in respect of those other provisions).

The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (“the Regulations”)

It is important to remember that since the [Consumer Contracts Regulations](#) came into force in June 2014, providers are prohibited from operating any form of post-contractual support on any number range which charges more than 01, 02 or 03 number ranges ('basic rate'), this is set out at Regulation 41 of the Regulations. Networks and Level 1 providers in particular should ensure that they do not provide interconnection to prospective clients in respect of PRS which would be in breach of the law.

Help-line charges over basic rate

41. - (1) Where a trader operates a telephone line for the purpose of consumers contacting the trader by telephone in relation to contracts entered into with the trader, a consumer contacting the trader must not be bound to pay more than the basic rate.

(2) If in those circumstances a consumer who contacts a trader in relation to a contract is bound to pay more than the basic rate, the contract is to be treated as providing for the trader to pay to the consumer any amount by which the charge paid by the consumer for the call is more than the basic rate.

You can also access [guidance produced by BIS in relation to the Regulations](#).

Next steps

Providers who are unclear about any aspect of this Notice in respect of themselves or any of the services they operate should contact PhonepayPlus with any questions or for further advice via email at compliance@phonepayplus.org.uk.