

Code 15 update

CODE 15

raising standards | preventing harm | simpler compliance | smarter enforcement

Our objectives

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Our objectives

- We are developing a new Code that is fit for a mature market that delivers what consumers want and allows us to implement our strategic purpose
- We want our new Code to:
 - introduce standards across the market
 - focus on the prevention of harm rather than cure
 - be simpler to implement and comply with
- To do this the Code needs to be underpinned by effective enforcement

The need for change



- The market has changed significantly in recent years and is fundamentally different to the market when Code 12 was introduced
- Outcomes-based regulation worked well during a period of market transition. But regulation is now increasingly complex and employs several ex post fixes
- Consumer expectations have changed in line with their experiences in other digital markets and changes in consumer legislation
- Enforcement can be slow and perceived as ineffective. Code 14 enforcement tracks and powers are increasingly limiting our opportunities for timely intervention and optimal regulatory outcomes.

The major changes we are considering



- Standards in place of outcomes, which should be clearer and easier for industry to implement while retaining the space to innovate to the benefit of consumers. These will set a minimum requirement for providers that meet consumer expectations
- Shift to prevention of harm rather than cure through:
 - Enhanced verification: we want to introduce the right barriers to market entry that allows for legitimate innovation and builds confidence by deterring ‘fly by night’ providers who have no interest in the sustainability of the market
 - Supervision: we want to work with networks and L1s to build in compliance and best practice to stop harm developing in the first place
- Streamlined enforcement: we want our enforcement to be as effective and efficient as possible so that issues can be solved quickly and easily where they can be
- Information gathering powers, conduct and co-operation: we also want to introduce a step change in what we expect from providers in terms of behaviour

The potential benefits

For consumers	For industry	For PSA
<ul style="list-style-type: none">• Clear and improved standards in the market to meet consumer expectations and best practice• Raised expectations for vulnerable consumers and post-purchase care• A focus on prevention of harm before it happens rather than cure post event, building trust and confidence in phone-paid services	<ul style="list-style-type: none">• A clearer and simpler Code to implement with fewer ex post regulatory fixes• A healthier market with confidence and certainty that those operating in the market are legitimate through enhanced verification• More proactive engagement from the regulator with networks and L1s to build in compliance and best practice, and therefore avoiding additional cost• Quicker resolution of issues where possible, avoiding uncertainty and drawn out investigations	<ul style="list-style-type: none">• A healthier, more compliant market with an improved consumer experience and confidence• More effective use of resource to both prevent harm in the first place and target enforcement when and where required• Better information and co-operation from regulated parties to enable the prevention of harm and streamline enforcement