

Regulator cracks down on confusing connection services

Phone-paid Services Authority (PSA) strengthens regulatory requirements for all third-party information and call connection services (ICSS)

- PSA confirms new Special conditions for ICSS regardless of the number range they operate on
- New Special conditions make it clearer to consumers that ICSS are third party services
- Consumers can end up spending significant sums to connect to organisations that offer a freephone alternative
- An estimated 1.7m consumers called an ICSS last year

The Phone-paid Services Authority (PSA) has strengthened regulatory requirements for phone-paid connection services – services that offer to connect consumers to a specific organisation via a different number and often at a higher cost.

There have been problems with consumers inadvertently calling these third-party connection services thinking they were calling the end organisation they were seeking. Typically, a consumer will use an online search engine to find out the customer service number of a well-known organisation. When presented with the search results, a consumer may inadvertently select and call a third party rather than the organisation sought. In such cases, consumers are charged significantly more than they would pay by calling the organisation directly.

The new rules introduced today ensure that any ICSS must be:

- **Marketed accurately.** Any marketing must clearly describe the nature of the service and any identifier, including URLs, must not mislead the consumer into believing the ICSS website is associated with the organisation they are seeking.
- **Clear about the costs involved,** including those for onward connection service.
- **Distinct in appearance** from the organisation being sought by the consumer.

Joanne Prowse, CEO of the Phone-paid Services Authority, said: “Our research tells us that many consumers call a third-party connection service unintentionally. That’s why we’ve strengthened our rules to make it really clear that these are third-party services and so consumers can engage with confidence. And we’re ready to act against providers who fail to implement these new requirements.”

Digital and Broadband Minister Matt Warman said: “For too long consumers have been deliberately misled by some premium rate phone numbers. We’ve seen people being charged way over the odds - in excess of £40 for a ten-minute phone call - just to be put through to organisations that can be called for free.

“The PSA’s new rules will tackle these harmful business practices and see customers better protected with information and signposting before they’re unwittingly ripped off.”

Notes to editors

- The PSA have a strong record of enforcement action against ICSS who breach our rules. In the last three years, the PSA have levied nearly £3 million in fines against ICSS providers and banned them from the market for a total of 15 years.
- The PSA first consulted on these changes to its ICSS Special conditions in April 2019. Details can be found here: <https://psauthority.org.uk/research-and-consultations/consultations/2019/april/consultation-on-changes-to-regulatory-framework-for-icss>
- Ofcom extended the scope of PSA regulation to include all ICSS as of January 2019, regardless of the number range they operated on. Previously, ICSS on 084 were not subject to PSA regulation.
https://psauthority.org.uk/news/~/.link.aspx?_id=9F24E85A3C7742628DB9351785C7949F&z=z
- In 2018, the PSA published behavioural research by the University of Nottingham into usage of ICSS to understand why and where consumers may get into difficulty
<https://psauthority.org.uk/~/.media/Files/PSA/For-Businesses/Resources/Consumer-behaviour-and-ICSS-Exploring-how-consumers-respond-to-ICSS.pdf?la=en&hash=7C9D3193459194D714E2323E1A592C67BCD56AC9>

The PSA's advice for consumers:

- Check the number you are dialling. Official helplines are usually on numbers beginning 01, 02, 03 and 080, which are billed at low or standard rates. 09, 087, 084 and 118 numbers are billed at premium rates.
- Check through your internet searches carefully. Remember that advertised numbers may not go directly to the company or organization you're looking for. Read disclaimers and pay attention to the URL.
- Don't assume the first search engine result is the direct number for the organisation you wish to contact.
- Take your time when using a search engine. Checking the results can save you time and money in the long run.
- If you are unsure about a number you can use our free online number checker www.psauthority.org.uk/about-us/number-checker
- Visit the PSA website for advice on phone-paid services.