

# Strategic purpose

5 April 2022

## 1. Strategic purpose

### 1.1. About the PSA

- 1.1.1. We are the UK regulator for content, goods and services charged to a phone bill. We act in the interests of consumers.
- 1.1.2. Phone-paid services are the goods and services that can be bought by charging the cost to a phone bill or pre-pay account. They include charity donations by text, music streaming, broadcast competitions, directory enquiries, voting on TV talent shows and in-app purchases. In law, phone-paid services are referred to as premium rate services (PRS).
- 1.1.3. We are a non-profit making company limited by guarantee. We carry out the day-to-day regulation of phone-paid services in the UK, primarily through our Code of Practice approved under the Communications Act 2003. Ofcom defines the scope of our regulatory remit and also approves our annual Business Plan and Budget to ensure we are sufficiently resourced to carry out our functions.
- 1.1.4. We are a designated public body and, as such, an arm's-length body of the Department for Digital, Culture, Media and Sport (DCMS). We are audited by the National Audit Office.

### 1.2. What we do

We build consumer trust in phone-paid services and ensure they are well-served through supporting a healthy market that is innovative and competitive. We do this by:

#### 1.2.1. Establishing regulatory standards for the phone-paid services industry

We set standards to ensure that consumers who charge a purchase to their phone-bill do so knowingly and willingly and receive good customer service.

These standards are designed to ensure all consumers have a similar positive experience of phone-paid services, including consumers who may be considered vulnerable.

Our standards are clearly set out in our Code of Practice. They deliver the necessary technical and operational protections in the market and are aligned with consumer expectations, including those based on experiences with other payment mechanisms. We evolve these standards in response to industry best practice, advances in technology, risk, and consumer behaviour and expectations.

The Code standards are supported by guidance, free compliance advice, and examples of best practice.

### 1.2.2. Verifying and supervising organisations and services operating in the market

Consumers should be able to trust that they are dealing with genuine service providers. We require all<sup>1</sup> organisations operating in the phone-paid services market to register comprehensive details about themselves and the services they provide.

We support consumers to access this information easily, helping them to have sufficient details to be able to resolve any individual issues.

We require all parties in the phone-paid services industry to check the credentials and behaviour of who they work with, and to have systems in place to identify and deal quickly with issues affecting consumers.

We work with networks and intermediaries to ensure they meet our requirements around due diligence, risk assessment and control. We do this by actively monitoring and regularly auditing for compliance with the Code.

### 1.2.3. Gathering intelligence about consumers, the market and individual services

We invest in research and our expert monitoring capabilities to improve our understanding of market trends, consumer behaviour, experience and expectations, and use this to inform and enforce the standards we set.

We continually receive and assess information about individual services, including complaints. We engage directly with consumers to understand the issues they are raising, we undertake detailed monitoring of individual services, and we ask service providers for further information when necessary.

We actively monitor the wider market to identify potential consumer harm, address issues early and share information.

### 1.2.4. Engaging closely with all stakeholders

We engage with all stakeholders - consumers, industry, government and other regulators, and the media - to inform and facilitate our regulatory approach.

We support industry to understand what our regulatory approach means for them in practice. This support is driven by our desire for consumers to be able to access services that they want, in a market that competes on price, product innovation, quality and customer service.

We work to identify and remedy any instances where our approach may unnecessarily hinder consumers who knowingly and willingly want to charge a purchase to their phone bill from doing so.

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<sup>1</sup> Where intermediary providers have successfully applied for an exemption on behalf of the merchants they represent (e.g. app stores), then only that intermediary provider needs to register.

We promote consumer choice by enabling credible organisations to enter the market with ease and by creating the conditions where providers can innovate safely and invest with confidence.

We communicate with consumers to improve understanding and awareness of phone payment, and the various ways consumers can charge content, goods or services to their phone bill.

We work with Ofcom, DCMS and other regulators to ensure that consumer interests are best served through a co-ordinated approach to regulation.

#### 1.2.5. Enforcing our Code of Practice

Where apparent breaches of the Code are committed, we investigate and enforce where appropriate in the most efficient and effective way possible. We aim to eliminate sharp practices, negligent behaviour and the deliberate use of phone payment as a mechanic to exploit consumers.

We ensure we are fair and proportionate, with enforcement delivered through the appropriate means. We will always be transparent in our decision-making, and our approach to investigations and sanctioning, including fines and ordering consumer redress, is detailed in the Procedures to the Code of Practice.

Where our remit and sanctions are unable to wholly or partially hold to account those providers causing consumer harm, we will refer them to relevant enforcement authorities.

#### 1.2.6. Delivering organisational excellence

As a regulator, we are committed to acting in a transparent, accountable, proportionate, consistent and targeted manner in everything we do. We uphold high standards in our governance, legal, finance, human resources, information systems, and customer service functions.

### 1.3. Our values

#### Guiding principle

We regulate the market in the consumer interest.

#### Core values

Impact	<ul style="list-style-type: none"><li>• proactive, enabling, solutions focused and goal oriented</li><li>• tailoring our approach to achieve the best impact and outcome in the consumer interest</li></ul>
Intelligence	<ul style="list-style-type: none"><li>• enquiring and inquisitive</li><li>• thinking creatively, working in an agile and flexible way to find innovative solutions and approaches</li></ul>
Integrity	<ul style="list-style-type: none"><li>• honest, proportionate, and unbiased.</li><li>• respectful, understanding, and inclusive</li></ul>

#### Culture

We work hard to create a culture which is friendly, supportive, and empowering. At the PSA, we celebrate our differences and embrace diversity of thought and constructive challenge. We invest in our people and strive to be experts in our field. Collaboration is important to us; we know that by working together we can all achieve more. We seek to build strong working relationships, engaging with stakeholders early to prevent consumer harm and promptly resolve issues. Our decisions are intelligence led to ensure we achieve the best regulatory outcome. We continuously review and assess how we work, improving our regulation to deliver what's best for consumers.