

Dear Ms Bailey

Having personally been scammed and having consulted with dozens of dissatisfied customers who have also been scammed by payforit, I wish to submit the following as evidence for the 2018/2019 consultation for phone paid subscriptions.

The first point I would like to make is that I have made thousands of online purchases. I have purchased digital content via several payment platforms, and there has only been one occasion that I have felt scammed by accidentally purchasing something without realising. The single occasion I am referring to is a payforit subscription. The reason payforit generates so many complaints is because it is completely counter intuitive and unlike any other payment method. I did not want to interact and text STOP to a subscription confirmation SMS I received from a PRS merchant. I deleted the messages immediately because in all other circumstances that's what you do with something when you suspect a scam. My intuition told me not reply or text a short code number because it was probably a trick, yet perversely that is what I should have done.

I genuinely believed that it would be impossible to be subscribed to a service without interacting with the subscription SMS, reading and agreeing to terms and conditions, submitting a password or visiting the site I was subscribed to. Like many other consumers, I also regularly receive spam SMS messages, and delete anything from a number I do not recognise without reading it, and would certainly not ever reply to any SMS text messages as I would not want to risk incurring charges or confirming my number. Using SMS as an acknowledgement and opt out method is counter intuitive and unfair to consumers. Texting to opt out of a service generates a financial incentive to MNO's

as these messages are charged. MNO's therefore have no incentive to change the system as each unsolicited subscription will generate the MNO's a minimum of 10p.

Any other payment platform offers security and a certain amount of protection when things go wrong. If a mobile phone consumer has not been negligent, and yet still incurred unauthorised transactions this is because of the vulnerability of the frictionless payforit platform. The choice is simple, introduce some security (and friction) or make the MNO's responsible for refunds because of the vulnerability of their payment platform.

The following are suggested ideas to protect consumers:-

1. A Requirement to opt in with the consumer required to text "subscribe" to a short code in order to instigate a subscription.
2. An acceptance by MNO's that the frictionless environment they have chosen to offer for their payment platform is a security weaknesses, and that MNOs should be responsible for refunding all transactions without question.
3. Clearly if a subscription service has not been utilised, there is a strong argument that the consumer did not consent to charges, and yet the merchants still hold on to their ill gotten gains, and the Consumer who has been scammed is forced to threaten to go court to be refunded. I would like to see MNO's accept that frictionless payment platform that cannot differentiate between a genuine purchase or an API call generated from rogue software should always be refunded unless the merchant can prove a genuine purchase was made and the service purchased was utilised.
4. If the PSA were to be adequately funded to consider each consumer complaint individually this would prevent

forcing the consumers to threaten the merchants with court to be refunded. The funding to change the role of the PSA to that of an ombudsman should be met by industry.

5. The MNO's established payforit and subscription services to make money. Instead of blaming consumers for accidentally subscribing, the PSA should be considering the payment platform as insecure and holding the MNO's responsible for refunds. It is after all the MNO's whom have collectively decided to offer a frictionless service that can be subject to clickjacking or iframing.
6. Reimbursement should be in the same form as the payment. This is the law, CCR and CRA make this clear why is this being overlooked?

Please change this deeply unfair system, do you know how many people are happy and enjoy with the service offered by payforit compared to those that feel they have been scammed?

With Regards to the questions submitted by the PSA, I would like to submit the following:-

1. The objectives set out are reasonable, the scope about right.
2. I have highlighted regulatory measures in my submission beforehand.
3. No I disagree completely, why should a game subscription service be treated differently to a video/joke subscription or adult subscription service? What prevents the merchants changing their subscription services content to fit the requirements for less regulation and then still scam consumers? The issue

is with specific merchants not content type. The problem merchants push the boundaries because they perceive a weak regulator who has all too often allowed scammers to get away with informal resolutions. Why not allow for better industry self regulation by forcing MNO's to be held responsible for refunds? This approach would in turn force MNO's to punish unscrupulous merchants by suspending contracts with merchants costing the MNO's money. If a merchant offers a good service with a clear pricing structure and a sensible multi factor requirement for verification there would be hardly any complaints.

4. See statements above.
5. Smart phones users are now able to purchase digital content (or subscriptions for digital content) with facial recognition or a fingerprint. These security methods provide a frictionless journey when making a purchase, but without the issues that PRS currently provides. Obviously these advances in security technology have not been implemented onto API technical calls. The problems associated with PRS are not solvable with different regulatory approaches, the issue is one of security. The problem is that MNO's have decided to increase revenue streams without consideration to whether or not the services they offer are secure. Whilst any unexplained voice and SMS billing will almost always be ultimately be the consumers fault, the same can not be said for PRS . This is because rogue software that can be imbedded in such a way that even the most savvy of consumers can be scammed and the MNOs should be responsible, not the consumer. If MNO's choose to offer a platform for digital content, it is ultimately their responsibility to ensure its security and compliance with the the law. At the moment it is unsafe and cannot refund directly.

Ultimately technology is changing, SMS and voice services are becoming less important to consumers and it's all about data. Just because MNO's have the ability to offer API technical calls, it doesn't automatically follow that it is a good idea. Allowing third parties to access a mobile phone number in an unsolicited manor for the purposes of charging to it is also in breach of GDPR legislation, and I would suggest that you look at evidence in the USA and Australia where the regulators have taken more tough action.

Kind Regards,

A solid black rectangular redaction box covering the signature area.