

**Addendum to the PSA  
Consultation on the  
regulatory framework for  
phone-paid subscriptions**

4 April 2019

## An update to the proposed Special conditions for all subscription services

1. On 19 February 2019, the PSA published a consultation on proposed changes to the regulatory framework for phone-paid subscription services. Subscription services are defined as ‘services which incur a recurring premium rate charge’<sup>1</sup>.
2. The proposals for change are intended to ensure that the regulatory framework:
  - provides the necessary protection to consumers so that they can have trust and confidence in phone-paid subscription services
  - is sufficiently flexible to support growth and innovation of subscription services.
3. As set out in the [consultation document](#), we believe that there are significant opportunities to strengthen the regulatory framework at each stage of the consumer journey of using a phone-paid subscription – from discovery and sign-up through to using and exiting a service.
4. We are therefore proposing the implementation of Special conditions to apply to all phone paid subscription services, regardless of price or service type. The proposed Special conditions have been developed following consideration of the research, data and other evidence (including the Call for Inputs process that we completed to obtain early input from stakeholders).
5. One component of the PSA’s proposals is the requirement that prior to delivering the initial charge of a subscription service, providers obtain ‘double opt-in’ consent to charge from the consumer in the form of a positive, recorded and auditable response where the costs of the premium rate subscription have been presented clearly to the consumer.
6. To ensure that our regulatory response aligns with the data, research and other evidence considered as part of the review, the PSA has explicitly set out in the proposed Special conditions what is required for the proposed double opt-in consent to charge requirements to be met.
7. The proposals on which we are currently consulting would require providers of all subscription services, regardless of service type or price point, to establish consent to charge from consumers through a two-stage process.
8. Under the current proposals, the first phase requires the use of either:
  - a password system, with the password selected and controlled by the consumer; or

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<sup>1</sup> Paragraph 5.3.37 of the PSA Code of Practice. Recurring charges for a subscription may be fixed amounts charged at fixed intervals (e.g. £4.50 per week) or amounts charged at irregular intervals (e.g. charges for a subscription that are triggered by specific events – alert services being a typical example).

- a secure PIN loop system.
9. Followed by the second phase which must be fulfilled by either:
- a confirmation button where prominent and proximate pricing and frequency of charge information is provided to the consumer
  - biometric technology such as fingerprint or facial recognition as the second form of activation.
10. Through early feedback received following publication of the consultation document, we have been made aware that we have not provided for use of a secure, consumer controlled, mobile originating short message service (MO SMS) as one method that providers could utilise to fulfil the proposed first or second phase consent to charge requirements.
11. The PSA is aware that an MO SMS approach currently operates across a range of services that offer both one off and subscription-based services, including online competition, online adult and recurring donation services.
12. We believe MO SMS can represent a secure form of obtaining robust consumer consent to charge as part of the sign-up process for a phone-paid subscription service and would provide an additional option for providers to choose when developing payment processes that have a level of friction that is aligned with consumer expectations of signing up to a phone-paid subscription service.
13. The intention was to include this method as an option. The PSA is therefore amending the Special conditions on which it is currently consulting, to include MO SMS as a valid consent to charge option which could be utilised at either or both stages of the double opt-in process for PRS providers to establish consumer consent to charge.
14. To this end, the PSA is proposing changes to the 'Consent to Charge' section of our proposed Special conditions, to include MO SMS and read as follows (new text in bold):
- SS5: Prior to delivering the initial charge of a subscription service, providers are required to obtain 'double opt-in' consent to charge from the consumer in the form of a positive, recorded and auditable response where the costs and name of the premium rate subscription have been presented clearly to the consumer.
- PRS providers must establish such consent via one of the following means of consumer interaction:
- (a) use of a password system, the password being selected and controlled by the consumer

(b) use of a secure PIN loop system, which must be initiated and confirmed by the Level 1 provider<sup>2</sup> through interaction with the consumer. The secure PIN must:

- comprise no less than four truly random digits
- expire if after three attempts the consumer has not entered the PIN correctly
- expire within [one] minute of the PIN being received to the consumer's handset.

**(c) use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s).**

SS6: The second stage of the double opt-in must confirm consumer consent to the transaction through one or more of the following mechanisms:

- (a) Use of a confirmation button where prominent and proximate pricing and frequency of charge information is provided to the consumer
- (b) Use of biometric technology, such as fingerprint or facial recognition as the second form of activation

**(c) use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s).**

15. For the avoidance of doubt, to fulfil the requirements set out in the updated proposed Special conditions, the sign-up process for all phone-paid subscription services (regardless of price point or service type) providers would be required to have a two stage sign-up / confirmation process which utilises one form of consent set out in SS5 above and one set out in SS6 above.

16. In addition, the PSA has:

- added a footnote to ensure that where a PIN loop is used, this must be initiated and confirmed either by the Level 1 provider or by a capable independent third party on behalf of the Level 1 provider, or a Network operator where it contracts directly with a Level 2 provider ( that is, where there is no Level 1 provider involved in the provision of the service)
- changed the order of the receipting requirements (proposed SS7 and SS8) so that these are in chronological order

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<sup>2</sup> This function may be undertaken by an independent capable third party on behalf of the Level 1 provider. Where a Network operator contracts directly with a Level 2 provider (i.e. there is no Level 1 provider involved in the provision of the service), the function may be undertaken by the Network operator.

- made minor clarificatory and alignment changes within the notice.

17. The full, updated set of proposed Special conditions for subscription services, is set out in Annex A.

## **Consequential amendments to other Special conditions and Notices**

18. As set out in our consultation document, we are proposing to apply Special conditions to all subscription services regardless of price or service type, with any additional service-type specific Special conditions being set out separately.
19. We are also providing clarification on the relationship between the proposed Special conditions for Subscription Services and the existing Special conditions and Notices that apply to specific service types and set out the consequential amendments required to align these.
20. There are currently service-type specific requirements which apply to recurring donation services, as well as requirements that apply to society lottery services, online adult services, and online competition services, where offered on both a single purchase basis and a subscription basis.
21. The PSA is proposing to retain these service-type specific Special conditions and to amend them where required, to mirror the new wording being consulted on through the subscriptions review.
22. This means that providers of these service types would be required to refer to the relevant service-type specific sets of Special conditions that would apply regardless of whether the service is offered on a one-off or a recurring basis. We consider that this would make it easier for service providers as they need only to refer to a single set of Special conditions.
23. All other service types offered on a subscription basis will be required to comply with the proposed Special conditions for Subscription Services.<sup>3</sup>
24. In the annexes to this addendum we have provided the proposed updated Special conditions (highlighting the further changes that have been made under this addendum) as follows:
- Annex A: Special conditions for Subscription Services
  - Annex B: Special conditions for Recurring Donations
  - Annex C: Special conditions for Society Lotteries
  - Annex D: Special conditions for Online Adult Services

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<sup>3</sup> For the avoidance of any doubt, the current Special conditions for Subscription Services, which apply only to services charging more than £4.50 per week will no longer apply when the new set of Special conditions come into force.

- Annex E: Special conditions for Online Competition Services
25. Of particular note, to create alignment between the requirements in the current Special conditions for Recurring Donations and the proposed Special conditions for Subscription Services, we are proposing to remove the requirements set out in the current RDS1, RDS6(i) and ii) and RDS7 pertaining to STOP reminders, to align these Special conditions with the proposed Special conditions for Subscription Services.
  26. The Special conditions also contain various minor formatting and clarificatory changes in places and are highlighted accordingly.
  27. Any changes made to our proposed Special conditions for Subscription Services following the consultation process will be reflected across the other sets of Special conditions that are Annexed to this document.
  28. In addition, to ensure the proposed receipting approach outlined in SS7 and SS8 can operate effectively, we are proposing to remove section 7 of the Notice of Specified Service Charges and Durations of Calls.
  29. This provision requires providers to send consumers the subscription service name, cost, frequency of charges, Level 2 provider contact details, and how to exit the service, once a month or once a consumer has spent £20.45 (whichever occurs first).
  30. Instead, under our proposals, providers of all subscription services will be required to send a receipt to consumers via email or SMS, following the initial charge of the subscription service, and each subsequent charge. The proposed changes to the Notice of Specified Service Charges and Durations of Calls are highlighted in Annex F.

## Next Steps

31. To allow time for considered responses to the consultation and this addendum, the PSA is extending the consultation on proposed changes to the regulatory framework for phone-paid subscription services to **Friday, 3 May 2019**.
32. Since publication of the consultation document the PSA has received a request for some further data which it is currently considering. Should we receive any further requests for data during the period of the consultation we will consider these on an individual basis. For the avoidance of doubt, all information which the PSA considers to be relevant to the consultation has been provided as part of it and/or previously published – for example, previous research reports.
33. Further to the questions outlined in the consultation document, the PSA welcomes responses to this addendum, particularly on the following questions:
  1. Do you agree with our proposal to include use of a secure, consumer controlled, mobile originating short message service (MO SMS) as a method that providers could utilise to fulfil the proposed first or second phase consent to charge requirements (and as proposed at Annex A)?

2. Does the addendum provide clarity on the proposed consequential amendments to the service-type specific sets of Special conditions and Notice of Specified Charges and Duration of Calls, required as part of the subscriptions review? Do you agree with the consequential amendments proposed within Annexes B to F? If not, please explain.
3. Do you agree with our approach as outlined at paragraphs 20 – 24 above? If not, please provide evidence that would support an alternative approach, and/or on any potential impacts of the approach currently being proposed.
4. The PSA welcomes feedback on the new receipting-based proposals set out in the proposed Special conditions.

## Responding to this consultation

34. We plan to publish the outcome of this consultation and to make available all responses received. If you want all or part of your submission to remain confidential, please clearly identify where this applies along with your reasons for doing so.
35. Personal data, such as your name and contact details, that you give/have given to the Phone-paid Services Authority is used, stored and otherwise processed, so that the PSA can obtain opinions of members of the public and representatives of organisations or companies about the PSA's subscriptions review and publish the findings.
36. Further information about the personal data you give to the PSA, including who to complain to, can be found at <https://psauthority.org.uk/privacy-policy>.
37. The closing date for responses is 3 May 2019. Where possible comments should be submitted in writing using the [consultation response form](#) and sent by email to: [consultations@psauthority.org.uk](mailto:consultations@psauthority.org.uk)
38. Copies may also be sent by mail to:  
  
Ms. Emma Bailey  
Phone-paid Services Authority  
40 Bank Street  
London  
E14 5NR
39. If you have any queries about this consultation, please email using the above contact details.

# Annex A: Updated proposed Special Conditions for Subscription Services

## Draft Notice of Special conditions for subscription services

This notice is being issued to inform all providers involved or intending to be involved in the provision of subscription premium rate services that Special conditions apply. Level 2 providers are required to comply with [the Phone-paid Services Authority Code of Practice](#), and the Special conditions set out below which are imposed under paragraph 3.11 of the Code.

Under paragraph 3.11.3 of the Code 'any reference to compliance with the rules or obligations under this Code shall include compliance with obligations imposed under Special conditions. A breach of any special condition in respect of a high-risk service imposed under paragraph 3.11.1 shall be a breach of the Code'.

Subscription premium rate services are defined under 5.3.37 of the Code of Practice as 'services which incur a recurring premium rate charge'<sup>1</sup>.

For the avoidance of doubt, providers of online adult services, online competition services, society lottery services and recurring donation services (whether offered on a one-off or subscription basis) are exempt from this Notice, and should refer respectively to the following Notices which set out the Special conditions with which they are required to comply:

- Special conditions for Online Adult Services
- Special conditions for Online Competition Services
- Special conditions for Society Lottery Services
- Special conditions for Recurring Donations.

All other premium rate subscription services are required to comply with the Special conditions set out in this notice.

### Special conditions

*Imposed under Annex 2, paragraph 1.1(k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high-risk service (including as to receipts)*

#### Promotional material

**SS1** PRS providers must clearly identify the brand of the current service being offered to and used by the consumer – this may be achieved by prominent brand management and display.

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<sup>1</sup> Recurring charges for a subscription may be fixed amounts charged at fixed intervals (e.g. £4.50 per week) or amounts charged at irregular intervals (e.g. charges for a subscription that are triggered by specific events – alert services being a typical example).



**SS2** Payment options, where relevant, should clearly indicate that selecting payment through the phone account will place charges on the user's phone account (mobile or otherwise).

*Imposed under Annex 2, paragraph (n) requirements for caller agreement before a high-risk service proceeds before the caller is charged and paragraph 1.1(b) requirements as to the mechanisms and processes used to deliver services to, and to enable exit from services by, consumers:*

### Point of purchase

**SS3** The point of purchase must be separated from service promotion and interaction, in a clear and effective way, to allow the consumer to consider their purchase.

**SS4** At the point of purchase, PRS providers must:

- (a) clearly signpost the point of purchase by making it distinctive from other aspects of the service (such as by design and colour scheme) and take all reasonable steps to make that distinction clear, avoiding any confusion between service promotion and the point of purchase;
- (b) ensure that consumers, when committing to a purchase, explicitly acknowledge that the purchase implies an obligation to pay;
- (c) ensure that the consumer is made aware, in a clear and prominent manner and directly before the consumer commits to a purchase, of the cost of the service, and the frequency of charges; and
- (d) indicate that the PRS subscription will be added to the consumer's phone account.

### Consent to charge

**SS5** Prior to delivering the initial charge of a subscription service, providers are required to obtain 'double opt-in' consent to charge from the consumer in the form of a positive, recorded and auditable response where the costs and name of the premium rate subscription have been presented clearly to the consumer.

PRS providers must establish such consent via one of the following means of consumer interaction:

- (a) Use of a password system, the password being selected and controlled by the consumer
- (b) Use of a secure PIN loop system, which must be initiated and confirmed by the Level 1 provider<sup>2</sup> through interaction with the consumer. The secure PIN must:

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<sup>2</sup> This function may be undertaken by an independent capable third party on behalf of the Level 1 provider. Where a Network operator where it contracts directly with a Level 2 provider, in the absence

- comprise no less than four truly random digits
  - expire if after three attempts the consumer has not entered the PIN correctly
  - expire within one minute of the PIN being received to the consumer's handset.
- (c) use of a secure, consumer-controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s).

**SS6** The second stage of the double opt-in must confirm consumer consent to the transaction through one or more of the following mechanisms:

- (a) Use of a confirmation button where prominent and proximate pricing and frequency of charge information is provided to the consumer
- (b) Use of biometric technology, such as fingerprint or facial recognition as the second form of activation
- (c) use of a secure, consumer-controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s).

*Imposed under Annex 2, paragraph (k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high-risk service (including as to receipts)*

## Receipts

**SS7** Following the PRS provider obtaining 'double opt-in' consent to charge from the consumer (SS5 and SS6) the PRS provider must send the consumer a confirmation message or receipt, at no cost to the consumer, which sets out:

- (a) The name of the service
- (b) Confirmation that the service is a subscription
- (c) The charge and frequency of charging (or how this can and will arise, if applicable)
- (d) What the billing period for the subscription is, or where there is no defined billing period, the basis on which the frequency of interaction and charging for the subscription is established
- (e) The contact details of the Level 2 provider

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of a Level 1 provider (i.e. there is no Level 1 provider involved in the provision of the service), the function may be undertaken by the Network operator.

(f) Instructions on how to pause or exit the subscription.

**SS8** Each time the consumer incurs a charge for their subscription, a receipt must be sent to the consumer in either SMS or email format as soon as is reasonably practicable. This receipt must detail the full name of the subscription service, that the consumer is subscribed to it, the cost and frequency of charging, contact details of the provider of the service and instructions on how to exit the service.

*Imposed under Annex 2, paragraph 1.1(b) requirements as to the mechanisms and processes used to deliver services to, and to enable exit from services by, consumers:*

**Method of exit**

**SS9** PRS providers must establish effective opt-out processes for subscription service

## Annex B: Updated Special conditions for Recurring Donation Services

### Notice of Special conditions

This Notice is being issued to inform all providers involved, or intending to be involved, in the provision of Recurring Donation Services that Special conditions apply. Relevant Level 1 and Level 2 providers are required to comply with [the Phone-paid Services Authority's Code of Practice](#), and the Special conditions set out below, which are imposed under paragraph 3.11.1 of the Code.

Under paragraph 3.11.3 of the Code, “a breach of any special condition in respect of a high risk service imposed under paragraph 3.11.1 shall be a breach of the Code”.

Recurring donation services are defined as follows:

“Premium rate services that are solely for the purpose of donating money on a recurring basis to a charity or charities registered with the Charities Commission of England and Wales, Northern Ireland, or Scotland.”

#### Special conditions

Imposed under Annex 2, paragraph ~~1.1(b) and~~ 1.1(k):

~~(b) requirements as to the mechanism and processes used to deliver services to, and to enable exit from services by, consumers~~

~~(k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high-risk service (including as to receipts)~~

**RDS 1** — The STOP command must be made available and fully functional throughout the duration of the service. Consumers must be reminded of the existence of the STOP command every month, unless the service enables donors to skip a monthly payment and fully complies with RDS 2, RDS 3 and associated Special Conditions relating to the SKIP function.

~~Imposed under Annex 2, Paragraph 1.1(k): information that is required to be given to callers in promotional material or at various stages before and during provision of a high risk service (including as to receipts)~~

**RDS 4** — Where the SKIP command is activated for three consecutive months, this must automatically trigger the sending of a message to the relevant consumer, informing them that they can reply with STOP if they wish to opt out of the service.

## Promotional material

**RDS1** PRS providers must clearly identify the brand of the current service being offered to and used by the consumer – this may be achieved by prominent brand management and display.

**RDS2** Payment options, where relevant, should clearly indicate that selecting payment through the phone account will place charges on the user's phone account (mobile or otherwise).

**RDS 53** Where members of the public are interacting with a free service operated by the relevant charity or charities, material associated with the free service ought not to directly link to another product or service which carries a premium rate charge, unless the consumer is made aware of the separation of services and the charge associated with the new service.

**RDS 6** Immediately upon signing up to a service, consumers must receive a free initiation text message, which must contain the following information:

- i) Information that the text is free
- ii) STOP information which must read "to unsubscribe text STOP to [insert shortcode] at any time or call [insert number]"
- iii) SKIP information which reads "to miss a gift text SKIP to [insert shortcode]"

**RDS 7** Once a month the following information must be sent free to subscribers:

- i) The name of the service;
- ii) Confirmation that the service is subscription-based;
- iii) What the billing period is (e.g. per day, per week or per month) or, if there is no applicable billing period, the frequency of messages being sent;
- iv) The charges for the service and how they will or can arise; and
- v) Level 2 provider contact details.

*Imposed under Annex 2, paragraph 1.1 (k): information that is required to be given to callers in promotional material or at various stages before and during provision of a high risk service (including as to receipts) and paragraph 1.1(b) requirements as to the mechanisms and processes used to deliver services to, and to enable exit from services by, consumers and 1.1 (n) requirements for caller agreement before a high risk service proceeds before the caller is charged:*

## Point of purchase

**RDS4** The point of purchase must be separated from service promotion and interaction, in a clear and effective way to allow the consumer to consider their purchase.

**RDS5** At the point of purchase, PRS providers must:

- (a) clearly signpost the point of purchase by making it distinctive from other aspects of the service (such as by design and colour scheme) and take all reasonable steps to make that distinction clear, avoiding any confusion between service promotion and the point of purchase
- (b) ensure that consumers, when committing to a purchase, explicitly acknowledge that the purchase implies an obligation to pay
- (c) ensure that the consumer is made aware, in a clear and prominent manner and directly before the consumer commits to a purchase, of the cost of the service, and the frequency of charges
- (d) indicate that the PRS subscription will be added to the consumer's phone account.

### Consent to charge - 'double opt-in'

**RDS6** Prior to delivering the initial charge of a recurring donation service, providers are required to obtain 'double opt-in' consent to charge from the consumer in the form of a positive, recorded and auditable response where the costs and name of the recurring donation have been presented clearly to the consumer.

PRS providers must establish such consent via one of the following means of consumer interaction:

- (a) use of a password system, the password being selected and controlled by the consumer
- (b) use of a secure PIN loop system, which must be initiated and confirmed by the Level 1 provider<sup>1</sup> through interaction with the consumer. The secure PIN must:
  - comprise no less than four truly random digits
  - expire if after three attempts the consumer has not entered the PIN correctly
  - expire within one minute of the PIN being received to the consumer's handset.
- (c) use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s).

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<sup>1</sup> This function may be undertaken by an independent capable third party on behalf of the Level 1 provider. Where a Network operator contracts directly with a Level 2 provider (i.e. there is no Level 1 provider involved in the provision of the service), the function may be undertaken by the Network operator.

**RDS7** The second stage of the double opt-in must confirm consumer consent to the transaction through one or more of the following mechanisms:

- (a) use of a confirmation button where prominent and proximate pricing and frequency of charge information is provided to the consumer
- (b) use of biometric technology, such as fingerprint or facial recognition as the second form of activation
- (c) use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s).

*Imposed under Annex 2, Paragraph 1.1(b) and (k):*

*(b) requirements as to the mechanism and processes used to deliver services to, and to enable exit from services by, consumers; and (k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high-risk service (including as to receipts)*

**RDS28** Where the service enables donors to skip a monthly payment, SKIP must be the instruction command which is provided to consumers to suspend payment of their monthly donation.

**RDS39** The monthly reminder containing the SKIP instruction must be sent 24 hours prior to when the consumer is due to be charged. Where the SKIP command is available and fully functional consumers must be reminded of the existence of the STOP command every three months.

## Receipts

**RDS10** Following the PRS provider obtaining 'double opt-in' consent to charge from the consumer (RDS6 and RDS7) the PRS provider must send the consumer a confirmation message or receipt, at no cost to the consumer, which sets out:

- (a) the name of the service
- (b) confirmation that the service is a recurring donation
- (c) the charge and frequency of charging (or how this can and will arise, if applicable)
- (d) what the billing period for the recurring donation is, or where there is no defined billing period, the basis on which the frequency of interaction and charging for the recurring donation is established
- (e) the contact details of the Level 2 provider
- (f) SKIP information which reads "to miss a gift text SKIP to [insert shortcode] and instructions on how to exit the service.

**RDS11** Each time the consumer incurs a charge for their recurring donation service, a receipt must be sent to the consumer in either SMS or email format as soon as is reasonably practicable. This receipt must detail the full name of the recurring donation, that the consumer is subscribed to it, the cost and frequency of charging, contact details of the provider of the service and instructions on how to exit the service.

*Imposed under Annex 2, paragraph 1.1(b) requirements as to the mechanisms and processes used to deliver services to, and to enable exit from services by, consumers:*

#### **Method of exit**

**RDS12** PRS providers must establish effective opt-out processes for recurring donation services.

**RDS13** Where the SKIP command is activated for three consecutive months, this must automatically trigger the sending of a message to the relevant consumer, informing them that they can reply with STOP if they wish to opt out of the service.



## Annex C: updated Special conditions for Society Lottery Services

### Notice of Special conditions

This Notice is being issued to inform all providers involved, or intending to be involved, in the provision of Society Lottery Services that Special conditions apply. Level 2 providers are required to comply with [the Phone-paid Services Authority's Code of Practice](#), and the Special conditions set out below, which are imposed under paragraph 3.11.1 of the Code.

Under paragraph 3.11.3 of the Code, *"a breach of any special condition in respect of a high risk service imposed under paragraph 3.11.1 shall be a breach of the Code"*.

A lottery is a kind of gambling that has three essential elements:

- payment is required to participate
- one or more prizes are awarded
- those prizes are awarded by chance.

Society lottery services are defined as follows:

**A premium rate service ('PRS') that enables consumers to participate in a "lottery" operated by, or for the benefit of, a "non-commercial society". Such lotteries and societies meet the respective definitions set out in the Gambling Act 2005.**

A society is non-commercial if it is established and conducted:

- for charitable purposes
- for the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity
- for any other non-commercial purpose other than that of private gain.

Given the nature of phone-paid services, society lottery services governed by this notice will be remote gambling services as defined in Section 4 of the Gambling Act 2005<sup>1</sup>.

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<sup>1</sup> Section 4 of the [Gambling Act 2005](#): **Remote gambling**

(1) In this Act "remote gambling" means gambling in which persons participate by the use of remote communication.

(2) In this Act "remote communication" means communication using-

(a) the internet,  
(b) telephone,  
(c) television,  
(d) radio, or

(e) any other kind of electronic or other technology for facilitating communication.

## Special conditions

*Imposed under Annex 2, Paragraph 1.1(g): the denying of access by users under the age of 18 years old to a high risk service or by all users where the relevant handset is not verified as being owned by someone aged 18 years old or over<sup>2</sup>;*

**SOL1** Persons under the age of 16 years are not permitted to use the service.

*Imposed under Annex 2, Paragraph 1.1(e): specified action required in order to and as a consequence of verifying or a failure to verify the age of callers;*

**SOL2** If a consumer is found to be under 16, they must be refunded and blocked from using the service.

*Imposed under Annex 2, Paragraph 1.1(k): information that is required to be given to callers in promotional material or at various stages before and during provision of a high risk service (including as to receipts);*

**SOL3** The promotional material for the service must include the following information:

- (a) an adequate description of how the service works and clear instructions on how to use it
- (b) payment options, where relevant, should clearly indicate that PRS payment places charges on the user's phone account (mobile or otherwise)
- (c) any significant terms and conditions, including details of the society who will benefit from the running of the lottery
- (d) clear identification of the provider of the society lottery service separate from the society that will benefit from the running of the lottery
- (e) prominent warnings about restrictions on use, such as access restrictions based on regional regulations imposed on gambling services<sup>3</sup>, and prevention of underage use
- (f) the prize or amount of money that consumers stand to win or an adequate explanation of how prize winnings will be calculated
- (g) a clear explanation of how winnings will be paid or winners take ownership of prizes
- (h) information about responsible gambling or links to sources of such information

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Information about Gambling Commission and society lotteries can be found at:

<http://www.gamblingcommission.gov.uk/for-gambling-businesses/Compliance/Sector-specific-compliance/Lotteries/Society-lotteries.aspx>

Information about the Department for Communities, Northern Ireland can be found at:

<https://www.communities-ni.gov.uk/topics/law-and-legislation/betting-gaming-lotteries-and-amusements#toc-4>

<sup>2</sup> Special conditions are made under the broad conditions set out in Annex 2. Paragraph 1.1(g) of Annex 2 enables relevant conditions to be imposed that apply in respect of any age limit up to 18. As relevant age restriction measures associated with society lottery services do not apply to 16- and 17-year olds under relevant gambling legislation SOL 1 and SOL 2 only set conditions that apply in respect of those aged under 16.

<sup>3</sup> Society lotteries licenced by the Gambling Commission must only be promoted within Great Britain. Separate regulations apply to services operating in Northern Ireland, the Channel Islands and the Isle of Man.

- (i) Instructions on how to stop the service where entrants pay recurring charges.

The information required under SOL3(d), (f), (g) and (h) above may be provided within a URL link containing full terms and conditions. Such link must be provided in the promotional material for the service.

*Imposed under Annex 2, Paragraph 1.1(b), (k), and (n):*

*(b) requirements as to the mechanism and processes used to deliver services to, and to enable exit from services by, consumers; (k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high risk service (including as to receipts); (n) requirements for caller agreement before a high risk service proceeds before the caller is charged.*

### Promotional material

**SOL4** PRS providers must clearly identify the brand of the current service being offered to and used by the consumer – this may be achieved by prominent brand management and display.

**SOL5** Payment options, where relevant, should clearly indicate that selecting payment through the phone account will place charges on the user's phone account (mobile or otherwise).

### Point of purchase

**SOL6** The point of purchase must be separated from service promotion and interaction, in a clear and effective way, to allow the consumer to consider their purchase.

**SOL47** At the point of purchase, PRS providers must:

- (a) clearly signpost the point of purchase by making it distinctive from other aspects of the service (such as by design and colour scheme) and take all reasonable steps to make that distinction clear, avoiding any confusion between service promotion and the point of purchase
- (b) ensure that consumers, when committing to a purchase, explicitly acknowledge that the purchase implies an obligation to pay
- (c) ensure that consumers are made aware, in a clear and prominent manner and directly before the consumer commits to a purchase, of the cost of the service, and, where the service is offered on a subscription basis, the frequency of charges
- (d) indicate that the PRS payment/ subscription will be added to the consumer's phone account.

### Consent to charge

**SOL8** At the point of each purchase and Prior to delivering the PRS charge, including an the initial charge of a subscription service, providers are required to obtain 'double opt-in' consent to charge from the consumer in the form of a positive, recorded and auditable response where the costs and name of the premium rate society lottery service have been presented clearly to the consumer.

PRS providers must establish such consent via one of the following means of consumer interaction:

- (a) use of a password system, the password being selected and controlled by the consumer
- (b) use of a secure PIN loop system, which must be initiated and confirmed by the Level 1 provider<sup>4</sup> through interaction with the consumer **whether the transaction is a one-off purchase or the initial agreement to enter a subscription**; The secure PIN must:
  - **comprise no less than four truly random digits**
  - **expire if after three attempts the consumer has not entered the PIN correctly**
  - **expire within one minute of the PIN being received to the consumer's handset.**
- (c) **use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s).**

**SOL9** **The second stage of the double opt-in must confirm consumer consent to the transaction through one or more of the following mechanisms:**

- (a) **use of a confirmation button where prominent and proximate pricing and frequency of charge information is provided to the consumer**
- (b) **use of biometric technology, such as fingerprint or facial recognition as the second form of activation**
- (c) **use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s).**

*Imposed under Annex 2, paragraph (k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high-risk service (including as to receipts)*

## Receipts and ticketing

**SOL610** **Each time the consumer incurs a charge to participate in a society lottery, whether this involves a single charge or a recurring charge, a receipt must be sent to them in either SMS or email formats as soon as is reasonably practicable. This receipt must detail the name of the service, the cost of using the service or products purchased,**

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<sup>4</sup> This function may be undertaken by an independent capable third party on behalf of the Level 1 provider. Where a Network operator **where it contracts directly with a Level 2 provider, in the absence of a Level 1 provider** (i.e. there is no Level 1 provider involved in the provision of the service), the function may be undertaken by the Network operator.

and the name and contact details of the provider. Following the PRS provider obtaining 'double opt-in' consent to charge from the consumer (SOL8 and SOL9) the PRS provider must send the consumer a confirmation message or receipt, at no cost to the consumer, which sets out:

- (a) The name of the service
- (b) Confirmation that the service is a subscription (if applicable)
- (c) The charge and the frequency of charging (or how this can and will arise, if applicable)
- (d) What the billing period is, or where there is no defined billing period, the basis on which the frequency of interaction and charging is established (if a subscription)
- (e) The contact details of the Level 2 provider
- (f) Instructions on how to pause or exit the service.

**SOL711** For each and every draw entered, once payment has been made, consumers must be issued with a valid ticket of entry to the society lottery, containing all relevant ticketing information as required in law<sup>5</sup>. Each ticket issued in conjunction with a subscription charge should include information about the method of exiting the phone-paid service, including instructions on the use of the STOP command (where applicable).<sup>6</sup>

*Imposed under Annex 2, paragraph 1.1(b) requirements as to the mechanisms and processes used to deliver services to, and to enable exit from services by, consumers:*

#### **Method of exit**

**SOL12** PRS providers must establish effective opt-out processes.

*Imposed under Annex 2, Paragraph 1.1(m) and (x):  
(m) the provision of defined information to the Phone-paid Services Authority and the intervals at which it is to be given and the manner to which it is provided;*

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<sup>5</sup> All tickets in a society lottery licensed by the Gambling Commission or registered with a local authority must state:

- the name of the society on whose behalf the lottery is being promoted
- the price of the ticket
- the name and address of the member of the society responsible for the promotion of the lottery.
- In the case of a small society lottery run under local authority registration, the name and address of the ELM if there is one may be given as an alternative
- the date of the draw, or the means by which the date may be determined
- the fact, where that is the case, that the society is licensed by the Commission
- the website address of the Commission, if licensed by the Commission.

Tickets that are issued through a form of remote communication or any other electronic manner must specify the information above to the purchaser of the ticket and ensure that the message can be either retained (saved) or printed.

<sup>6</sup> Where tickets are issued at the same frequency as payments, services can be operated in such a way that the ticket satisfies the obligations under SOL6.

*(x) providers of higher risk services to notify the Phone-paid Services Authority at commencement of such services and provide any related information required by the Phone-paid Services Authority within a specified time period.*

### **Notification requirements**

**SOL 8.13** PRS providers operating these services are to notify the Phone-paid Services Authority within 48 hours of launching the service, if not done before. On notification, PRS providers must provide information relating to:

- (a) brand identification associated with the provider of the society lottery
- (b) confirmation that all licences required by law have been obtained from relevant bodies, such as the Gambling Commission and / or local authorities
- (c) PRS numbers used for the service, including the dedicated number chosen for STOP and STOP ALL requests
- (d) customer care services details
- (e) identity of all Level 1 providers involved in the provision of the PRS, including those managing the method of exit.

## Annex D: Updated Special conditions for Online Adult Premium Rate Services

### Notice of Special conditions

#### Notice of Special conditions

This Notice is being issued to inform all providers involved, or intending to be involved, in the provision of online adult premium rate services (PRS) that Special conditions apply. Level 2 providers are required to comply with [the Phone-paid Services Authority Code of Practice](#), and the Special conditions set out below, which are imposed under paragraph 3.11.1 of the Code.

Under paragraph 3.11.3 of the Code, “a breach of any special condition in respect of a high-risk service imposed under paragraph 3.11.1 shall be a breach of the Code”.

Online adult PRS are defined as follows:

*Premium rate sexual entertainment services, whether provided on single or subscription fee structures, which are accessed online, including but not limited to relevant live streaming services that are paid for via the consumers phone account.*

‘Sexual entertainment service’ has the meaning set out in the Condition issued by Ofcom under section 120 of the Communications Act 2003 effective from time to time<sup>1</sup>.

‘Online’ refers to those products or services consumed on personal computers or mobile devices (such as smartphones, tablets, etc.) and are provided or accessed directly through an internet gateway. If the consumer is given the choice to consume the digital products or services online or to download them for off-line use, the service must still comply with these Special conditions.

#### Important note

Those services that fall within the definition of a subscription service must comply with the relevant actions and/or thresholds set under paragraph 3.12 of the Code. Please ensure services meet these obligations at all times. The current notice issued under paragraph 3.12.6 of the Code is found on our website:

- <https://psauthority.org.uk/for-business/-/media/87ADC1FCA4AA432E929F3704538E5A7E.ashx>

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<sup>1</sup> The definition set out in the current PRS Condition is: “Sexual Entertainment Service” means an entertainment service of a clearly sexual nature, or any service for which the associated promotional material is of a clearly sexual nature, or indicates directly, or implies, that the service is of a sexual nature

## Special conditions

*Imposed under Annex 2, Paragraphs 1.1(f) and (g):*

*(f) steps to be taken to ensure that a high risk service is not used by or promoted in such a way as to make it particularly attractive to persons under the age of 18 years old or younger;*

*(g) the denying of access by users under the age of 18 years old to a high risk service or by all users where the relevant handset is not verified as being owned by someone aged 18 years old or over.*

- ONLA51** Promotions for online adult PRS must not appear in media targeted at persons under the age of 18.
- ONLA62** Promotions for online adult PRS must be in context with the publication or other media in which they appear. Services should be in context with the advertising material promoting them. The content of a service should not be contrary to the reasonable expectations of those responding to the promotion.
- ONLA73** That online adult PRS are promoted clearly as being adult services, and not for under-18s.
- ONLA84** That services are not promoted in places where they are likely to be particularly attractive to children, or which are easily accessible to them.
- ONLA95** All providers of services must take steps to verify the age of consumers before they can access the service itself. This includes, but is not necessarily limited to, use of an age verification question and age verification filters to prevent access to users who may be under 18.

*Imposed under Annex 2, Paragraph 1.1(b, k), and (n):*

*(b) requirements as to the mechanism and processes used to deliver services to, and to enable exit from services by, consumers;*

*(k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high risk service (including as to receipts);*

*(n) requirements for caller agreement before a high risk service proceeds before the caller is charged.*

## Promotional material

- ONLA6** PRS providers must clearly identify the brand of the current service being offered to and used by the consumer – this may be achieved by prominent brand management and display.
- ONLA7** Payment options, where relevant, should clearly indicate that selecting PRS payment through the phone account will place charges on the user's phone account (mobile or otherwise).

*Imposed under Annex 2, paragraph (n) requirements for caller agreement before a high risk service proceeds before the caller is charged and paragraph 1.1(b) requirements as to the mechanisms and processes used to deliver services to, and to enable exit from services by, consumers:*



## Point of purchase

**ONLA18** The point of purchase must be separated from service promotion and interaction, in a clear and effective way, to allow the consumer to consider their purchase.

**ONLA9** At the point of purchase, PRS providers must:

- (a) clearly signpost the point of purchase by making it distinctive from other aspects of the service (such as by design and colour scheme) and take all reasonable steps to make that distinction clear, avoiding any confusion between service promotion and the point of purchase
- (b) ensure that consumers, when committing to a purchase, explicitly acknowledge that the purchase implies an obligation to pay
- (c) ensure that consumers are made aware, in a clear and prominent manner and directly before the consumer commits to a purchase, of the cost of the service, and where the service is offered on a subscription basis, the frequency of charges
- (d) indicate that the PRS payment will be added to the consumers phone account.

## Consent to charge - 'double opt-in'

**ONLA10** ~~At the point of each purchase and~~ Prior to delivering the PRS charge, including the initial charge of a subscription service, providers are required to obtain 'double opt-in' consent to charge from the consumer in the form of a positive, recorded and auditable response where the costs and name of the premium rate service have been presented clearly to the consumer.

PRS providers must establish such consent via one of the following means of consumer interaction:

- (a) ~~(b)~~ use of a password system, the password being selected and controlled by the consumer, ~~to confirm each transaction, whether the transaction is a one-off purchase or the initial agreement to enter a subscription; or,~~
- (b) ~~(a)~~ use of a secure PIN loop system, which must be initiated and confirmed by the Level 1 provider<sup>2</sup> through interaction with the consumer ~~whether the transaction is a one-off purchase or the initial agreement to enter a subscription; or,~~ The secure PIN must:
  - ~~comprise no less than four truly random digits~~

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<sup>2</sup> This function may be undertaken by an independent capable third party on behalf of the Level 1 provider. Where a Network operator ~~where it contracts directly with a Level 2 provider, in the absence of a Level 1 provider~~ (i.e. there is no Level 1 provider involved in the provision of the service), the function may be undertaken by the Network operator.

- expire if after three attempts the consumer has not entered the PIN correctly
  - expire within one minute of the PIN being received to the consumer's handset.
- (c) use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s).

**ONLA11** The second stage of the double opt-in must confirm consumer consent to the transaction through one or more of the following mechanisms:

- (a) Use of a confirmation button where prominent and proximate pricing and frequency of charge information is provided to the consumer
- (b) Use of biometric technology, such as fingerprint or facial recognition as the second form of activation
- (c) use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s).

*Imposed under Annex 2, paragraph (k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high-risk service (including as to receipts)*

## Receipts

**ONLA12** Following the PRS provider obtaining 'double opt-in' consent to charge from the consumer (ONLA10 and ONLA11) the PRS provider must send the consumer a confirmation message or receipt, at no cost to the consumer, which sets out:

- (a) the name of the service
- (b) confirmation that the service is a subscription (if applicable)
- (c) the charge and frequency of charging (or how this can and will arise, if applicable)
- (d) what the billing period is, or where there is no defined billing period, the basis on which the frequency of interaction and charging is established (if a subscription)
- (e) the contact details of the Level 2 provider
- (f) instructions on how to pause or exit the service.

**ONLA13** Each time the consumer incurs a charge to access content for their online adult service, whether this involves a single charge or a recurring charge, a receipt must

be sent to the consumer in either SMS or email format as soon as is reasonably practicable. This receipt must detail the full name of the service, the cost, of using the service or products purchased and the name and contact details of the provider the frequency of charging (and if a subscription, that the consumer is subscribed), the contact details of the provider of the service and instructions on how to exit the service.

*Imposed under Annex 2, paragraph 1.1(b) requirements as to the mechanisms and processes used to deliver services to, and to enable exit from services by, consumers:*

### Method of exit

**ONLA14** PRS providers must establish effective opt-out processes.

*Imposed under Annex 2, Paragraph 1.1(m) and (x):*

*(m) the provision of defined information to the Phone-paid Services Authority and the intervals at which it is to be given and the manner to which it is provided; [and]*

*(x) providers of higher risk services to notify the Phone-paid Services Authority at commencement of such services and provide any related information required by the Phone-paid Services Authority within a specified time period.*

### Notification requirements

**ONLA15** PRS providers operating these services are to notify the PSA within 48 hours of launching the service, if not done so before. On notification, PRS providers must provide information relating to:

- (a) brand identification
- (b) PRS numbers used for the service, including the dedicated number chosen for STOP and STOP ALL requests
- (c) customer care services details
- (d) identity of all Level 1 providers involved in the provision of the PRS, including those managing the method of exit.

## Annex E: Updated Special conditions for Online competition premium rate services

### Notice of Special conditions

#### Notice of Special conditions

This Notice is being issued to inform all providers involved, or intending to be involved, in the provision of online competition services that Special conditions apply. Level 2 providers are required to comply with [the Phone-paid Services Authority Code of Practice](#), and the Special conditions set out below, which are imposed under paragraph 3.11.1 of the Code.

Under paragraph 3.11.3 of the Code, *“a breach of any special condition in respect of a high risk service imposed under paragraph 3.11.1 shall be a breach of the Code”*.

‘Online competition services’ are those premium rate competition services (PRS) that are provided fully or partially online, including services that initiate a PRS transaction online, where the primary promotion is online and presents a consumer with a chance to win a prize by competing with other entrants, and which is paid for on a pay to enter or subscription basis.

As presented in guidance, some examples of competition services would be:

- (a) lotteries
- (b) other games with prizes
- (c) an entry mechanism into a draw
- (d) information about prizes and how to claim them.

‘Online’ refers to those products or services consumed on personal computers or mobile devices (such as smartphones, tablets, etc.) and are provided or accessed directly through an internet gateway.

#### **Important note**

Those services that fall within the definition of a subscription service must comply with the relevant actions and/or thresholds set under paragraph 3.12 of the Code. Please ensure services meet these obligations at all times. The current notice issued under paragraph 3.12.6 of the Code is found on our website:

- <https://psauthority.org.uk/for-business/-/media/87ADC1FCA4AA432E929F3704538E5A7E.ashx>

## Special conditions

Imposed under Annex 2, Paragraph 1.1(m) and (x):

(m) the provision of defined information to the Phone-paid Services Authority and the intervals at which it is to be given and the manner to which it is provided;

(x) providers of higher risk services to notify the Phone-paid Services Authority at commencement of such services and provide any related information required by the Phone-paid Services Authority within a specified time period.

## Promotional material

**ONLC31** PRS providers must clearly identify the brand of the current service offered to and used by the consumer - this may be achieved by prominent brand management and display, which may include requiring consumers to become account holders of the branded service and signing in prior to entering individual competitions.

**ONLC42** Payment options, where relevant, should clearly indicate that selecting PRS payment through the phone account will place charges on the user's phone account (mobile or otherwise).

## Point of purchase

**ONLC43** The point of purchase must be separated from service promotion and interaction, including its promotion, in a clear and effective way to allow the consumer to consider their purchase.

**ONLC4** At the point of purchase, PRS providers must:

- (a) clearly signpost the point of purchase by making it distinctive from other aspects of the service (such as by design and colour scheme) and take all reasonable steps to make that distinction clear, avoiding any confusion between service promotion and the point of purchase
- (b) ensure that consumers, when committing to a purchase, explicitly acknowledge that the purchase implies an obligation to pay
- (c) ensure that the consumer is made aware, in a clear and prominent manner and directly before the consumer commits to a purchase, of the cost of the service, and the frequency of charges
- (d) indicate that the PRS payment will be added to the consumers phone account.

## Consent to charge – 'double opt-in'

**ONLC5** At the point of each purchase and Prior to delivering the PRS charge, including the initial charge of a subscription service, providers are required to obtain 'double opt-in' consent to charge from the consumer in the form of a positive, recorded and auditable response where the costs and name of the premium rate subscription have been presented clearly to the consumer.

PRS providers must establish such consent via one of the following means of consumer interaction:

- (a) ~~(b)~~ use of a password system, the password being selected and controlled by the consumer, ~~to confirm each transaction, whether the transaction is a one-off purchase or the initial agreement to enter a subscription; or,~~
- (b) ~~(a)~~ use of a secure PIN loop system, which must be initiated and confirmed by the Level 1 provider<sup>1</sup> through interaction with the consumer ~~whether the transaction is a one-off purchase or the initial agreement to enter a subscription; or,~~ The secure PIN must:
  - ~~comprise no less than four truly random digits~~
  - ~~expire if after three attempts the consumer has not entered the PIN correctly~~
  - ~~expire within one minute of the PIN being received to the consumer's handset.~~
- (c) use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s).

**ONLC6** The second stage of the double opt-in must confirm consumer consent to the transaction through one or more of the following mechanisms:

- (a) use of a confirmation button where prominent and proximate pricing and frequency of charge information is provided to the consumer
- (b) use of biometric technology, such as fingerprint or facial recognition as the second form of activation
- (c) use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s).

*Imposed under Annex 2, Paragraph 1.1(k) and (n):*

*(k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high-risk service (including as to receipts);*

*(n) requirements for caller agreement before a high-risk service proceeds before the caller is charged.*

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<sup>1</sup> This function may be undertaken by an independent capable third party on behalf of the Level 1 provider. Where a Network operator ~~where it contracts directly with a Level 2 provider, in the absence of a Level 1 provider~~ (i.e. there is no Level 1 provider involved in the provision of the service), the function may be undertaken by the Network operator.

## Receipts

**ONLC7** Following the PRS provider obtaining 'double opt-in' consent to charge from the consumer (ONLC5 and ONLC6) the PRS provider must send the consumer a confirmation message or receipt, at no cost to the consumer, which sets out:

- (a) the name of the service
- (b) confirmation that the service is a subscription (if applicable)
- (c) the charge and the frequency of charging (or how this can and will arise, if applicable)
- (d) what the billing period is, or where there is no defined billing period, the basis on which the frequency of interaction and charging is established (if a subscription)
- (e) the contact details of the Level 2 provider
- (f) instructions on how to pause or exit the service.

**ONLC8** Each time the consumer incurs a charge to access content for their online competition service, whether this involves a single charge or a recurring charge, a receipt must be sent to the consumer in either SMS or email format as soon as is reasonably practicable. This receipt must detail the full name of the service, the cost, of using the service or products purchased and the name and contact details of the provider the frequency of charging (and if a subscription, that the consumer is subscribed), the contact details of the provider of the service and instructions on how to exit the service.

*Imposed under Annex 2, paragraph 1.1(b) requirements as to the mechanisms and processes used to deliver services to, and to enable exit from services by, consumers:*

### Method of exit

**ONLC8** PRS providers must establish effective opt-out processes.

*Imposed under Annex 2, Paragraph 1.1(m) and (x):*

*(m) the provision of defined information to the Phone-paid Services Authority and the intervals at which it is to be given and the manner to which it is provided; [and]*

*(x) providers of higher risk services to notify the Phone-paid Services Authority at commencement of such services and provide any related information required by the Phone-paid Services Authority within a specified time period.*

### Notification requirements

**ONLC9** PRS providers operating these services are to notify the PSA within 48 hours of launching the service, if not done so before. On notification, PRS providers must provide information relating to:

- (a) brand identification

- (b) PRS numbers used for the service, including the dedicated number chosen for STOP and STOP ALL requests
- (c) customer care services details
- (d) identity of all Level 1 providers involved in the provision of the PRS, including those managing the method of exit.



## Annex F: Updated Notice of Specified Service Charges and Durations of Calls

### Notice of Specified Service Charges and Durations of Calls

Published in accordance with paragraph 3.12.6 of the 14<sup>th</sup> Code of Practice

This Notice is being issued to inform all providers involved, or intending to be involved, in the provision of the service categories set out in paragraph 3.12.2 of the [Phone-paid Services Authority's Code of Practice, 14<sup>th</sup> edition \("the Code"\)](#), that specified actions are required under paragraph 3.12.1 of the Code. Those specified actions are listed for each service category separately.

Failure to carry out the actions specified in this Notice will amount to a breach of the Code under paragraph 3.12.5.

#### Specified actions

##### 1. Sexual entertainment services

1.1 Sexual entertainment services are defined under paragraph 5.3.34 of the Code

1.2 When £15 Service Charge (inclusive of VAT) has been spent on the call, callers must be notified that such a charge has been reached

1.3 When £30 Service Charge (inclusive of VAT) has been spent on the call, the call must be terminated immediately unless the consumer positively confirms a wish to continue to use the service

1.4 When £40 Service Charge (inclusive of VAT) has been spent on the call, the call must be terminated immediately.

##### 2. Virtual chat services

2.1 Virtual chat services are defined under paragraph 5.3.39 of the Code

2.2 All such services must, as soon as is reasonably possible after the user has spent £10.22 (inclusive of VAT), and after £10.22 (inclusive of VAT) of spend thereafter:

- (i) Inform the user separately from the service or any promotion that £8.52 plus VAT has been spent; and

- (ii) Terminate the service promptly if the user does not interact further with it following the provision of the message sent in accordance with (i).

### **3. Live entertainment services**

- 3.1 Live entertainment services are defined under paragraph 5.3.21 of the Code
- 3.2 When £15 Service Charge (inclusive of VAT) has been spent on the call, callers must be notified that such a charge has been reached
- 3.3 When £30 Service Charge (inclusive of VAT) has been spent on the call, the call must be terminated immediately unless the consumer positively confirms a wish to continue to use the service
- 3.4 When £40 Service Charge (inclusive of VAT) has been spent on the call, the call must be terminated immediately.

### **4. Chatline services**

- 4.1 Chatline services are defined under paragraph 5.3.12 of the Code
- 4.2 When £15 Service Charge (inclusive of VAT) has been spent on the call, callers must be notified that such a charge has been reached
- 4.3 When £30 Service Charge (inclusive of VAT) has been spent on the call, the call must be terminated immediately unless the consumer positively confirms a wish to continue to use the service
- 4.4 When £40 Service Charge (inclusive of VAT) has been spent on the call, the call must be terminated immediately.

### **5. Professional advice services, excluding counselling services**

- 5.1 Professional advice services are defined under paragraph 5.3.29 of the Code
- 5.2 When £15 Service Charge (inclusive of VAT) has been spent on the call, callers must be notified that such a charge has been reached
- 5.3 When £30 Service Charge (inclusive of VAT) has been spent on the call, the call must be terminated immediately unless the consumer positively confirms a wish to continue to use the service
- 5.4 When £40 Service Charge (inclusive of VAT) has been spent on the call, the call must be terminated immediately.

### **6. Counselling services**

- 6.1 Counselling services are defined under paragraph 5.3.16 of the Code

6.2 Such services offered on a one-off basis must terminate after 20 minutes duration.

6.3 Such services offered over a pre-arranged number of sessions, each call must terminate after 60 minutes duration.

**7. ~~Subscription services, excluding recurring donation services operated by a registered charity and society lotteries~~**

7.1 ~~Subscription services are defined under paragraph 5.3.37 of the Code~~

7.2 ~~For all subscription services, once a month, or every time a user has spent £20.45~~

~~(inclusive of VAT) if that occurs in less than a month, the following information must be sent free to subscribers:~~

~~(i) The name of the service;~~

~~(ii) Confirmation that the service is subscription-based;~~

~~(iii) What the billing period is (e.g. per day, per week or per month) or, if there is no applicable billing period, the frequency of messages being sent;~~

~~(iv) The charges for the service and how they will or can arise;~~

~~(v) How to leave the service; and~~

~~(vi) Level 2 provider contact details.~~

**8. Services aimed at, or which should have been expected to be particularly attractive to children**

8.1 Children is defined under paragraph 5.3.13 of the Code

8.2 Such services must not charge more than £5 (inclusive of VAT) per call in a single transaction or per month for a subscription.

8.3 Such services must not charge more than £20 (inclusive of VAT) over a single monthly billing period.