

# Consultation response form

## Consultation on the regulatory framework for phone-paid subscriptions

Please complete this form in full and return by email to [consultations@psauthority.org.uk](mailto:consultations@psauthority.org.uk) or by post to Emma Bailey, Phone-paid Services Authority, 40 Bank Street, London, E14 5NR.

Full name	██████████
Contact phone number	██████████
Representing	Three UK
Organisation name	Hutchison 3G UK Limited
Email address	████████████████████

If you wish to send your response with your company logo, please paste it here:

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.

Personal data, such as your name and contact details, that you give/have given to the PSA 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.

Further information about the personal data you give to the PSA, including who to complain to, can be found at [psauthority.org.uk/privacy-policy](https://psauthority.org.uk/privacy-policy).

### Confidentiality

We ask for your contact details along with your response so that we can engage with you on

this consultation. For further information about how the PSA handles your personal information and your corresponding rights, please see our [privacy policy](#).

<p>Your details: We will keep your contact number and email address confidential. Is there anything else you want to keep confidential?</p>	<p>Delete as appropriate: Name</p>
<p>Your response: Please indicate how much of your response you want to keep confidential.</p>	<p>Delete as appropriate: none</p>
<p>For confidential responses, can the PSA refer to the contents of your response in any statement or other publication? Your identity will remain confidential.</p>	<p>Yes</p>

### Your response

Please enter your response to each of the consultation questions in the appropriate box below.

Consultation questions	Your response
<p>Q1. Do you agree with the PSA's assessment that the evidence gathered from the research and other information, data and inputs considered support implementation of Special conditions for all subscriptions as an appropriate and proportionate response? If not, please set out your alternative approach and the supporting evidence.</p>	<p>Confidential? <del>Yes</del>/No (delete as appropriate)</p> <p>We agree with part of the PSA's assessment. It is clear that out of all the various phone paid services subscriptions would have a bigger impact by the fact that they are reoccurring and not just a small one-off payment. Accordingly we agree with the assessment that it is important to implement additional protection to this sector but not necessarily via increased regulation/implementation of Special conditions for all subscriptions.</p>

	<p>An alternative approach would be to instigate a campaign for better consumer education in order to gain the trust of consumers and encourage growth and innovation in this area.</p> <p>Furthermore effective regulatory enforcement for non-compliant behaviour are other important requirements which would act as a deterrent in respect of the less-reputable brands.</p> <p>All parties should improve their due diligence to ensure that previous rogue traders aren't permitted to continue working in this sector (e.g. by changing their company name etc). With regard to all services on-boarding should be improved to ensure robust checks are in place before trading commences.</p>
<p>Q2. Do you agree with our proposed approach that the proposed Special conditions be applied to all phone-paid subscription services to create clarity and certainty for providers of subscription services, with any additional requirements under other Special conditions not being replicated in the proposed conditions?</p>	<p>Confidential? <del>Yes</del>/No (delete as appropriate)  We believe that for most consumers subscription services do not cause any concerns. Reputable brands provide good quality customer service and a clear purchase journey. However, there are some less-reputable brands who don't provide the necessary quality of service.</p> <p>We don't consider increased regulation to be the <u>only</u> answer to these problems (as stated above) but recognise that it isn't possible to only apply Special conditions to a specific category of subscription service as there isn't one category with sufficiently unique problems that would merit a categorised approach.</p> <p>We believe that a categorised approach, as opposed to a general approach would risk stifling growth and innovation. We agree that if increased Special conditions are to be applied they should be applied to all phone-paid subscription services to create clarity and certainty.</p> <p>By having a consistent customer experience customers will recognise the sales journey and have faith that it is a legitimate service.</p>
<p>Q3. Do you agree that the research</p>	<p>Confidential? <del>Yes</del>/No (delete as appropriate)</p>

<p>and other information, data and inputs we considered support action on each of the identified issues outlined in this document? If not, please provide supporting evidence?</p>	<p>We do not consider all the research to be relevant. For example, the Jigsaw research only looked at a small sub-set of consumers.</p> <p>The Craft research dates from 2016 so is not an accurate representation of today.</p> <p>Futuresight research provided insight into consumers thoughts on "subscription service messages" stating that consumers didn't recognise these, indicating there isn't any merit in adding further messaging.</p>
<p>Q4. Do you agree with our analysis using the risk taxonomy (outlined from paragraph 249 of this document) that Special conditions represent a proportionate regulatory response to the risk of harm posed by phone-paid subscription services? If not, please provide supporting evidence.</p>	<p>Confidential? <del>Yes</del>/No (delete as appropriate) We agree that the risk taxonomy covers the main areas which would need to be considered.</p> <p>Specific areas of importance are: Financial Harm – this is an obvious issue where there is a subscription the cumulative cost will be higher.</p> <p>Uninformed consent – key issue for subscription services.</p>
<p>Q5. Are there any other issues not addressed through our proposed response that you consider warrant regulatory action in light of the research and other information, data and inputs considered? If yes, please provide supporting evidence.</p>	<p>Confidential? <del>Yes</del>/No (delete as appropriate)</p> <p>The proposals do not address fraud/malware. There is a clear requirement for improved due diligence from the outset and ongoing to ensure all apps are legitimate.</p> <p>Implementation of a requirement for a positive opt-in from the customer after X amount of time should be considered in order to reduce customer harm and improve public perception in this area. People ignore reminders and a positive action on the customer would ensure they really want to continue to receive the subscription.</p>
<p>Q6. Do you have any views or evidence on the use and effectiveness of free trial periods of varying durations to support the PSA in considering what might be</p>	<p>Confidential? <u>Yes</u>/No (delete as appropriate)</p> <p>No additional comments.</p>

appropriate in the context of phone-paid subscription services?	
Q7. Do you have any additional comments?	Confidential? Yes/No (delete as appropriate) No additional comments.
<b>Addendum questions</b>	<b>Your response</b>
Q1. 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)?	Confidential? <del>Yes</del> /No (delete as appropriate)  The proposal may address the double opt-in requirements but adds more friction in the PSMS subscription journey which wouldn't lead to a very stream-lined purchase journey.  From the proposals it appears the end customer would bear the cost of sending this additional MO SMS. Would the language for the subscription be mandated to state it will cost 2 standard rate texts instead of one?  Whilst we don't disagree with the proposal we also have to bear in mind that constant advances in Malware mean that this measure can easily be circumvented.
Q2. 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.	Confidential? <del>Yes</del> /No (delete as appropriate)  Yes, the addendum is clear on the proposed amendments.  Annexes B to F – yes, we agree with the consequential amendments which we consider to be required for consistency.
Q3. Do you agree with our approach as outlined at paragraphs 20 – 24 of the addendum? If not, please	Confidential? <del>Yes</del> /No (delete as appropriate)

<p>provide evidence that would support an alternative approach, and/or on any potential impacts of the approach currently being proposed.</p>	<p>We agree that referring to a single set of Special conditions would be clearer for the service providers and in addition better education for the consumers would be beneficial.</p>
<p>Q4. The PSA welcomes feedback on the new receipting-based proposals set out in the proposed Special conditions.</p>	<p>Confidential? <del>Yes</del>/No (delete as appropriate)</p> <p>Whilst we consider a receipt to be a helpful step in ensuring the consumer is informed of the cost they have incurred and the entity relating to the payment it would be helpful to signpost that the L2 contact details on the receipt should also be the contact for complaints.</p> <p>There is current concern that receipts are ignored so this may not be the best method. However we do agree that receipting in line with billing charges is a good thing and will hopefully help to reduce bill shock and increase awareness that the customer has a recurring charge on their mobile bill.</p> <p>The receipt should be clearly marked as such and the subject matter should state "receipt".</p>

If you have any supporting imagery for your responses, you can paste them in your responses in the table above or here:

**Submit your response**

To send your responses to the PSA please email this completed form to [consultations@psaauthority.org.uk](mailto:consultations@psaauthority.org.uk) or by post to Emma Bailey, Phone-paid Services Authority, 40 Bank Street, London, E14 5NR.