

**Consultation on
PSA Guidance on refunds**

13 January 2020

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About the PSA

1. We are the UK regulator for content, goods and services charged to a phone bill. We act in the interests of consumers.
2. Phone-paid services are the goods and services that can be bought by charging the cost to the 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).
3. 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:
 - establishing standards for the phone-paid services industry
 - verifying and supervising organisations and services operating in the market
 - gathering intelligence about the market and individual services
 - engaging closely with all stakeholders
 - enforcing our Code of Practice
 - delivering organisational excellence.

Executive summary

4. Following a review, the PSA is consulting on new draft General Guidance on refunds. The purpose of the Guidance is to enable providers to comply with the Code of Practice, meet consumer expectations and improve their experience of seeking and obtaining refunds for phone-paid services. The proposed refunds guidance applies where consumers are eligible to receive a refund (including refunds offered in goodwill) and/or where refunds have been directed by the PSA.
5. The PSA is concerned that the consumer experience of receiving refunds for phone-paid services is not always as good as it could be and falls short of consumer expectations. This concern was initially formed from anecdotal evidence contained in consumer complaints to the PSA about phone-paid services.
6. To support us in the review, we commissioned research which sought to understand consumer expectations and experiences of refunds in the phone-paid market, and how these compare to the expectations and experiences of consumers seeking refunds in other digital payment markets. We also engaged with industry stakeholders, both through meetings and a cross-industry workshop, and consulted the PSA Consumer Panel. These inputs have informed the development of the draft Guidance.

7. This consultation document provides information on how consumers of phone-paid services generally receive refunds. It also sets out how, through Guidance, we want to improve the consumer experience, meet expectations and increase consumer confidence in using phone-paid services.
8. The draft Guidance sets out that it is reasonable for the provider to offer their preferred method of refunding the consumer in the first instance, and that ideally consumers should have choice in how they are refunded. In addition, consumers should be able to access their refund quickly, easily and in a manner that is convenient to them.

Background

9. The PSA Code of Practice¹ (the Code) sets out how consumer complaints should be handled. The outcome in the Code is that consumers have complaints resolved quickly and easily by the Level 2 provider responsible for the service. In addition, any redress is to be provided quickly and easily. Rule 2.6.4 of the Code specifically requires that where refunds are provided to consumers they are provided promptly and in an easily accessible manner.
10. There is already General Guidance on complaint handling². Outside of this Guidance and the relevant Code provisions, the PSA has not published any guidance or other regulatory notices which set out requirements or best practice expectations to assist providers in establishing refund policies that meet consumer expectations.
11. Traditionally, providers mostly used cheques to refund consumers. However, the market has evolved and now providers use a variety of refund methods. This includes SMS collection refunds³, PayPal, bank transfer (BACS) and refunding or applying credit directly back to a consumer's phone bill or pay as you go account.
12. As the market has developed, so have consumer expectations. These expectations have been shaped by consumer experiences of using other digital payment methods such as debit and credit cards, and by developments in consumer legislation. Many consumers expect the way that they receive refunds for phone-paid services to be the same, or similar, to the way that they receive refunds for other forms of payment.
13. The PSA is aware, through consumer complaints and research, that some consumers experience difficulties accessing refunds for phone-paid services. In some instances, they experience difficulties determining who to contact to get a refund. Through Guidance, the PSA wants to support providers to effectively comply with the relevant Code provisions on refunds so that consumers can get refunds quickly and easily, and to build trust in phone-paid services.

¹ 14th Edition of the PSA [Code of Practice](#)

² [PSA General Guidance note – Complaint Handling](#)

³ The consumer receives a code via SMS which they present to a Post Office clerk in return for the cash amount.

14. Over the past 12 to 18 months, the focus of the PSA's policy work has been on making regulatory changes to better meet consumer expectations of phone-paid services. More specifically, we have introduced new requirements for ICSS and subscription services. We have also consulted on proposed Guidance setting best practice expectations around obtaining robust consumer consent to be charged. Each of these projects has focused on the initial consumer journey of using a phone-paid service.
15. We believe that in order to improve the consumer experience of, and confidence in, phone-paid services overall, it is important that our regulatory framework and guidance considers the consumer journey from start to finish. That includes what should happen when things occasionally go wrong and consumers seek a refund. We therefore commenced a review to understand and assess the effectiveness of existing refund processes and are now consulting on draft Guidance.

Objectives and approach

16. In undertaking this review, we focussed on the objectives of ensuring that:
 - there are trusted and straightforward ways to deliver refunds to consumers
 - consumer experiences of seeking refunds for all phone-paid services meet expectations and are comparable to that of other payment methods
 - consumers have increased trust and confidence when using phone-paid services, with the knowledge that they can obtain refunds quickly and easily when things go wrong
 - there is clear and effective guidance in place to support a healthy, innovative and compliant market.
17. To determine the most appropriate and proportionate action to take, the PSA:
 - reviewed consumer complaint information
 - commissioned external research⁴ to understand consumer expectations and experiences of seeking refunds in the phone-paid services market and how this compares to other markets
 - obtained insights from the PSA Consumer Panel
 - engaged with industry stakeholders to:
 - understand existing refund capabilities and practices in the market; and

⁴ [Seeking Refunds in the Phone-paid Services Market – Consumer Expectations and Experiences](#)

- seek feedback on the initial policy development principles: that consumers should be able to obtain refunds quickly and easily and be presented with choice.

18. The next section of this document sets out the evidence base in more detail and the issues and challenges that the PSA has identified.

Inputs considered

Anecdotal evidence from consumers

19. Consumers who contact the PSA regarding a refund for a phone-paid service often say that they've had difficulties obtaining it. Some consumers report that they experienced issues contacting a Level 2 provider to make a complaint or discuss a refund, and that they had to make a number of calls to different parties in the value chain in order to obtain the refund they were seeking. Others have reported that they experienced difficulties accessing their refund once it had been agreed or did not receive the agreed refund at all.
20. A number of consumers have also stated they believe they have a right to receive a refund in the manner set out in section 45(4) of the Consumer Rights Act. This section states that traders must provide refunds by the same means of payment used to pay for the digital content (albeit this is limited to where the trader did not have a right to supply the digital content to the consumers).
21. These complainant reports are helpful anecdotal evidence which gave the PSA a general understanding of the common issues consumers face when seeking refunds. However, in order to gain a detailed understanding of consumer expectations and to develop clear evidence-based proposals for regulatory change, it was necessary to conduct market research.

Industry engagement

22. Along with considering complainant reports, the PSA worked with industry stakeholders to gain a more detailed understanding of current market capabilities and mechanisms for providing refunds. We did this through one-to-one meetings with Network operators (mobile and fixed line), Level 1 providers and Level 2 providers. We also hosted a cross-industry workshop where we presented an overview of research findings and our initial policy thinking.
23. This range of engagement with industry stakeholders supported the PSA to gain a clearer understanding of the implications associated with different refund mechanics in different parts of the market, including the costs and complexity of implementation.
24. Industry workshop attendees generally agreed with our initial policy thinking and the concept of giving consumers choice, as long as providers can offer their preferred refund method to the consumer in the first instance.

Research conducted by Futuresight

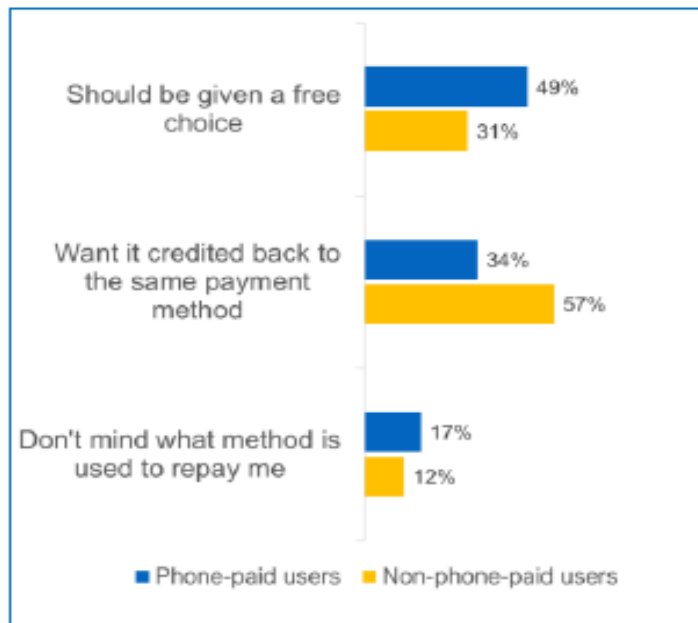
25. In mid-2019 the PSA commissioned market research company Futuresight to conduct research into consumer expectations and experiences of seeking refunds in the phone-paid services market⁵.
26. The research sought to understand consumers' expectations and experiences of refunds in the phone-paid market, and how these expectations and experiences compare to those of consumers seeking refunds for other forms of digital payment.
27. The qualitative element of the research comprised of 52 in-depth telephone interviews conducted amongst consumers with experience of phone-paid and non-phone-paid services and seeking a refund. The quantitative element was conducted online amongst a larger sample of 653 consumers who had experience of phone and non-phone-paid services and seeking a refund. The full report was published on 29 August 2019.
28. The research found that consumer experiences of seeking a refund in the phone-paid market can be good and comparable to non-phone-paid experiences. This was often the case with well-known brands which utilise phone-paid billing options. Consumers who sought refunds from well-known brands had confidence that they would receive a refund, their expectations were high, and they had a good record of success.
29. In contrast, the research also found that some consumers had poor experiences of seeking refunds for phone-paid services. It found consumer experiences to be especially poor when phone-paid charges were unexpected or unknown to the consumer. This was particularly so with subscription services.
30. With unknown and unexpected subscription charges, the research found that in many instances consumers did not know who to contact to complain to and seek a refund from. Consumers would therefore contact their telephone company or mobile network operator in the first instance.
31. Of those consumers surveyed who first contacted their telephone company or mobile network operator, 68% said their phone company declined to handle the refund, and that they were referred back to the merchant, to the PSA or elsewhere.
32. This resulted in consumers experiencing a sense of diffused responsibility in the phone-paid services market, due to the multiple points of contact. These consumers stated that they felt like they were 'going around in circles.'
33. When consumers did attempt to contact merchants directly, just over one third of phone-paid refund seekers reported that they experienced issues contacting them or receiving a response. In some instances, consumers complained that hard to reach merchants:
 - were found to operate under different company names than advertised; and/or

⁵ [Seeking Refunds in the Phone-paid Services Market – Consumer Expectations and Experiences](#)

- did not advertise a contact number; and/or
 - did not answer the phone when an advertised number was dialled, and/or
 - did not respond to an email sent to the advertised email address for complaints.
34. When contact was successfully made with merchants, 63% of phone-paid refund seekers were either:
- referred elsewhere; or
 - responded to in a way that led them to take further action (either going back to their telephone company or contacting the PSA).
35. This compared with 93% of non-phone-paid refund seekers who were dealt with directly by the merchant without being referred elsewhere.
36. The research also found that typically expectations are lower and less developed amongst consumers who made a phone-paid purchase unknowingly. Over a third of all phone-paid consumers in the research believed they had fewer consumer rights in this market, compared to the rights that the non-phone-paid consumers understood they had.
37. Many phone-paid service users also considered that there were high barriers to obtaining their refund, and that considerable effort and determination was required for them to succeed. For example, phone-paid service users who had made an unknowing phone-paid purchase expected that it would take longer to obtain a refund given the uncertainties surrounding the purchase.
38. Overall, levels of satisfaction, trust and loyalty were significantly higher for non-phone-paid consumers compared to consumers of phone-paid services. Almost half of all phone-paid consumers surveyed claimed that phone-paid payment is less trustworthy than other payment methods. Nearly eight out of ten of these consumers stated they would not use a phone-paid service in the future or would only do so from a reputable well-known brand. In contrast, 98% of non-phone-paid consumers who were surveyed said they would use a non-phone-paid method in the future for any kind of purchase.
39. When asked about their method of refund preference, the research found that free choice was important for almost half of phone-paid users, and that just over a third would prefer it credited back to the same payment method, as shown in Figure 1 below⁶.

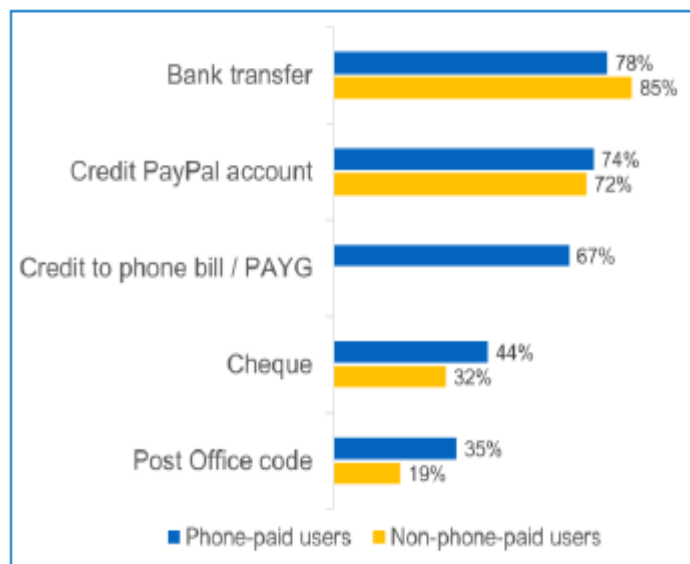
⁶ Participants were asked 'In principle, which of the following best applies to you in terms of how you receive a refund?'

Figure 1: General Refund Preferences



40. The research also asked consumers how happy they would be to receive a refund across a range of different methods, finding that different methods are preferred by different consumers, as shown in Figure 2 below⁷.

Figure 2: Specific methods preferred⁸



⁷ Participants were asked 'How happy or unhappy would you be to receive your refund in each of the following ways?' The percentages include those consumers who said they would either be 'very happy' or 'fairly happy' to receive their refund in the manner specified.

⁸ The term 'Post Office code' used within Figure 2 has the same meaning as 'SMS collection code'.

Input from the PSA Consumer Panel

41. The PSA Consumer Panel (the Panel) provides advice and challenge on aspects of the PSA's work, to support and enhance the interests of consumers by:
 - providing advice and comment from a consumer perspective on the extent to which PSA policies and regulation are aligned with its consumer-focused strategy
 - bringing to the attention of the PSA issues that are or are likely to be of significance to or impact on consumers, and providing advice and comment on these issues
 - commenting on consultations and research undertaken by the PSA.
42. In June 2019, the PSA presented initial headline findings of the qualitative element of the Futuresight research to the Panel. The Panel were asked to consider what in their minds would constitute a quick, easy and efficient refund.
43. The Panel:
 - noted that a more consistent refunds process would provide certainty for consumers, giving them greater confidence in phone payment and making it more likely that they would continue using phone-paid services
 - identified an opportunity for mobile Network operators to have a greater role in refund provision as they have an existing relationship with the consumer
 - suggested that mobile Network operators could perform stringent due diligence and risk assessment on providers, to restrict operation of bad actors
 - noted the importance of consumers having a choice about how and where they get a refund. In their view, many consumers expect to be able to be refunded by the same means as the original method of payment as this is normal for other digital payment methods
 - suggested that a useful principle to adopt would be that consumers should not be expected to spend more effort or energy obtaining a refund than they did making the payment in the first place.
44. The Panel went on to suggest that there is currently a focus on easily providing refunds across other payment sectors, such as banking, and that the PSA should look to other sectors as part of the project.

PSA's consideration of the research and other inputs

45. The research and other inputs considered suggest that a consumer's experience impacts on their trust and loyalty. We believe that providing certainty and choice in

refunds would grow consumer confidence in the phone-paid services market and support growth.

46. Many of the consumers who participated in the research had a suboptimal experience. This points to the need to set clear, best practice expectations around the issuing of refunds, to support consumer confidence in the phone-paid services market.
47. The PSA is seeking to bring the consumer experience of using phone-payment into line with their expectations of other digital payment mechanisms. We have already made regulatory changes over the past year to set requirements through Special conditions and articulate best practice through guidance, to ensure consumer expectations are met. An example is the subscriptions review⁹, which set regulatory requirements to ensure that the experience of signing up to and using a phone-paid subscription service is more aligned to other digital payments.
48. We believe it is timely for us to look at consumers' post-purchase expectations. The research and other inputs considered suggest that to align the experience of getting a refund for a phone-paid service with other experiences we need to ensure that:
 - consumers have confidence in their ability to obtain a refund
 - consumers are provided with the information they need to contact the organisation that charged them, to obtain a timely refund and grow trust
 - there is a clear process and timeframe, and that these are communicated to consumers to set their expectations about when they will receive either an update or the refund they have sought
 - consumers are presented with a choice about how they receive their refund (this was important to 49% of phone-paid users who participated in the research, and a range of preferable methods were identified)
 - consumers can receive their refund via a method convenient to them.
49. These are the principles we have focused on in considering the most effective regulatory response.

Options available to the PSA

50. Having looked at the evidence, identified the key issues and considered what we believe needs to change, we then considered what would be an appropriate and proportionate regulatory response. The PSA considered the following four options:
 - maintain the status quo

⁹ Further information on the subscriptions review: <https://psauthority.org.uk/research-and-consultations/consultations/2019/february/consultation-on-the-regulatory-framework-for-phone-paid-subscriptions>

- develop and consult on Special conditions
- make changes to the Code of Practice
- develop and consult on Guidance.

51. Our assessment of each of these options is set out below.

Maintaining the status quo

52. The PSA considered the impact of maintaining the status quo – i.e. not taking any policy action to address the issues identified. However, the evidence shows that the consumer experience of seeking and obtaining refunds for phone-paid services is not always as good as it is for consumers using other payment mechanisms.

53. In addition, there is currently no help or guidance published for providers surrounding refunds (other than Code provisions), and so we do not consider maintaining the status quo to be an appropriate option.

Special conditions

54. Special conditions are typically applied to specific service types or charging mechanics (such as subscription services) where the PSA is satisfied there is or is likely to be risk of a significant level of consumer harm or unreasonable offence to the general public.

55. We do not consider that setting out detailed and prescriptive requirements for providing consumers with refunds is proportionate or the most appropriate way of dealing with the issues identified, at this time. The PSA believes it would be more appropriate to first explore less prescriptive options that have not yet been utilised. Therefore, at present we do not consider that Special conditions are a viable or proportionate option.

Changes to the PSA Code of Practice

56. The issues raised in relation to refunds are generally applicable to all services and service types, which might suggest a need for a change to the Code of Practice. However, changing the Code is usually done as part of a review of all or sections of the Code rather than single issues, and requires considerable consultation and approval processes to be undertaken. It is therefore a lengthy process and not one that can improve consumer experiences of refunds in the short to medium term.

57. The PSA recently announced a review of its current Code of Practice, which we are looking to complete by summer 2021¹⁰. Any changes to the Code in relation to refunds will be considered within the context of that review. However, we believe that we can take steps to improve the consumer experience of seeking and receiving a refund in the short to medium term to support increased consumer trust and confidence, and before we consult on a revised Code of Practice.

¹⁰ The Terms of Reference for the Code review can be found [here](#).

Guidance

58. Guidance is non-binding and accompanies the Code of Practice. It informs providers of best practice approaches to take to comply with the rules set out in the Code – both generally and in relation to specific service types. Guidance is intended to support Code compliance and while it does not form part of the Code, the extent to which it has been followed will be taken into account in the consideration of any breach of the Code.
59. We are focused on supporting growth across the phone-paid services market through supporting increased consumer trust, confidence and compliance with our Code of Practice. The evidence suggests that setting best practice expectations for providers would support this. Furthermore, there is currently no guidance that is specific to consumer refunds available and such guidance can be put in place more quickly than other regulatory responses.
60. The PSA has therefore concluded that the most appropriate and proportionate response to the identified issues is to develop guidance. The proposed guidance will support providers to comply with the Code provisions surrounding refunds and assist providers in establishing refunds processes that meet consumer expectations and improve the consumer experience overall.

Proposed General Guidance

61. The PSA proposes a new General Guidance note on Refunds.
62. The proposed new Guidance sets out the PSA's expectations regarding refund processes for all providers. It:
 - clarifies the roles and responsibilities of all providers, confirming that where refunds are due the responsibility lies with the Level 2 provider in the first instance and therefore Level 2 providers should have easily accessible refund policies in place
 - sets out desired outcomes and what constitutes a quick and easily accessible refund
 - sets out that seeking refunds should not unduly cost consumers time and effort and/or money as a result
 - reiterates the importance of easily accessible customer care details within all service material and that providers should clearly communicate to their customers, managing their customers' expectations at the outset and keeping them informed throughout the process
 - provides a recommended timeframe of 14 days to process a refund once it has been agreed. This timeframe mirrors the timeframe specified for refunds in the Consumer Rights Act 2015

- sets out that consumers should ideally be presented with choice in how they would like to be refunded to ensure the refund method is the most appropriate for them and meets their individual needs
- acknowledges that Level 2 providers may offer their preferred method of making refunds to consumers in the first instance.

63. The proposed Guidance can be found at Annex A of this document.

Consultation questions

1. Do you agree with the PSA's assessment that the research and other inputs supports the implementation of best practice Guidance? If not, why not?
2. Do you agree with the principles underpinning the Guidance, particularly that consumers should be presented with choice in how they would like to be refunded? If not, why not?
3. Are there any other issues surrounding refunds that are not addressed through the proposed draft Guidance? If so, please provide supporting evidence of any such issues.

Responding to this consultation

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 or have given to the Phone-paid Services Authority is used, stored and otherwise processed, so that the PSA can obtain your views on its consultation on proposed new guidance on refunds, and publish them along with other views and the outcome of the consultation.

Further information about the personal data you give to the PSA can be found at <https://psauthority.org.uk/privacy-policy>.

The closing date for responses is 24 February 2020. Where possible, comments should be submitted in writing using [this response form](#) and sent by email to consultations@psauthority.org.uk.

Copies may also be sent by mail to:

Sarah-Louise Prouse
Phone-paid Services Authority
40 Bank Street London
E14 5NR

If you have any queries about this consultation, please email us using the contact details above.

ANNEX A: Draft Refunds Guidance

GENERAL GUIDANCE NOTE

Refunds

Who should read this?

This Guidance Note is aimed at Level 2 providers. However, Network operators and Level 1 providers involved in the provision of phone-paid services to consumers should also read and take note of this guidance.

What is the purpose of this guidance?

To assist providers by clarifying the Phone-paid Services Authority's expectations in relation to consumer refunds for phone-paid services.

[The Phone-paid Services Authority's Code of Practice](#) (the Code) requires that where refunds are provided to consumers they must be provided quickly and easily as set out at paragraph 2.6.4:

Where refunds are provided to consumers they must be provided promptly and in an easily accessible manner.

What are the key points?

- This General Guidance Note ('the Guidance') sets out the Phone-paid Services Authority's expectations regarding refund processes for all providers.
- Where a refund is due, the responsibility lies with the Level 2 provider in the first instance.
- Level 2 providers should have easily accessible refund policies in place, and the consumer should, where possible, be given choice about how they receive their refund.
- Where refunds are provided, or required to be provided to consumers, they should be provided quickly and in a manner that is most appropriate and convenient to the consumer.
- Level 2 providers may offer their preferred mechanism of making a refund to a consumer in the first instance.
- Network operators and/or Level 1 providers are expected to provide support to the consumer in situations where a Level 2 provider is unable to fulfil or otherwise neglects its duties in any way.

The focus of this guidance note is on consumer refunds, [the PSA's Guidance on Complaint Handling sets out more detail on our expectations of how complaints should be handled.](#)¹¹

Roles and responsibilities

1. It is important to consider what role each party in the value chain plays in relation to refunds. The refunds provision of the Code of Practice, rule 2.6.4, can be found in part 2.6 'complaint handling'. The outcome for part 2.6 is that consumers should be able to have complaints resolved quickly and easily by the Level 2 provider responsible for the service and that any redress should also be provided quickly and easily.
2. It is the responsibility of Level 2 providers to have effective and easily accessible complaints procedures in place to ensure that complaints are dealt with quickly. Level 2 providers must also ensure consumers are provided with the appropriate form of redress and issue refunds to consumers where they are eligible to receive them¹².
3. Level 2 providers may contract another party in the value chain to undertake the task of processing refunds on their behalf or outsource to another party to complete on their behalf, but the responsibility for providing the refund ultimately remains with the Level 2 provider.
4. Where consumers are experiencing difficulties in obtaining refunds which a Level 2 provider is required to provide, or that should have been offered to them by a Level 2 provider, it may be appropriate for the Network operator or Level 1 provider to assist in obtaining the refund. This assistance may include but is not limited to liaising with the consumer and/or the Level 2 provider to ensure the refund is processed and any issues are resolved.
5. In instances where refunds are required under a sanction, the PSA may direct the Network operator or a Level 1 provider which holds a retention of funds due to the Level 2 provider in question, to make refunds from that retention¹³.

Desired outcomes – what constitutes a quick and easily accessible manner

6. When an issue has arisen that gives consumers cause to complain and request a refund, consumers have certain expectations about the refunds process. These expectations are likely to have formed from their experiences with phone payment, as well as experiences with other forms of digital payment. These expectations can be met by the following outcomes and principles being adhered to:

¹¹ [General Guidance – Compliant handling processes](#)

¹² Consumers can be eligible to receive a refund where: warranted following a provider's receipt of valid complaints; offered by providers in goodwill; providers have agreed with PSA to provide refunds; and/or refunds have been directed by the PSA.

¹³ [Part four of the 14th Code of Practice – Investigations, Procedures and Sanctions, 4.9 Refunds rule 4.9.2](#)

- a) The Level 2 provider should take the lead in providing redress (in the case of a valid complaint). As noted at paragraph 3 of this Guidance, the Level 2 provider may contract with another partner to deliver redress to the consumer, but the responsibility for doing so remains with the Level 2 provider.
- b) Pursuing a complaint and seeking a refund should not unduly cost the consumer in terms of time and effort or money expended to do so.
- c) Consumers should be provided with clarity about who they should contact and how they can be contacted, to make a complaint and/or seek a refund. Prominent and easily accessible contact details and the provider's identity should feature within promotional and service material.
- d) Consumers with valid claims should have to make as few enquiries as possible to obtain redress. Providers should respond to consumers' contacts and correspondence promptly.
- e) Any consideration as to whether a consumer is owed a refund or not should be quick. The basis for the decision should be clearly communicated to the consumer.
- f) Consumers should be kept informed as to the status of their complaint and refund request.
- g) Providers should make every reasonable effort to resolve a consumer's complaint and refund request and have available all necessary data that may assist in the resolution. For example, data to evidence any issues surrounding service delivery, consent or receipting.
- h) When a refund is processed it should be given without undue delay. This should normally happen within 14 days beginning on the day on which the refund is agreed with the consumer, unless otherwise agreed with the consumer.

The importance of choice

7. We believe presenting consumers with choice in how they would like to be refunded will improve the consumer experience overall and is most likely to constitute an 'easily accessible manner' of providing refunds as the consumer will be able to pick the option that is preferred by, and most easily accessible, to them.
8. The PSA understands that the following methods of refunding consumers are regularly used in the market¹⁴:
 - back to bill or credit on account – requires providers to reverse or cancel a transaction or apply a credit to the consumer's phone bill or account

¹⁴ We note other forms may be available and may be agreed with consumers.

- bank transfer – requires the consumer to provide their bank details to the provider
 - PayPal payment – requires the consumer to provide their PayPal email address or other details to the provider
 - SMS collection code – requires the consumer to present a refund collection code at a Post Office counter to receive a cash refund
 - cheque – requires the consumer to cash the cheque with their bank or building society.
9. Providers may offer their preferred method of refunding to consumers as the primary refund option. However, other methods should also be made available so that the consumer has a choice. For example, if the provider's preferred method of refund is to send the consumer a cheque, but the consumer does not have a bank account, or the consumer expresses a preference for an alternative method for some other reason, then the provider should be able to offer other methods that they can use to refund the consumer.
 10. Refunds should always be made as a single payment to the consumer. The amount of the refund due to the consumer can have an influence on their preferred method of receiving the payment.
 11. For smaller amounts, in most cases we consider that refunding back to a consumer's phone bill or phone account would be the quickest and easiest method for the consumer and should always be considered by providers. However, we recognise that for certain types of phone-paid transactions, this is not always the easiest or quickest method for the provider and in some cases not possible. In addition, some consumers would in any case prefer to receive a refund by some other method – for example to a bank account.
 12. Where refunding back to a phone bill or pre-paid account is not possible or practical for the provider, then the consumer should be given the choice of another method(s) that suits them.
 13. For larger amounts, consumers may be more likely to want to receive a refund in a way that allows them to access the funds for purposes other than the payment of phone bills. In this case, one of the other methods of making refund payments mentioned above is likely to be more appropriate. We would recommend in such circumstances that providers give particular consideration to the bank account method.
 14. In all cases, it is most important that the consumer agrees to the method of payment and is given a clear understanding of how much is to be refunded and when they can expect to receive the refund.