



Communications Consumer Panel and ACOD's response to the Phone-paid Services Authority's consultation on a new PSA Code of Practice (Code 15)

The Communications Consumer Panel, established by the Communications Act 2003, is a group of independent experts with direct sectoral experience. We ensure the citizen and consumer voice is represented in communications policy development.

The Panel's job is to ensure that the sector works for consumers, citizens and micro businesses - and in particular people who may be in a more vulnerable position in society. We carry out research, provide advice and encourage Ofcom, governments, the EU, industry and others to look at issues through the eyes of consumers, citizens and micro businesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of micro businesses, which have many of the same problems as individual consumers.

Four members of the Panel also represent the interests of consumers in England, Northern Ireland, Scotland and Wales respectively. They liaise with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel's consideration of issues. Following the alignment of ACOD (the Advisory Committee for Older and Disabled people) with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Response

We welcome the opportunity to respond to the PSA's review of its Code of Practice. We previously responded to the PSA's discussion document¹ outlining our support for the Code review. As outlined in the consultation and by PSA representatives who regularly attend the Panel's monthly meetings, mobile-based services have continued to significantly grow in recent years and regulation needs to be fit for purpose in a changing digital landscape.

¹ <https://www.communicationsconsumerpanel.org.uk/downloads/ccp-acod-response-to-psa-discussion-document-code-of-practice-review.pdf>



Ofcom's recent research² has found that in 2020 10% of UK adult internet users only access the internet via a smartphone and, of the UK gaming population which is the equivalent to 62% of UK adults, 39% used a smartphone for online gaming. This increasing reliance on mobile services among consumers, citizens and micro-businesses means that regulators will need to ensure that current regulatory approaches are fit for purpose and future-proofed to keep pace with the communications sector as it changes and evolves.

We believe that the PSA's newly proposed regulatory standards and requirements will provide consumers, citizens and micro-businesses with warranted protections in the mobile services market and help to prevent consumer harm from occurring. We support the PSA's shift towards prevention of harm rather than cure and increasing the effectiveness of existing enforcement powers. In addition, the proposed regulatory standards put consumers at the heart of regulation, setting expectations and ensuring that services designed for consumers, work for them. We are pleased to see that 'fairness' has been incorporated into the PSA's regulatory standards. Where consumers are becoming ever more reliant on mobile-based services, providers need to ensure that consumers are treated fairly and protected in the market. We have welcomed Ofcom's Fairness for Customers programme and hope embedding fairness into regulatory practices will help to raise standards across the communications sector. As mentioned in our response to the discussion document, we consider a Customer Charter, implemented by each communications provider, across the communications industry, would bolster existing standards by clearly setting out the type of service and support consumers should expect from providers at all stages of the customer journey. We believe that a Customer Charter would help to promote transparency across the sector and build consumer trust. It could also provide an opportunity for providers to become market leaders in customer service.

We welcome the introduction of PSA's vulnerable consumers Standard to ensure that services are both promoted and provided in a way that are not likely to cause harm or detriment to consumers who are or may be vulnerable as a result of their particular circumstances, characteristics or needs - or rather, they are made vulnerable because their additional requirements as a result of those circumstances are not catered for by their provider.

Since the start of the pandemic, many consumers, citizens and micro-businesses have found themselves more financially vulnerable, and with this in mind, it's even more important that consumers are not unfairly treated and charged for services that they cannot afford and in some cases did not mean to sign-up to. We have also previously raised the importance of adopting a consistent approach to identifying and consumers in vulnerable circumstances and recording vulnerability data.

² https://www.ofcom.org.uk/data/assets/pdf_file/0013/220414/online-nation-2021-report.pdf



In summary, we would like to see the barriers removed which prevent easy, fair service for all customers and takes into account general customer needs, such as the acknowledgement of a complaint, and additional requirements, such as all communications in large print, or more time needed to handle a call. We believe this is possible with a combination of: inclusive service design, inclusive user testing, regular reviews of accessibility and usability of services, affordability checks, use of clear language and resilient, secure infrastructure that is available to all.

Regarding clear communication, we note that the PSA proposes to introduce a Transparency Standard that will seek to ensure that consumers receive full and clear information to enable them to make fully informed decisions when purchasing phone-paid services. While we support enhanced standards to secure transparency, we would highlight our remaining concerns that transparency measures will not on their own stop non-complaint ICSS and Directory Enquiry providers who breach transparency rules and take advantage of consumers and citizens who rely on their services, particularly in stressful situations.

ICSS services

We remain concerned that ICSS services cause considerable detriment to many consumers, particularly those in financially vulnerable circumstances.

While the PSA's complaints levels have dropped overall, we note that complaints regarding ICSS services remain consistent. It is widely recognised that ICSS services target numbers with high volumes of calls such as government services and utility companies, whose customer service numbers are sometimes hard to locate; and we have raised this issue with providers and encouraged them to ensure that customer service numbers are easy to locate.

Ofcom's guidance on supporting consumers in vulnerable circumstances states that providers should offer a range of communication channels that reflect the needs of their customers. The Panel considers these services offer little or no benefit to consumers - purely harm, inconvenience and cost. Additionally, these services are a source of complaints from consumers to their communications provider, which is a waste of communications providers' resources that could be spent on improving their own customer service operations. We would welcome a universal ban to ensure that consumers - particularly people in vulnerable circumstances - are protected.

We welcome the PSA's ongoing work to mitigate consumer detriment caused by these services and collaboration with others to highlight this detriment. We also note that the PSA does not currently have the powers to ban these services - and we previously



suggested that this issue could be addressed as part of Ofcom's forthcoming online safety work.

We welcome collaboration with the PSA's Consumer Panel and will continue discussions with Ofcom, DCMS and others, to understand what more can be done to address the issue. We would welcome the PSA's collaboration in protecting consumers from ICSS services.

Directory Enquiry Services

The Panel has previously raised with Ofcom and the PSA that consumers in vulnerable circumstances continue to experience bill-shock after calling Directory Enquiry services and being connected to freephone numbers such as Citizens Advice and the Samaritans. In 2019, Ofcom capped the amount that 118 organisations could charge, however if calls are connected, consumers can still face a significant bill. In 2019, PSA introduced a Special Condition, outlining that DQ providers needed to advise customers of any call connection costs. In 2020, we conducted a small mystery shopping exercise, calling two 118 organisations, which identified that one provider had breached the regulatory condition by not informing consumers of the call connect charge.

Twice as many UK adults aged 65+ use directory enquiries (4%) compared to the UK as a whole (2% of UK adults aged 16+)³ and older consumers are less likely to be users of the internet, which means they are less likely to have an alternative way of accessing information about the numbers they need to call. We believe that providers who currently flout regulatory conditions, will continue to do so and we hope that PSA's enhanced enforcement powers will encourage DQ providers to comply. We would also be happy to collaborate with PSA colleagues and discuss how consumers, particularly older consumers and those in vulnerable circumstances, can be further protected.

Making communications services inclusive

As more consumers are motivated or required to conduct tasks online, particularly since the Covid-19 pandemic, digital connectivity has become an essential service. We believe all consumers, citizens and micro-businesses should have equitable access. We outline in our recently published strategic plan⁴ that consumers across the UK need access to basic, secure, affordable, reliable, resilient communications services that are both accessible and usable across a variety of devices. To achieve this, we need to

³ <https://www.communicationsconsumerpanel.org.uk/downloads/ccp-acod-response---ofcom-cap-on-the-cost-of-calls-to-dq-servicesaugust-2018.pdf>

⁴ [We have published our strategic plan 2021/22 - News releases - Communications Consumer Panel](#)

ensure that consumers with specific access requirements are able to navigate the digital world without facing barriers to engagement, as highlighted previously in this response. All information designed for use by consumers - including the PSA website's guides must be accessible and usable by all.

As highlighted in our response to the PSA's discussion document, we recommend the use of alternative formats that allow everyone to understand the information at the same time - subtitles on video content, Easy Read documents, colour and contrast options that cover a range of needs and documents that make sense when read aloud by screen reading software. We would also urge the PSA to link any Code accessibility requirements to existing statutory requirements designed to protect consumers against discrimination.

The Panel recently commissioned a disability and inclusion expert to write a think-piece on making communications services inclusive. The think-piece will aim to highlight areas of existing good practice in the communications sector, potential areas for improvement and provide some practical steps for providers to adopt and help remove existing barriers to engagement. Once finalised, we will publish and circulate the think-piece to stakeholders and industry. We also believe that the practical steps could be applicable to other sectors.

Tackling scams and fraudulent activity

The Panel continues to emphasise that consumers need the skills and confidence to navigate the communications market, participate digitally and stay safe online. Consumer education is a key component to achieving this. The rise in scams has become ever more apparent since the Covid-19 pandemic and has highlighted the lengths that opportunists will go to, to profit off people's anxieties and lack of confidence.

The Panel commissioned research looking into scams and fraudulent activity - 'Scammed! Exploited and afraid'⁵ and the impacts of these experiences on consumers, citizens and micro-businesses. In particular, we explored 'the chilling effect' which can result in consumers no longer engaging digitally as a consequence of being targeted by scammers. We also heard a clear message from our stakeholders at the Panel's National Hubs⁶ that poor digital experiences can negatively impact confidence and motivation. These experiences can knock people's confidence and result in consumers no longer wishing to engage online and this can have significant implications such as becoming isolated and shut off from the outside world. This was

⁵ [Our new research on scams has been published - News releases - Communications Consumer Panel](#)

⁶ <https://www.communicationsconsumerpanel.org.uk/stakeholder-engagement/the-panels-national-hubs>



particularly apparent during the pandemic where older consumers and people with health conditions were required to self-isolate.

To help in the fight against scams, we welcome the PSA's new proposed Systems Standard that will aim to ensure that consumers are not charged for phone-paid services without their informed and robust consent. We found in our research that younger audiences are more susceptible to being scammed.

Case study: One participant - a 24 year-old male - described how he had noticed that £4.99 was going out to a company he had never heard of and he had been making these payments over eleven months. He called his service provider and, to his surprise, they gave him a number of the company to call. He had looked for this number online and hadn't been able to find it. He called the company and they reimbursed him his money, without question. He described how he found it odd that his service provider was fully aware of this activity and he hadn't been alerted to it.

The Panel's previous research on affordability and debt in the communications sector - *Don't Cut Me Off!*⁷ highlighted the precarity of some consumers financial circumstances and many will be unable to afford unforeseen mobile services costs.

We hope that the PSA's Code review will result in better outcomes for consumers who engage in these markets and look forward to continued collaboration with the PSA and their consumer panel.

⁷ [Don't cut me off! The experiences of communications consumers living in low income households \(2020\) - Communications Consumer Panel](#)