



Peter Barker
Director of Corporate Services and Operations
Phone-paid Services Authority
c/o Ofcom
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By email only to: pbarker@psauthority.org.uk

Dear Peter,

Phone-paid Services Authority's (PSA) consultation on business plan and budget for 2023/24

Please find below Virgin Media O2's response to the questions posed in the consultation document relating to the above.

VMO2 is awaiting further clarity and detail regarding the transfer of PSA activities to Ofcom, without this clear plan of the proposals it is difficult to plan for any changes without a clear timescale in mind. We look forward to receiving further details in due course. In particular, which "key features" of Code 15 will be integrated into Ofcom's regulatory regime and how this will look. Moreover, whether any guidance and compliance advice issued by the PSA will also be retained in the new framework or whether this will also be subject to review.

More detail is required on the PSA's rationale for budget allocation in 2023/24

1. We welcome the PSA providing a high-level breakdown of its operating budget. However, we echo our previous year's response; our view is that further clarity is required on how these costs are allocated, particularly the people costs, which account for 75% of the budget (an increase of 5% from last year).



2. Although the PSA details 99% of customer contacts are now handled through either the service checker, the PSA website or information on the IVR, no mention has been made of the corresponding cost savings in relation to people costs.
3. In last year's business plan the PSA stated that the DPO work has been outsourced at a cost of £76k, which has risen by a further £2k for this year. The rationale for outsourcing this was to save costs however, as with last year, the overall cost saving for outsourcing this role remains unclear. Are there any cost savings in this area from being brought under the Ofcom umbrella, presumably Ofcom have DPO retained staff which could be utilised to carry out this function?

Availability of funds from enforcement action

4. We note that there has been an improvement in the collection rate of fines however, as per our previous years' response, we would welcome clarity around the PSA's commitment to recouping revenue from the issuance of fines, particularly in light of the reduction of staffing levels (34.6 down from 36.4) and the indication that staff retention may be challenging in light of the transfer to Ofcom.
5. Additional detail around how and where the PSA will be focussing their staffing resources, would be welcome. This will help to provide a view as to how focus is maintained in achieving the PSA's activity plans set out in Section 4 of the consultation, whilst also maintaining the commitment to enforce fines.
6. An ongoing view across each quarter with regards to fine collection would also be welcome.

Clarity on Levy charges

7. We note that any fines collected in 2022/2023 and 2023/2024 will be added to the retained surplus, this will be to ensure a "smooth and orderly wind-up of PSA Limited". No outline of what the costs to wind up PSA Limited has been provided specifically and in addition no detail has been provided as to



what happens should any residual retained surplus remain. Will the retained surplus transfer to Ofcom or be offset against any levy proposals for the following year, for example?

8. Furthermore, there is no detail around what will happen to the levy once the transfer to Ofcom completes. Will the levy be retained as a separate payment or amalgamated into the existing Ofcom annual fee which telecoms providers already pay? We also note that the PSA have already transferred to Ofcom's Riverside House offices, so the cost savings are presumably already being felt, and note that this move is "expected to save £187k in accommodation costs", does this figure represent cost savings already incurred or a prospective cost saving?

We would welcome a call to discuss the points raised in this letter and also address any questions you may have.

Yours sincerely,

Sophie Andreou
Regulatory Policy and Compliance Advisor
VMO2