

Consultation response form

Consultation on general permission for SMS virtual chat services

Please complete this form in full and return by email to consultations@psauthority.org.uk or by post to Terry Armstrong, Phone-paid Services Authority, 40 Bank Street, London, E14 5NR.

Full name	Richard Smallbone
Contact phone number	[REDACTED]
Representing	Organisation
Organisation name	Worldwide Digital Media Ltd
Email address	[REDACTED]

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.

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: Nothing</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
Q 1. Do you agree with our analysis of the costs and benefits associated with the different options? Are there any other factors that need to be considered?	Confidential? No Response Below pages 3 - 5
Q 2. Do you agree that the preferred option provides consumers with the ability to monitor and control their spend at least equivalent to the option of strict adherence to Requirement 3.2.12?	Confidential? No Response Below pages 3 - 5
Q 3. Are there any other options that we should consider as an alternative to the preferred option?	Confidential? No Response Below pages 3 - 5
Q 4. We intend that providers should be able to benefit from the General Permission as soon as it is published. Is there any reason to specify a later date for the General Permission to come into effect?	Confidential? No Response Below pages 3 - 5

Submit your response

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WDM have been a part of the consultation process with AIMM, so our views are represented in their submission.

Q 1. Do you agree with our analysis of the costs and benefits associated with the different options? Are there any other factors that need to be considered?

There are elements of the proposal which are considered to have a benefit that at least equals the cost, such as amending the current £10 spend reminder to a receipt. (However, this may still end up being costly should the message need to be concatenated to fit in all the required wording. If concatenation is required, then the cost of sending out these messages will double). In addition, if we were to have to send out a receipt for any users that are inactive for 24 hours but have spent less than £10 this would more than double the number of bulk messages sent out per month and would therefore dramatically increase all service providers monthly bulk send charges.

In order to fulfill the proposal in the round, Providers would need to also distribute receipts to those users who have not reached a £10 threshold within a suggested timeframe (24 hours is proposed in this instance). There are two cost factors to be aware of here. The first is the cost of the development work, which will enable each user to have a count against their MSISDN, as well as the service which they are engaged with and the time stamp at any given moment when they are using the service. This will allow Providers to monitor spend in real time and flag those who have not reached the £10 threshold within the proposed time frame. This cost is estimated to be well over £10,000 in terms of an initial development cost and there would also be ongoing platform maintenance charges to ensure that the process was working accurately. The second cost is that of each receipt message that will then be sent out within the parameters proposed by the PSA (i.e. before or between £10 thresholds after 24 hours). WDM have calculated that on current statistics this could take their monthly bulk messages from around 18,000 messages per month to a figure of around 40,000 bulk messages, every month. This is a significant monthly cost that would be ongoing and would increase as the amount of users on the service increases.

Additionally, due to different interpretations of the wording used in this consultation, it is only in the last week that WDM have been made aware and fully understood that we are also being asked to add an ACCRUED spend across the whole service lifetime, as well as the total spend that has been reached to trigger the spend reminder. As such the development for this aspect has not been fully costed out but is likely to be expensive to implement in the same way that the application of counts has been costed for the other elements of this proposal. From our AIMM/PSA meeting it was confirmed that each £10 spent SMS receipt would reset the counter, which is something we can easily adhere to with the existing spend reminder facility. If all providers were required to develop the platforms they use to be able to calculate the full spend of every MSISDN that engages with the service they would definitely see this as an unnecessary additional cost for something that is not going to benefit the consumer and is definitely not something the consumer is requesting or in fact needs as the current process of confirming their spend is adequate and definitely fit for purpose.

Also, WDM feel strongly that there is no other purchasing environment, either in the phone-paid arena or in any retail sector that asks for this, which means it will not be expected and will be confusing to a consumer who engages infrequently. It's also important to note that should a MSISDN be recycled then the new owner of that number – if using a service of this type – will get incorrect messages which will count the previous owner's usage. It is not technically possible to avoid this.

Although we understand this proposal seeks to prevent excessive use, WDM currently receive no complaints or customer service queries regarding high spends or excessive use. Additionally, users can look at all the spend reminders they have been sent to easily add up the amount spent should they wish, as they do now, with no issues. Users would be truly horrified at this intrusion into their privacy. A great many users use premium rate billing exactly because it provides them with guaranteed privacy!

Imagine the potential consequences if a user's partner sees a receipt informing them that they have accrued a total spend of £10,565.50 over the lifetime of their account. There are potentially catastrophic implications if this information was to be seen by the incorrect person when the user understood this information was private. I think the PSA would need to take independent professional advice to assess the possible impact of sending this information out at an inappropriate and possibly harmful time.

However, even though WDM acknowledge and understand the Code 15 requirement which states that consumers have receipts of their purchases, there is uncertainty around the desire of consumers in this area to receive receipts at times which are not convenient to them. The most important other factor to be considered is the privacy of all users and the actual need for additional service related messages and receipts. We have a comprehensive and intimate understanding of the user experience and therefore believe there is no need, nor desire on the part of the user for additional receipting.

If evidence were needed, this is clearly demonstrated by the statistically significant figure of a total of six complaints over a twelve month period, during which time several million messages will have been sent and received. Any additional service related messages received by the user would be viewed as unwelcome, highly intrusive and a breach of their privacy, were they to be sent at an inappropriate time. Currently users receive their £10 spend reminders whilst they are engaging with the service, so have their phones with them. A receipt that comes at a specified time after the users have finished engaging with the service could arrive at their phones at times that are not convenient or wanted. These are discrete services, and there is a strong argument that users would want their usage of such services to remain private, and not have receipts arrive at a time when their phone may be visible to others.

Q 2. Do you agree that the preferred option provides consumers with the ability to monitor and control their spend at least equivalent to the option of strict adherence to Requirement 3.2.12?

WDM totally agree with AIMM and their members who believe that the current £10 spend reminder, being recreated as a receipt, would be equivalent to the requirement at 3.2.12. This is an option that has worked very well for many years and draws no complaints. Users get reminders at a time when their phone is with them, which suits the privacy needs of such users. In fact, introducing a new layer of reminder/receipt to services that are already well understood, could

confuse the users who would suddenly receive extra receipts that they are not expecting or want. WDM can also demonstrate that users who have been inactive for long periods of time between £10 spend reminders fully understand the current situation and are not confused by the spend reminder when they receive them, WDM feel that another layer of receipting at the suggested 24 hours of inactivity duration would lead to more confusion and as a knock on effect would in fact increase complaints and customer service queries.

The additional requirement to send a receipt at a time specified after engagement (suggested 24 hours) also means that receipts could be required for distribution at unsociable times in the night/morning. This is where these services differ again from other phone-paid services and should be considered as such in terms of their requirement to absolute adherence of 3.2.12. For unsociable receipting to be avoided Providers would have to work outside of the PSA guidelines and introduce a sociable hours setting, to hold those receipts back until an acceptable time. This again would mean significant further development work and costs.

Therefore, we do not feel that strict adherence of 3.2.12 would give the users any more control over their spending than the current £10 spend reminder and we also feel that strict adherence would completely spoil the user experience if they received a receipt after every chat message or picture they received from the service.

Q 3. Are there any other options that we should consider as an alternative to the preferred option?

WDM believe strongly that the recrafting of a reminder into a receipt satisfies the desired outcome of 3.2.12, in that consumers remain informed about their purchase, and have all the pertinent details to hand to ensure they are aware of all relevant information about their spending.

This protects consumers privacy, continues with a system of keeping consumers informed that already works very well and attracts no complaints, and keeps costs down (in contrast to the cost of implementation of the full proposal).

In addition, we feel that sending a receipt when a STOP command is received would also allow the user to have a full understanding of the service costs and the amount they have spent in the last chat session. Providers can then set the spend count back to zero and restart it when the user comes back into the service at a later date.

Q 4. We intend that providers should be able to benefit from the General Permission as soon as it is published. Is there any reason to specify a later date for the General Permission to come into effect?

Depending on the outcome of this consultation and the development work that may be required to adhere to any new ruling's providers may need a period of up to 6 months to give them time to carry out the development work required and then fully road test the new procedures.