

Action 4 welcomes this opportunity to respond to your Consultation on Business Plan and Budget 2024/2025.

As a membership driven trade association representing commercial businesses operating within the Premium Rate telephony sector we are starkly aware that effective regulation is intrinsically linked to the good levels of industry and consumer trust and in turn a buoyant industry. We recognise the work you have done in relation to Code 15 and ensuring its implementation.

Q1 – Is the activity set out in Section 4 sufficient for the effective and efficient regulation of the market in the period up until the transfer of responsibilities to Ofcom? Please identify any activities you think are missing or are not required.

Q2 – Do you have any comments on the proposed budget for 2024/25? If you recommend any changes, please clearly identify which areas of activity you expect this to impact upon.

Q3 – Do you have any comments on the proposal regarding the Registration fee?

Q4 – Do you have any other comments on the Business Plan and Budget for 2024/25?

**Q1 – Is the activity set out in Section 4 sufficient for the effective and efficient regulation of the market in the period up until the transfer of responsibilities to Ofcom? Please identify any activities you think are missing or are not required.**

Your plan is clear in what you want to achieve, but as we are all too well aware, your level of work can change rapidly according to what happens in the market place and whether one provider or type of service causes issues, even in the period of time it will take for the proposed transfer to Ofcom things can change. In light of the fact we will have a general election and the proposed transfer is to be by October 2024, the new regulatory system should be in place with some of PSA's staff transferring into Ofcom so that there is a continuum of knowledge into the new regulatory regime, which should be a positive. As always, engagement and transparency with the industry will enable you to be able to predict market trends and it is clear in your document you want to continue to work towards achieving this, and that you are working on the transference of regulation into Ofcom's hands.

**Q2 – Do you have any comments on the proposed budget for 2024/25? If you recommend any changes, please clearly identify which areas of activity you expect this to impact upon.**

The rationale of your team being based in London makes sense as Ofcom takes over your Limited entity. Technology now means as with what happens within many telecoms companies that fund you, their employees can be home based. We believe you should also consider this approach in order to lower costs you state your premise costs will still run at £249,984 this seems high. Certainly COVID 19 has proven that face to face meetings are a thing of the past and remote working is now a day-to-day practice for most employees including your own. Our biggest concern is in light of the attached accounts, how and when you will disperse the funds held within your limited company will these funds be dispersed back to the industry and the companies that funded PSA? In light that some of these funds will be from funds that came from fines from limited companies that no longer exist how will these monies be legally dealt with? We presume that the winding up costs will be funded by your reserves. Ofcom has it appears no legal right as a public entity to take these funds over. Is there a date suggested as to when the completion of the dissolution of the PSA Limited is to be completed?

**Q3 – Do you have any comments on the proposal regarding the Registration fee?**

You propose to charge the registration fee, yet Ofcom will not so, we note you do not intend to reimburse anyone this seems unfair. Why not just suspend registration fees for this budget. If the takeover did not happen for any reason you could just re-instate them.

**Q4 – Do you have any other comments on the Business Plan and Budget for 2024/25?**

We are pleased to see that your move to Ofcom will happen and we look forward to the industry flourishing - it is sad for the respondent to have been in this industry from your first code and have seen a £1 Billion industry halved.

It seems incredible that in 2014/2015 the industry was worth circa £763.7 million yet regulation cost £4,444,465. You now estimate the industry in 2024/2025 to be worth an estimated £470 Million yet regulation is to cost £3,818,617 this figure seems disproportionate and we believe as an organisation that you need to look at costs very carefully again. Your staffing costs are £2,785,944 surely there will be economy of scales with the merger. We note that you have written off your assets in 2022/3, where are those assets and who will own them when the company is dissolved?

Echoing our comments above, we are very happy to see this new approach to regulation with Ofcom taking over your powers, we are pleased to note their apparent commitment to share information with stakeholders. Our biggest concern is in light of the attached accounts how and when you will disperse the funds held within your limited company will these funds be dispersed back to the industry and the companies that funded PSA? In light that some of these funds will be from funds that came from fines from limited companies that no longer exist, how will these monies be dealt with? Ofcom has it appears no legal right as a public entity to takes these funds over, as section 400 of the communications Act 2003 states they are funded by:-

1. Wireless Act and license fees
2. TV and Radio Licensees
3. Financial penalties

We thank PSA in it's various entities and guises for the work it has done for the industry.

Regards

Suzanne



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