



Peter Barker
Director of Corporate Services and Operations
Phone-paid Services Authority
C/O Ofcom
Riverside House
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1 February 2024

Dear Peter,

PSA Consultation on Business Plan and Budget 2024/25

Thank you for the consultation document, which we are responding to below.

Our prime issue is that there is no indication within the budget figures or the associated commentary of savings which should arise from the:

- Impact of the likely move in regulatory oversight in the PSA to Ofcom.
- Changing nature of players in an increasingly compliant market.

We recognise that the timing of this change is uncertain. However, as we stated in our response to Ofcom's recent consultation (The Future Regulation of Phone Paid Services), we believe that with the absorption of the PSA into Ofcom and the consequent reduction in costs (shared building/removal of the PSA board/opportunity for synergies) that the amount to be funded should be greatly reduced.

We note that the PSA is reporting that:

- Consumer reported issues are at record low levels
- These with these issues being confined to only a few service types and a handful of providers.
- The mobile market will be heavily and increasingly dominated (over 90%) by major brands – app stores; major gaming and music streaming providers; tv and radio broadcasters; leading charities etc

Given the above, the amount of work required by the PSA to regulate a more compliant market is becoming greatly reduced. This reduction is also being driven by the decrease in intermediaries in the market, through industry consolidation, leading to less supervision being required.

Regarding the consultation questions:

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.

We agree with AIMM's (Association of Interactive Media and Micro Payments) response to this consultation in supporting consumer education and agree that positive PR by the PSA/Ofcom is essential to grow consumer trust and understanding in the market to aid commercial growth. BT is keen to gain visibility of the education programme that is intended for this year to see if we can complement this or add resources to the programme. We would like to gain visibility of the last year's PR so we can point towards it if required. In addition, we would like to understand what positive PR is planned for the forthcoming year so that we can be appropriately involved in it.

Q2 – Do you have any comments on the proposed budget for 2024/25?

Please see above

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

We welcome the annual registration fee being removed from 1 April 2024, as this forms a small part of the PSAs revenues but creates a disproportionate amount of administration for all parties.

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

No further comments

Please let us know if you have any questions.

Yours faithfully

David Thompson

Regulatory Manager

BT Group Regulatory Affairs