

# Consultation response form

## Consultation on Code 15 amendments to Requirement 3.2.10 and Annex 1: Specified service charges and durations of calls

Please complete this form in full and return by email to [consultations@psauthority.org.uk](mailto:consultations@psauthority.org.uk) or by post to Sarah-Louise Prouse, Phone-paid Services Authority, c/o Ofcom, Riverside House, 24 Southwark Bridge Road, London, SE1 9HA.

Full name	Alan Partington
Contact phone number	[REDACTED]
Representing	Organisation
Organisation name	Telecom2 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](https://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.

#### About Telecom2

Telecom2 are a voice network carrier with offices in London and Spain. Through the group of companies our focus is to at the forefront of technology, specialising in VoIP B2B and call centre solutions. T2 also specialise in micro payments across mobile, card services and age verification.

Telecom2 has a broad spectrum of clients including a number of Contact Centres, Print media companies, Charities, TV companies and a Premiership Football club.

We also still have some of the traditional clients on 09 PRS running Adult, Psychic and Competition services.

We have achieved PCIDSS ISO9001 and Cyber Essentials Plus certification

We welcome this opportunity to contribute to the consultation exercise. We do believe there is a need to add safeguards that reduce consumer detriment and are happy that we are able to contribute to this exercise. We thought it might also be useful to put ICSS in context, give the background to the service. Our comments are based on our knowledge and experience as a network operator and technical provider.

ICSS

Customer service lines used to be on revenue share numbers, so the organisations received an income from the calls. The the EU consumer rights directive prohibited this practice and mandated that customer service lines be provided at a basic rate or free of charge. At around the same time the Government instructed Government Departments to replace revenue share numbers with either Geographic or numbers from a dedicated 03 range.

The effect of this was that many organisations removed their customer service numbers from their web sites or made them hard to find. Although there had always been a small number of scam operators often impersonating organisations this is when the ICSS service came into its own. Operators research the contact numbers and monitor them to look for changes then offer onward connection to them or provide an SMS with number of the target organisation. Since ICSS became well known some organisations have made their customer services numbers more prominent. Another advantage of ICSS is click to call, where organisations numbers can be dialled using a two clck process, removing the need to remember or write down the number. As far as we are aware no target organisation offer this although they are able to.

ICSS can result in some high call charges but there are the result of long queuing times at target organisations. In general, commercial organisations attract lower call charges than other organisations. It would have been useful for the Thematic Review findings to have given a breakdown of who had the higher percentages of calls and durations

<b>Consultation questions</b>	<b>Your response</b>
<p>Q1. Do you agree with our proposal to require a positive opt-in prior to connection by the ICSS provider to the sought organisation?</p>	<p>Confidential? No</p> <p>We have no objection in principle to a positive opt in, we see it as a positive development. As well as helping to prevent unintended use of a service by consumers it helps when investigating consumer questions.</p> <p>Time would have to be allowed to design and implement positive opt in and for Network Operators to implement this for their clients. The resource, including financial, incurred by this exercise would be significant.</p> <p>We would also need a specification from PSA showing what they considered to be a robust auditable record.</p>
<p>Q2. Do you agree with the information that we propose be required to be included in the consumer alert prior to opt-in to ensure transparency and consumer awareness?</p>	<p>Confidential? No</p> <p>Some of the proposed information requirement is good but we feel that it would be confusing to the consumer and degrade transparency to be told that they aren't contacting a particular</p>

	<p>organisation then being told they are being connected to that organisation. The requirements of ICSS Special Condition 11 are similar but much clearer.</p> <p>Stating the target organisation’s direct number at the start of a call is impractical for the consumer and will be of little help because the consumer will need to find a way of remembering and then recording the number if they want to use it, very likely causing the consumer to dial the wrong number and increasing detriment.</p> <p>Stating the maximum call charge will only work where there is a cap but many consumers will confuse this with a drop charge and think that is what they are going to be billed. Even if they understand a cap and how to convert prices to minutes consumers will have no idea how long a call will take and if the cap will be enough to make the call. The maximum call charge cannot in any event be a true reflection of the cost of the calls because of the Access charge, which will confuse many consumers as they aren’t aware of them. This complexity will only serve to confuse consumers.</p> <p>In this context, we have concerns regarding the proposed requirement not to connect to numbers outside the organisation’s working hours. Not all organisations publish their working hours and some have one contact number for a number of different departments or customer types but each department or customer type has different hours. This would make it impossible for Merchants to comply with this requirement.</p>
<p>Q3. Do you have any information that would inform our assessment of the impact and especially the financial costs and benefits of our proposals in relation to Requirement 3.2.10?</p>	<p>Confidential? No</p> <p>The majority of the costs of implementing the changes in full will fall on the Consumer’s Phone Service Providers, the MNOs etc., we have no sight of their costs.</p> <p>That said, Network Providers will also have costs, and will need time and money for development to cope with the changes in 3.2.10. This work will need to be scheduled so as not to interfere with the provision of all services. Network</p>

	<p>In terms of benefits there is a very strong chance that full implementation will increase consumer detriment, there is a strong risk that they will dial incorrect numbers, and with a cap they will have to redial the same services after the call is cleared down at the point the cap is reached and so incur further charges while they explain again what the call is about.</p>
<p>Q4. We welcome input on whether there are any other measures that could support consumer understanding of ICSS. We would like to understand if all network operators are able to provide free pre-call announcements and whether these can be applied to specific service types. It would also be helpful to understand what other technology is available to support free alerts upon connection to ICSS.</p>	<p>Confidential? No</p> <p>When PSA engages with consumers it's almost always negative. It would help consumers and the industry if PSA were to point up the positive aspects of PRS and include in this a description of ICSS.</p> <p>Regarding the free first minute, this is really an issue for Network Operators, who will need to confirm individually if they are able to provide this functionality, however SC073 has this feature and so a facility of a free first minute should technically be in place. As such, replicating this with varying call costs after the first free minute would be possible technically but the regulatory position regarding provision of new price points needs to be confirmed.</p> <p>The free minute cannot though be a truly free minute unless PSA can instruct Consumers phone service providers to not to raise an access charge for the first minute. Access charges, some as high as 65p per minute, are applied on a per minute basis, so a full minute will be charged even if the caller clears down after a few seconds. Test calls to SC073 numbers have shown that access charges are levied on calls to SC073 numbers even in the first minute. We are aware from discussions with consumers that this is not known by them, many of whom are not even aware that access charges exist.</p> <p>Nor will the first minute be free for Network providers, who will still have to pay BT's interconnect charges and will probably pass them on to Merchant Providers.</p> <p>In paragraph 53, it is suggested that some price points are not allocated and could be used to provide a free first minute on all numbers used</p>

	<p>for ICSS. There are however no price points currently available. All 100 have been allocated prices. As part of the NGCS unbundling exercise OFCOM required Operators to be able to include first eighty price points and later an additional twenty price points in their billing systems. This is now covered by GC B1.28. OFCOM outsourced the allocation of rates to price points to Inter Connect Communications. An arbitration process followed and rates were allocated to all one hundred price points. The full list of price points and the rates allocated to them can be found in “Report on the Selection of 20 Additional NGCS Service Charge Price Points”, published by Inter Connect Communications. These rates will now be included in all Operators billing and rating systems. Some Price points are not in use following the capping of DQ rates, these could possibly be repriced but again it depends on the ability of Consumers Phone Service Providers to do this within their systems and all implement it on the same date.</p> <p>In order to create price points that may be used to provide a free alert, OFCOM would first need to agree that this may be done and then either run another arbitration process or outsource it once more. Repricing existing price points would require significant additional work by all operators to amend their pricing tables.</p> <p>Another option would be to create additional Service Charge price points, but this would very much depend on timescales. Building in the one hundred price points required almost a year of work by Operators. Adding additional price points may not be possible with existing rating and billing systems but if it were, it would be a costly and time consuming exercise and an amendment to GCs consulted on and implemented.</p> <p>Whichever option was chosen Telecom2, AIMM and other providers would be happy to be involved in the process but the support of PSA would be essential.</p> <p>ICSS are provided across the 09 and other ranges, there is no specific ICSS number range, so billing systems across the Interconnect</p>
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	<p>would have to be able to identify which individual numbers have ICSS on them and be able to track changes to the use of numbers.</p> <p>There is also the issue of ICSS where the consumer is given only contact details for the target organisation with no call connection. This would be done within the first minute so the service would be free. The Provider would however incur interconnect charges so would be paying to provide the service.</p> <p>There is a lack of confidence in the industry around compliance. The code can be seen as a minimum standard to reduce detriment and providers are keen to meet standards in the 15<sup>th</sup> code but there are some ambiguities when providers try to comply with the code, especially when providers can be fined for not following a recommendation which ought to have been presented as a requirement.</p> <p>It would be useful too if PSA were to give examples of compliant promotion as well as the usual examples of incorrect promotion</p> <p>One good way to resolve this lack of confidence is to make ICSS subject to the Prior Permission regime. This would give providers and PSA comfort that standards are being achieved and if providers enhance consumer protection beyond the requirements of the code they will have confidence that this enhancement has been seen and approved by PSA.</p> <p>Network providers are bearing additional responsibility with the associated additional risk, prior permission would facilitate their DDRAC performance.</p>
<p>Q5. Do you agree with us that it is appropriate and proportionate to cap the service charge of all ICSS calls at £40? Should a lower figure be considered?</p>	<p>Confidential? No</p> <p>There is no justification for a cap on call charges on ICSS services, primarily because oft stated previous PSA compliance advice and comments in PSA adjudications have demonstrated significant consumer harm when a call is disconnected before the issue has been resolved. The level of calls that exceed £40, 2.91%, is very low It is not clear why there has</p>

	<p>been such a sudden reversal of PSA’s view. Even if there was a cap, it seems that the basis for the proposed cap was convenience and not a calculated figure. If there has to be a cap we would set it much higher. It is also worth pointing out that only 2.91% of calls exceeded £40 and some of these will have been repeat calls where forced release has been implemented or the target organisaion has disconnected calls that have been in a queue for too long. Most, if not all, the very high charges will have been refunded by Merchants</p> <p>A better solution to reducing consumer detriment would be to set a cap on the rates that can be raised on ICSS, much like that on DQ. This would reduce the cost of all calls, not just those that come in under the cap.</p>
<p>Q6. Do you agree that consumers should be informed before onward connection that calls will be terminated once a maximum charge of £40 (inclusive of VAT) is reached?</p>	<p>Confidential? No</p> <p>If there was a cap on ICSS calls, despite the consumer detriment it would cause, we would not agree with such an announcement, it would serve no genuinely useful purpose and would confuse the consumer, many of whom would very likely think it was a drop charge. Consumers have no prior knowledge of how long they will be in a queue or how long their issue would take to resolve. Even if they had, most would be unlikely to relate a cap to a duration.</p>
<p>Q7. Do you have any information that would further inform our analysis of the costs and benefits of our proposals in respect of caps on service charges?</p>	<p>Confidential? No</p> <p>As previously stated, we feel that a cap on call cost would be a retrograde step that has been proven to increase detriment.</p> <p>A working committee composed of people who understand the industry and how it functions to try and achieve the desired changes would be helpful.</p>

**Submit your response**

To send your responses to the PSA please email this completed form to [consultations@psauthority.org.uk](mailto:consultations@psauthority.org.uk) or by post to Sarah-Louise Prouse, Phone-paid Services Authority, c/o Ofcom, Riverside House, 24 Southwark Bridge Road, London, SE1 9HA.