

# 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	Joanna Cox
Contact phone number	██████████
Representing	Self / Organisation (delete as appropriate)
Organisation name	Association of Interactive Media and Micropayments
Email address	██████████

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](http://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: <del>Nothing/your name/organisation name/whole response/part of the response</del> Yes - [REDACTED]</p>
<p>Your response: Please indicate how much of your response you want to keep confidential.</p>	<p>Delete as appropriate: <del>None/whole response/part of the response</del> Yes - [REDACTED]</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/<del>No</del> (delete as appropriate)</p>

## Your response

The Association for Interactive Media and Micropayments (aimm) is the specialist UK-based trade organisation representing the commercial and regulatory interests of member companies involved in the interactive media and micropayment industries - where consumers interact or engage with services across converged media platforms and may pay for those services or content using a variety of micropayment technologies including premium rate. We are a not-for-profit organisation, funded by our members, run for our members. We create conditions for growth and protect the regulatory environment in which our Members operate.

aimm has a membership that represents the entire value chain – from the providers and promoters of information to the network operators and technical service providers that deliver and bill them to customers. No other organisation has such reach or representation. Members of aimm work collaboratively to address key industry issues and to build a trusted business environment, encouraging investment, creating new opportunities, and developing business partnerships.

aimm promotes excellence in the world of interactive media and micropayments. The purpose of aimm is to create an environment of consumer confidence and trust within which our members' commerce can flourish. aimm promotes and abides by the philosophy that consumers who are accurately and openly informed of the nature, content, and cost of participation in an interactive service experience should be perfectly placed to exercise their freedom of choice and thereby enjoy the most effective form of consumer protection.

aimm welcomes the opportunity to respond to the Consultation on Code 15 amendments to Requirement 3.2.10 and Annex 1: Specified service charges and durations of calls.

assist aimm in providing a comprehensive input to the Phone-paid Services Authority, aimm communicated with its Members in the following manner;

- Whole Membership online workshops
- Written input from Members
- One-to-one telephone discussions

Information gathered from all those who attended meetings/submitted feedback in all these ways is presented below.

aimm Members who operate in the Phone Paid Services markets are broadly split into seven categories although there is some overlap inside individual Member businesses.

- Fixed Line Networks who can be Fixed line Intermediaries
- Mobile Networks
- Mobile Intermediaries
- Merchant providers of traditional PRS services (fixed line, PSMS, and DCB)
- Broadcasters (who are often Merchant providers)
- Charities and Charity enablers (who are often Merchant providers)
- Industry Support companies

aimm sought responses from Members across the Network Operators, ICSS Merchant community, Third Party Verification, Compliance and Anti-Fraud Specialists, and in this paper varying views are represented.

Some of aimm’s Members may input their response directly to the PSA through their regulatory staff or regulatory representatives. Wherever possible, we ensure that views of members made through independent responses are in synergy with aimm’s collective views.

As our response is guided and supported by Members’ input, and where the term “Members” is used this refers to those Members who engaged with us during the consultation process. Some views may be expressed that are not necessarily those of the aimm Executive or aimm’s Board of Directors.

Please enter your response to each of the consultation questions in the appropriate box below.

Consultation questions	Your response
Q1. Do you agree with our proposal to require a positive opt-in prior to connection by the ICSS	<p>Confidential? <del>Yes</del>/No (delete as appropriate)</p> <p>Industry is clear that consumer harm is unwanted in the market and as such it is important that consumers are informed and consent to charges that are to be applied to them. Where there is a need to add safeguards that reduce</p>

<p>provider to the sought organisation?</p>	<p>consumer detriment Providers are willing and happy to contribute to this exercise. aimm member merchants have been keen to abide by the regulations set out by the PSA in this respect.</p> <p>Merchants noted that an auditable positive opt in would give them evidence that the consumer was informed and consented to the continuation of the call. This is helpful to demonstrate to the PSA should they be asked for such evidence. This is obviously dependent on the positive opt in being recordable and auditable.</p> <p>The PSA suggest that 64% of calls end at some point during the first minute. This solution <b>does not</b> solve any detriment in this area and could increase the amount spent in the first minute as the script is now proposed to include more information than it does currently.</p> <p>Merchants agreed that the only way that this would reduce consumer harm in the first minute, is if the message is free (i.e. the proposed first free minute) however there is not yet confirmation that this can be done.</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? <del>Yes</del>/No (delete as appropriate)</p> <p>As above, this script is now lengthier than it is currently and there is a lot of information required to be included which could be confusing to the consumer.</p> <p>We would like to look at these requirements individually.</p> <p><b><i>“Proposed amendment to Requirement 3.2.10</i></b></p> <p><b><i>3.2.10 Where a voice service connects the consumer to another organisation, the cost of the call and the cost of continuing the call, including information about access charges and any additional chargeable element of the service such as a premium SMS, must be clearly stated in an alert before onward connection.</i></b></p> <p>The access charge element is unquantifiable and often unknown by the consumer. We assume that it is the standard access charge information that is required here.</p> <p><b><i>Where the service is an Information, Connection, and Signposting Service the alert upon connection must:</i></b></p>

	<p><b>i) state that the organisation to which the service connects can be contacted directly for no or lower cost and provide the organisation’s direct contact number</b></p> <p>Merchants state that it will be damaging to them if they are again required to provide details of where their goods or services can be found at a lower/no cost and feel that this is non-competitive.</p> <p><b>ii) state the maximum call charge</b></p> <p>This could be confusing for a consumer, who will already have been provided with a charge for the service, a message about (potentially) unknown access charges, and possibly a charge for an SMS if applicable. The maximum call charge is another element provided which could be a piece of information too many. Additionally, Merchants are unsure whether this will provide any real transparency to a caller who is unlikely to calculate when £40 has been reached and the subsequent cutting off of the call will occur (unlike an indication of call length).</p> <p><b>iii) seek and obtain positive opt-in from the consumer to continue the call and be connected to the organisation they are seeking</b></p> <p>This has been covered in our response to Q1 above.</p> <p><b>iv) where the service provides any additional chargeable element, such as a premium SMS, seek and obtain separate positive opt-in from the consumer for that element of the service.</b></p> <p>Merchants are generally happy to provide an option for consumers to positively opt in to receive an SMS with the information which they require included in it. As with the positive opt in, Merchants noted that an auditable positive opt in would give them evidence that the consumer consented to the SMS, should the PSA ask them for such evidence. This is obviously dependent on the positive opt in being recordable and auditable.</p>
<p>Q3. Do you have any information that would inform our assessment of</p>	<p>Confidential? <del>Yes</del>/No (delete as appropriate)</p> <p>No.</p>

<p>the impact and especially the financial costs and benefits of our proposals in relation to Requirement 3.2.10?</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? <del>Yes</del>/No (delete as appropriate)</p> <p>Network Operators will need to confirm individually if they are able to provide this functionality, however SC073 which does this, should technically be in place. As such, replicating this with varying call costs after the first free minute might theoretically be possible (billing platform depending), but would need to be confirmed by individual networks.</p> <p>In paragraph 53, it is suggested that some price points are not allocated and could be used to provide a free alert on all number ranges used for ICSS. However, some Members are not confident that there are available service charge points that are not currently allocated. 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.</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/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>ICSS are provided across the 09 and other ranges, there is no specific ICSS number range, so billing systems across the Interconnect 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>Merchant providers would like more clarity on the recommendation for a free pre-call announcement, when the service they have called is purely an information service providing contact details of the end user which the consumer is seeking (with no call connection or SMS element). As the proposal seems to suggest that the contact details of the end user should be included in this free message, then the merchant will effectively be providing that service, but receiving no revenue for it, and in fact could be incurring a cost for the provision of exactly what the consumer was requiring.</p> <p>Finally, some Members suggest that there may be a transparency issue with the first free minute, which is proposed to be free of service charge but not access charge. Access charges are applied on a per minute basis, so a full minute will be charged even if the caller clears down after a few seconds. Members do not know if this is widely known by consumers.</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? Yes/<del>No</del> partly <span style="background-color: black; color: black;">[REDACTED]</span></p> <p>Merchants feel that the PSA have stated the case for detriment when calls are capped at £40, as below:</p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p><b>Detriment in relation to call caps</b></p> <p>27. The thematic review found that 0.88% of calls were ended because of a cap. In these instances, a consumer will have been cut off mid-call and will not have received the full service they engaged in. This therefore meets iv) of the OECD's definition of detriment.</p> <p>28. We appreciate that an unintended consequence of capping call charges at £40 is that calls may be cut off before the consumer has completed their call. Calls that are cut off in this manner result in an unsatisfactory outcome for the consumer. The caller may then seek to contact the end organisation again. We are aware of consumers using an ICSS multiple times as a result of calls being cut off.</p> <p>29. We consider any consumer financial outlay in relation to a call being cut off before it reaches a natural conclusion, whether as a consequence of regulation or self-imposed by the providers involved, as financial detriment. During the review period, UK consumers spent £0.8 million on calls that were ended because of a cap.</p> </div> <p>As such they feel that this is counter-productive as a measure to further reduce more detriment.</p>

	<p>The consumer is to be informed, as per the proposals in 3.2.10, that the call will cut off at £40, but is unlikely to have any clear idea of what that relates to in minutes, when they are on the call (unlike an indication of call length).</p> <p>Should a caller be put through to their intended destination just prior to reaching £40, and get cut off as this occurs, this will cause frustration and detriment as they will have been connected – as they wished – only to be cut off. The consumer may well then call back, and face further hold times (not in the control of the Merchant), when they had just successfully reached the end user they needed to speak with.</p> <p>Members note that historically, the PSA have argued against a cap for this reason [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>An alternative solution that may be worth considering instead of a cap, is to lower the tariffs available for the use of ICSS services. The cost to market has largely increased over the years due to competition between ICSS providers, and lowering the tariff should serve to reset it somewhat. Capping the tariff rather than the total spend should serve to make these services cheaper for a larger percentage of callers, without the additional issues related to a forced disconnect. Looking at the Heidi Corkhill (trading as Call Support) adjudication, a maximum tariff cap, (rather than a maximum spend cap), would more precisely serve to reduce detriment, and result in an overall better value proposition to ICSS consumers as a whole. This would allow the caller to finish their call (allowing for hold times) rather than getting through towards the end of the permitted duration of the call, reaching the cap, being cut off and calling back – causing more detriment.</p>
<p>Q6. Do you agree that consumers should be</p>	<p>Confidential? Yes/No (delete as appropriate)</p>



<p>informed before onward connection that calls will be terminated once a maximum charge of £40 (inclusive of VAT) is reached?</p>	<p>As above, the consumer is to be informed, as per the proposals in 3.2.10, that the call will cut off at £40, but is unlikely to have any clear idea of what that relates to in minutes, when they are on the call (unlike an indication of call length).</p> <p>Should a caller be put through to their intended destination just prior to reaching £40 (having not worked out at which point in the call this will be), and get cut off as this occurs, this will cause frustration and detriment as they will have been connected – as they wished – only to be cut off. The fact that they have been informed that this will happen in advance is unlikely to make this any less frustrating or make them any less likely to then call back. If the consumer does call back, and face further hold times (not in the control of the Merchant), this will cause more detriment than if they had completed their call on the first attempt.</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? <del>Yes</del>/No (delete as appropriate)</p> <p>No.</p>
<p>Additional comments</p>	<p>We believe that the PSA have retained the ability to require prior permission in case it may become necessary in certain circumstances in the future. As stated in Q1, aimm members want to assure the PSA of their intention to do no harm and follow regulations. As such, an alternative option to consider could be the use of a Prior Permission scheme – as successfully used previously in other areas – for compliant Providers. This would give comfort to both Providers and the PSA that the industry was compliant, and more importantly would mean that new players into the market would have to prove their worth - and the compliance of their services - before those services could be launched. Under Prior Permissions, Industry and the regulator would have full visibility of those operating in this space under Code 15, and the regulator would have the ability to carry out proper checks on Providers prior to any service being made live.</p>

**Submit your response**

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