



# PSA Review of Phone-Paid Subscriptions

Summary of Research

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# Background, objectives and research approach

# Background & objectives

*The following document is a summary of the findings from the Phone Paid Subscriptions research and represents the views from the consumer perspective.*

The Phone-paid Services Authority (PSA) is looking for a detailed understanding of consumer expectations when engaging with phone-paid subscriptions and how these may differ according to the type of service. This insight will be used to feed into the review of the regulatory framework underpinning these services being undertaken by the PSA.

The PSA wants to explore what consumers expect at each stage of the consumer journey, for example:

**discovering a service.** Does the way in which a consumer finds a service (whether they are drawn to it or actively search it) influence their expectations?

**signing-up to/contracting with a service.** What process do consumers expect to go through to sign up to a service. What level of friction do consumers want in the journey?

**using the service.** Do consumers expect to be reminded about their subscription, particularly if their use is sporadic? And if so, how? Are consumer expectations the same or different depending on whether the phone-paid subscription is open-ended or fixed term?

**exiting the service** including understanding of how consumers expect to exit a subscription and any outstanding obligations, what are consumer expectations around record keeping such as account details and history, receipt of purchase? Do expectations vary across service types?

*Throughout – it is important to understand expectations as to what the service should be; so that consumers are able to make fully informed decisions*



# Summary of approach



## EXISTING COMPLAINANTS

- 10 telephone depths with a selection of complainants who agreed to participate in research.
- Interviews were each half an hour in-length.
- The interview focused on what caused them to complain and how they would have expected the subscription process to work to avoid the issues occurring i.e. it looked to identify where the confusion arose.



## GUIDED IN-DEPTHS

- 20 'guided' in-depth interviews with a mix of those that currently pay for a subscription service using their mobile phone bill and those that expressed an interest in doing so in future. Interviews were 45 minutes in length.
- Quotas set to ensure a spread of respondent types are achieved
  - A mix of those that currently have taken out subscriptions for these services using their mobile and those that would seriously consider doing this (and use these types of services already)
  - A mix of different types of apps/services that they subscribe to and/or use at present e.g. fitness, music, games
  - Mix of socio economic grouping and ages
- Discussion focused on guiding participants through a range of stimulus showing the subscription process of a random mix of existing services and exploring their understanding of what was happening. The research then explored what they would expect to happen at each stage (including where these expectations come from). Stimulus showing screen shots of a range of types services provided by PSA.

# Key headlines from the research



## 1

The way consumers come across a service also has an influence on their expectations as to the level of friction required:

- Services that are 'pushed' to the consumer via ads/banners, where the interaction is unplanned/accidental, are those most likely to result in confusion.
- From the consumer perspective these services may require additional levels of friction beyond that which currently exists within a number of the services tested.
- Planned/purposely sought services result in a more prepared/primed consumer mind-set; consumers are typically expecting a payment to be made making them less vulnerable to confusion.

## 2

From a consumer's perspective, payment for a subscription via their mobile bill is an emergent payment method. As a result attitudes & behaviours are not yet fully established.

A high proportion of those we spoke to (including all of the complainants) were unaware that entering their mobile phone number could sign them up to ongoing subscription payments via their phone bill. They were, however, more familiar with the idea of one off payments via a 'premium rate' text (e.g. voting, charity donations) and premium rate calls.

As a result, consumers often don't have established cues or signals for these subscription services, so are less likely to pay attention and more prone to make mistakes. Consumers can therefore feel that more friction is required than for a more established payment method.

## 3

As a result, consumers claim to be open to having an additional 'confirmation' step in the process as standard which clearly sets out:

- What they are signing up to
- That a payment is being made
- That it is a subscription (not one off)
- That it will appear on their mobile bill

Consumers would ideally like the language to be both clear and consistent between services to minimise confusion.

And it should also be completely transparent how consumers exit a service with minimum consumer effort on their part.

## 4

Where possible, consumers from the research feel that the phone paid subscription process should use the norms established from other forms of mobile payments – as these are the cues they have come to expect.

For example, using the same types of payment screens as used in other forms of mobile payment. Ensuring that these screens are clearly laid out, use the same size font throughout, and avoid any unnecessary clutter. The consumer at this point is then required to 'confirm' that the payment is acceptable.

Provided the process is sufficiently transparent, mobile subscription payments can offer a convenient additional payment option to consumers. Their key requirement is to ensure that consumers are completely clear about what they've signed up to.



Context: understanding and perception  
of mobile bill paid subscription services

# “Mobile bill” paid subscription services are an emerging payment method, the findings from the research are:

## 1

### **Awareness is mixed**

Consumers are often unaware they can make ongoing payments via their mobile phone bill simply by entering their mobile number.

However, there is greater awareness of texts as a means of payment (esp for voting/competitions/charity) and of premium rate phone charges.

Some genuine surprise among complainants/those who experienced unexpected payments on their phone bill that these mobile bill payments could happen.

A number of our respondents first became aware that they could add payments to their bill when they experienced problems of their own.

## 2

### **A new trigger for payment**

The newness of mobile bill payments means that consumers may not have ‘hardwired’ responses in place; they are learning by experience/mistake.

This means they don’t have familiar cues for this particular payment method in the way that they do for other payment types. Also, the processes themselves don’t have consistent cues; i.e. a password, card number, CSV number.

Our research suggests that this may lead to a lack of understanding that by entering their mobile phone number they could be charged for services. The fact that a mobile number is typically shared, rather than being kept safe like other payment methods, can also seem at odds with this being a means of payment.

A sizeable number of those who participated in the research expect the same levels of regulation (and control) as would be applied to bank payments.

## 3

### **The role of the MNO is unclear**

There is an expectation that their MNO would take responsibility for and be able to cancel payments if they are unhappy/want to stop.

There is also an expectation that the MNO would alert them that additional payments are being added to their mobile phone bill.

There is some surprise at the lack of requirement to ‘turn on’ the ability to pay once they receive a new phone (contrasted with use of camera or location services where permissions are actively sought).

When things go wrong a number of consumers state that they feel the MNO is complicit in the process; the perception is that MNOs benefit from the profits without taking sufficient responsibility for looking after the consumer.

## 4

### **Consumers don’t always check their bill**

Given that many phone bills are now online and people have inclusive packages it’s not uncommon for consumers to scan the total amount of the bill rather than the detail (or simply check their bank balance) .

A number of consumers reported that they only check the bill if it seems significantly different from what they would expect.

Part of their reluctance to check their bill comes from the perception that their bills are not felt to be particularly clear or easy to check. This is especially true where an unknown company is behind any service, as the itemised listing is can be ambiguous.

# Consumers stated: “mobile bill” payments do have value as a payment alternative

# 1

## Convenient

Doesn't require consumer to look up their payment details.

Everyone knows their mobile number.

Quick and easy to make the payment.

Very little perceived friction in the process - which is a benefit once they are familiar with the approach.

Friction comes from the effort of locating payment details/being forced to move offline - not steps in the process

# 2

## Delayed payment

Can be useful to defer payment – have longer to pay than if it went out via direct debit.

Subscription not stopped if they don't have sufficient funds in their bank account.

# 3

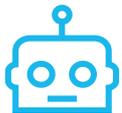
## Simplicity

Keeps all phone based subscriptions in one place.

“Feels right” for some payment types – helps with mental accounting (jam jarring).

If explained correctly and with adequate checks and balances, “mobile bill” payments offer a useful payment option to many consumers

# The research found that consumers are most likely to have problems when one or more of the following contextual factors coincide



## 'Hot states'

One concept in psychology known as the hot/cold empathy gap describes how we often underestimate the influences of visceral, "in-the-moment" drives on our own attitudes, preferences, and behaviours.

A hot state is an example of a thinking trap where high levels visceral drives (e.g. the emotional desire to achieve the end goal) can affect the rational process of making a decision. Hot-states lead to a reduction in immediate self-control (Loewenstein, 2000) and motivate people to behave in impulsive ways.



## Unaware of payment mechanism

The research found that lack of awareness of their 'mobile bill' as a payment mechanism may mean that it doesn't occur to consumers to be mindful of inadvertently making a payment.

In addition, they are unfamiliar with any potential cues that might signify this is a payment mechanism, for example the requirement to enter their mobile phone number.

Even if they see a fee, experience of in-app purchases often lead them to expect payments to be a one off fee, not an ongoing subscription and for the fee to be taken from their iTunes/Google Play account.



## Push based services

Confusion is more likely to occur when consumers have not sought out the service, instead having clicked on an ad/pop-up (sometimes they claim inadvertently).

Consumers stated that the more widely used cues for payment, such as a password or a thumb print, are not there to alert them that this is a paid for service.

If they are seeking out a service they are more likely to be looking for a means of payment, which then means they are in the right mindset and more likely to pay attention to any small print.



## Not expecting to pay

Among complainants one of the issues raised was that they are used to that category being charged free of charge (e.g. quizzes, games, discount codes).

Consumers stated they may not be aware that they are receiving a service and/or do not always feel the content is of any real value and therefore something they would have expected to pay for.

Free trial periods can also lead them to believe that they won't be required to pay until the trial is over, and as a result are not necessarily looking out for some form of payment mechanism. Consumers can feel they are being offered the chance to 'try' for a short period for 'free' and would then sign up later.



## Less tech savvy

Consumers who are less tech savvy find it harder to identify signals which might signify that a service is paid for.

Some simply click through without reading the detail – unaware that they could end up being charged.

Consumers in the research who are more savvy have learnt the hard way: Some describe being 'burnt' when younger and so are now more cautious when engaging with unfamiliar sites/content.

Consumers from the research can therefore end up signing up to a service without their knowledge- leaving them feeling both confused and annoyed....



*“The first thing I knew about it was when I got a text [from MNO] saying that my bill would be £64. It was higher than I expected so I called up. They said it was because I’d signed up to a subscription service for £2 per week.”*



*“I don’t remember clicking on a text or anything. The only thing I did was to try and close an advert... I was surprised that you could be charged on your mobile bill without your consent.”*



*“[An MNO] said they can’t stop the payment on the subscription. But there has to be a process that allows these companies to take your money. I think [the MNO] might be taking a cut!”*



*“It was my mistake. I’m not clicking on anything anymore. It’s scary. It’s very easy to be scammed. People get hold of your data and they rip you off. It should be made clearer what is happening”*



Expectations at each stage  
of the journey

# The research demonstrated that the subscription stages previously identified by the PSA were also apparent in consumers' behaviour for mobile subscription services



## Discovering a service

As noted previously, the way in which consumers find a service has a notable influence on the way they approach it.

In particular whether they actively search for a service vs. are drawn in by an advertisement, pop-up or link that interrupts other activity.



## Signing-up to/contracting with a service

This is the process by which consumers subscribe to a service – including making the payment.

Consumers identify that they are most vulnerable to making an error at the point at which they sign-up/commit to the service. The vast majority of complainants claimed they were not conscious of signing-up in the first place.

Given its importance, it is apparent from consumer expectations that this stage would be clearer if it were to be split into **activation** and **confirmation**.

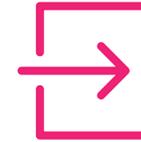


## Using the service

The ongoing interaction with the service, including prompts to remind consumers about their subscription.

This includes moving from a free period to a paid for subscription.

As noted previously nearly all complainants we spoke to (and others in the sample experiencing issues) claimed that they were unable to recall receiving any kind of service – therefore they were unsure what they were paying for.



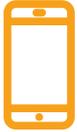
## Exiting the service

The process for exiting the service varied depending on whether it was app, text or web based service.

Being able to easily work out how to cancel and being able to do this quickly and easily was seen by consumers as the key requirement here.

Over the **next few slides** we review each stage and record **any issues** which consumers report at this particular stage, **what the consumers claimed they would expect to happen** (at minimum) to ensure it is sufficiently clear and then additional elements that would represent **the ideal** consumer experience from their point of view. In some cases the actual stages are blurred – so there is some overlap in terms of the comments made

# Consumer expectations are being formed by both alternative mobile payment methods and existing subscription payments



## Discovering a service

Consumers in the research who currently have a phone-paid subscription typically claim to have actively sought it out (e.g. Spotify, Netflix, newspapers, health apps).

Consumers are as a result in 'shopping mode' and therefore are more engaged with payment cues.

Where consumers come across these services without seeking them out, the anchor points for comparison/expectations are typically in-app purchases which are generally a one-off (not subscriptions). They are therefore expecting similar levels of clarity and similar payment cues.



## Signing-up to /contracting with a service

Services which introduce more friction and account protection into the process (e.g. through use of a pin or a password) are seen by consumers to more effectively alert them to the fact that a payment is being sought.

With these established mobile purchase environments (e.g. Amazon, iTunes, PayPal) there is a standard requirement to put in a password or use their finger print to pay and 'official looking' pop-ups appear requiring consumers to confirm any payment. These mechanisms therefore have more consistent and established formats which customers claim helps them identify that they are paying for something.

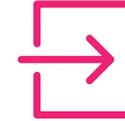


## Using the service

Consumers acknowledge that many types of subscription services are 'guilty' of allowing the subscription to roll on (including after a free/discounted period) without checking with them that they are happy to proceed.

Consumers state that while this may be irritating, it is accepted provided the terms are made clear initially. However, consumers feel that best practice would be to receive a reminder close to the end of the trial period that allows them to easily opt in or opt out of continuing at that point.

However, with these examples they've actively opted in to pay for a service which they value, therefore are more likely to remember (and be aware) they are paying for it - which is not always felt to be the case with mobile subscription services.



## Exiting the service

The norms here are formed from direct debits/bank payments.

As a result, throughout the process there is an expectation that the consumer has the same control over their phone bill as their bank account or credit card bill, so for example, they can call up the MNO to cancel or obtain a refund. There is then frustration that the MNO does not provide the same role.

Consumers acknowledge that unwanted payments have occurred at times with other forms of payment, for example, accidentally clicking on an in-app purchase. However, they are able to get in touch with the app store (iTunes) to resolve the issue.

# Discovering a service



## Issues

As noted previously, according to our sample, issues are most likely to occur when consumers come across services via a banner ad or pop-up.

It is not always clear that they have left the original destination:

- They do not notice it is an external pop-up, so they unwittingly move away from the original site
- They often claim they have no idea that they are in a purchase environment.

Others may be aware they have clicked on an ad/link but it is not completely clear to them that they are required to pay via a subscription to use the service.

The terminology/sign-posting used can exacerbate this, confusion being created by the language used. For example an 'offer' or 'start' – does not suggest a subscription to consumers in our research.

Confusion is most likely to arise when the pop-up appears to consumers to be part of the existing site.



## Consumer Expectations

From a consumer point of view clarity is particularly important when a new site or service is arrived at through an ad or banner rather than sought out.

Any pop-ups are expected to be clearly identifiable as such – being visually distinct from the existing site (for example, the visuals should not look like they are a continuation of the existing site).

Consumers also expect it to be made clear through the look and feel of the site and the signage when they are moving away from the existing page and entering a new service/site.

To avoid any potential confusion consumers want to have transparency from the outset that this is a paid for service.



## Consumer Ideal

It is clear from the outset (including on any banner ad) that this is a subscription service and they are going to be required to pay an ongoing fee i.e. from a consumer point of view it would ideally say 'subscribe' in the initial ad/banner. Consumers believe, however, that while the above represents the ideal, most banner ads work on the principle of enticing people to click through in the first place.

Therefore they acknowledge that this request may not be realistic. Most important is that it is made sufficiently clear that they have clicked through to a new site and that the subscription and ongoing costs are sufficiently transparent once they arrive at the site.

There is an initial screen detailing the terms of the service/transaction before the activation screen – causing them to pause before the 'hot state' of activation.

# Signing-up to/contracting with a service – activation



## Issues

Consumers felt that the services shown were variable in transparency; ranging from services where the process was seen to be clear, to others where it was felt that transparency ought to be improved. The research showed that confusion can arise where:

- It is not clear that this is a paid for service (in particular the language can confuse here)
- Information comes in numerous texts/pop-ups which may well be dismissed as spam
- It is not sufficiently clear to consumers that this is a subscription (vs a one off payment)
- The activation buttons dominate on a screen, meaning that the payment information is overlooked
- The 'hot state' of purchase is exacerbated by things like a time limited completion period
- The signage and terminology is inconsistent across services
- Consumers said they thought free trials can mislead consumers into thinking that payment information will be collected at a later date – meaning they are less likely to notice that the mobile bill is the payment mechanism.



## Consumer Expectations

Consumers expect that it will be made absolutely clear that it is a paid for service.

To do this it is felt that any site needs to clearly state certain information, namely:

- The cost
- That it is a subscription (i.e.at the point of subscription it should **consistently** say 'subscribe now' - not 'join now', 'continue', 'yes' or 'start')
- The frequency of payment should be written in full not abbreviated i.e. £9.99 per month (not £9.99/mth, '1 week')
- It should explicitly state that the payment will be taken from this mobile phone bill

All of this needs to be in sufficiently large/clear text (black on white, without confusing background/additional clutter) **above** or on the activation button.

The activation button should not overly dominate.

Consumers would like to see a common language/processes being developed – which can then become more universally recognised.



## Consumer Ideal

Ideally consumers would like to see font in the main text being a similar size to the activation button font so that it is not overlooked.

If payment information is on the activation button the font should be the same size as the call to action.

Consumers would feel more secure if after clicking 'subscribe now' the user is required to enter a confirmation code to activate the payment which is sent to their phone

- They recognise that this forces them to engage more with the payment process
- This would have the added security (now becoming increasingly standard) of verifying that they are the owners of the mobile phone linked to this mobile number
- It may make it harder for children to sign up.

Ideally, alternative payment methods would be offered alongside mobile bill payments.

Payfort, while unknown as a brand, does signal a "payment screen" – it would be more effective in this role if it was always be delivered in a consistent way.

# Signing-up to/contracting with a service – confirmation



## Issues

Expectations have been set by other mobile purchase environments (e.g. iTunes, Amazon, Google Play) that there would be some form of final confirmation before a payment is made.

Therefore consumers are surprised that it is possible to make a payment simply by entering a mobile phone number. At best this causes confusion but on other occasions is simply not registered as a payment at all (thereby causing later 'bill shock')

Confirmation of payment via texts from an unknown company or short code number can be viewed as spam and ignored (or even, on occasion, blocked so the texts are no longer received).

Consumers can feel some of the services available have little value, they haven't sought them out and/or they haven't knowingly consumed them. Given the availability of such services, in the consumer view it is even more imperative that consumers are informed and knowingly engage, with clear confirmation of payment



## Consumer Expectations

Consumers expect that by the end of the process they would be able to make a purchase decision based on full payment information.

To ensure this is the case they would like to receive a pop-up on their phone (in line with to those they get from Google Pay or iTunes) with a confirmation button for them to click. This would clearly detail what they are signing up for, the cost, the frequency, payment method ("mobile bill") and renewal policy (i.e. this subscription will continue until xxx)

The expectation is that this would contain no other information in order to avoid confusion and be in the same format as other purchase environments within their mobile phone; which is a cue to consumers that they need to pay attention.

The services consumers purport to value relative to others (e.g. music and video content) have standards that seem to be working, so it is those that should be applied. Consumers feel that if a consistent approach were to be adopted across all phone-paid subscription services they would be more likely to notice a payment is being set up.



## Consumer Ideal

Ideally the consumer would also receive an email and/or clearly labelled text confirming that the subscription has been set up and how to cancel.

For text only services the confirmation text should come before, and separate to, any other texts related to the service that are chargeable – ideally with a brief 'cool off period' to enable people to cancel before being instantly charged (in case it is accidental).

In the confirmation pop-up detailed under 'expectations' consumers would ideally want a 'confirm payment' and 'not now' or 'cancel' option alongside each other. It is pointed out that this is the standard practice used when unsubscribing, therefore it only feels 'fair' that the same process is applied when signing up in the first place.

# Using the service



## Issues

The key usage issue occurs when the service provided is not really apparent to the user. Examples in the research included those when the service was text message based or was as a service they wouldn't always be required to pay for (e.g. a quiz or offers based service).

In such cases complainants are often unsure what 'service' they actually received. The company behind the service may also be unfamiliar to them which can make them panic when they discover the payments as they are unsure who to contact.

Where the consumer has downloaded service that they have actively sought out, for example an app or games portal or is choosing to make payments to something like a charity AND it is clear how to cancel - the consumer is happy to choose whether or not it offers value.

The only issue with these services is with free periods ending and rolling into a paid for subscription without sufficient warning/opportunity to exit. However, although irritating, consumers do accept a degree of responsibility provided this was made clear up-front.



## Consumer Expectations

The expectation is that the service they have signed up to offers at least a reasonable degree of value. By this they are not talking about value for money, it is about not being charged for content that is free/easily available elsewhere which is therefore not unreasonable to expect to be free.

Consumers would also like to ensure that the company behind the service is clearly identified and that there are clear ways to contact them if there are issues, with SLAs ensuring they are required to get back to them within a reasonable period of time.

They would like, up front, a clear explanation of what happens at the end of any trial period (including how payments are taken).

The services they purport to value relative to others (for example music and video content services) have standards that seem to be working so it is those that should be applied.



## Consumer Ideal

Ideally, consumers want to have a clear warning at the point the free (or discounted) period is coming to an end, outlining the ongoing costs and providing the opportunity to cancel. They do however, recognise that this doesn't always happen with services paid for by other types of payment/ subscription, therefore it is seen as a nice to have rather than being expected.

They would also ideally want to have a 'genuine helpline' available in case of any issues. By this they mean a helpline that is answered by people (rather than just a recorded message) and/or that they respond quickly to emails/online chat.

Receipt of a pop-up from the MNO each month informing them of the amount that has been added to their bill as a reminder (along the lines of what occurs with some MNOs in the PAYG market at present).

# Exiting the service



## Issues

People who believe that they have been inadvertently signed up to a service expect the MNO to help (& be able to cancel the service) – from the research they are seen as reluctant to do so.

Most expect to cancel app subscriptions within the app itself. Considerable confusion occurs when they find they have to cancel in settings on their phone. This is rarely the first place they would look and the process for cancelling is not clear once they get there. In particular consumers do not expect to have to click on the account email to locate subscription cancellations.

There were instances among complainants of people who texted STOP by replying to the initial text rather than the STOP short code provided and then panicked when the message failed. This reinforces fears that the company may be fraudulent. It can also be unclear which company is behind the service. Consumers report that when found, the helplines are sometimes automated and companies can be slow to respond to emails.



## Consumer Expectations

The main expectation is that it is easy to work out how to cancel:

- With an app – it is easy to find out where to go to cancel. Consumers would expect this to be within settings on **the app itself** (not buried in T&Cs). Even if this is just a link through to where in phone settings they need to go.
- With texts – that it is clear how to cancel

In addition it is expected that:

- The cancellation happens when they request it and is confirmed – clearly stating it is stopping payment as well as the service.
- The supplier is clearly identified and it is clear who to speak to if something goes wrong. In addition that it should be possible to contact them relatively easily.
- The MNO company will support the consumer in case of problems – including stopping further charges being added to the bill.



## Consumer Ideal

Ideally, with text based services consumers would like to be able to cancel by responding to the text itself with 'STOP' – not having to send it to a separate number which can be missed.

That they can cancel within the app itself.

That if the service is cancelled their data would be deleted at the point of cancellation.

The degree of friction to cancel is certainly no more than the degree of friction to sign up. By which consumers mean that there are not more steps in the cancellation process than in the sign up process.



To conclude

# The research found that, consumers expect any form of payment mechanism to be completely transparent



The consumer wants to be made fully aware of all payment terms and obligations

- Any banner or ad should make it absolutely clear what is being offered & be clearly distinguishable from other content
- The service should be completely clear that it is a paid for, ongoing subscription
- Consumers feel strongly that the service should not seek to mislead by omission or misdirection

Consumers expect more friction for “mobile bill” payments than there is at present; and support an additional step in the signing up/contracting stage of the process that ensures that is absolutely transparent:

- What the service is offering
- That a payment: being made & how much for
- It is a subscription (not one off)
- That it comes off your mobile bill

**Given the emergent nature of mobile as a payment method many consumers argue that there is a need for extra friction in the process compared to more established alternatives. They also feel that these mobile subscription payments would also benefit from increased consistency – i.e. that they are delivered using a consistent approach and language to signal that this is a payment mechanism.**

As noted previously, ultimately consumers expect consistent levels of clarity and are happy to accept a little more friction to achieve this....



*“I hate it when the pages are distracting – you’re not sure what to look at. You want bullet points that tell you; price, card or mobile, how long it goes on for, how you cancel it!”*

(female, late 40s)



*“I didn’t even know you could use your phone number to pay for things. Given that people don’t seem to know this they need to make it super clear, even if that takes a bit longer.”*  
(male, complainant, 50’s)



*“If you genuinely wanted a service you don’t mind a few extra steps as long as they are clear. With some of these you feel they are trying to confuse you into agreeing without really knowing what it is you have got yourself into.”* (male, 20’s)

# Consumers also expect a greater degree of protection as a consumer

# 1

## Protection

Consumers expect similar protection for mobile billing as they get from their bank or credit card company.

From a consumer point of view, this includes the MNO being able to stop the payment & refund them when payments have been taken without their knowledge/they have signed up in error.

# 2

## MNO taking responsibility

The MNO is often seen to be endorsing sites/ services by allowing them to use mobile billing.

It is therefore expected that MNOs should check that these services are not misleading before allowing them to operate in this manner.

# 3

## Strict penalties for misleading services

Expectation that the sites would be required to adhere to a strict code of conduct to operate.

Those that do not adhere to this should be quickly shut down and prosecuted.

Consumers who have had negative experiences of mobile subscription payments can become very cautious, thereby inhibiting their future spending and use of this payment method. In the view of consumers, more protection may therefore help to grow the category overall.

The research identified the ideal journey from the consumer point of view: sufficient friction, sufficient clarity & ideally adopting a common phone paid subscription language



### Screen One - review

Clearly explain the service & what the consumer is paying for

Detail the costs of the service

(Ideally provide a choice of payment methods)

Next



### Screen Two – sign up

Confirm payment:

- Summarise what paying for
- The amount
- It is a subscription (not one off)
- It is added to your mobile bill
- How to cancel

Subscribe now



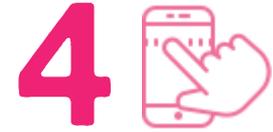
### Screen Three - validate

Send a code to your mobile

Requirement to input the confirmation code

Enter your code here

Subscribe now



### Screen Four - confirm

Pop-up – requiring them to confirm payment, that it is a subscription and payment will be via their mobile bill.

(Ideally there would be a binary choice – i.e. an option to confirm and 'not now' or 'cancel')

Cancel/Confirm



Then sent a 'receipt'/confirmation email and/or text – reminding them how to cancel

# THANK YOU



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