

Report on consumer vulnerability for the PSA

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Introduction

The strategic purpose of the Phone-paid Services Authority (PSA) is “to build consumer trust in phone-paid services and ensure consumers are well-served through supporting a healthy market that is innovative and competitive”.

Phone-paid services are a growing and changing market. Their ease and convenience of use brings potential for further growth. The PSA’s role in securing consumer trust is therefore very important.

The very benefits that phone-paid services bring for consumers – ease and convenience – can also bring risks. The PSA has therefore asked us to consider the nature of consumer vulnerability in the phone-paid services market and the practice of other regulators, in order to advise on how it can ensure that the phone-paid services market serves all consumers well, including those who are vulnerable.

The purpose of this study was to:

- i. make an assessment of best practice amongst UK regulators to ensure PSA supports all consumers, including those who are vulnerable;
- ii. make an assessment of how the PSA’s approach to regulation on behalf of consumer vulnerability compares to best practice; and
- iii. recommend what the PSA could or should do differently.

1. Approaches to understanding consumer vulnerability

There is broad agreement across academics and regulators that consumer vulnerability is “multidimensional”.¹ There is no single marker of vulnerability; rather it is the result of a number of factors relating to individuals and markets. Regulators therefore need to understand the particular factors at play in the markets they regulate in order to design appropriate interventions.

As Lord Tyrie, Chairman of the Competition and Markets Authority (CMA), noted:

“in assessing how well markets are working, it’s the experience of millions of people using them that counts. And we need to take particular account of this experience in designing remedies, so that when we intervene in a market, we do so in a way that can benefit everyone”.²

¹ CMA, Consumer Vulnerability: challenges and potential solutions, Feb 2019 p29

² CMA, Consumer Vulnerability: challenges and potential solutions, Feb 2019 Foreword

a) Personal characteristics

Individuals may have characteristics which may make them more likely to be vulnerable to detriment. These include being older, having a disability, having learning problems and/or difficulties with literacy or numeracy, or being on a low income. It is important to stress that not all people with any of these characteristics will necessarily be vulnerable (for example research carried out by Scope suggests that over 50% of disabled people would not describe themselves as vulnerable).³ But these characteristics can indicate an increased likelihood of vulnerability and for some people their individual characteristics will mean they are vulnerable in many aspects of day-to-day life and across the markets in which they engage.

Other people will have fluctuating individual characteristics – for example mental health conditions that mean that some of the time they are very vulnerable whilst at other times they are able to manage independently without difficulty.

And for some people their propensity to vulnerability is directly affected by the market with which they are engaging – for example someone with addiction problems may be vulnerable in the gambling market but not in the energy market.

b) Market characteristics

This brings us to the second dimension of vulnerability – the characteristics of the market. There are some markets in which all consumers may be considered vulnerable – those associated with particularly stressful and emotional circumstances such as moving a relative into a care home or arranging a funeral are clear examples. Other markets can be hard for some individuals to navigate – for example if information is complex or requires a lot of time to read and digest.

The British Standard on Inclusive Service Provision (BS18477) describes it thus: “The way modern markets, service sectors and organisations work can cause or contribute to consumer vulnerability and place consumers at a disadvantage in accessing and using products and services, and in seeking redress.”

c) Behaviour of the players in the market

In addition to considering the personal and market characteristics of vulnerability, the Financial Conduct Authority (FCA), Ofgem and Ofcom in particular highlight the importance of the behaviour of the players in a market. Organisations may seek to exploit consumer vulnerability, to ignore it or to address it. The FCA captures this in its definition of vulnerability: “A vulnerable consumer is someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.”⁴

³ Cited by CMA, Consumer Vulnerability: challenges and potential solutions, Feb 2019 p14

⁴ FCA, Consumer Vulnerability (Occasional Paper No.8), Feb 2015 p7

A University of Leicester research report for Citizens Advice summarises why this is important:

“Ultimately the success of the efforts of the regulators in tackling consumer vulnerability revolves very much around the responsiveness of the companies. This means recognising that company behaviour and policies can greatly add to the risk of consumer vulnerability, and taking practical steps to eliminate poor practices and learn from good practice.”⁵

It is clear therefore that there is no single ‘type’ of vulnerable consumer. Understanding who are the vulnerable consumers in any market is complex.

⁵ University of Leicester Research Report for Citizens Advice, Tackling consumer vulnerability: regulators’ powers, actions and strategies, July 2014

Definitions of consumer vulnerability and vulnerable consumers

“Any situation in which an individual may be unable to engage effectively in a market and as a result is at a particularly high risk of getting a poor deal.” *CMA*

“Someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.” *FCA*

“When a consumer’s personal circumstances and characteristics combine with aspects of the market to create situations where they are:

- Significantly less able than a typical consumer to protect or represent his or her interests in the energy market
- Significantly more likely than a typical consumer to suffer detriment, or that detriment is likely to be more substantial.” *Ofgem*

“Anybody can face circumstances that lead to them becoming vulnerable – temporarily or permanently. This might include physical or mental health problems, specific characteristics such as age or literacy skills, or changes in personal circumstances such as bereavement or job loss. We recognise that people in these circumstances may find it challenging to deal with some personal matters, including managing their broadband, phone and TV services.” *Ofcom*

“A person [who] lacks capacity to make a decision to donate or is in vulnerable circumstances which mean they may not be able to make an informed decision. Among other things you should consider:

- Any physical or mental health condition the person may have
- Any disability the person may have
- Any learning difficulties the person may have
- Whether the person is facing times of stress or anxiety (for example, following the death of a loved one or redundancy)
- Whether the donation is likely to affect the person’s ability to sufficiently care for themselves or leave them in financial hardship
- How well the person can communicate and understand what they are being told
- Whether the person is under the influence of alcohol or drugs, and
- The person’s age.” *Fundraising Regulator*

“All consumers are different, with a wide range of needs, abilities and personal circumstances. These differences can put some consumers in a position of vulnerability or disadvantage during certain transactions and communications, potentially putting them at risk from financial loss, exploitation or other detriment (...) Consumer vulnerability should not be seen as ‘a constant state applying to set groups of people with certain characteristics’, rather as a “condition in which a consumer experiences difficulty in accessing or using services or in dealing with communications. (...) Consumers can be put in a vulnerable position by an organisation’s failure to provide an inclusive service.” *British Standard 18477*

“A consumer who is less likely to make fully informed, rational decisions due to a specific characteristic or personal circumstance, and can suffer detriment as a result.” *PSA*

2. Nature of the phone-paid services market

“The PSA is the UK regulator for content, goods and services charged to a phone bill (mobiles and landlines). The services regulated include TV voting, competitions, adult entertainment, gambling, music streaming, app store purchases, directory enquiries and charity text giving. The common feature is that the purchase is charged to a phone bill. In law these services are known as premium rate services (PRS). The PSA builds consumer trust in phone-paid services and ensures they are well-served through supporting a healthy market that is innovative and competitive.”

PSA Annual Market Review – 2018-19

There are almost 1,400 organisations registered to the PSA, of which the vast majority pay a registration fee and there are approximately 150 with a turnover lower than the threshold for paying the registration fee.⁶

In the phone-paid services market, operator billing is growing and is the method consumers most commonly use to pay for a phone-paid service. Operator billing is where purchases are made online or through an App-Store and charged directly to the customer’s mobile phone bill. For example, purchases from AppStore, GooglePlay, Microsoft, Playstation and Spotify. Operator billing is available on all four Mobile Network Operators in the UK, and there is variation in the specific services available.⁷

The greatest share of operator billed purchasing is in gaming, worth £121.2m in 2018-19, and there has been a corresponding reduction in the use of premium SMS to pay for games or in-game purchases. Entertainment services account for the second largest share of operator billing, at £68.4m – this includes the growing popularity of music streaming, such as Spotify, and on-demand TV. The third largest sector for operator billing is betting, gambling and lotteries, at £42.7m, of which gambling is the biggest contributor and where growth is attributed in part to a shift from offline to online gambling and betting.

The market in premium SMS text messaging is growing for TV and radio competitions, and charity donations; whereas voting in TV shows now tends to be offered free using other mechanisms.

The market in ‘traditional’ premium rate phone number services, such as calls to directory enquiries and chat lines, is in decline.

Industry participants in the research suggested that smaller phone-paid services players will exit phone-paid services and turn to debit card payment mechanisms instead because operator billing is dominated by big players and, in their view, the terms and conditions for operator billing are complex.⁸

⁶ PSA Registration Report 10/02/2020

⁷ on O2 this is the default payment mechanism

⁸ Annual Market Review for PSA 2018-19

3. Consumer vulnerability in the phone-paid services market

We have reviewed research about consumer detriment in the phone-paid services market. This suggests quite widespread problems for some consumers, particularly in: signing up to subscriptions without being fully aware of the implications, some poor quality services in some sectors (quizzes, competitions, adult services), and difficulties terminating a service (texts or subscriptions). The research relates to all consumers and does not consider whether some consumers were more vulnerable than others.⁹

From the research we have reviewed, we think the structure of the market and the behaviour of some of the players in the market may create vulnerabilities for many consumers. In our view it is possible that in the phone-paid services market many consumers may be rushing and vulnerable to being caught out.

To try to provide further insight into vulnerability in the phone-paid services market and as a first step in creating a harms framework/hypothesis, we have considered the key features of the market, and the risks these could pose. This is illustrated in the diagram at Annex A – black text indicates a feature of the phone-paid services market, and red text illustrates potential risks or implications that the market feature could give rise to. Further developing this diagram could help the PSA to identify features of the market that could create vulnerability for all or most consumers, and features of the market that could particularly impact people in certain vulnerable groups or circumstances.

We set out here the key features affecting consumer vulnerability in this market that we have identified from our research.

3.1 Consumer behaviour in the phone-paid services market

Consumer awareness of phone-paid services is low but growing

Phone-paid services are used by all ages but with a marked drop-off in over 61-year-olds; the most common age group is 21-30.¹⁰ Some consumers may not know about the possibility that their phone bill can be used to pay for other services and digital products, although awareness is growing through greater use of consumers paying for charity donations by text (e.g. Comic Relief); indeed 58% of consumers surveyed online had used a phone-paid service in the previous year. However, while awareness is growing that a phone can be used to pay for a one-off charge, qualitative research suggested a potentially widespread lack of knowledge that mobile phone bills can be used to sign up to pay for subscriptions and at the time of that research, doing so only required the consumer to enter their mobile phone

⁹ Annual Market Review 2018/19 for PSA; Seeking Refunds in the Phone-paid Services Market - Consumer Expectations and Experiences Report for PSA, August 2019; PSA Review of Phone-Paid Subscriptions -Summary of Research, (Jigsaw) Sarah McKee & Alex Johnston, February 2019; Consumer behaviour and ICSS exploring how consumers respond to Information, Connecting and Signposting Services, 24 April 2018 (Nottingham academics).

¹⁰ Jigsaw research for PSA, 2019. Note that the research used an online survey which may have affected the sample.

number.¹¹ This has now changed following regulatory changes implemented by the PSA in November 2019 that require a two-stage opt-in process and receipting with every charge, for all phone-paid subscription services.

Poor consumer knowledge and market features affect behaviour

Research showed that factors affecting consumers' decisions to use their phone to pay include the following:¹²

- 'Hot state' – the instantaneous nature of the payment mechanism, more impulsive state.
- Consumers not being tech savvy and just continuing to click through without reading things properly.
- Consumers being unaware their phone can be a payment mechanism or thinking it's only a one-off payment mechanism, not realising you can set up a subscription.
- The product or service the consumer receives looks as though it would be free, or they believe they are in a free trial.
- Unsolicited marketing – pop-ups, ads etc – 'I just tried to close an advert'.

Consumers don't check all the screen

In a study of consumer internet search behaviour carried out by researchers at the University of Nottingham, the average consumer only considered a small amount of the information set out on the page, usually in the top-left sextant.¹³ Those who identified themselves as less technologically literate were less likely to make correct decisions about either search results or websites. This suggests that self-identified less technologically literate consumers might be more vulnerable than the average consumer. Age and gender showed no significant effects on the "correctness" of results. Education level showed no significant effects on the "correctness" of results.

Consumers don't keep track of phone bill expenditure

Consumers do not check their mobile phone bills regularly and may not notice additional charges for some time. Pay-as-you-go (PAYG) mobile phone users are more likely to spot that they have run out of credit and look to see why this has happened.¹⁴

Since phone bills are paid either by direct debit or on PAYG credit, consumers are unlikely to accrue a substantial debt in phone-paid services. However a consumer's use of phone-paid services could lead to their bank account becoming overdrawn

¹¹ Jigsaw - PSA Review of Phone-Paid Subscriptions, Summary of Research, Sarah McKee & Alex Johnston, 2019

¹² Jigsaw - PSA Review of Phone-Paid Subscriptions, Summary of Research, Sarah McKee & Alex Johnston, 2019

¹³ Consumer behaviour and ICSS: Exploring how consumers respond to Information, Connection and Signposting Services, Linguistic Profiling for Professionals, University of Nottingham, January 2018

¹⁴ Consumer Vulnerability and Premium Rate Services Report by Stephen Locke, May 2010

and/or debts accruing in other areas of their financial lives. A debt adviser told us that typically they examine bank statements rather than phone bills, and focus on contracts in which the consumer has accrued debts. A debt adviser could be unlikely to spot problems due to phone-paid service payments unless there were especially high monthly phone direct debit payments in the bank statements or the consumer self-reports. Compounding the issue, many consumers are reluctant to mention their use of some phone-paid services, such as gambling or adult services.

The market is potentially accessible to children and other vulnerable consumers

The market is potentially accessible to children if they are using a smartphone on which spending restrictions have not been set or that the child can reset.¹⁵ The revised Payment Services Directive (PSD2) came into force in January 2018 and limits the spend to a price cap (approx £40 per transaction or £240 cumulative value per billing month). Post-Brexit the UK government could decide to deviate from EU rules.

3.2 Market characteristics

The very ease and convenience of use of phone-paid services also gives rise to risks, especially for more vulnerable consumers. The PSA therefore has an important role to play in facilitating the growth of the phone-paid services market by setting a regulatory environment that ensures trust and security for consumers.

Instantaneous, innovative services where consumers have little experience

Phone-paid services are distance-sold transactions often made on a small screen. They are almost instantaneous purchases of services or digital products that are non-essential but desirable to consumers, typically low in value. The market is rapidly innovating and so there are new products and services available, meaning consumers may have little experience of what they are buying or who they are buying from. The diagram at Annex A illustrates the key features of the market and the potential risks for consumers that arise as a result.

The trader is not always obvious to the consumer

It is noticeable that consumers can find it difficult to determine or recall who the trader is because purchases are often made rapidly with little friction or follow-up contact between trader and consumer.¹⁶ The consumer may interact directly with the phone-paid services trader or may purchase via an app store or other online marketplace. In addition, 75% consumers pay for their mobile phone service –

¹⁵ <https://www.bbc.co.uk/news/uk-wales-51328762> Child reset the parent's thumbprint on her iPad and spent £1,450 via Apple account playing Roblox. Whilst not a phone-paid payment how easy is it to control PRS on a phone – e.g. on EE PRS charges to account can be blocked by ringing customer services, however they can be unblocked simply by texting UNBAR to 150.

¹⁶ Futuresight research for PSA: Seeking Refunds in the Phone-Paid Services Market – Consumer Expectations and Experiences, August 2019

including any phone-paid services – by direct debit to a mobile network operator.¹⁷ As such there may be three companies involved in providing the digital service or content to the consumer, so identifying which party is liable for the service can be confusing (see below).

Operator billing is easy to use

Operator billing is a quick and convenient choice for consumers as there is no need to find a bank card and enter in the details in order to proceed with the purchase. Consumers can have access to these services barred on their phone but it appears that it is generally relatively easy to lift these bars and on some networks operator billing is set as the default payment mechanism.¹⁸

There is potential for the phone bill to grow as a payment mechanism for all sorts of products and services. Recent developments have included car park charges and cinema and theatre tickets.¹⁹ However the PSD2 transaction limit of around £40 (and monthly cap of £240) does limit the purchases that operator billing could be used for and at the same time limits the financial harm a consumer can suffer.

As payment systems evolve it would be worthwhile for the PSA to maintain a regular dialogue with the Payment Systems Regulator (PSR). For example, one consideration is whether changes to one payment mechanism, such as the introduction of greater consumer protections, may lead to negative repercussions to another (e.g. an increase in fraud).

We also see merit in a broader piece of policy work across government considering the consumer protections and potential routes of redress offered by different payment mechanisms, the implications for consumers, whether consumers are aware that such protections are not consistent and whether any of the inconsistencies should be removed.

3.3 Market players' behaviour

A spectrum of market player behaviour

Twenty-five percent of consumers of phone-paid services reported experiencing a problem in the previous year.²⁰ Problems were highest in sexual and relationship services and lowest in charity donations.

More survey respondents reported encountering problems when using subscription services (22% of consumers report experiencing a problem) than those who used one-off transactions. The highest level of problems was with sexual entertainment

¹⁷ Pricing trends for communication services in the UK, Ofcom 2018

¹⁸ For example on O2: <https://www.o2.co.uk/help/digital-services/charge-to-mobile>

¹⁹ <https://aimm.co/fonix-takes-carrier-billing-for-theatre-tickets-to-the-west-end-powering-payments-for-young-frankenstein/>

²⁰ Annual Market Review 2018/19 for PSA

subscriptions, where 51% of users reported encountering a problem in the previous 12 months.²¹

It is common to see detriment where the consumer is unaware that they agreed to pay for a service, e.g. they do not realise they signed up to a paid-for service. For some phone-paid services the ease of signing up for a service treads a fine line between legitimacy and being so slick that some consumers may argue they were misled, for example the use of banners and pop-ups in the sign-up journey confuses some consumers.²²

Consumers report more problems in the 'traditional' phone-paid services market of calls to premium rate phone numbers, such as chat lines and adult services. This is the part of the market that is in decline. The Net Promoter Score is a measure of how likely it is that consumers would recommend a provider/service. Apple's NPS is +60, and the NPS of three mobile network operators is +13. The 2018-19 Annual Market Review shows the average NPS of phone-paid services is -26. In terms of contract type, operator billing averages an NPS of -18; premium SMS averages -28; directory enquiries -43 and quizzes/competitions scored the worst NPS at -47.

The two most-commonly cited problems reported by respondents in the Annual Market Review 2018-19 were the difficulty of accessing or using a service (e.g. payment process, navigation through different options offered), and the price (or 'bill shock'), both reported by 39% of respondents. Other commonly cited problems include the mismatch in how the service was advertised and how it was received, or that the service was not as useful as expected.²³

In contrast, in 2015 the detriment that most worried consumers was unwanted SMS texts, high-cost directory enquiries phone calls and concern about children running up high bills.²⁴ Concerns about children accessing inappropriate services and/or running up high phone bills may return, with data in February 2020 showing that half of all 10-year-olds own a mobile phone.²⁵

The experience of consumers can be very different when a phone-paid purchase is made knowingly. This is particularly so for well-known, high-profile merchants for services like charity donations, broadcaster voting and competitions, and major music streaming services. In this scenario, phone-paid participants report similar levels of ease, simplicity and certainty in seeking a refund as their non-phone-paid counterparts.²⁶

Disputes over consent and stopping a service

²¹ *ibid*

²² Jigsaw - PSA Review of Phone-Paid Subscriptions, Summary of Research, Sarah McKee & Alex Johnston, 2019

²³ Annual Market Review for PSA 2018-19

²⁴ Vulnerability – A PhonePay Plus Discussion Document, 2015

²⁵ <https://www.bbc.co.uk/news/technology-51358192> refers to Ofcom report

²⁶ Futuresight research for PSA: Seeking Refunds in the Phone-Paid Services Market – Consumer Expectations and Experiences, August 2019

Consumers seeking redress because the phone-paid service was of unacceptable quality find the process more straightforward than consumers who are seeking redress because they dispute having signed up to the phone-paid service in the first place.²⁷ The 2018/19 Annual Market Review found that the major problems for consumers within the phone-paid market at that time were lack of awareness that consent has been given for a subscription, combined with a failure to ‘stop’ a charge for a service that, apparently, they have subscribed to.²⁸

Commonly, phone users delete free message texts that inform them of how to stop a service, believing them to be spam or a scam. When combined with a lack of diligence in checking their itemised phone-bill, the charges go unnoticed. This eventually leads to ‘bill shock’ and considerable uncertainty as to what to do, how to disprove consent and who to approach to seek a refund.²⁹

Where consumers realised they had signed up for a subscription service and wanted to stop it, this could be difficult to achieve. For example they cited having to search for terms and conditions and then needing to scan through several screens of those terms and conditions to find the number they need to send a STOP text to, rather than sending STOP back to the number the trader had used to text the consumer. Another problem cited by consumers was having to work out how to cancel a subscription in the Settings of their mobile phone.³⁰ In November 2019 the PSA introduced requirements to ensure every charge includes a receipt that sets out how a consumer can opt-out or exit the service.³¹

Consumers expect their mobile network operator to help them

Consumers expect that their mobile network operator has a role to play in protecting them from harm, such as unwanted charges; consumers of phone-paid services are twice as likely to approach their mobile network operator for redress than consumers of non-phone-paid services would approach their payment provider.³²

Consumers tend to approach the mobile network operator and be passed back to the trader. However it is also common for the phone-paid services trader to deny that they are responsible for sorting out a problem with the consumer, much more so than in other markets – whilst 90% of non-phone-paid services traders sought to resolve problems with consumers themselves, 63% of phone-paid services traders referred consumers with problems elsewhere.³³ As a result, consumers report being

²⁷ Futuresight research for PSA: Seeking Refunds in the Phone-Paid Services Market – Consumer Expectations and Experiences, August 2019

²⁸ Annual Market Review for PSA 2018-19.

²⁹ Futuresight research for PSA: Seeking Refunds in the Phone-Paid Services Market – Consumer Expectations and Experiences, August 2019

³⁰ Jigsaw - PSA Review of Phone-Paid Subscriptions, Summary of Research, Sarah McKee & Alex Johnston, 2019

³¹ Notice of Special Conditions for Subscription Services, PSA, November 2019

³² *ibid* Jigsaw research and Refunds research

³³ Futuresight research for PSA: Seeking Refunds in the Phone-Paid Services Market – Consumer Expectations and Experiences, August 2019; Locke paper on vulnerability for PSA, 2010

trapped in a cycle of being passed from mobile network operator to trader and back again.

3.4 What are consumers vulnerable to in this market? Why does it matter?

At the UK Regulators' Network (UKRN) conference on 'Driving Fair Outcomes for Vulnerable Consumers across UK Markets' in February 2020, Chris Fitch from the Money Advice Trust and the University of Bristol challenged regulators to think more about 'what are our consumers vulnerable to?'. In essence, this is the 'so what?' question – there may be vulnerable consumers in a market but what is the consequence of this?

For regulators of essential services the immediate consequences of vulnerability are usually quite clear – potential disconnection of that service, debt and potential litigation. There may then be secondary consequences that flow from these including the impact on physical and mental health, homelessness, relationship damage and family breakdown.

In the phone-paid services market the consequences of vulnerability are less clear. In our work we could not find figures for detriment to vulnerable consumers in phone-paid services or any research detailing the impact of this detriment on the lives of vulnerable consumers. But if a consumer unsuspectingly runs up an excessively high phone bill from phone-paid services this could clearly contribute to wider debt problems and the other difficulties that flow from that. And a consumer with an addiction problem could be susceptible to feeding that addiction through phone-paid services which are quick and convenient to use.

In a February 2020 report on gambling regulation and protecting vulnerable people, the National Audit Office highlighted the challenges the Gambling Commission faces regulating a “challenging and dynamic industry”. The NAO went on to say: “The way people gamble is changing, with new risks emerging in online and mobile gambling and other technological developments. The Commission’s ability to ensure consumers are protected from these new risks is constrained by factors outside its control, including inflexible funding and a lack of evidence on how developments in the industry affect consumers.”³⁴ There is scope for the PSA to engage with the Gambling Commission on how the mobile phone gambling market is changing and how both regulators can work together to ensure a co-ordinated and effective approach to regulation.

We know that 72% of adults say their smartphone is their most important device for accessing the internet, 71% say they never turn off their phone, and 78% say they could not live without it.³⁵ Low-income households are more likely to be reliant on their mobile phone for internet access – 2017 figures from Ofcom show that only

³⁴ <https://www.nao.org.uk/report/gambling-regulation-problem-gambling-and-protecting-the-vulnerable/>

³⁵ Ofcom, Communications Report, August 2018

47% of low income households have broadband at home.³⁶ And whilst 8% of UK adults only use a smartphone to go online, this is more than twice as likely in DE socio-economic households (13%) than in ABC1 households (6%).³⁷

So if a consumer is unable to pay their phone bill and their phone stops working as a result (whether from running out of PAYG or the contract being terminated), there will be some people, disproportionately those on low incomes, who will then struggle to access other services which are now provided primarily or wholly online. For example, consumers would be unable to access their online Universal Credit journal; claimants are obliged to regularly update their work and income details on the online journal in order not to lose Universal Credit income.

Ofcom research shows that PAYG mobile service consumers are more likely to be older and/or in lower income brackets: 41% of mobile users in the DE socio-economic group were on PAYG tariffs. Consumers in lower income brackets may prefer using PAYG services to control costs and avoid 'bill shock', or they may take PAYG services if they cannot pass a credit check for a pay-monthly contract.³⁸ PAYG customers may therefore be quicker to spot unexpected charges but may also be more inconvenienced if they lose their mobile phone service as a result as they are likely to have fewer alternative means of communication.³⁹

³⁶ Ofcom, Internet use and attitudes, Metrics Report, August 2017; quoted in Rachel Connolly, 'For People on low incomes, free internet access would be life changing', *The Guardian*, 20 November 2019

³⁷ Ofcom, Internet use and attitudes, Metrics Report, August 2017

³⁸ *ibid*

³⁹ Stephen Locke paper for PSA, 2010

4. The PSA's current approach to vulnerability

What's in the current code to protect vulnerable consumers?

The Code adopts a multi-layered approach to protecting consumers in vulnerable groups and circumstances.⁴⁰

Part 2 of the Code sets out expectations that service providers must provide transparent pre-purchase information, treat consumers fairly and equitably, not cause the unreasonable invasion of consumers' privacy, not cause harm or unreasonable offence to consumers or to the general public, and have a consumer complaints-handling process. The Code also describes an expectation that providers ensure Avoidance of Harm (2.5). This lists several Rules which include: not encouraging consumers to put themselves at risk; not inducing an unreasonable sense of fear, anxiety, distress or offence; not promoting material to those likely to regard it as offensive or harmful; not including anything in PRS likely to be particularly attractive to children which a reasonable parent would not wish their child to see or hear; and a rule that advice should be given about safeguards if a service involves the possibility that two or more consumers could exchange contact details.

Included in the most recent version of the Code was paragraph 2.3.10, specifically to address consumer vulnerability:

“Premium Rate services must not be promoted or provided in such a way that it results in an unfair advantage being taken of any vulnerable group or any vulnerability caused to consumers by their personal circumstances where the risk of such a result could have been identified with reasonable foresight.”

The PSA published a guidance document to help traders understand the implications of this new clause. The PSA last considered its approach to vulnerability in 2015/16. As part of that review it undertook desk research including looking at the approach of other regulators, published a discussion document, engaged with stakeholders (including through workshops with industry and engagement with a range of other stakeholders), and considered other regulators' approaches to vulnerability.⁴¹

The output of that review was Guidance to support providers of phone-paid services to comply with the relevant Code provision and support them to identify vulnerable consumers or circumstances where there is a particular risk of a consumer being vulnerable, and steps to take to avoid that consumer being taken advantage of. That Guidance sets out the PSA's definition of vulnerability, which is:

“A consumer who is less likely to make fully informed, rational decisions due to a specific characteristic or personal circumstance, and can suffer detriment as a result.”

⁴⁰ Code of Practice 2016, 14th Edition, Phone-paid Services Authority

⁴¹ Consultation on a new Code of Practice for PhonepayPlus, July 2, 2014; Vulnerability – A PhonePayPlus Discussion Document, 2015

The Guidance also sets out a number of examples, a high-level assessment of whether a consumer, in those particular circumstances, is likely to be considered vulnerable and sets out how a provider could avoid taking unfair advantage of consumers in those circumstances.

The Code also sets out – in Part 3 – general responsibilities for all network operators, Level 1 and Level 2 providers to ensure that PSA regulation is satisfactorily maintained. This includes assessing the potential risks posed by any party with which they contract in respect of the provision of PRS (paragraph 3.1.3a). Thus, responsibility for adhering to the Code is shared across the numerous parties to the PRS that are required in order for the consumer to access the phone-paid service.

In addition, in Part 3.11 the Code sets out that the PSA can apply Special conditions where the PSA is satisfied that there is or is likely to be a risk of a significant level of consumer harm. There are currently 14 sets of Special conditions in place. These would appear to correlate to the consumer detriment reported above and to address some obvious potential vulnerabilities for some consumers.

How is the Code working?

Regarding enforcement, in 2017 the PSA took action in a number of instances, alleging a breach of provision 2.3.10 where online advertising was targeted at children. The action taken was through the PSA's Track 1 procedure. This is where there is an apparent Code breach and the PSA provides the relevant party with a set of actions for it to pursue to remedy that alleged breach before any further enforcement action is taken.

The PSA has not, to date, pursued any further enforcement action alleging a breach of provision 2.3.10, since the action taken in 2017.

The PSA published its Case Prioritisation Policy and Principles in July 2019.⁴² Whilst the PSA's aim is to pursue all cases which satisfy the criteria for allocation for investigation and to give them all sufficient priority, at times of limited resource or where there is particularly high demand on resource, this aim is unlikely to be achievable and decisions will need to be made as to which cases to pursue and which to prioritise. The prioritisation principles include a consideration of the consumer harm and explicitly reference consumer vulnerability in the following:

“Whether particular categories of consumers (which are likely to include vulnerable persons) have been targeted and whether this warrants enforcement action being taken to protect them and deter such practices.”

⁴² <https://psaauthority.org.uk/news/news/2019/july/psa-adopts-news-case-prioritisation-principles>

An example of the use of the case prioritisation principle relating to vulnerability was a case adjudicated in 2018 where a fixed-line service claimed to help jobseekers, but instead kept them on a high-priced line for unreasonable lengths of time.⁴³

It would be interesting to review evidence of how regulated traders may have changed their practices as a result of the new approach to vulnerability taken in the 14th edition of the Code of Practice (2016).

⁴³ Tribunal meeting number: 231, Case reference: 133839 (PSA)

5. Regulatory approaches to vulnerability

The main regulators we spoke to have carried out extensive research and consultation exercises in recent years to develop their understanding of consumer vulnerability in their markets. They described a shift in recent years from defining vulnerable consumers by listing certain individual characteristics (primarily age, disability and income), towards an approach that also encompasses the nature of the market and in some cases the behaviour of the players in that market. Regulators now adopt broad definitions of vulnerability so as not to inadvertently omit any groups or individuals. This ensures that identifying vulnerable consumers is not a 'tick box exercise' but requires proper consideration. It also means that identifying vulnerable consumers is not simple.

Identifying vulnerable consumers

The regulators we spoke to require the firms they regulate to know and understand their customer base, to identify their vulnerable consumers and to collect data to demonstrate this. Some parties regulated by the PSA may have limited or no personal contact with the consumer. However, they could be expected to know their consumer profile because their services rely on capturing data about their users.

The Gambling Commission updated its Licence Conditions and Codes of Practice (LCCP) in October 2019. It has published a formal guidance document for licensees setting out its expectations that licensees focus on measures which enable them to identify and help players who are experiencing some level of harm from their gambling. The guidance document details a number of indicators that gambling providers could be expected to monitor in order to highlight customers whose gambling activity appears not normal for them. This includes time and spend indicators, account indicators, use of gambling management tools, customer-led information (including in chat rooms) and play indicators.⁴⁴

Applying rules on vulnerability across the market

Regulators have adopted different approaches to the application of rules to protect vulnerable consumers. Ofcom's rules apply to all service providers in the markets they regulate – from the handful of large mobile and broadband providers to the 1,000+ smaller providers. Providers do not have to register with Ofcom but they must comply with its rules. Ofcom then applies these rules proportionately depending on what it is reasonable to expect from a provider.

The FCA has High Level Principles which all regulated financial services companies must comply with, irrespective of their size or the product they are selling. It publishes guidance on how companies can demonstrate compliance with the principles; this guidance is illustrative rather than exhaustive and includes meeting the needs of vulnerable consumers. The FCA sets additional rules for the treatment of vulnerable consumers in respect of certain products and services – for example

⁴⁴ <https://www.gamblingcommission.gov.uk/PDF/Consumer-Interaction-Formal-Guidance-Remote-July-2019.pdf>

overdrafts. The FCA also stipulates that: “To understand if vulnerable consumers are being fairly treated, firms should understand more about how their customer journey affects their vulnerable customers and the outcomes they experience.”⁴⁵

Principles or rules?

Regulatory practice has increasingly shifted towards a focus on principles or outcomes rather than on detailed rules. The CMA notes that principles-based regulation “has the advantage of avoiding the need for complicated, prescriptive rules that can be gamed and potentially lead to perverse incentives. The challenge is to be able to define the principle sufficiently clearly that it provides a practical, consistent (and enforceable) steer to businesses without the need for detailed rules.”⁴⁶

The CMA also advocates a principle of inclusive design – that products and services should be designed to be usable by and accessible to as many people as possible. But it acknowledges that there can also be a need to consider bespoke remedies or additional protections for different groups of vulnerable consumers (they cite the example of a cooling off period for consumers who are known to be prone to addictive and compulsive behaviour).

This approach of principles-based regulation supplemented by specific requirements or rules where necessary is common among regulators; the FCA for example applies specific rules to specific products and services.

And the CMA acknowledges that minimum standards for customer care could have a role to play in supporting vulnerable consumers “by establishing a baseline for the types of engagement and outcomes in markets that consumers with different forms of vulnerability should be able to expect”. They note that there is strong government support for this idea, as set out in the Consumer Green Paper and that work is underway by UKRN on a possible set of standards for consumers with mental health problems.⁴⁷

⁴⁵ FCA, Consultation on Guidance for firms on the fair treatment of vulnerable customers, July 2019, p56

⁴⁶ CMA, Consumer Vulnerability: Challenges and Potential Solutions, p34

⁴⁷ CMA, Consumer Vulnerability: Challenges and Potential Solutions, p33

An example of a principles-based approach to regulation and vulnerability – the FCA

The FCA's regulation is outcomes-focused and is based on a combination of principles, other high-level rules, and detailed rules and guidance. The principles are a general statement of the fundamental obligations of firms under the FCA's regulatory system. The most relevant principles underpinning the need for firms to take particular care in the treatment of vulnerable consumers are set out as:

Principle 2: Skill, care and diligence	A firm must conduct its business with due skill, care and diligence
Principle 3: Management and control	A firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems
Principle 6: Customers' interests	A firm must pay due regard to the interests of its customers and treat them fairly
Principle 7: Communications with clients	A firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading
Principle 9: Customers: relationships of trust	A firm must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgement

The FCA has set out six outcomes that firms should strive to achieve to ensure the fair treatment of customers. Given the risk that vulnerable customers may not experience these outcomes because of their circumstances, firms should therefore take particular care when it comes to treating vulnerable customers fairly.

Outcome 1: Consumers can be confident they are dealing with firms where the fair treatment of consumers is central to the corporate culture.

Outcome 2: Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and are targeted accordingly.

Outcome 3: Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale.

Outcome 4: Where consumers receive advice, the advice is suitable and takes account of their circumstances.

Outcome 5: Consumers are provided with products that perform as firms have led them to expect, and the associated service is of an acceptable standard and as they have been led to expect.

Outcome 6: Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.

Firms should be more focused on ensuring that the outcomes experienced by vulnerable consumers are at least as good as those of other consumers.

The guidance for firms on the fair treatment of vulnerable consumers does not provide a checklist of actions, rather it provides options for ways in which firms can comply with the principles. Firms should use their judgement about how they should treat their vulnerable customers fairly. Firms should develop an understanding of the needs of vulnerable customers and translate this into practical action in a proportionate way and ensure staff have the necessary skills and capabilities to meet the needs of vulnerable consumers. Firms should be continuously monitoring and learning to ensure they are striving towards meeting the needs of vulnerable consumers.

Where does regulation best bite?

There is debate within regulators as to where regulation should apply to be most effective. The growth and role of online platforms as consumer interfaces was mentioned in our discussions with regulators, for example the role of price comparison websites.

This is an area where public policy is moving. Both the CMA's market study into online platforms and digital advertising and the Furman Review into 'Unlocking Digital Competition' highlight the changing role of platforms. The Government has recently (February 2020) published its initial response to its Online Harms White Paper consultation. It plans to place a duty of care on "companies that provide services or use functionality on their websites which facilitate the sharing of user generated content or user interactions" in respect of protecting users from certain types of illegal content. This may set a precedent for policy in other aspects of digital markets.

We think the PSA could usefully explore the changing role of the different players in the consumer journey in its markets. This could help determine where regulation might be most effective.

We recommend that the PSA engages in the policy development work across government and regulators that will impact how digital marketplaces are regulated in the future. As digital markets evolve the PSA should engage in particular with the Fundraising Regulator, the Gambling Commission and the Payment Systems Regulator to share and learn lessons from the expertise each regulator.

Data sharing

The UKRN is leading work to consider how regulators could effectively share customer data to identify and protect vulnerable consumers across sectors without this infringing privacy or data protection rights. The use of consumer data is a key public policy issue in digital markets and the PSA would benefit from being involved in the UKRN's work and the wider policy debate as it will impact on how the PSA and the companies it regulates could identify and support vulnerable consumers.

Customer service

It is common for regulators to place requirements or expectations on firms they regulate about ensuring staff have the capability to deal sensitively with vulnerable consumers and manage complaints and problems appropriately.

The FCA's draft guidance sets out in some detail how firms can demonstrate compliance with ensuring that staff have the appropriate skills and capability to understand the needs of individual vulnerable consumers and to respond appropriately to the needs of vulnerable consumers. It provides the following criteria which it then expands on to explain what this might look like in practice:⁴⁸

⁴⁸ FCA, Consultation on Guidance for firms on the fair treatment of vulnerable customers, July 2019, p34

Understanding the needs of individual vulnerable customers

- a. Staff should be able to understand a range of indicators of actual and potential vulnerability and the needs that can arise from these vulnerabilities*
- b. Frontline staff should have the skills to engage with customers to seek relevant information to understand their vulnerability*
- c. Staff should recognise when the information the firm holds or obtains from customers indicates that the customer is vulnerable and warrants additional support*
- d. Staff should be able to record relevant information on vulnerability in an appropriate way that is accessible by other staff who may need it*

Responding appropriately to the needs of vulnerable customers

- e. Staff who interact with vulnerable customers should be sensitive to their needs and consider how to adapt to meet these*
- f. Staff should understand what additional support is available to help vulnerable customers and when it is appropriate to offer this support*
- g. Firms should offer practical and emotional support to staff dealing with vulnerable customers*

The guidance later sets out how firms should ensure their customer service provision meets the needs of vulnerable customers, delivering good customer service that responds to the needs and situations of consumers. It explains that “if firms do not ensure their customer service provision meets the needs of vulnerable customers, there is a risk of exacerbating the risk of harm associated with being vulnerable”.⁴⁹

The guidance sets out the following criteria for providing good customer service for vulnerable consumers:

Flexible customer service

- a. Customer service processes and systems should be flexible enough to empower and support frontline staff to use their discretion to respond flexibly to the needs of vulnerable consumers*

Specialist services

- b. Firms should make those vulnerable customers who may be unable to make decisions, or find a situation difficult, aware of the options available to them for help including, where relevant, third-party support and representation*
- c. Firms should make customers aware of any specialist support services that are available from the firm and ensure these services are accessible and easy to use.*

Processes that support the delivery of good customer service

- d. Firms should have systems in place to record information on the needs of vulnerable customers and make that information accessible to relevant staff.*

⁴⁹ FCA, Consultation on Guidance for firms on the fair treatment of vulnerable customers, July 2019, p43

A number of regulators have highlighted the importance of fairness for vulnerable consumers being integral to a firm's culture so that frontline staff feel empowered to deliver on it. Ofcom's draft guidance on 'Treating Vulnerable Consumers Fairly' encourages providers to avoid having just one person at senior level responsible for overseeing how vulnerable customers are treated. It stresses the importance of having the treatment of vulnerable consumers "high on [the firm's] agenda, discussed regularly in senior meetings and across the organisation".⁵⁰ The extent to which such a requirement could be placed on the PSA's regulated companies would need to be assessed in light of the resources and capability of the firms involved.

For some vulnerable consumers, dealing with a problem or a complaint by themselves may be too challenging. Ofcom's draft guidance also encourages providers to "be sensible when communicating with [third parties - e.g. relatives or carers] when required so they can deal with queries or issues on behalf of consumers without unnecessary barriers. However, in doing so, providers must also make sure that vulnerable consumers are appropriately protected from unauthorised activity or scams. A person acting on behalf of a customer should be authorised to do so, and should pass appropriate security measures to access a customer's account. Providers are required to offer third-party bill management services, which can benefit vulnerable customers. These services should be easy to set up."⁵¹

The Fundraising Regulator allows for an advocate (relative, friend) to act on behalf of a vulnerable consumer when raising a complaint with the regulator. It is clearly important that regulators themselves demonstrate best practice in customer service including meeting the needs of vulnerable consumers.

Remedy design

The CMA has published five principles for designing market remedies that address the challenges faced by vulnerable consumers.⁵² They are:

i) Finding out what works

Here the CMA highlights the importance of trialling and testing interventions to find out what works. They highlight work by Ofgem which trialled interventions resulting in a four-fold increase in switching rates for some of the most disengaged consumers. The CMA stresses the need for regulators to obtain more granular information about which groups of consumers respond to particular types of intervention.

The Behavioural Insights team (BIT) recently tested a number of ways to improve consumer understanding of contractual terms and privacy policies.⁵³ They focused

⁵⁰ Ofcom, Treating Consumers Fairly: A proposed guide for phone, broadband and pay-TV providers, Sept 2019, paragraphs 3.2-3.4

⁵¹ Ofcom, Treating Consumers Fairly: A proposed guide for phone, broadband and pay-TV providers, Sept 2019, paragraphs 4.33-4.35

⁵² CMA, Consumer Vulnerability: challenges and potential solutions, Feb 2019

⁵³ Behavioural Insights Team, Best Practice Guide – Improving consumer understanding of contractual terms and privacy policies: evidence-based actions for businesses, August 2019

on methods which offer “low-cost, practical and scalable solutions and that seek to avoid introducing new frictions to customer journeys”.

They found two techniques which were effective in persuading consumers to engage with (“open”) the terms and conditions in the first place, and then four techniques that were effective in building consumer understanding of those terms and conditions. Five techniques had mixed results on understanding and three were ineffective at building understanding:

	Effective techniques	Techniques with mixed evidence	Techniques with little or no supportive evidence
Understanding of T&Cs	<ul style="list-style-type: none"> Display key terms as FAQs Use icons to illustrate key terms Show customers your terms within a scrollable text box instead of requiring a click to view them Provide information in short chunks at the right time Use illustrations and comics 	<ul style="list-style-type: none"> Present key points in a summary table Add examples and icons to your full terms Shorten your full terms Use simpler language Use a visual slider to explain fees 	<ul style="list-style-type: none"> Make summaries expandable, allowing customers to click each summary point for more information Add emoji symbols to your terms Allow customers to make choices related to your policies while reading them
Opening T&C	<ul style="list-style-type: none"> Tell customers how long it will take to read your policy Tell customers when it is their last chance to read information before they make a decision 		

Not all of the findings of this research will be relevant to phone-paid services where consumers are engaging with a small screen, but we think it would be useful for the PSA to engage with the BIT on some follow-up work to see how consumers of phone-paid services can best be made aware of the terms and conditions they are signing up to.

ii) Inclusive design

This principle involves designing products or services so they are accessible to and usable by as many people as possible. This approach can also help with the problem of identifying vulnerable consumers when people often do not self-disclose their vulnerability to suppliers. If access to a service is easier for everyone then the need for some bespoke regulation may fall away. However, the CMA acknowledges that there will still be a need to consider bespoke protections or additional remedies for different groups of vulnerable consumers.

iii) Making use of data and intermediaries

Here the CMA highlights the rapid growth in the use of data and digital technology and how this might have a positive impact on the experience of vulnerable consumers. They highlight the work of UKRN to explore the potential for regulators to share data to enable vulnerable consumers to access the services they need across sectors, whilst respecting concerns about privacy and data protection.

iv) Changing business practices

Here the CMA highlights how some businesses are doing good work to support vulnerable customers while others need guidance and support and others still are engaging in practices which are detrimental to vulnerable consumers. Harmful business practices can have especially negative impacts on vulnerable consumers who may have additional needs or require support. The CMA highlights interventions such as guidance, partnership working, the introduction of minimum standards of customer care, principles-based regulation and enhancing reputational incentives (e.g. league tables).

v) Regulating outcomes

The CMA sets out that where providing support to vulnerable consumers and seeking to change business behaviour will not reach all of these customers or work quickly enough, they will consider the introduction of more direct remedies – e.g. price caps. The CMA finds that targeted measures are more effective for people who are paying significantly higher prices because they find it particularly difficult to switch, or who are unable to switch at all.

6. Recommended next steps for the PSA

In our view, much consumer vulnerability in phone-paid services stems more from the features of the market and the behaviour of some of the players in it than from solely the particular characteristics or situation of the consumer. Most consumers could be vulnerable to detriment in many areas of this market although some features of the market will predispose some consumers in vulnerable circumstances into further vulnerability. Therefore, the regulator may need to segment the market by player behaviour in order to most effectively regulate it.

The nature of market means it is important that the PSA has a broad definition of vulnerability and that in common with other regulators it requires the companies in the market to understand their consumer base and capture data that would flag vulnerability concerns within that base. Even small companies could be expected to know their consumer profile because their services rely on capturing data about their users. In addition the principles of inclusive by design promoted by the CMA are particularly relevant to a market where there is the potential for widespread detriment.

We specifically recommend the following steps for the PSA:

To improve the evidence base into the nature of vulnerability in the phone-paid services market and likely future trends, including:

1. More research/data to understand who the vulnerable consumers are, the nature/scale of detriment and what vulnerable consumers want/need as a result.
2. Research to consider groups of consumers that may be missing out on phone-paid services but who could benefit from them.
3. Research into what registered providers are doing in practice to comply with rule 2.3.10 of the Code and what impact that is having for vulnerable consumers.
4. Identify trends, both technological and regulatory, and ensure the Code will adapt to protect consumers whilst supporting innovation.

To engage with wider government and regulatory work on consumer vulnerability in digital markets and protecting consumers from online harms:

5. Join up with policy development that will impact on the responsibilities and behaviour of platforms – DCMS/Home Office work on Online Harms reforms; CMA work on platforms.
6. Join/work closely with UKRN including on work about data sharing about vulnerable consumers.
7. Engage with Fundraising Regulator and Gambling Commission which faces some similar challenges to the PSA and areas of potential joint interest.
8. Engage with the Payment Systems Regulator to ensure regulatory coherence as payment mechanisms evolve.

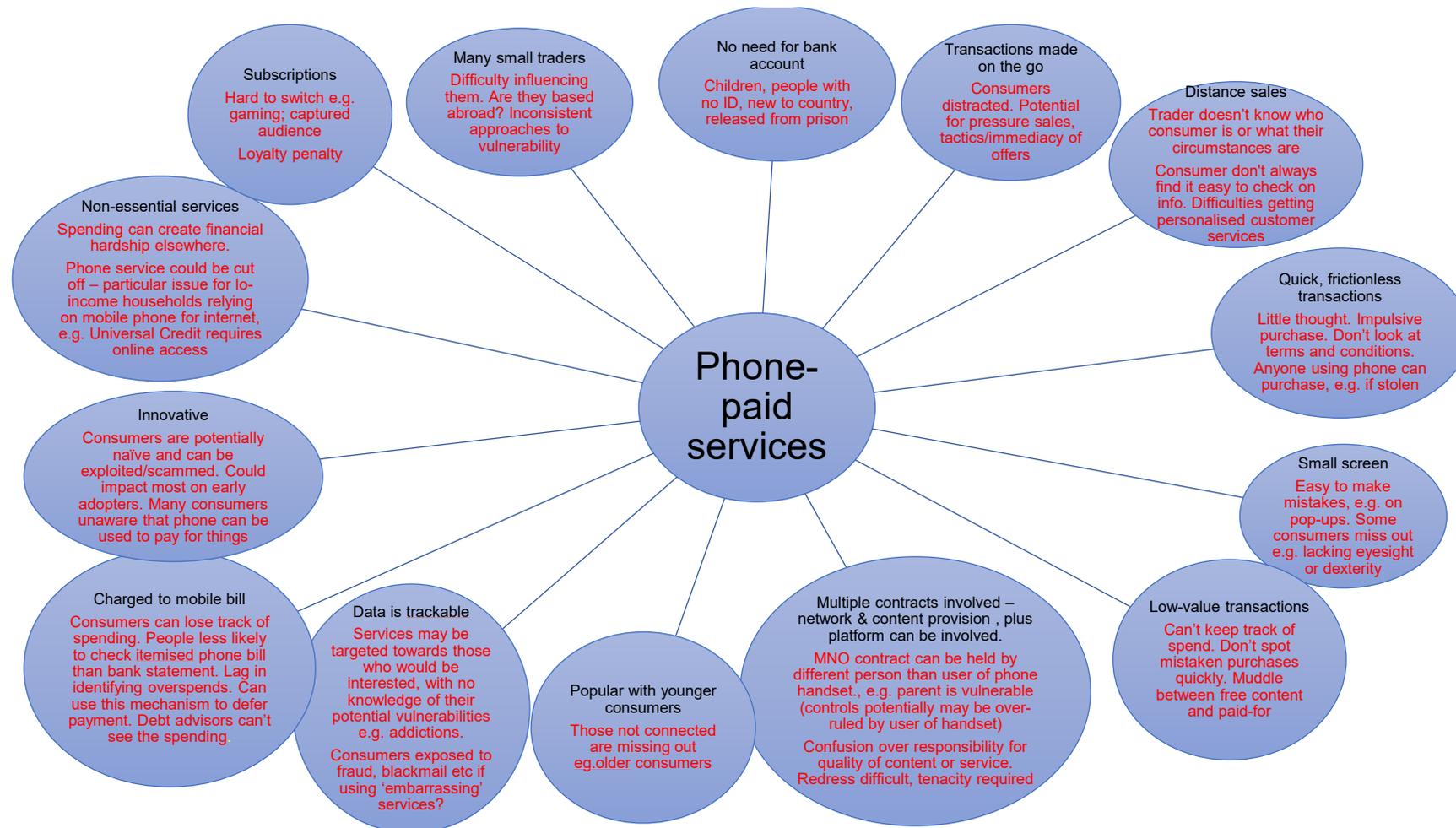
To ensure the PSA's own procedures respond effectively to consumers making complaints or seeking redress and to design remedies that follow best practice, especially by drawing on behavioural insights research (e.g. into consumer understanding of terms and conditions):

9. Further develop the framework for vulnerability set out in the diagram at Annex A. This could lead to the design of remedies to address some key risks inherent in phone-paid services, drawing on CMA recommendations for remedy design such as focusing on inclusive design and trialling remedies.⁵⁴ Examples could include:
 - behavioural insights research to help determine better methods by which consumers would stay on top of their spending/mobile phone bills;
 - considering how consumers can control the purchase of phone-paid content and whether this works for all consumers;⁵⁵ and
 - presentation of a few key terms and conditions rather than scrolling through detailed T&Cs.⁵⁶
10. Increase the PSA's profile with the public, and consider audiences and messages, e.g. to address the lack of awareness amongst consumers that content can be billed to phones; consider parents as a particular audience to raise awareness.
11. Consider segmenting the market to identify whether there is some trader behaviour that is of questionable benefit to consumers and therefore risks undermining consumers' wider trust in phone-paid services – and regulate accordingly.
12. Require companies to have effective redress and complaints mechanisms with staff trained to deal with vulnerability.
13. Ensure the PSA itself has effective redress and complaints mechanisms with appropriate staff training on vulnerability.
14. Consider what is the best route for consumer complaints and clarify responsibility for quality.
15. Establish an intelligence feed to spot problems for consumers early, e.g. from Resolver, Citizens Advice and/or consumer calls to PSA.

⁵⁴ Consumer vulnerability: challenges and potential solutions, February 2019

⁵⁵ E.g. EE customers can call Customer Services to block access to Premium Rate Numbers; however to unblock this a customer need only text UNBAR to 150, meaning the control is easily undone, e.g. by someone with a fluctuating addiction or a child.

⁵⁶ Aisling Ní Chonaire, The Behavioural Insights Team, at UKRN conference, 10 February 2020



Annex A

Key features of the phone-paid services market and how they may cause harm for consumers