

**MINUTES OF THE 409th MEETING**

**PHONE-PAID SERVICES AUTHORITY LTD BOARD MEETING**

**Thursday 23<sup>rd</sup> November 2017**

**10.00am – 12.45pm**

**PHONE-PAID SERVICES AUTHORITY LTD, 25<sup>th</sup> FLOOR, 40 BANK STREET, LONDON E14  
5NR**

**Board Members**

**David Edmonds - Chairman**

**Ruth Sawtell – Senior Independent Director**

**Kevin Brown**

Ann Cook

Meg Munn

Steve Ricketts

Joanne Prowse - CEO

**Phone-paid Services Authority Executive**

Peter Barker

Mark Collins (items 3.2 & 3.3)

Jonathan Levack (item 3.1)

Simon Towler

Ayo Omidoyi

Stephanie Ratcliffe (minutes)

## 1.0 STANDING ITEMS

### 1.1 Apologies and Introduction

The Chairman welcomed members to the meeting. Apologies were received from Lynn Parker, Director of Consumer Protection, Ofcom.

### 1.2 Minutes of 408th Board Meeting held on 13<sup>th</sup> September 2017

The Board **APPROVED** the draft minutes of the meeting held on 13<sup>th</sup> September 2017.

#### 1.2.1 Matters Arising and Action log

There were no matters arising.

The Board **NOTED** that where actions on the log were not closed, these were either on the agenda or updates included under the CEO report.

#### 1.2.2 Standing and other Declarations of Interest on agenda items

Meg Munn declared her recent appointment as Deputy Chair of Sheffield Hallam University.

### 1.3 Chief Executive's Report

The Board **NOTED** the Chief Executive's update on activity and progress across the organisation, as outlined in the paper.

The following points were highlighted:

- Policy – we are working alongside Ofcom in reviewing the DQ/118 market and the scope of the CPRS condition with focus on ICSS on the 084 number range and the 070 number range. Discussions are underway with industry and advertising platforms concerning direct buy promotions. We plan to publish guidance in Quarter 4.
- Legislation – we continue to monitor amongst other new and prospective legislation the outcome of the new Payment Services Regulations, coming into force in January 2018, and its potential impact on the market in particular the implementation of the new transaction thresholds.
- Industry engagement – the Autumn Industry Forum, held on 9<sup>th</sup> November, was well attended and the panel sessions were positively received. Our aim remains to facilitate growth in a healthy and innovative market and support new industry initiatives, where appropriate to do so.
- Staff engagement survey - early results are very positive, a full analysis will be presented to the Resources Committee and the Board advised thereafter.

(Action: L  
Carter)

- Business planning – will be discussed in detail under item 2.1.
- Complaint levels – show a slight increase over recent weeks, mainly relating to children's services promotions. Current case load remains similar to the previous year.

- Code 14 – industry training on Investigations and Enforcement is taking place on 29<sup>th</sup> November.
- ILP Outcome Measures - it is planned to field an expert on Net Promoter Scores to present at the ILP meeting in March 2018 and pending discussion with the panel next steps will be considered.
- GDPR – implementation of the GDPR, due in May 2018, is being reported through the Audit, Risk and Corporate Governance Committee.

## 2.0 ITEMS FOR APPROVAL/DECISION

### 2.1 Business Plan and Budget 2018/19

The Executive presented the draft business plan and budget for 2018/19 to the Board. The Board **NOTED** the consultation timetable, with final budget approval to be sought from Ofcom in early March 2018.

The Resources Committee **CONFIRMED** the plan had recently been reviewed in detail by the Committee and recommendations incorporated into the plan. The Resources Committee **RECOMMENDED** the business plan and budget 2018/19 to the Board for approval.

The Board **APPROVED** the budget and business plan proposals for 2018/19, subject to some minor revisions to be made to the plan and **COMMENDED** the proposals to explore further options for direct communication with consumers.

(Action: P  
Barker)

The Board **NOTED** that any review of the registration scheme fee would require a full economic analysis and consultation. The Executive will consider this subject to any consultation responses on the matter in the coming financial year.

## 3.0 ITEMS FOR DISCUSSION

### 3.1 Report on Consumer Strategy

The Board **NOTED** the progress made on delivering the consumer strategy and the actions for the next period, as set out in the paper.

The Board **ENDORSED** the developments made in this area and **RECOMMENDED** the following:

- Consumer panel pilot – consider feasibility and monitor outputs in 2018/19. Ensure real life practical interaction, to ensure first-hand experience of products and services.
- Consider linking up further with other consumer focused organisations to improve understanding of vulnerable consumer issues and share information on areas of general consumer interest/protection.
- Phonebrain – consider liaising with likeminded organisations and charities to streamline information (i.e. internet safety advice) and include a link to Phonebrain’s website.

- Increase our reach by approaching outlets such as Which? news outlets, Radio and TV (ITV News Regional).
- Identify opportunities for automatic updating of partner organisations consumer website content/social media via RSS Feed plugins, Echobox AI etc.

**(Action: J  
Levack)**

The Board **THANKED** the Executive for making good progress in this area.

### 3.2 Review of Directory Enquiry Services

The Board **NOTED** the progress review on Directory Enquiry Services, as set out in the paper, and that PSA's review remains closely aligned to Ofcom's review of the same services. PSA is liaising with providers on ways to improve consumer protection and understanding of these services. Proposals will be subject to consultation.

### 3.3 Project Horizons Update

The Executive presented to the Board an update principally around industrial 'internet of things' and chat and voice bots. Findings will be shared with industry and other stakeholder groups, primarily through the Industry Liaison Panel.

The Board **NOTED** there had been little change in adoption or risk around VR headsets since they were the focus of the previous update. The Board **RECOMMENDED** focus is given to speed of change, particularly in areas of 'consent' and 'pricing visibility,' where bots using AI, may facilitate.

The next project update will cover domestic 'internet of things' and biometric authentication and/or consent.

**(Action: M Collins)**

## 4.0 ITEMS FOR INFORMATION

### 4.1 Management Accounts Full Summary Report, Period Ended 30th September 2017

The Board **NOTED** the management accounts summary report, period ended 30<sup>th</sup> September 2017 and that the report had been reviewed in detail by the Resources Committee.

Expenditure for 2017/18 is expected to be within £18k of the budget, with some minor variances between cost areas. PSA's intention remains to hold the levy funding at current levels, until 20/21.

### 4.2 Risk Register

The Board **NOTED** the high-level summary of the risk register, as at October 2017, and that the register had recently been reviewed in detail by the Audit, Risk and Corporate Governance Committee.

Since the previous review, two risks have changed to amber status and the Executive will continue to monitor them closely. To support Board understanding and analysis, training on strategic risk governance is planned for early next year.

#### **4.3 Implementing Process Audit Recommendations (as presented at the ARCG Committee 7<sup>th</sup> November 2017)**

The Board **NOTED** the progress made, since the audit review undertaken by Fieldfisher on Code 14 processes, as presented at the recent Audit Risk and Corporate Governance Committee meeting.

Post implementation of the recommendations, the Committee will consider scope for further review of specific areas, which may benefit from additional assurance.

The Board **CONCLUDED** the audit review had been a useful exercise. An update on progress and feasibility of undertaking a similar exercise will be discussed at the next Committee meeting in February 2018.

#### **4.4 Independent Lay Assessor Report**

The Board **NOTED** the annual report of the Independent Lay Assessor to PSA and that the report will also be sent to Ofcom, as part of the assessor's service level agreement.

**(Action: J  
Prowse)**

The Board was pleased to note:

- the organization takes complaints seriously and deals with these efficiently and effectively;
- all staff have been provided with refresher training on the formal complaints procedure and how to make this available to complainants, where informal resolution has not been reached.

#### **5.0 AOB**

##### **5.1 Farewell to Ruth Sawtell**

The Chair, on behalf of the Board and staff at PSA, thanked Ruth Sawtell for her valuable contribution and support over the past five years as Senior Independent Director, Board Director and member of the Code Compliance Panel and wished her all the best for the future.

#### **End of Minutes**

##### **Date & location of next Board meeting:**

**Date:** Wednesday 7<sup>th</sup> March 2018

**Time:** 10.00am-1.00pm

**Location:** PSA offices, 25<sup>th</sup> Floor, 40 Bank Street, Canary Wharf, London, E14 5NR