

**NOTES OF THE ILP MEETING NO. 59th HELD ON
TUESDAY 13th MARCH 2018
10.00am-12.35pm**

The Phone-paid Services Authority Offices, 40 Bank Street, London, E14 5NR

ILP Members

Ann Cook – ITV (Chair)
Andrew Ailwood - BBC
Michael Barford – The Number UK
Eric Feltin – Safari Mobile
Peter Garside – EE
Rickard Granberg – UKCTA
Phil Jones – Ofcom
Clark Johnson – Telefonica
Neil Johnson – aimm
Nitin Khattar – The Number UK
Hamish MacLeod - MobileUK
Rory Maguire – aimm
Tony Maher - TUFF
Steve Ricketts – PSA Board
Ladi Sanusi - Three
Jeremy Stafford Smith – Vodafone
Rob Weisz – Fonix

External Speaker

Nick Lane – MobileSquared

Phone-paid Services Authority

David Edmonds (PSA Chairman)
Joanne Prowse (Chief Executive)
Peter Barker
Mark Collins
Jonathan Levack
Ayo Omideyi
Mike Pemberton
Simon Towler
Stephanie Ratcliffe (minutes)

Apologies

Danny Barclay – Telefonica
Holly Fairweather – Channel 4
Cathy Gerosa – FCS
Mark Stannard – Boku Inc
Mike Steel – BT Agilemedia

1.0 WELCOME, INTRODUCTIONS

Ann Cook welcomed attendees and introduced members to the meeting. Apologies were noted and that several members, J Freeman, K Heath, J Kempley and D Stephens, had moved on.

2.0 REVIEW ACTIONS

a) Minutes and Matters arising from the minutes of the ILP meeting held on 10th October 2017

Minutes and Matters Arising

The ILP approved the minutes from the ILP meeting held on 10th October, as an accurate record of that meeting.

Actions

The ILP noted outstanding actions, where not closed or addressed on the agenda, as follows:

- 56.5c: an update on Project Horizon will be provided at the next ILP meeting.
- 56.5h: publication of Ofcom's consultation on 118 services is due in Quarter 2; Ofcom's consultation on 070 services launched in December and has now closed.
- 57.4.2: the next PSA industry forum will be held in October and thereafter annually.

b) Minutes and Matters arising from the minutes of the ILP meeting held on 12th December 2017

Minutes and Matters Arising

The ILP approved the minutes from the ILP meeting held on 12th December, as an accurate record of that meeting.

Actions

The ILP noted outstanding actions, where not closed or addressed on the agenda as follows:

- 58.1: industry to continue to encourage due diligence and deter harmful services from operating in the market.
- 58.1: PSA workplans to improve due diligence in the market are ongoing, with workshops and industry guidance planned.

3.0 FOCUS ON TOPICS:

a) On Screen Pin Flows and Ticketing in Europe

Peter Garside presented on developments by EE:

- a) On Screen Pin Flows – with the introduction of pin flows, complaints and contacts with call centres have significantly decreased. The ILP noted how the additional friction within the flow process for subscription services, has helped reduce customer

complaints, examples presented included 4G PFI and merchant branded subscription flows.

- b) Ticketing – charge to mobile is becoming increasingly popular in Europe with countries such as Finland, Italy and Belgium using e-ticketing for parking and transport modes. The ILP noted its growth is likely to be due to a combination of marketing and successful adaptation. The ILP supported the new technology and recognized the Isle of Wight’s floating bridge as the first phone-paid e-ticketing example in the UK.

Ann Cook thanked Peter Garside for his presentation on EE developments.

Clark Johnson arrived at the meeting.

4.0 PRESENTATION by Nick Lane, MobileSquared: Net Promoter Score (NPS) and the Annual Market Review (AMR)

Nick Lane provided an overview of how NPS measures the loyalty of a provider’s consumer relationships, referencing the different scores by service type reported in the AMR as well as separate external NPS measurements of well-known brands.

The ILP noted the AMR research shows an overall need to improve customer satisfaction and engagement for phone-paid services, and seven steps were presented for industry to consider to help improve NPS ratings.

The ILP noted that the AMR service type categories will be revised this year, which will have a small knock-on effect to NPS comparisons over time for some service types.

Ann Cook thanked Nick Lane for the overview and recommended NPS continues to be discussed by the ILP within the context of the AMR and should be dropped as an idea of how to measure the outputs of the ILP. All agreed.

5.0 MARKET ISSUES

a) Complaints Data Analysis

The ILP noted the revised presentation of complaint and case data, incorporating:

- a ten-year overview of total complaints received by PSA;
- a 24-month analysis of total complaints, split between assessed complaints and those referred to the value chain;
- a 24-month analysis of assessed complaints, by service type and by payment mechanism;
- an analysis of assessed complaints by service type for Q1 – Q3 of 2017/18 relative to number of users and to estimated revenues;
- an analysis of PSA case work load for the first ten months of 2017/18, and an analysis by service type of open cases as at 31st January 2018.

The ILP agreed that the data allowed for the following broad conclusions to be drawn:

- expected complaint levels for 2017/18 are half that of the previous year, but still higher than the years in the period 2009/10 to 2012/13;
- complaints about non-broadcaster competitions and adult services have fallen significantly, but have been replaced (in part) by complaints about other services

- i.e. games or apps charged to my bill, internet information-based services (including lifestyle content such as health and fitness), music or video content, and ringtones (which in this category includes device personalisation and security);
- notwithstanding the changes in absolute complaint volumes by service type, all of the categories named above have disproportionately higher relative complaints when compared to number of users and revenues;
- PSA's caseload remains fairly constant in terms of the number of cases worked on and the proportion dealt with informally and quickly;
- The average number of complaints per case has fallen, but these complaints have been spread over a broader range of service types (18 months ago, more than half of cases concerned adult services and non-broadcaster competitions, compared with around one-sixth currently).

b) Market Issues Report

PSA presented a revised market issues report, now designed to reflect the current issues PSA is looking into in more depth. For March 2018, this covered:

- Advertising in children's videos and applications;
- Information, connection and signposting services;
- Level 1 billing platforms;
- Gaming and lifestyle subscription services.

The ILP noted that, as outlined in its revised business plan, PSA will be reviewing subscription services in general.

6.0 PHONE-PAID SERVICES AUTHORITY UPDATE

Highlights since the ILP meeting held on 10th October 2017

PSA reported the following updates:

- *PSA Industry forum*: PSA's industry forum, now held annually, is likely to be in the first week of October 2018. The forum will be supplemented with low-cost workshops held at PSA's offices, and an ongoing programme of engagement with industry. Both changes have been made to create a more efficient use of the budget.
- *Publications*:
 - Business plan and budget 2018-19 – consultation has now closed, with four responses received. Approval of the budget and business plan is being sought from Ofcom and publication is expected in March.
 - Registration scheme consultation - following initial feedback, the consultation period is being extended. This will allow time to provide clarification on some issues, design and hold workshops where specific issues can be discussed in detail, and for new and amended consultation responses to be submitted.
 - Society lottery services special conditions – the consultation is open and runs until 17th April 2018.
- *Policy focus*:
 - 118 and ICSS services – PSA is working closely with Ofcom on their DQ review.
 - Consent to charge – a research project has been initiated in collaboration with mobile network operators on security of level 1 providers' platforms.
 - Refunds project - is ongoing and PSA continues to work closely with industry.
 - PSA's website overhaul will provide greater user-friendly accessibility and

consistency with PSA's brands and values.

- The pilot scheme for level 1 providers to operate an exemption from registration requirements for level 2 providers, is planned to be made permanently available to those who apply to PSA to use it and meet its required conditions.
- The Nottingham University research on consumer experience of ICSS will be published shortly.
- World Mobile Congress highlights:
 - Rich Communication Services (RCS), which reduces the need for links to websites or apps, by allowing interaction (incl. payment) within the messaging, received increased support from networks and platforms. The Chair, having just presented at the World Mobile Congress with Google, Vodafone, Orange and Four Seasons on 'The power of RCS' as a conversational tool with consumers, commented, that unless all networks engage, it won't succeed. The Chair agreed to approach GSMA to present on RCS at the next ILP meeting.

(Action: A Cook)
 - eSIMs are regarded as the next step in Internet of Things connectivity.

7.0 ILP UPDATE

a) PSD2 progress update

The Chair asked members for views on PSD2, following its recent implementation. The Chair noted differing viewpoint exist around its requirements and implications and agreed to include PSD2 on the agenda for the next ILP meeting.

**(Action: ILP
Members)**

Rory Maguire advised aimm will be holding Power50 Conference on 8th May 2018 and all members are welcome to attend.

b) Society Lotteries

The ILP noted the update on society lotteries by Rory Maguire and that three services are close to launch.

c) Digital Content/services advertising - misplaced children's apps

Rory Maguire presented on the current position. The ILP noted that with advertising having moved to 'safe' direct buy placements, emerging issues are becoming apparent, with reported children's access to adverts and children opting into subscriptions. EE recently held a workshop on child safety issues and MCPs Federated Kids Database, launched in October 2017, aims to help advertisers block inappropriate advertising in children's apps. A workshop has been held with Google to address mechanisms available for safeguarding children. Aimm will be issuing guidance to members.

d) Alternative Dispute Resolution Update

The ILP noted Rory Maguire's update. Ofcom has approved four schemes to be able to offer ADR in relation to premium rate services. Aimm has ongoing discussions with one of these four providers, Consumer Dispute Resolution (CDRL), with the intention that the phone-

paid services industry should embrace ADR as an effective tool for handling unresolved consumer disputes.

- e) **Customer Billing Portal Update** – due to time constraints, this item will be covered at the next meeting.

**(Action: R
Maguire)**

8.0 Action Summary & AoB

- a) **Review and agree topic for 22nd May 2018 ILP Meeting**

Suggested topics include:

- GSMA presentation on Rich Communication Services (RCS)
- focus on topic – ‘fixed line’
- Project Horizon

ILP members were invited to come forward with suggestions.

(Action: ILP Members)

- b) **Rotation of forthcoming meetings: 10th July & 9th October 2018.**

Suggested topics include:

- customer billing portal
- block chain technology ‘a dummy’s guide’

- c) Tony Maher advised TUFF has established a working group to look at Artificial Inflated Traffic issues and is supportive of the proposal for all ICSS services to come under PSA regulation, regardless of the number range.

Ann Cook thanked the ILP members for their presentations and attendance.

End of Minutes

ILP meetings at Phone-paid Services Authority Offices, 25th Floor, 40 Bank Street, E14 5NR

- Tuesday 22nd May 2018: 10am to 12.30pm (followed by a networking lunch at 12.30pm to 1pm)
- Tuesday 10th July 2018: 10am to 12.30pm (followed by a networking lunch at 12.30pm to 1pm)
- Tuesday 9th October 2018: 10am to 12.30pm (followed by a networking lunch at 12.30pm to 1pm)
- Tuesday 11th December 2018 Business Plan Meeting only: 10am to 11.30am