

The conduct of live services – Fact Sheet #3

What is the purpose of this fact sheet?

To assist Network operators and providers by clarifying the Phone-paid Services Authority's expectations relating to the Special conditions that apply to live entertainment and chat services, which are established under paragraph 3.12 of [the Code of Practice](#).

What are the key points?

The main issues for providers to consider are:

- Live services are defined as those that allow for a two-way, or multi-party conversation to take place.
- All live services must give the name of the provider and pricing information on connection.
- Calls to live entertainment services must be terminated where a caller is suspected of being under the age of 18.
- Calls must also be terminated where a caller is suspected of either not being, or not having the permission of, the bill-payer.
- Live entertainment services and multi-party chat services are subject to separate and specific rules – please refer to the notice of Special Conditions.
- Some live services are subject to maximum call durations and/or maximum spend per-call – please see the Notice on spending caps and relevant notices of Special Conditions

1. Definition of a live service

- 1.1. Live services are defined as those that enable a consumer to speak with a real person (i.e. a service that involves a two-way or multi-way live voice conversation). There are many different types of live service – technical support, counselling and professional advice services being a few examples
- 1.2. A further class of live services are live entertainment services. These are services defined as being either 1-2-1 chat services (sexual or non-sexual), or psychic/tarot services – services that allow the caller to speak live with an operator or another user for 'entertainment purposes'. Similarly, multi-party chat services are also classed as 'live services'; the difference being that they enable two or more persons (the participants) to simultaneously conduct a telephone conversation with one another in a monitored chat-room.
- 1.3. Providers should also note that some categories of live service are subject to [Special Conditions](#). Providers should refer to the Phone-paid Services Authority website www.psauthority.org.uk for further information on Special Conditions and for a list of these categories and service-specific information that relates to them. Providers should also consult the General Guidance Note on '[The avoidance of undue delay](#)' and

the General Guidance Note on '[Promoting PRS](#)' for advice on these areas and the way in which they might relate to live services.

2. Live Entertainment and Chat Services Requirements

2.1 Live 1-2-1 chat services and multi-party chat services must:

- State that all calls to the service are recorded;
- State that callers must be over the age of 18 to use the service;
- State that callers should either be the bill-payer, or have the bill-payer's permission;
- State that call details may appear on the telephone bill;
- State that all calls to the service are recorded; and
- As a point of best practice, include confirmation of the call costs.

2.2 Live entertainment services are only allowed to be used by callers who are over the age of 18. If an operator has reasonable grounds to suspect the caller of being under the age of 18, the Phone-paid Services Authority recommends that the following procedure be implemented:

- The operator should ask the caller their age and date of birth;
- The operator should ask the caller any other questions that they think are appropriate: their employment status, for example). Operators should also listen out for details said in conversation that might imply that the caller is underage and perhaps probe the caller further, where appropriate – a caller might mention their homework or revision, for example;
- If the caller hesitates in responding, their replies are inconsistent or the operator is still not satisfied, then the caller should be regarded as being under 18 and the call should be terminated;
- Callers unwilling to engage in conversation with an operator should also have their call terminated ('silent callers').

2.3 Providers are also expected to take all reasonable steps to identify and terminate calls being made without the authority of the bill-payer.

2.4 An 'eavesdrop' facility is that which allows the consumer the opportunity to listen in on the live call taking place between an operator and another consumer, while waiting to speak live with the same operator (i.e. listening in on the call(s) taking place in front of them, while they are effectively waiting in a queue).

2.5 'Eavesdrop' is typically used in conjunction with live 1-2-1 chat and psychic/ tarot services that operate on TV and/or the internet via a live stream or via a smartphone or other connected mobile device (i.e. services that are operator-based and allow for the live visuals to be viewed in conjunction with live conversation between operator and consumer).

2.6 An 'eavesdrop' facility is something that is permitted, provided that consumers are informed upfront (i.e. a consumer must not be advised that they are being put through to speak with a live operator, only to be put through to the 'eavesdrop' facility). Instead,

it should be made abundantly clear to the consumer that the on-screen operator is already on a call. The consumer is then able to make the choice of either staying on the line, listening in until such time as the on-screen operator is free to take their call, choosing another menu option (where there is such a facility on the service) or choosing to hang up and try again later.

- 2.7 The Phone-paid Services Authority is also aware of some 'eavesdrop' services that only allow the caller to listen in on the operator's side of the conversation, meaning that the caller's side of the conversation cannot be heard. This is not permitted – providers should note that callers selecting an 'eavesdrop' facility must be able to hear both sides of a conversation live as they take place between an operator and a caller, at all times.
- 2.8 Services using an 'eavesdrop' facility should also ensure that callers are aware that their live conversations may be 'eavesdropped' on by other callers.

Compensation arrangements (bonds)

- 2.9 All providers operating live entertainment services and multi-party chat services are required to join the Phone-paid Services Authority Compensation Scheme ('Compensation Scheme') – a scheme that allows a consumer to claim for compensation where their telephone has been the subject of unauthorised use
- 2.10 Entry into the Compensation Scheme will mean a provider lodging a bond with a financial institution. This is usually a bank, but it does not necessarily have to be. Providers should contact the Phone-paid Services Authority if they are considering lodging a bond with a financial institution that is not a bank. The Phone-paid Services Authority will then make the necessary checks on that organisation, prior to making a decision as to whether it can be used for bond purposes.
- 2.11 Typical bond levels are set at between £15,000 and £20,000 for 1-2-1 chat services, between £10,000 and £15,000 for psychic/tarot services and between £15,000 and £25,000 for multi-party chat services. Then, after one year of service operation, provided that the Phone-paid Services Authority is not aware of any problems with the services or any unpaid claims by providers, bond levels may be dropped to the minimum level of £5,000 (£10,000 for multi-party chat) for 'good behaviour'.
- 2.12 It is the Phone-paid Services Authority Executive that will determine the individual bond level for providers, while considering their proposals for live entertainment services and multi-party chat services. In order to do this, the Executive will consider various factors in relation to the service being applied for, as well as the provider applying to operate the service; factors considered include: the nature of the service; provider history in the market; the number of lines in operation; whether there are home workers employed on the service; and whether other providers will be operating services using the security of that bond.

Claims for compensation

- 2.13 Claims for compensation can be made by any person whose connection to the electronic communications network (i.e. their telephone line) has been the subject of unauthorised use. When claims are received by the Phone-paid Services Authority, in the first instance, the relevant provider(s) will be given an opportunity to settle them to the satisfaction of the claimant.
- 2.14 If the provider(s) does not settle them to the satisfaction of the claimant within a reasonable time, the matter will be referred to an independent adjudicator who will determine the matter in accordance with their procedures and who may require that the provider(s) pays the claim, or part of it, together with an administration charge.
- 2.15 If the independent adjudicator finds in favour of the claimant and the provider refuses to pay the claim, then steps will be taken by the Phone-paid Services Authority to recover the monies owed directly from the provider's bond (which is the reason that bonds have to be in place for providers of live entertainment services and multi-party chat services).
- 2.16 Alternatively, the adjudicator may find that the provider is not required to pay the claim(s); in this instance, there would be no cost to the provider and the claimant would not be eligible for any reimbursement.

Call recording

- 2.17 All calls made to live entertainment services and multi-party chat services must be recorded in their entirety using recording equipment that has been pre-approved by the Phone-paid Services Authority.
- 2.18 Calls made to multi-party chat services may be individually recorded, or there must be a continuous recording of the conversations taking place in each separate chat-room within a service (where applicable/where an individual service has more than one chat-room). With regard to the latter scenario and to explain further, as each individual call into a service would not be being recorded, the provider must be able to supply to the Phone-paid Services Authority, where requested:
- A time- and date-stamped record of the date and time of a caller's entry into a service;
 - The time- and date-stamped time(s) that a caller may have changed/jumped from 'room to room' within a service; and
 - The time- and date-stamped time of each consumer's exit from a service.
- 2.19 The provider must also be able to supply any required segments of call recordings from any chat room within their service(s). For example, a full recording of 'Chat Room 1' from 9am-10.30am dated 1 January 20xx.

Why must calls be recorded?

- 2.20 Call recording is vital so as to allow for the investigation of complaints and the administration of the Compensation Scheme.
- 2.21 All recorded calls must be kept by providers for a period of 12 months. They must not be destroyed or deleted before then, but providers are free to delete recordings after a period of 12 months has lapsed.

Recording Equipment

- 2.22 All recorded calls must be time- and date-stamped and 'tamper-proof'. They must also be provided to the Phone-paid Services Authority in a format that can be easily played back, when copies of recordings are requested. Finally, recording equipment must be able to monitor the Calling Line Identity ('CLI') of each caller.
- 2.23 Providers can choose to use pre-approved recording equipment suppliers to install recording equipment in conjunction with their services – a full list of current approved suppliers, together with their contact details, can be seen below at Annex A (please note that there are also some approved suppliers that have chosen not to be added to the list).
- 2.24 Alternatively, providers may be considering using recording equipment that has not yet been pre-approved by the Phone-paid Services Authority – typically through a not-yet-approved supplier, or perhaps via equipment that the provider has personally developed. The Phone-paid Services Authority employs an independent technical consultant for the verification of any such equipment. This consultant can be booked to carry out an inspection (either via an online check or in person, depending on the type of equipment). If approved, your equipment can be added to our approved list of suppliers, should you wish.
- 2.25 Some services combine live chat with live video. An example would be a mobile internet service that allows consumers to call a service and take part in a live 1-2-1 conversation with an operator, while simultaneously being able to view the operator on the screen of the phone.
- 2.26 Providers operating any such service should note that the Phone-paid Services Authority only requires the audio part of the service/call to be recorded. There is no requirement to also record the visual part of any service. While the list of approved suppliers at **Annex A** does show that some approved suppliers have the ability to record the audio and visual parts of a service, we have provided this for information only because it was considered that some providers may wish to record the visual parts of services for their own reasons. These suppliers have only had the audio part of their equipment approved by the Phone-paid Services Authority, as there was no requirement for the visual aspect to be checked/approved.

2.27 If you have any questions in relation to recording equipment that are not covered in this Fact Sheet (i.e. questions of a technical nature), you should contact the Phone-paid Services Authority for advice.