

Online competition services

Notice of Special conditions

This Notice is being issued to inform all providers involved, or intending to be involved, in the provision of online competition services that Special conditions apply. Level 2 providers are required to comply with the Phone-paid Services Authority Code of Practice, and the Special conditions set out below, which are imposed under paragraph 3.11.1 of the Code.

Under paragraph 3.11.3 of the Code, “*a breach of any special condition in respect of a high risk service imposed under paragraph 3.11.1 shall be a breach of the Code*”.

‘Online competition services’ are those premium rate competition services (PRS) that are provided fully or partially online, including services that initiate a PRS transaction online, where the primary promotion is online and presents a consumer with a chance to win a prize by competing with other entrants, and which is paid for on a pay to enter or subscription basis.

As presented in guidance, some examples of competition services would be:

- (a) Lotteries;
- (b) Other games with prizes;
- (c) An entry mechanism into a draw;
- (d) Information about prizes and how to claim them.

‘Online’ refers to those products or services consumed on personal computers or mobile devices (such as smartphones, tablets, etc.) and are provided or accessed directly through an internet gateway.

Important note

Those services that fall within the definition of a subscription service must comply with the relevant actions and/or thresholds set under paragraph 3.12 of the Code. Please ensure services meet these obligations at all times. The current notice issued under paragraph 3.12.6 of the Code is found on our website:

- <http://psauthority.org.uk/-/media/Files/PSA/For-Businesses/Your-phone-paid-service/Code-of-Practice/NoticeofSpecifiedServiceChargesandDurationsofCalls.ashx?la=en>

Special conditions

Imposed under Annex 2, Paragraph 1.1(b), (k), and (n):

(b) requirements as to the mechanism and processes used to deliver services to, and to enable exit from services by, consumers;

(k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high risk service (including as to receipts);

(n) requirements for caller agreement before a high risk service proceeds before the caller is charged.

Point of purchase

ONLC 1 The point of purchase must be separated from service interaction, including its promotion, in a clear and effective way to allow the consumer to consider their purchase. At the point of purchase, PRS providers must:

- (a) clearly signpost the point of purchase by making it distinctive from other aspects of the service (such as by design and colour scheme) and take all reasonable steps to make that distinction clear, avoiding any confusion between service promotion and the point of purchase;
- (b) ensure that consumers, when committing to a purchase, explicitly acknowledge that the purchase implies an obligation to pay;
- (c) ensure that consumers are made aware, in a clear and prominent manner and directly before the consumer commits to a purchase, of the cost of the service, and the frequency of charges; and
- (d) indicate that the PRS payment will be added to the consumers phone account,

Consent to charge – ‘double opt-in’

ONLC 2 At the point of each purchase and prior to delivering the PRS charge, including an initial charge of a subscription service, providers are required to obtain consent to charge from the consumer in the form of a positive, recorded and auditable response where the costs and name of the premium rate service have been presented clearly to the consumer.

PRS providers must establish such consent via one of the following means of consumer interaction:

- (a) use of a secure PIN loop system to confirm each transaction initiated and confirmed by the Level 1 provider¹ through interaction with the consumer, whether the transaction is a one-off purchase or the initial agreement to enter a subscription; or,

¹ This function may be undertaken by a Network operator where it contracts directly with a Level 2 provider, in the absence of a Level 1 provider.

- (b) use of a password system, the password being selected and controlled by the consumer, to confirm each transaction, whether the transaction is a one-off purchase or the initial agreement to enter a subscription; or,
- (c) use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s) of confirmation of the charge request.

Promotional material

ONLC 3 PRS providers must clearly identify the brand of the current service offered to and used by the consumer - this may be achieved by prominent brand management and display, which may include requiring consumers to become account holders of the branded service and signing in prior to entering individual competitions.

ONLC 4 Payment options, where relevant, should clearly indicate PRS payment places charges on the users phone account (mobile or otherwise).

Receipts

ONLC 5 Each time the consumer incurs a charge to access content whether this involves a single charge or a recurring charge, a receipt must be sent to them in either SMS or email formats as soon as is reasonably practicable. This receipt must detail the name of the service, the cost of using the service or products purchased, and the name and contact details of the provider.

Imposed under Annex 2, Paragraph 1.1(m) and (x):

(m) the provision of defined information to the Phone-paid Services Authority and the intervals at which it is to be given and the manner to which it is provided;

(x) providers of higher risk services to notify the Phone-paid Services Authority at commencement of such services and provide any related information required by the Phone-paid Services Authority within a specified time period.

ONLC 6 PRS providers operating these services are to notify the Phone-paid Services Authority within 48 hours of launching the service, if not done so before. On notification, PRS providers must provide information relating to:

- (a) brand identification;
- (b) PRS numbers used for the service, including the dedicated number chosen for STOP and STOP ALL requests;
- (c) customer care services details;
- (d) identity of all Level 1 providers involved in the provision of the PRS, including those managing the method of exit.