

## **Special conditions for online competition and online adult premium rate services**

### **Response to Public Consultation by Amplefuture Group**

Dear Jonathan,

Amplefuture Group Ltd is the parent company of several registered Level 1 and Level 2 providers including Virtual Talk Ltd, a level 1 network operator, Txtme TV Ltd. which broadcasts the Xpanded TV and Playboy TV Chat live chat channels on Sky and Freeview and Amoja Ltd, an aggregator and service provider. We handle a significant amount of live adult traffic, predominantly IVR based. Despite the volume of calls we handle, we see almost zero complaints, refund requests or indeed PPP enquiries about our services. We are supportive of all efforts to engender consumer trust in the industry and to remove the bad actors who have caused so much harm over the years.

Before I respond to the specific consultation questions below, I would like to make the point that we, and many other UK broadcasters and IVR service providers operate many popular, high volume services, including adult services, without significant numbers of complaints. This is due to the nature of the IVR billing mechanism, whereby callers must dial a number and stay connected to be charged. When the call stops, the charging stops. This is a simple mechanism that consumers understand intuitively and is difficult to abuse. In fact, probably the biggest IVR based “scandal” was based around “diallers” which were malevolent software programs which automatically dialled premium rate numbers from an infected pc without the owners knowledge. This was so damaging because it removed the element of call control and therefore control over charging from the consumer.

The issue of the ability of service providers to charge consumers without consent is I believe at the heart of the issues described in the consultation document. It is not wholly clear that the services referred to are only those mobile billed services, subscription or otherwise, which customers are opted into with consent or clear pricing and termination information, but I assume that this is the case due to the references to shortcodes, opt in\out etc. I do not think that “old school” 09 IVR based services should be rolled up in the same way and would like to ensure that services which have operated without significant issues since the start of the industry do not get tarred with the same brush as those which are set up from the outset to defraud.

***Question 1: Do you agree that additional responsibilities placed on network operators and Level 1 providers, to offer redress upfront and inspect consumer complaints and disputed PRS payments, are necessary to improve the post-transaction consumer journey and increase consumer confidence? Are there additional or other measures that could deliver this outcome?***

This seems attractive on the face of it, but several issues come to mind:

There is currently nothing preventing network operators from offering refunds and clawing back from downstream providers. Indeed, you would think that they would always put their customer at the forefront. However, putting obligations on them to do so may result in an across the board refund policy as a matter of course rather than go to the trouble of investigating individual complaints. This is reminiscent of the conditions which led to the effective demise of the pay per call industry in the USA, whereby callers quickly learned that any challenge to a bill resulted in the telco simply removing the disputed charge which began a vicious spiral of higher service charges to cover the uncollectibles, with ever-rising uncollectibles as an inevitable result.

A better solution is to address the problem at source and remove the problem services and their providers.

***Question 2: Do you agree with us that Special conditions are necessary for online competition and adult services? Please provide an explanation to support your response.***

No, we do not agree with this. Those who seek to defraud the consumer are determined to do so and will use any service type as cover. The services referred to here are currently popular fig leaves, but be under no illusions that if these particular fig leaves are removed, they will be replaced by others. It is clear that many of the so called services have no real value to the consumer e.g. “adult glamour” services charging £4.50 per week to view a handful of pictures often freely available on social media or a single google search away.

The next report will no doubt refer to the dangers of surveys, diet tips, horoscopes, recipes or whatever fig leaf the operators of fraudulent services move to next. The cause (enablers) should be addressed, not the symptoms.

***Question 3: Do you agree with our assessment of the risks posed to consumers by these services and our policy proposals as set out at pages 7 to 11 and 12 to 15? Please provide an explanation to support your response.***

Yes, we support all efforts to provide clarity of pricing, conditions and identity of service providers to consumers, in particular for recurring charges and many of the suggestions are positive. However, we see no reason to restrict these best practices to online competitions and adult services only.

***Question 4: Do you consider our definition of online competitions and online adult PRS in the Special conditions notices to be clear and accurate? Please provide an explanation to support your response.***

The definition of online competitions seems clear. The definition for online adult prs seems a little broad and I believe should specifically exclude per minute billed IVR services (as below) so as not to catch unnecessarily a major industry sector which is not the major cause of the issues referred to.

Premium rate sexual entertainment services, whether provided on single or subscription fee structures but excluding per minute billed IVR services, which are accessed online, including but not limited to relevant live streaming services that are paid for via the consumers phone account.

***Question 5: Do you have any views on current age verification arrangements for adult services? If so, please share them and provide an explanation to support them.***

I believe the current arrangements are sufficient, certainly for the majority of services.

There is legislation on the way to cover online pornography access and age verification which will take precedence when finalised.

***Question 6: Do you think the proposals made and detailed in the Special conditions notices at pages 17 and 21 will reduce the risk of consumer harm? Please provide an explanation to support your response.***

***Question 7: Do you consider the proposed Special conditions notices to be fair and proportionate? Please provide an explanation to support your response.***

We do not think they should apply.

***Question 8: Can the draft Special conditions notices be improved? Please provide an explanation to support your response.***

We do not think they should apply.