Registration with PSA

Statement

September 2018

Contents

1. Introduction and background

1.1. The Phone-paid Services Authority's (PSA) primary function as a regulator is consumer protection. Our vision is a healthy and innovative market in which consumers can charge content, goods and services to their phone bill with confidence.

1.2. Our mission is two-fold:
- to protect consumers from harm in the market, including where necessary through robust enforcement of our Code
- to further their interests though encouraging competition and growth in the market.

1.3. The 12th Code of Practice, launched on 1st September 2011, included specific requirements for parties in the premium rate value chain to register their organisation details and services ("Registration"). At the same time, the PSA's systems were developed to enable this Registration process to be completed online and to a standard template.

1.4. Registration was therefore introduced seven years ago and has not been reviewed since. In that time the phone-paid services market has seen significant change, and the PSA's regulatory approach has changed accordingly, not least since the introduction of Code 14 in July 2016.

1.5. PSA has therefore conducted a detailed internal review of the information required under Registration, with the aim of improving our ability to deliver our mission. Our overall conclusion is that we need all service providers to provide additional, timely and accurate information about themselves (as an organisation) and their services, and our reasoning is set out in more detail in Section 3.

1.6. In considering changes to Registration, we assessed three alternative approaches:
- (a) to leave the current Registration requirements unchanged;
- (b) to propose changes to Registration requirements such that each service provider is required to detail every aspect of individual services, and to maintain timely and accurate Registration alongside any change in service provision;
- (c) to propose changes to Registration such that additional information requirements are balanced alongside the impact they may have on service providers.

PSA considered that option (a) will limit its ability to provide effective and efficient regulation; that option (b) is not proportionate in terms of the obligations and resource requirements it will place service providers under; and that option (c) is most likely to enable it to better deliver its mission.

1.7. We have therefore consulted with the phone-paid service industry ("industry") on option (c).

2. Consultation process

2.1. We have consulted with industry through the following process:

2.1.1. PSA published its initial consultation on Registration in January 2018, with a closing date of 9th February 2018. This document set out an overview of the PSA's objectives underlying Registration and proposed new areas of information required.

2.1.2. 15 consultation submissions were received at that point, encompassing a wide range of views from across the whole phone-paid services value chain: fixed line networks, Mobile Network Operators ("MNOs"), Level 1 aggregators ("L1s"), Level 2 merchants ("L2s") and trade associations.

2.1.3. Following a review of these submissions, as well as informal discussions with different industry parties, we extended the consultation period to allow for:
- clarification on various aspects of the initial consultation and some of the proposed changes;
- workshops to be held, to explore in more detail the exact nature of the information required;
- existing submissions to be reviewed in the light of the clarification and workshop, and amended if required;
- new submissions to be made.

2.1.4. The document notifying industry of the extension of the consultation period to 19th July 2018, which included the above clarification and details of the workshops, was published on 14th May 2018.

2.1.5. Workshops were held on 27th and 28th June 2018, at which prototype Registration input forms were presented for discussion. 42 people from across industry attended across the two workshops.

2.2. A total of 20 consultation submissions have been received; 5 new submissions and, of the original 15, 3 revised submissions.

3. Registration objectives

3.1. We set out an overview of our objectives underlying Registration in the initial consultation document and provided further detail in the document notifying industry of the extension of the consultation period. This overview and further details are brought together in 3.4 below.

3.2. Many of the consultation submissions received have indicated broad support for PSA's approach to Registration or have not referred to it at all. Some examples are:
- "We understand the motivation behind updating the registration process and support changes that improve the customer experience. We don't believe the proposed changes are excessive or add significantly to the burden placed on L1/L2's operating in the UK market. Indeed much of the suggested information is required by us as an MNO to either set-up or better manage customer services when consumers contact us for assistance."
- "We are comfortable with the principle of gathering more service data at the point of registration, we feel this will better support customers in the industry when combined with changes to the ways in which consumers can access that information through the PSA."
- "We are of course in full support of the PSA achieving its registration objectives."
- "We agree that the proposed new registration [requirements] support the objectives that have been outlined"
- "I endorse the logic and policy goals described at the workshop."
- "The defined objectives outline increased consumer confidence. As an organisation we rely on the trust of the public in order to achieve our goals. We welcome any changes to regulation which supports us in this and enable us to operate in a transparent way with our customers."

3.3. Some respondents, however, have requested a greater understanding as to why we think changes are required, and some have questioned our authority to make changes. Our reasoning is restated below.

3.4. Underpinning our review of Registration requirements are five objectives that would enhance our ability to deliver our mission. We are clear that the limited level of mandatory information required under the current approach to Registration is not sufficient for us to achieve these objectives, and during the consultation process we set out our reasoning for each objective:

    3.4.1.   Increased consumer confidence

        Consumers should be able to access and rely on information about the services they have engaged with and the organisations that have provided these services. The provision of this information through Registration should be comprehensive, timely and accurate and allow the PSA to make it available through an online interrogation facility (which to date has been the NumberChecker, but in the future may be expanded to allow consumers to query, e.g. brand name or service URLs as well as service numbers).

        We know from recent consumer research that consumer confidence in phone-paid services could be improved:
- there are general issues around trust and satisfaction, with 36% of consumers saying their trust has been compromised (Annual Market Review 2016/17);
- issues of consumer trust are worsened by poor complaint handling. Insights from the Futuresight customer care and complaint handling research include:

- o "in many cases, the experience of great difficulty [in resolving a complaint] tended to reduce their level of confidence and trust in the phone-paid service industry as a whole."
- o in terms of complaint handling, "claims of loss of trust were very evident in the study."
- o that consumers believe it should be easy to find and locate merchants. This adds confidence and certainty that their time and effort should not be wasted.

This problem is exacerbated by the relatively limited information able to be provided when a consumer tries to find out more from PSA e.g. such as through the Number Checker:

- while Registered service numbers are linked to the merchant (and related party) contact details, any further detail (brand name, billing and cost information, description, service type, etc...) is voluntary only and therefore usually not provided;
- while successful use of the Number Checker varies by payment mechanic, overall around 35,000 (20%) queries fail to provide a return. This is due primarily to the current database being unable to provide an exact match with the search term, but also because most services provided through operator billing are excluded (there is no number to Register) or the number has not been registered as required;
- PSA currently has to divert resource to handle over 15,000 telephone enquiries (i.e. not complaints, and not resolved by IVR) per year, of which around half are in relation to unrecognised charges on their phone bill.

The proposed changes to Registration requirements will create a more comprehensive database about services and the organisations that provide them. To maximise the use of this new database, we will develop our systems to both provide a broader range of interrogation functionality, and smarter, more user-friendly search functionality. The benefits will include:

- consumers receiving more accurate and comprehensive data when they base their search on a number or other information shown on their bill;
- a reduction in the amount of information merchants will need to supply when PSA issues a direction for information or makes an informal enquiry;
- consumers having the ability to access the same information from other search options e.g. brand name, service name, service description;
- consumers being reassured if Registration information matches their experience e.g. the service flow summary/framework presented broadly aligns with their consumer journey;
- a reduced level of unsuccessful online enquiries;
- a reduced level of calls to merchants, achieved through consumers; experiencing greater online recognition of the services they have engaged with;
- a reduced number of telephone enquiries handled by PSA, freeing up resources to best support consumers when they provide us with complaint data, and ensuring the efficient and effective initial processing of complaint data and case creation (Business Plan and Budget section 4.1.3);
- consumers having the ability to better inform themselves about the phone-paid services market e.g. having the opportunity to better understand individual services before buying.

3.4.2. Effective market analysis

Effective regulation needs to be underpinned by timely, accurate and detailed market information. Registration should support the ability for the PSA to fully understand and analyse the market it regulates, particularly around the types of services operating in the market and the number of providers operating within each sector, and enable the PSA to take well informed regulatory decisions.

To further support this, we have undertaken a review of the service type categorisation applied in the Annual Market Review, and Registration will require each service to be identified against this new categorisation.
We currently collect service number and customer care details from service providers as part of the registration process, but information such as brand name, billing and cost information, description and service type is currently voluntary. While we therefore have a broad overview of the market, we believe we would benefit from more comprehensive information to support more effective market analysis. For example, when considering the risk profile of different service types, and the differing regulatory approaches we may take towards them, we do not have accurate information as to the number of services or service providers within that service type, or sufficient understanding of the differences between them.

The proposed new Registration requirements will create a more comprehensive database about services and the organisations that provide them. In conjunction with the new Annual Market Review categorisation, the benefits this will bring to our market analysis include a much better understanding of:
- the number and range of service providers for each type of service;
- the differences in the services provided for each service type;
- the payment mechanics and payment frequencies within each service type and across the market;
- the differences in service promotions for each service type.

The benefits this will bring to our regulatory approach and industry engagement include:
- an ability to link consumer harm with more accuracy to specific market factors (e.g. service type, payment frequency, promotional approach etc.);
- greater opportunities to work with industry value chains to address specific issues quickly and informally;
- an ability to identify specific areas where exemptions may be considered and piloted;
- a more detailed and nuanced approach to use of our risk assessment framework, leading to better defined and more targeted special conditions;
- better informed policy work e.g. consideration of differences in subscription services;
- more accurate and granular data on which to base the Annual Market Review, leading to improved forecasting and understanding of consumer engagement with different phone-paid services.

3.4.3. Intelligent monitoring

Registration should support the effective and efficient targeting of limited monitoring resources, through establishing a comprehensive database of services provided in the market.

By definition, any service operating in the market and not registered with the PSA will be in breach of our Code and may be subject to our investigation and enforcement procedures.

We have stated in our Business Plan and Budget (section 4.3.1) that we will "maintain compliance across the large majority of the phone-paid services market, and enforce against non-compliant behaviour where fair and proportionate to do so".

However, with limited resources, it is essential that we monitor the market as effectively and efficiently as possible. Currently resources are wasted both through the need to undertake broad, sweeping searches for phone-paid services being delivered in the market, and in considering regulatory approaches based on often piecemeal intelligence.

The proposed new Registration requirements will create a more comprehensive database about services and the organisations that provide them. This will help with (although not eliminate) the need to monitor the phone-paid services market on a general basis, but in conjunction with the new AMR categorisation, the main benefits this will bring to our use of limited monitoring resources will include:

- better targeted monitoring to support policy work (e.g. evidence that service delivery within specific service types is wholly compliant);
- creation of more opportunities for early identification of issues, leading to informal resolution and market-based solutions, rather than individual case enforcement;
- an ability to better support industry initiatives through proactive monitoring work e.g. identifying very early (and likely in advance of any complaints) any possible issues with new service offerings such as society lotteries;
- with an increased ability to link consumer harm with more accuracy to specific market factors, we can pinpoint our monitoring activity to provide a better understanding of the issues and evidence of non-compliance.

We will of course continue to treat inadvertent Registration breaches fairly and proportionately, and we have no desire to seek to punish providers who are genuinely looking to provide services that consumers can engage with knowingly and willingly. PSA staff will proactively support providers to achieve accurate Registration, and the proposed new Registration requirements will enable PSA to clearly identify through monitoring and other intelligence (e.g. MNO data) where providers are deliberately seeking to avoid regulation through non-Registration of services and/or themselves as providers.

3.4.4.   Efficient application of Code processes

Registration should support and enable the timely and accurate application and enforcement of the Code of Practice, with clarity and certainty of participating organisations. We aim for all administrative delay to be minimised.

Under current Registration, organisations are currently required to provide a day to day contact and responsible person details. A review of the current database shows that many organisations are either not completing this accurately in the first place or are not keeping it up to date. Our experience shows that where we need to make either informal enquiries or issue a formal direction, this has created undue admin delay.

The proposed new Registration requirements will include more detailed guidance as to what we expect from organisations, including clarity between:
- a day to day admin contact;
- the person responsible for regulatory compliance;
- the person(s) with control or day to day responsibility for the organisation (or its PRS operations), and therefore likely to be an 'associated individual' under para 5.3.9 of the Code.

N.B., we recognise that for many smaller providers the people may be the same in each area.

We are aware that some services are provided by separate legal entities that fit within a group structure, and we wish to make sure that such a structure is expressed more clearly – both for our own regulatory understanding and for consumer support information. We will also work with such organisations to ensure Registration is as streamlined as possible.

3.4.5.   Effective due diligence

Alongside additional information provided by the PSA (e.g. breach history), Registration should support effective due diligence – both for those undertaking the due diligence research and for those organisations subject to the research. Our aim is to fully support the value chain in the consideration of their contractual relationships, and to minimise the participation in the market of non-compliant organisations and individuals.

PSA is currently investigating cases relating to potential Code breaches of due diligence requirements and intend to use the outcome of these to develop our guidance in this area.

Due diligence reports are currently limited to information about:
- Registration with PSA
- organisation name, address, trading names and responsible person
- adjudication history

The proposed new Registration requirements therefore create an opportunity to support an enhanced approach to due diligence, allowing L1 aggregators/terminating networks to demonstrate that they have considered a broader range of relevant factors in deciding whether to contract with relevant merchants. The creation of a more comprehensive database about organisations and the services they provide will enhance due diligence reports through allowing for validation of data concerning:
- services provided;
- how those services are promoted;
- pricing and payment mechanics.

4. Proposed Registration requirements

4.1. In the initial consultation document, we proposed the following Registration requirements with new information areas highlighted in bold. We asked for it to be noted that these areas are not necessarily specific fields, rather areas of information to be incorporated in the development of a new Registration input form.

4.1.1. Organisation details

For each organisation operating in the phone-paid services market:
- Organisation name
- Company registration number
- Registered Charity number
- Trading names, if different from Organisation name
- Organisation address
- **Primary contact details**
- **Regulatory contact details**
- Responsible Person details
- Registration fee classification (to determine possible exemption from paying the annual Registration fee)
- **Organisation identification in the value chain (Network and/or L1 and/or L2).**

4.1.2. Service details

For each individual service provided by Level 2 organisations:
- Service name
- Service description (free text)
- Brand name(s)
- Service type (as per Annual Market Review categorisation)
- **Payment mechanic**
  - **PSMS**
  - **Direct Carrier Billing**
  - **App store**
  - **Voice shortcode**
  - **09 number**
  - **087 number**
  - **118 number**
- Number/number ranges relevant to payment mechanic
- **URLs relevant to payment mechanic**
- **Other relevant identifier codes**
- **Service flows**
- **Service delivery messages**
- **Payment frequency (i.e. one-off or subscription)**
- Service pricing
- Other service terms and conditions
- **Level 1 provider(s) (mobile)**
- **Level 1 provider/terminating network (09/087/118 numbers)**
- **Networks (all networks or individually specified networks)**
- **Any other associated providers in the value chain**
- **Any relevant support organisations (e.g. technical support)**
- **Country service is being provided from**
- Customer service details
- **Service promotion details**
  - **Description/image of hard copy promotional material**

- o **How promoted – direct media buying, affiliates, SEM, print, mailshots, e-mail, market lists etc.**
- o **Contact details of promotional companies and copies of contracts**
- o **Service/promotion start/end date.**
- Company used for consent to charge and copies of contracts.

4.2. In response to issues raised in some of the initial consultation responses we received, we subsequently provided the following clarifications in the document notifying industry of the extension of the consultation period:

4.2.1.   We proposed, for each service, that copies of contracts should be provided in two instances (consultation document section 4.4, last two main bullets):
(a) where promotional companies are used to promote the service;
(b) where companies are used for meeting consent to charge requirements.

Recent PSA investigations have shown that some non-compliant service providers have claimed agreements were in place when in fact they were not.
Our intention through Registration, therefore, was to secure proof that such agreements were in place when services were being provided.

However, given the commercial sensitivities expressed by some service providers, we are now minded to only require at Registration the name(s) of the third parties being used. In doing so, we would remind providers of their Code obligations around consent to charge and performance of effective due diligence on contracted parties. Providers will need to be able to provide satisfactory evidence of compliance (including copies of contracts) with such requirements when required by PSA.

4.2.2.   We recognise and understand the dynamic nature of the promotion of some phone-paid services to consumers. Our intention for requiring service promotion details at Registration (consultation document section 4.4, service promotion details bullet) is to enable a broad understanding of what consumers should expect to experience, rather than require notification every time an individual detailed aspect of a promotion is changed.

Our expectation, therefore, is for the promotion of a service to be described in terms of a framework, and for examples to be provided to illustrate how the service will be promoted in that framework. As a guide at this stage (and to be explored in more detail through the workshops described in section 4), we would broadly expect the level of detail to be consistent with that currently required:
- by Level 1 aggregators and Mobile Network Operators for PSMS, operator billing and voice shortcode services;
- by Level 1 aggregators/terminating networks for 118, 09 and 087 services.

4.2.3.   Similarly, for service flows (consultation document section 4.4, service flows bullet), our intention at Registration is for a broad overview of what consumers will experience when engaging with the service, backed up by illustrative examples.

We will only therefore require at Registration a level of detail for service flows that is broadly in line with existing value chain requirements (e.g. onboarding forms), and would only require Registration to be updated for material changes to service details and/or service flows.

While responsibility for Registration of services remains with the Level 2 merchant, we recognise that service flows may be partially or wholly controlled by the Level 1

aggregator. In practice we expect to work with both parties to ensure that required Registration is achieved.

4.2.4.   It appears some assumptions have been made that PSA will continue to resource Registration in the same way as been historically perceived. However, our intention is to move to a much more pro-active and supportive approach, with an emphasis on working with providers to get things right at the point a new Registration is made or renewed. This is deliverable within our current resources: in the short-term we will ensure we have enough staff to manage over a transitional period, and longer-term, with around 2,000 service providers currently registered, this equates to less than 10 organisations per working day on average, with many Level 2 merchants providing a single service only.

We will also respond positively to requests to find ways that minimise administrative effort, including bulk uploads (consultation document section 4.5).

4.3. At the workshops in June, we presented a wireframe prototype of a Registration input form, to use as a basis for detailed discussion about the proposed requirements and the practicalities of providing them. These were presented as seven steps:

4.3.1.   Step 1 – Registering a new service

4.3.2. Step 2 – Brands

4.3.3. Step 3 – Service Type and Payment

4.3.4.   Step 4 – Consumer Bill Details

4.3.5.   Step 5 – Consumer Interactions

4.3.6.   Step 6 – Campaign

4.3.7. Step 7 – Value Chain

5. Summary of consultation responses to proposed registration requirements

5.1. The 20 consultation submissions encompass a wide range of views from across the whole phone-paid services value chain.

5.2. While we naturally welcome the support for our approach (as outlined in section 3.2), we also welcome those responses that challenge the detail of our proposed changes. We have summarised the core issues below, and set out alongside these summaries our considered assessment following the consultation feedback:

5.2.1. A number of respondents identified that providing service flows could be problematic, although for varying reasons:
- one L1 thought that some L2s would only provide a landing page and payment pages (which are hosted by the L1), and that this would not be sufficient for PSA to gauge compliance;
- another L1 raised the issue of aligning PSA's proposed requirement with the information already provided to MNOs as part of the service onboarding process;
- some L2s have identified that service flows can both change frequently and vary with each MNO, and that it would be an admin burden to keep Registration up to date with these changes.

PSA assessment

We note that this area is not applicable to fixed line services.

We accept the view that both the dynamic nature of precise service flows, and the variations in service flows (e.g. by device, screen size, different MNO requirements etc...) will make keeping Registration up to date difficult for providers.

We note that service flow information is required for services to be on-boarded by MNOs, and we have considered requiring the same information to be provided at Registration. While we see some value in being able to use this as a baseline for monitoring purposes, we recognise that it would be unlikely to benefit consumers greatly – if published, it is more than likely that the actual service flow experienced by the consumer would be different.

On balance we will therefore not require service flow information to be provided as part of Registration.

5.2.2. Several respondents have identified the dynamic and/or variable nature of some of the information required (service promotion details, delivery messages, terms and conditions) and are concerned it would be too difficult to provide in practice because:
- promotions change regularly, and often at the last minute, and that the same service could have multiple promotional campaigns. Some expressed the view that if a generic promotional flow is presented to consumers, it is more likely to annoy/confuse them as the chances are minimal of it being what they actually experienced;
- welcome or receipt messages may vary with different promotions, pricing models, service terms and access URLs;
- GDPR requires terms and conditions (T&Cs) to be updated frequently as new processing is agreed upon, and that this will lead to differing T&Cs for consumers.

We accept the dynamic nature of service promotion, and that it would be difficult to keep Registration up to date with changes in promotional material. We also accept that it is unlikely for consumers to benefit – if published, it is more than likely that the service promotion presented would be different from the promotion they experienced.

However, since our regulatory responsibility includes the promotion of phone-paid services, we need to be able to both effectively monitor individual services and have a market-level analysis of how phone-paid services are promoted.

> We will therefore not require service promotional material to be provided as part of Registration.
>
> However, we will require service providers to identify the broad methods they will use to promote a service (from a defined list), and to provide explanatory information where relevant.
>
> We will also require specific information relating to:
> - relevant internet domains, controlled by the service provider, used to promote the service e.g. URLs of web pages promoting the service that adverts link to
> - promotion start date
> - promotion end date (if promotional activity has ceased, or there is a known date when it will cease)

We accept the dynamic nature of welcome or receipt messages, and that it would be difficult to keep Registration up to date with changes in these messages. We also accept that it is unlikely for consumers to benefit – if published, it is more than likely that the message presented would be different from the one they received.

> We will therefore not require welcome or receipt messages to be provided as part of Registration.

We understand that variations may occur in terms and conditions, although we would normally expect them to be addressed within an overall set of terms and conditions. We think it is important that consumers are able to access service terms and conditions easily, but also accept that either cutting and pasting or providing a summary of the main T&Cs at Registration is an administrative burden.

> We will only require a URL link to service terms and conditions to be provided as part of Registration. If no such link exists, a summary of key terms and conditions will be required.
>
> Should an explanation be necessary for consumers to understand variations in T&Cs, service providers will be able to do so by using a free text box.

5.2.3. Some respondents are concerned about providing commercially sensitive information, although this issue has been raised in different ways:
- some are of the view that providing PSA with information about commercial contracts is only within remit at the point of formal investigation;

- a couple of respondents have asserted that there is a risk of misuse of confidential information by PSA staff, either when they leave or through being vulnerable to external pressure;
- the broadest concern is over the way in which data (e.g. pricing, service flows) is made available publicly, with some expressing the view that it may enable other service providers to develop a competitive advantage – either through use of a consumer facing tool (Number Checker/Service Checker) or due diligence reporting.

PSA assessment

We note and understand the concern about the provision of contract details as part of Registration, and on reflection agree that, if needed, this information would be better secured through direction under our formal investigation processes.

However, we think there is value in the Registration of the names of contracted partners to provide clarity about the value chain; to support targeted monitoring; and to ensure robust and thorough due diligence is best supported.

> We will therefore not require copies of commercial contracts to be provided as part of Registration. However, we will require service providers to Register the name(s) of
> - the contracted party above them in the value chain;
> - contracted promotional partners for each method of service promotion identified;
> - the contracted party providing any third-party consent to charge verification services.

We do not accept the assertions around the risk of misuse of confidential information by PSA staff.

> We are satisfied that the policies and procedures we have in place are sufficient to reasonably mitigate this risk.

While noting and understanding the concern about how Registration information may be made public, we see value in making sub-sets of this information available to both increase consumer confidence and enable effective due diligence. Such subsets would not contain any confidential or commercially sensitive information.

> Drawing on the Registration database, we will develop our consumer-facing tool (Number Checker/Service Checker) and our industry-facing tool (due diligence reporting). However, we will do so through
> - making available only relevant non-confidential/sensitive commercial information in each case;
> - designing the search functions in such a way to restrict aggregated analysis (and therefore reduce the ability of service providers to access "curated" competitive information)

5.2.4. Some respondents have expressed the view that many L2s may not have the required billing descriptor information, giving rise to a number of concerns:
- L2 may not be able to fully complete Registration ahead of services going live, leading to PSA (unreasonably) instigating breach procedures;
- MNO billing descriptors are generated and held at L1 level, and processes are not currently in place for this information to be shared;

- there is also potential for a "catch 22" situation regarding MNO bill descriptors – these are often not assigned until after proof of Registration is given to networks as part of their service approval process, but proof of Registration cannot be given without the bill descriptors;
- there is potential for consumer confusion where billing identifiers for Payforit transactions are (a) linked to L1s and not the L2 merchant, and (b) cover multiple services;
- some of the information required is not relevant to fixed line services (since the fixed line number used for the service will be displayed on the bill).

<u>PSA assessment</u>

We note each of the above concerns. While our view is that accurate billing descriptor information, along with the correct Registration of numbers, is fundamental to increasing consumer confidence in phone-paid services, we understand the practical issues that some L2s may face.

Where relevant to the nature of the service, we do expect L2s to be able to get billing descriptor information from their L1, but we recognise (a) time needs to be allowed for this to happen and (b) for this information requirement not to get in the way of onboarding services with MNOs.

In respect of billing descriptor information and numbers relating to voice services, we will require the following as part of Registration:
- for voice services (i.e. all services provided over 118, 09, 087 or mobile voice shortcodes), service providers will need to Register all numbers relating to the service. We expect that these numbers will be reproduced on consumer bills and therefore no further billing detail is required;
- for services billed through operator billing (including via Payforit), we require each network's billing identifier to be Registered. However, we will:
  - o acknowledge Registration as "complete" without this information, allowing services to be on-boarded by networks;
  - o allow a maximum of 30 days (following the service going live) for this information to be provided and Registration to be "fully complete". This window will enable service providers to obtain the information from their aggregator(s);
- also, for services billed through operator billing on a recurring basis, we require the STOP shortcode to be Registered;
- for services billed through PSMS, we require the following to be Registered:
  - o the shortcode used to bill the consumer;
  - o the STOP shortcode for services billed on a recurring basis. NB we recommend that the same shortcode is used for billing purposes and STOP – see 'method of exit' guidance at https://psauthority.org.uk/for-business/explore-our-guidance.

5.2.5. Some respondents who operate fixed line phone-paid services have identified a concern that, since some services may operate through several different numbers, Registration will be onerous if there is no facility to add these numbers easily.

<u>PSA assessment</u>

We note the concern and potential difficulty in inputting a large volume of numbers when Registering services.

> We will build functionality into the new Registration input forms to allow for easy uploading of large volumes of numbers and/or number ranges.

5.2.6.   Some respondents have queried whether existing registered services will be required to be updated, and if so are concerned about the volume of work involved. This is a particular issue for those respondents who manage a large number of services.

PSA assessment

We note the concern but are clear that the objectives set out in section 3 can only be achieved through a comprehensive Registration database. We recognise, however, the need to manage the process of updating existing Registrations within reasonable timescales.

> We will require all existing Registered services to be updated but will allow up to three months for this to be completed following the launch of the new Registration requirements.

5.2.7.   Some respondents have asserted that the proposed pricing information will be misleading, since it will be for the service charge only and not include any network access charges – and therefore will not match the amount on the consumer's bill.

PSA assessment

We accept that many consumers do not understand the difference between service charges and network access charges. Within PSA's remit, we see value to consumers in providing relevant explanations alongside transparent pricing information.

> In respect of payment frequency and pricing information, we will require the following service charges as part of Registration:
> * for voice services (i.e. all services provided over 118, 09, 087 or mobile voice shortcodes), service providers will need to Register:
>   o cost per call or cost per minute
>   o cost information (service provider can input text to enable specific messaging)
> * for services billed through operator billing (including via Payforit) and PSMS, service providers will need to Register:
>   o payment frequency (from a pre-determined list)
>   o single price (if relevant)
>   o multiple pricing information (service provider can input text to enable specific messaging)
>
> To try to manage consumer understanding, where this information is made available via the Number Checker / Service Checker, we will make consumers aware that it relates to the service charges only, and that (where relevant) network access charges apply in addition.

5.2.8.   In terms of the proposed Registration changes leading to consumers being able to access more information about services, a couple of respondents have expressed concern about bill payers (or those seeing information on a bill) being able to identify the exact nature of the services e.g. through the URL for an adult service, which currently may only be described as "adult chat".

<u>PSA assessment</u>

We note the concern but see significant value in the Registration of core service information. In our view consumers should be able to fully identify the services that have been charged to their phone-bill. The information will also enable industry providers to undertake more effective due diligence. Crucially, such information will enable us to analyse the phone-paid services market in detail and allow for the deployment of intelligent monitoring.

In developing Number Checker/ Service Checker, we will deploy age verification where search results lead to 18+ services. We note also that, in the first instance for operator billing services, the L2 can work with their L1 to manage what appears on consumer bills through the billing identifier.

In addition to the requirements already set out in 5.2.1 to 5.2.7 above, the core service information that will be required at Registration are:
- service name
- service image (if relevant)
- service description
- service category and type (selected from pre-determined list)
- brand name(s) (if different from service name)
- brand images (if relevant)
- payment mechanic (selected from pre-determined list)
- for operator billing and PSMS services, the URL of the landing page through which the consumer can access the service (NB this is different to the requirement set out in 5.2.2 regarding relevant internet domains controlled by the service provider used to promote the service)
- customer service contact details (telephone, website, email)
- customer service information (service provider can input text to enable specific messaging)
- service retired date (users will be able to select "with immediate effect" or input an earlier date)

5.3. We also note that some responses include suggestions about how to improve the process of registering organisations and services, and we will make reasonable endeavours to incorporate these in the design and build of new input forms. Examples include:
- providing help/info tips at each stage of the input form;
- ensuring there is specific clarity about the differences between primary contact, regulatory contact and responsible person details;
- providing tick-boxes to allow for selection of more than one item from a list (e.g. payment mechanism)
- allowing for L1s to support their L2 clients through the process of Registration, through e.g. authorised account access or a "buddy" system that allows L1 oversight;
- identifying which service types are linked to Special Conditions;
- creating preview screens to allow an organisation to see all its service registration details before completion;
- creating user-friendly reporting of Registration information to service providers e.g. to enable all service Registrations to be reviewed alongside each other;
- removing the need for Captcha in the environment where the service provider has logged in;
- removing unnecessary email notifications when changes to registration are made.

6. Registration requirements

6.1. Having taken each of the 20 consultation responses into account, as set out in Section 5 above, we will require Registration to consist of the organisation and service details set out below.

6.2. Service providers should note at this stage the following:
- The exact way in which the Registration information will be collected will be determined during the building and testing of new input forms. We will engage service providers during this phase, including through implementation workshops;
- We will also use this build and test phase to confirm:
    o which information fields will be mandatory (and which therefore will be voluntary) and where this might vary with the nature of the service being registered;
    o which information fields will be made available publicly (either through Service Checker or due diligence reports), and which will be for PSA internal use only;
- Once the build and test phase is complete, we will publish a formal Notice that precisely sets out the new Registration requirements. We plan to do this in January 2019.

6.3. The organisation details we will require through Registration are:

- Organisation name
- Company registration number
- Registered Charity number
- Trading names, if different from Organisation name
- Organisation address
- Primary contact details
- Regulatory contact details
- Responsible Person details
- Registration fee classification (to determine possible exemption from paying the annual Registration fee)
- Organisation identification in the value chain (Network and/or L1 and/or L2).

6.4. We have grouped the individual service details we will require through Registration into five areas:

6.4.1. Core service information
- Service name
- Service image (if relevant)
- Service description
- Service category and type (selected from pre-determined list)
- Brand name(s) (if different from service name)
- Brand images (if relevant)
- Payment mechanic (selected from pre-determined list)
- For operator billing and PSMS services, the URL of the landing page through which the consumer can access the service
- Customer service contact details (telephone, website, email)
- Customer service information (service provider can input text to enable specific messaging)
- Service retired date (users will be able to select "with immediate effect" or input an earlier date)

6.4.2. Pricing and payment frequency
- For voice services (i.e. all services provided over 118, 09, 087 or mobile voice shortcodes)

- o Cost per call or cost per minute
- o Cost information (service provider can input text to enable specific messaging)
- For services billed through operator billing (including via Payforit) and PSMS
  - o Payment frequency (from a pre-determined list)
  - o Single price (if relevant)
  - o Multiple pricing information (service provider can input text to enable specific messaging)

6.4.3.　Billing descriptor information and numbers relating to voice services

- For voice services (i.e. all services provided over 118, 09, 087 or mobile voice shortcodes)
  - o all numbers relating to the service
- For services billed through operator billing (including via Payforit)
  - o each network's billing identifier
- Also, for services billed through operator billing on a recurring basis
  - o the STOP shortcode
- For services billed through PSMS
  - o The shortcode used to bill the consumer
  - o The STOP shortcode for services billed on a recurring basis

6.4.4.　Service promotion

- Methods used to promote a service (from a defined list)
- Explanatory information where relevant (service provider can input text to give further detail)
- Relevant internet domains, controlled by the service provider, used to promote the service
- Promotion start and end dates
- Names of contracted promotional partners for each method of service promotion identified

6.4.5.　Service value chain

- the contracted party above the service provider in the value chain
- the contracted party providing any third-party consent to charge verification services

7. Next steps

7.1. We have revised our timetable, so that our plans are now:

September – December 2018	Build and test new Registration input forms and accompanying functionality for users. Testing to include implementation workshops with service providers.
22 January 2019*	Target publication date of Notice of new Registration requirements, which will take immediate effect for all providers (excluding those exempted from Registration).
22 January 2019 – 22 March 2019*	Three-month window to allow for existing Registrations to be updated to meet the new Registration requirements. PSA will not take enforcement action in relation to existing registrations during this period.
April 2019*	Launch of new Service Checker for consumers.
April 2019*	Launch of new due diligence reports for industry.

*subsequent timings are dependent on successful building and testing of new Registration input forms