

**MINUTES OF THE 402nd MEETING**

**PHONEPAYPLUS BOARD MEETING**

**Wednesday 27<sup>th</sup> April 2016**

**10.00am – 1.15pm**

**PHONEPAYPLUS LIMITED, 25<sup>th</sup> FLOOR, 40 BANK STREET, LONDON E14 5NR**

**Board Members**

David Edmonds (Chairman)  
Kevin Brown  
Ann Cook  
Peter Hinchliffe  
Steve Ricketts  
Ruth Sawtell  
Joanne Prowse (Chief Executive)

**Ofcom**

Lynn Parker

**PhonepayPlus**

Peter Barker  
Simon Towler  
Ayo Omidoyi  
Jonathan Levack (item 3.1)  
David Levitt (item 3.3)  
Oliver Sweeney (item 3.3)  
Stephanie Ratcliffe (minutes)

## 1.0 **STANDING ITEMS**

### 1.1 **Apologies and Introduction**

Introductions were made, there were no apologies received.

### 1.2 **Minutes of 401st Board Meeting held on 26<sup>th</sup> January 2016**

The Board **APPROVED** the draft minutes of the meeting held on 26<sup>th</sup> January 2016.

#### 1.2.1 **Matters arising and Action log**

There were no matters arising.

#### 1.2.1 **Action log**

The Board **NOTED** all actions on the log as closed and **REQUESTED** updates are included under comments, where actions have been taken up elsewhere.

**(Action: S Ratcliffe)**

#### 1.2.2 **Standing and other Declarations of Interest on agenda items**

There were no standing or other declarations of interest recorded.

### 1.3 **Chief Executive's Report**

The Board **NOTED** the Chief Executive's update on activity and progress across the organisation, as outlined in the paper.

The following points were highlighted:

- Project 30 regulatory framework remains a key focus and significant progress continues with five proposals put forward to develop and improve the regulatory framework, stimulate competition and encourage market entry. A workshop with MNOs has been held and a further workshop is planned for the wider industry in May. An internal project group is established and operating. A policy paper setting out the proposals will follow, prior to wider consultation where required.
- We understand the MNO's Project Slimline, which is being driven by Vodafone, and the PFIMG are continuing to adapt PFI rules to address market needs and to adopt a more principles based approach to provide for better outcomes.
- We continue to engage with industry regarding complaints around competition and adult services. With regard to the Consumer Contract Regulations, we await comment on AIME's proposed guidance from both Trading Standards and Ofcom.
- Recruitment for the new Code Adjudication Panel is underway, with completion expected early May. The recruitment process for an independent lay assessor is also due to commence.
- Developments of legislative proposals for age verification controls regarding online pornography continue. The Board **AGREED** for the Executive to continue to ensure our Code and regulatory framework are consistent with the new legislation, as and when it is passed by Parliament.
- Positive engagement with DCMS and Ofcom continues. The Chair thanked Lynn Parker for her contribution to good working relationships.
- Our Investors in People recently awarded PhonepayPlus a silver level status, which demonstrates a high level of achievement.
- An decision on the children's spending cap exemption for app stores will be addressed at the next Board meeting at the end of the grace period.

The Chair confirmed his meeting with Dame Patricia Hodgson, Chair of Ofcom, was very positive, with working relationships progressing well.

## **2.0 ITEMS FOR APPROVAL/DECISION**

### **2.1 Legislative changes and maintenance of company registers**

The Board **NOTED** the recent legislative changes to UK company law, as set out in the paper.

In line with the statutory requirements, the full Board (being both members and directors) **AGREED** with the Executive's recommendation to elect to maintain the company registers of members and directors at Companies House.

Subject to further clarification regarding the register of 'people with significant control', the Board **AGREED** with the Executive's recommendation to elect to maintain the PSC registers at Companies House.

**(Action S Ratcliffe)**

### **2.2 New Name for the Organisation**

The Board **NOTED** the paper on new names for the organisation submitted for consideration, along with the recommendation of a new name and strapline, as set out in the paper.

The Board **APPROVED** the strapline, however **AGREED** to defer the decision on a new name and to continue to seek further proposals. In the meantime, Ofcom will check requirements of specific terminology, prior to any decision being reached. Further proposals on name will be presented to the Board in due course.

**(Action: P Morton)**

## **3.0 ITEMS FOR DISCUSSION**

### **3.1 Consumer Journey Research: Craft report**

The Board **NOTED** the research report on consumer's experience of interacting with adult and online competition services, taking into consideration the background behind the research, the methodology used and key findings.

The Executive confirmed further work is underway to improve understanding of issues, an MNO workshop with Craft has taken place and further meetings planned with the Rapid Response Team and the ILP in May.

The Board **AGREED** the report was a valuable, quality piece of research and **RECOMMENDED** the following:

- Continue to take issues forward at workshops and with the ILP to identify a solutions plan.
- Revisit the particular guidance notes as part of the action plan in light of the Craft research and re-consider the publication schedule.
- Consider comparisons with other payment types which have higher post payment protection levels.
- Ensure meeting/workshop outcomes are linked to Project 30 and Special Conditions.
- Produce a forward action plan and provide an update at the next Board meeting.

**(Action: S Towler)**

### 3.2 Part 4 review progress update

The Board **NOTED** the paper setting out Part 4 review progress update and the timetable up to Code approval and implementation. The project remains on course with implementation of Code 14 planned for July 2016.

Ofcom's consultation on approving the Code, which closed on 25<sup>th</sup> April, received two responses, whereby no changes to the Code were anticipated. Subject to EU comment, publication of Ofcom's final statement is expected in June, in line with the July target date for Code 14 implementation.

### 3.3 Code implementation and IOP update

The Board **NOTED** the progress report concerning the implementation of Code 14, including an overview of the new Investigations Oversight Panel (IOP) and its procedures.

Discussion focused on the practicalities and requirements associated with the IOP and clarification was sought regarding the disbandment of the Code Compliance Panel.

The Board **NOTED** a balance would be struck in populating the IOP rota to best recognise the industry based workload of industry non Executive directors and the adjudicatory expertise of Executive Directors. It was **AGREED** it would be beneficial for all members to attend training sessions in advance of the new Code launch. The Board **NOTED** that the work load remains unpredictable at this stage.

The Board **AGREED** with the Executive's recommendation for a further review on impact and requirements to be undertaken in six months time.

(Action: O Sweeney/D Levitt)

### 3.4 Application of the Code and eCommerce Directive analysis

The Board **NOTED** the background to and progress on addressing the wider issue of the application of the Code, as set out in the paper, and the Executive's analysis of the derogation process under Article 3 of the e-Commerce Directive (the Directive).

Following discussion the Board **RECOMMENDED** the Executive continue with the forward looking steps outlined and further consider the Executive's processes to ensure it minimises (to the extent permitted by law) the risk of any inability to take appropriate and effective action either under the Code or through the home State authority.

(Action: A Omidayi)

## 4.0 ITEMS FOR INFORMATION

### 4.1 Management accounts summary report period ended 31<sup>st</sup> March 2016

The management accounts summary report, period ended 31<sup>st</sup> March 2016, was presented to the Board.

The Executive also presented a high level commentary on our financial position going forward into 2016/17 with regard to income/levy and retained funds. Specific attention was drawn to the level of fines collected towards the end of the financial year, which meant a more favourable retained funds provision than previously reported.

The Board **NOTED** the financial performance (while recognising the draft was subject to year end external audit approval).

**5.0 AoB**

**5.1 Brexit**

The Board **ADVISED** the Executive to consider the potential impacts on PhonepayPlus's regulatory framework, in the event of the UK exiting the European Union.

**(Action: LT)**

**End of Minutes**

**Date & location of next meeting:**

**Date:** Wednesday 22<sup>nd</sup> June 2016

**Time:** 10am-1.00pm

**Location:** PPP offices, 25<sup>th</sup> Floor, 40 Bank Street, Canary Wharf, London, E14 5NR