

DIRECTORY ENQUIRY SERVICES

3 April 2014

Who should read this?

This compliance update is relevant to all providers of premium rate services (PRS) which are defined as Directory Enquiry (DQ) services and operate on the 118 number range.

Background

PhonepayPlus has recently seen a growing number of complaints about DQ services, and subsequent recent adjudications by PhonepayPlus Tribunals against different DQ providers. The types of non-compliance against which breaches have been upheld are as follows:

- Pricing transparency, proximity and prominence in promotional material
- Undue delay during calls to DQ services.

PhonepayPlus has historically received a significant number of consumer contacts and enquiries about DQ services, but very few of these have resulted in complaints or investigations. In addition previous consumer research carried out by PhonepayPlus indicates a high level of consumer trust in calling 118 numbers, a situation which all parties are doubtless anxious to maintain.

However in light of the recent growth in complaints and investigations, coupled with the increased cost of DQ services which increases the potential for bill shock, PhonepayPlus is issuing this update to remind DQ providers of existing responsibilities, and to set out how the Tribunal is likely to interpret the Code in light of the recent adjudications.

Next Steps

As such, PhonepayPlus calls the attention of all DQ providers to the following:

Pricing transparency

DQ providers should include pricing information wherever the 118 number is promoted. This includes phone directories and websites. The only type of promotion which is excluded is where a DQ provider sponsors a television programme, in which event broadcast sponsorship regulations prevent the inclusion of any price in the promotional inserts at the start and end of the programme, and before and after commercial breaks.

What about websites where the 118 number is the brand name?

Some DQ providers have, with great success, promoted their 118 number in such a way as to make it an instantly recognizable part of their brand. However wherever the full number is

displayed PhonepayPlus must consider whether it is a call to action, and consequently whether pricing information must also be prominently and proximately included.

In such circumstances PhonepayPlus will consider whether the context of displaying the full 118 number is to promote the DQ service. An example of where this would likely not be the case is business cards given out by employees of the DQ provider. Whilst the full 118 number might be displayed, the primary purpose of a business card is to enable contact with the individual who has distributed it, and not to promote the DQ service.

However where a website owned by a DQ provider promotes any similar service – for example, a web-based lookup service - using the full 118 number as the brand name then a PhonepayPlus Tribunal is highly likely to take the view that this is also a call to action for a PRS, and consider the provider to have breached rule 2.2.1 of the Code.

Where a website owned by a DQ provider promotes any similar service using part of the 118 number as a brand name, then this must be clearly differentiated from the full 118 number, in order that consumers do not confuse a non-premium rate service with a premium rate call to action. Such wording or graphics as set this difference out must be as prominent and proximate as any part of the 118 number which is used in the brand name.

Pricing proximity

On websites pricing information should be proximate to the 118 number, and in no circumstances should the price of calling the 118 number be displayed “below the fold” – i.e. in such a way that the consumer has to scroll down the website to see the cost of the call.

For the avoidance of doubt paragraph 2.9 of PhonepayPlus’ Guidance on Promotions and Promotional Material defines proximate as follows:

Being next to, or very near, the means of access to a service

Where pricing information is not displayed directly next to, or very near, a call to action either on a website, in a broadcast, or in print, then, except in cases where the price is so prominent as to be visible to the consumer regardless of its proximity, a PhonepayPlus Tribunal is likely to consider that the provider has breached rule 2.2.5 of the Code.

Pricing prominence

Paragraph 2.13 of PhonepayPlus’ Guidance on Promotions and Promotional Material states the following:

Pricing information should be presented in a horizontal format and be easily legible in context with the media used. It should be presented in a font size that would not require close examination by a reader with average eyesight. In this context ‘close examination’ will differ for the medium, whether on a static webpage, a fleeting TV promotion, in a publication, or on a billboard where you may be at a distance or travelling past at speed.

Where a DQ service is advertised in any medium which may only allow the consumer to quickly glimpse the call to action and price, then any failure to make price prominent enough, especially where there is a marked difference between the prominence of the price and the

118 number, is likely to result in a PhonepayPlus Tribunal upholding a breach of rule 2.2.5 of the Code.

Where promotional material is displayed on a moving object – e.g. bus, car, train – which is likely to be seen only fleetingly or at a distance, or on a billboard which is likely to be seen fleetingly from moving objects or at a distance – e.g. at the side of a motorway or railway - DQ providers should ensure that the cost of the service, as well as the 118 number, is presented in a font size which is clear even when glimpsed quickly or from a distance.

Undue Delay

Where consumers call a DQ service, they should be able to get through to an operator, or automated facility for providing information in order to receive the number they are looking for, without any unreasonable delay. Similarly when consumers have provided whatever information is necessary to obtain a number, the number should be provided to them without any unreasonable delay. This is in order to prevent the consumer being charged for longer than is necessary to get the service they require.

Where consumers must first listen to a recorded message which promotes the DQ service, or other services which the DQ provider can assist with, either before connection to the service or before provision of the number they are looking for, then it is likely a PhonepayPlus Tribunal would consider such a message to be unnecessarily prolonging the service, and therefore uphold a breach of rule 2.3.4 of the Code.

Compliance advice

Compliance advice is available, free of charge and in writing, from PhonepayPlus. Please note that advice from the PhonepayPlus Executive is not binding on the Code Compliance Panel, the independent body from which PhonepayPlus Tribunals draw their membership, although a record of advice is maintained and taken into account should a service later be found to be in breach of the Code.

Further information

Contacting the Executive:

PhonepayPlus Tel: 020 7940 7474

Clove Building Fax: 020 7940 7456

4 Maguire Street

London

SE1 2NQ

E-mail: compliance@phonepayplus.org.uk

Website: www.phonepayplus.org.uk