



BT's response to PhonepayPlus 3 Year Strategic Plan consultation

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BT welcomes comments on the content of this document. Comments can be addressed via e-mail to Graham Pottie (graham.pottie@bt.com) or Anne McLaren (anne.mclaren@bt.com)

For the attention of

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1 Executive Summary

BT agrees with PPP's assessment of the market environment though we disagree with the proposed updated Vision.

We also agree with the proposed mission statement, core values and objectives.

We note the consistency with current 3 year plan in many ways, but would appreciate clarity on the Strategic view of how PPP intends to regulate the various 087X ranges under the NGCS unbundled regime from next year.

2 BT's Responses to 3 Year Plan Questions

Q1: Do you have any views on how changes in technology, the market and/or consumer behaviour could affect the PRS industry over the period 2014-17? What do you think the implications of these changes might be for regulation and do you think we have sufficiently addressed these in our strategic plan?

- BT agrees with the description of changes in technology and the market and with the need for regulation to remain effective within its remit.
- Moreover we are keen to understand better PPP's approach to regulating 087X ranges once unbundled pricing is implemented.

Q2: Do you agree with PhonepayPlus' proposed vision statement for 2014-17? If not, what alternative would you propose and why?

- BT agrees with the current vision within the premium rate services market.
- However we do not agree with the proposal to update the vision with the addition of the words "Consumers of equivalent services are entitled to the same level of confidence".
- We believe consumers do not need the protection of PRS regulation if they use alternative methods of payments such as credit card, debit card, PayPal or by a gift card. There is no consumer harm that needs to be addressed in that market which is not in any case the market for the provision of premium rate services. Therefore expanding the PRS regulation as proposed would mean extending the remit of PPP well beyond the PRS market into the wider market of digital content and electronic commerce.
- That would not be possible in our opinion given that PhonepayPlus acts as the agency which carries out, on Ofcom's behalf, the day-to-day regulation of the PRS market as defined in Section 120 (7) of the Comms Act. This definition includes indeed the requirement that the charge is paid through the telecom bill¹.
- We therefore believe that neither a different definition of premium rate services nor an extension of PPP's remit beyond the PRS market could be possible by simply changing PPP's vision.
- For this reason we propose that PPP's vision remain unchanged.

Q3: Do you agree with PhonepayPlus' proposed mission statement for 2014-17? If not, what alternative would you propose and why?

- BT agrees with the mission statement

Q4: Do you agree with PhonepayPlus' proposed core values for 2014-17? If not, what alternatives would you propose and why?

¹ A service is a premium rate service for the purposes of this Chapter if—
(a) it is a service falling within subsection (8);
(b) there is a charge for the provision of the service;
(c) the charge is required to be paid to a person providing an electronic communications service by means of which the service in question is provided; and
(d) that charge is imposed in the form of a charge made by that person for the use of the electronic communications service.

- BT agrees with the core values

Q5: Do you agree with PhonepayPlus' proposed key strategic objectives for 2014-17? If not, what alternatives would you propose and why?

- BT agrees with the strategic objectives – recognising that there needs to be coordination with other regulation as described in Objective 4 but that the value outlined in Objective 5 is maintained in the premium rate service.