

PhonepayPlus: Strategic Plan 2014-17
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Introduction

The [Federation of Communication Services](#) is the UK trade association for the professional communication services sector. Our 400 members and associates deliver voice and data functionality and services to business and public sector users by means of copper, fibre and radio transmission infrastructures. We are pleased to have the opportunity of responding to the PhonePayPlus consultation on its Strategic Plan for the next three years.

Answers to specific 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?

For all its efforts to keep one step ahead of technology and attempt to prevent problems before they arise over the last 15-20 years, PPP has often been caught out by something that was not anticipated, such as dialer fraud and wangiri. We believe that these efforts should continue nevertheless, but always with a weather eye to something unexpected and an ability to react quickly to it.

More immediately, consumer behavior will be affected by the impact of the Consumer Contract Regulations and the Ofcom proposed NGCS changes. A consumer should not be offered an 0844 number for an aftercare line, although a call to one of these numbers would be cheaper for a BT customer on a free weekends and evening calls package to call than a landline number during the day. There is bound to be confusion and, whilst this may not have a direct impact on PPP, there will be continuing questions about the use of lower rate NGNs even though they are not currently within PPP's remit. PPP will need to be very clear when offering advice to consumers exactly which prefixes (charge bands) it regulates – the 10ppm+ definition still applies. PPP will also need to fully understand what services fall within the "helplines" definition, including the range of exempted services and businesses.

Ofcom anticipates that the advertising split for NGCS services to show service charge and access charge will improve clarity for consumers – the arrival of 0870 in June next year as a PRN-range needing regulation will be a new field for PPP to advise SPs on and regulate appropriately, complaints about other lower (sub-CPRS definition) number ranges such as 0845 and 0844 may find their way to PPP and resources will need to be available to handle these correctly and refer them to the correct enforcement bodies.

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

We do not agree with PPP's proposals to bring "equivalent services" within its vision statement. Whilst this may be a laudable aim, so is world peace – but neither are within PPP's gift. Ofcom sets out in its advice to consumers that PRS are:

"a form of micro-payment for paid for content, data services and value added services that are subsequently charged to your telephone bill. They tend to cost more than a normal phone call or text message."

PPP regulates a payment mechanism and no more; PRS are not payments made by PayPal or Credit Card, and as such, PPP has not control over these alternative methods.

A vision statement must be something that is within the possible scope or reach of the company, and the proposed wording is clearly outside both of these.

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

We broadly agree with the mission statement, though believe that the final three bullet points should be listed first as PPP is the regulator for PRS and these most closely reflect the desired approach of a regulator. Effective consumer protection is an outcome of good regulation, so points one and two should become four and five. The current first bullet, appearing as number four, could perhaps read:

"put the consumer at the heart of everything we do as a result of effective regulation....."

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

We do not disagree with the new proposed core values; however, the changes seem to be purely cosmetic.

Whilst saying that your staff cannot remember seven words, you move to four values, supported by many words, which have the original seven wrapped up in them.

We would suggest that the "Forward looking" value should state "we understand the market in which we operate..." rather than "we are experts in...", the latter is quite a claim.

We are not sure how the seven quoted in the document match the nine lengthy bullets that currently appear on the website as being the core values and it would have been useful to clarify this in your consultation.

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

We agree with all the proposed strategic objectives, however, in line with our comment above about PPP being the regulator of the industry first and foremost, we would suggest re-ordering so that Objective 2 becomes the first objective.

We would also suggest that the second bullet of objective 3 should read *"..partnerships with other regulators, consumer and trade bodies...."*

Conclusion

The FCS feels that PPP is continuing in the correct direction with this proposed three year plan and it is right to continue to review and update objectives.

We would welcome consideration of the possibilities for PPP's protection falling wider than "consumer" as simply a natural person. The requirement on Ofcom in the Comms Act is to prevent discrimination between persons, which can be real or legal. It may also be worth considering the chain of harm, which will often end with a consumer; in instances where a dial through fraud is perpetrated via a business PBX, a small business may go bust due to the size of the bill, which would obviously affect its end-user customers/consumers.