

## **PhonepayPlus Consultation on Guidance**

ITV welcomes the opportunity to comment on PhonepayPlus' proposals for new and updated Guidance. We are responding only to question 5, 6 and 7 which all relate to General Guidance on Enabling consumer spend control.

### **Q.5: Do you consider the proposed new Guidance on enabling consumer spend control to be helpful, in particular providing an insight into the requirements set out in Rule 2.3.6 of the Code?**

In general we welcome guidance which, through practical examples, gives PRS providers a better understanding of how PhonepayPlus is likely to enforce the Code when issues arise. However, when it comes to an assessment of what constitutes 'excessive use' we do not think a 'one size fits all' approach to guidance will work. We go into this further below in our response to question 6.

We also disagree that 'excessive use' can be defined simply by reference to usage that is 'high' or 'sustained' and/or 'repetitive' over a short period of time, and therefore we think the definition set out in paragraph 2.2 of the draft guidance is insufficient. Any definition of 'excessive' usage must incorporate the concept that the level of usage is not just high but is significantly and damagingly higher than would normally be expected from anyone within a standard range of users and user behaviour. In this context, high level users and low level users can both be within the range of standard users. In practice, the majority of 'high' usage will not be 'excessive' usage. We therefore submit that the definition in paragraph 2.2 should be tightened.

### **Q.6: Are the options given in the Guidance relating to methodology for identifying 'excessive use' suitable in offering PRS providers assistance with the development of tools that comply with Rule 2.3.6 of the Code? Please explain any concerns and provide alternative options based on your knowledge and experience.**

While we can see why identifying a modal average level of usage and then monitoring for usage which is 50% higher than that level may be appropriate for certain PRS services, it would not be an appropriate measure of excessive usage for any service which has a high volume of unique users but a relatively low volume of engagements per user. So, for example, if the majority of users engage with a PRS service once a week at a cost of, say £1.50 per engagement, then any user who engages twice in that week would be showing usage 100% above the modal average and would, according to the guidance, be demonstrating excessive usage. We do not think that on any reasonable view such usage could be viewed as 'excessive'.

We therefore submit that the guidance should be amended to expressly recognise (i) the limitations of the guidance, and (ii) that the methodologies recommended by PhonepayPlus for identifying excessive use will not be appropriate to all services, and therefore it is open to service providers to implement measures which are more appropriately tailored to their specific services, so long as those measures are intended to achieve the outcome of Rule 2.3.6.

**Q.7: Are the suggested means of providing information to consumers effective and does the Guidance equip PRS providers to comply with this requirement under Rule 2.3.6 of the Code?**

With respect to paragraph 3.4(d) we do not see why it would be necessary for a third party to be engaged to keep a record of spend warnings given by providers. No rationale is given for this recommendation in the guidance and it would appear to us to be an unnecessary additional cost for service providers. We therefore submit that that recommendation should be deleted.

**ITV**

11 April 2016