

DRAFT
Pricing Help Note
Version 1: July 2005

Introduction

This ICSTIS Help Note is designed to provide information to service providers and help them to run their services in compliance with our Code of Practice. This Help Note is a non-binding document and does not form part of the Code of Practice, whose relevant provisions should be read in conjunction with this Note.

Service providers seeking clarity about the application of any Code provision to a particular service are strongly advised to contact the Secretariat **before** starting to operate the service.

Why is pricing required?

Pricing information is one of the fundamental pieces of information that all premium rate promotional material must display. This is to ensure that consumers are fully aware of how much the premium rate service is likely to cost them before they decide to take part.

How should pricing be presented?

As long as the pricing is easy to locate, read and understand there is unlikely to be an issue of compliance with the ICSTIS Code. On the other hand, non-specific descriptions such as 'premium rate charges apply' are unlikely to provide sufficient information as consumers will have no idea how much they are being charged.

Issue of differential pricing

The charges for premium rate services can often exceed the basic rate advertised by the service provider or promoter. In particular, this occurs when consumers call premium rate services from mobile phones and non-BT networks. While consumers have a general awareness that calls from mobile phones and some other networks may cost more, it is useful to include information in the promotional material stating this fact.

For example, a service provider can use the following type of wording to clarify pricing for the consumer:

- Calls cost £X per minute; calls from mobiles and some networks may be higher.
- Calls cost £X per minute; calls from mobiles and some other networks may cost more
- Calls cost £X per minute from BT landlines.

What do consumers want to see in promotional material?

In research conducted in 2004, consumers expressed preferences for the kind of pricing information they would like to see in promotional material. The overall impact of the promotional material and the ease with which they could identify the pricing information gave a sense of confidence to consumers about taking part in the premium rate service. Some of the preferences that the consumers asked for were not feasible and could have created some confusion.

However, we have listed below the consumer preferences that can be followed by service providers if they wish:

- *For premium rate calls from landline telephones*
 - Cost per minute and ideally the maximum duration of the call
- *For premium rate calls from mobile telephones*
 - Cost per minute and ideally, maximum duration of the call
 - And an indication that the call will cost more from a mobile
- *For premium rate texts*
 - Cost per text/download
 - Clear statement of how many texts need to be sent to complete the task (if more than one, state how many)
 - An indication that the text cost is in addition to normal network rates (if applicable)
- *For interactive 'red button' services*
 - Cost per use prior to pressing red button
- *For premium rate internet dial-up services*
 - Cost per minute/use (where applicable)

Overall, consumers believed that if the pricing information were directly underneath/beside the premium rate number or the 'call to action', it would help them make an informed decision and increase the likelihood of their trusting the service.

More advice on pricing prominence

- Use of colour in print media

There are a number of instances when the combination of colours used in promotional material reduces the clarity of information and the ease with which it can be seen. These combinations include white on black, yellow on red, and yellow on blue. Service providers should take care in ensuring that the colour combinations selected do not adversely affect the clarity of pricing information once the promotional material is published.

- Pricing information stated in the terms and conditions

We have sometimes seen pricing information buried in the middle of the terms and conditions of a service, promotion or product rather than as clear and correct 'stand-alone' information. In such cases the ICSTIS Committee has upheld breaches of the ICSTIS Code of Practice for lack of pricing prominence.

- Services where an '09' number is not directly dialled

Consumers find pricing information which is clearly stated in cases where they are not presented with a recognisable premium rate '09' number or the potential cost implications of other prefixes, such as those used for premium rate reverse-billed SMS (Short Message Services). In the past, the ICSTIS Committee has upheld breaches of the ICSTIS Code of Practice for such lack of pricing prominence.

Copy advice

Copy advice is available, free of charge from the Secretariat. Service providers are therefore invited to submit in confidence their proposals for promotional material. Please note that Secretariat advice is not binding on the Committee, although a record of advice is maintained and taken into account should a service be later found in breach of the Code.