

MEDIA RELEASE...MEDIA RELEASE...MEDIA RELEASE...

Embargoed until 10.00am Wednesday 7 November 2007

PHONEPAYPLUS CONSULTS ON 2008/9 ANNUAL PLAN AND BUDGET

PhonepayPlus, the phone-paid services regulator (formerly ICSTIS), has today published its proposed 2008/9 annual plan and budget, highlighting a clear focus on pre-empting and preventing problems – the key, it believes, to effective long-term consumer protection and the development of a dynamic, growing industry.

The UK public spends around £1 billion a year on phone-paid services – the goods and services that are charged to our phone bills and mobile pre-pay accounts. With services now available on mobile handsets, landline phones, websites and interactive TV, nearly every person in the UK has ready access to this simple, convenient way of paying.

Full details of the consultation, which runs until **5 December 2007**, can be accessed at www.phonepayplus.org.uk/news/consultation_papers/2007CondocOpen.asp. In summary, key highlights in the document include:

- Proposals to pre-empt problems through detailed research, effective policy-making and targeted monitoring, and to enhance protection for consumers and the industry when problems arise.
- The development of support, advice and information services for all industry stakeholders, and an increased emphasis on working with them to prevent potential problems.
- A total budget requirement for 2008/9 of £4.4 million, including a provision of £254,000 for work in relation to our forthcoming additional responsibilities for services on the 0871 number range. Excluding this provision, the budget represents a decrease in real terms for the third year running.
- Our recovery rate for fines imposed in 2007/8 (as at the end of October) stood at 91% – up from 76% in 2006/7 and 34% in 2005/6.
- As in previous years, all fines recovered this year will be available in 2008/9 to reduce the cost of regulation to legitimate businesses.

Announcing the consultation, PhonepayPlus Chairman Sir Alistair Graham said: “Today’s proposals show our clear commitment to a regulatory approach based on pre-empting, preventing and protecting. We will pre-empt problems through research, sensible rules and by working with the industry on safeguards. We will prevent problems by giving the industry practical advice and support on compliance with our Code of Practice.

“At the same time, we will be ready to act swiftly using our extensive enforcement powers to deal with those who do not run services responsibly.”

For further information about the work of PhonepayPlus, please see www.phonepayplus.org.uk.

For further information, please contact:

PhonepayPlus Media Office: 020 7940 7408 or 020 7940 7415

NOTES TO EDITORS

- Phone-paid services offer some form of content that is charged to your phone bill or mobile pre-pay account. The money paid by users for services is shared between the telephone company carrying the service and the organisation(s) providing the content.
- PhonepayPlus regulates the content, promotion and overall operation of services through its Code of Practice. It investigates complaints, and has the power to fine companies and close down and/or bar access to services if the Code is breached. It can also bar the individual(s) behind a company from running any other services under any company name on any telephone network for a defined period.
- Services can be accessed by landline or mobile phone, fax, interactive TV (for example, by using the red button on the remote control) and PC (for example, in e-mails or on the internet).
- Most services are advertised on either 09 dialling codes or, in the case of text services, four or five-digit short code numbers followed by a descriptive key word (for example, 11111 VOTE). Services offering adult entertainment must only be advertised on 0908, 0909 or 098 numbers and on mobile short code numbers beginning 69 or 89. Directory enquiry services are advertised on six-digit numbers beginning 118. From early 2008, we will also regulate all services offered on 0871 numbers.
- Calls vary in cost depending on the type of service you use and the way in which you access it (for example, landline or mobile phone). Calls to 09 numbers from landlines vary in cost from 10 pence per call to £1.50 per minute (plus any network set-up fees). Calls to 0871 numbers cost up to 10 pence per minute from landlines.
- Calls to 09 or 118 numbers from mobiles will vary in cost depending on your phone network. However, they will generally cost more than the advertised landline rate. Calls to 0871 numbers cost up to 35 pence per minute from mobiles. Text services on mobiles (for example, TV voting) will be charged at a fixed rate (for example, 25 pence per text) plus your usual standard network charge.
- Many text services (for example, football goal alerts) work on a ‘reverse-billed’ basis, where you will be charged for receiving texts rather than paying to send them. Typical costs for a single text message received range from 25p to £1.50. If the service is subscription-based, companies offering these services must make this clear to you, as well as the cost per text, how many texts will be received and how you can end the service by sending the word STOP.