

Childnet International Response to Phonepay Plus Consultation Document on Mobile phone-paid Services and their Marketing

Introduction

Childnet International is a UK-based charity working with others around the world to help make the Internet a great and safe place for children. A child focused organisation, Childnet works directly with children, those responsible for children and other organisations and service providers operating around them. In particular, Childnet works actively in the area of education and awareness in promoting the potential and opportunities that technology, including mobile phones, offers to children by providing quality advice to children, young people, parents, teachers and caregivers, to enable children to use the technology safely and responsibly. Childnet is also active in carrying out research in this area as well as working in key policy fora, such as the UK Council for Child Internet Safety (UKCCIS)¹ and the DCSF cyberbullying taskforce for example.

Background

Childnet is pleased to respond to the Phonepay Plus consultation on Mobile phone-paid services and their Marketing. Childnet welcomes the document which provides an interesting and informative guide to premium rate services with much useful data. This is an important area to consider with regards to the safety and well-being of children and young people due to the fact that children, including those aged 12 and under, have unprecedented levels of access to and ownership of modern technologies such as mobile phones, often engaging with them financially.

Recent Ofcom statistics indicated that in the UK 6% of children aged 8-11 and 90% of children aged 12-15 have mobile phones.² An earlier study done by Ofcom in the UK³ also found that 14% of 8-11 year olds reported being solely responsible for their mobile phone bill. As more children have access to and take ownership and responsibility of technology at an ever younger age, it is vital to ensure that steps are taken so that they are able to enjoy the opportunities new technologies offer whilst being able to keep safe at the same time and being protected from exploitation.

Childnet is pleased to see that Phonepay Plus have recognised children as a vulnerable group who may be more easily misled and less able or willing to complain and are more likely to use phone-paid services than adults. Last year Childnet conducted a research project with the National Consumer Council (NCC) and Dr Agnes Nairn, publishing the results in a report titled 'Fair Game? Assessing commercial activity on children's favourite websites and online environments'⁴. This report concluded that children and young people may be placed at risk in the commercial environment online where marketing codes of practice are flouted, hidden persuasion techniques are employed in the form of advertisements and commercial messages that cannot be easily identified by children are advertised indiscriminately. The response to this consultation is tied to some of the findings of the Fair Game report.

¹ Childnet was previously an original member of the Home Office Task Force on Child Protection on the Internet.

² Ofcom Media Literacy Audit (May 2008)

http://www.ofcom.org/advice/media_literacy/medkitpub/medlitpubrss/ml_childrens08/

³ Media Literacy Audit: Report on media literacy amongst children (May 2006)

http://www.ofcom.org.uk/media/news/2006/05/nr_20060502 (p.50)

⁴ <http://www.childnet.com/downloads/fair-game-final.pdf>

Premium-rate subscriptions

With specific regards to the subject matter focused upon in this consultation the Fair Game report detailed incidences of where children and young people had been caught out by payments made by landlines and mobile phones. In particular, many children were caught out by signing up to premium rate subscriptions believing that they were making a one-off purchase of a product. Childnet's experience has highlighted that services such as those offering ring tones and logos and competitions paid for by premium rate very often do not make it clear for children and young people that the agreements promoted were a reverse-billed subscription rather than a one off payment⁵. "I had this £10 credit and went on this website to get a ringtone, and it took all my money." (Girl 11-12)⁶

Childnet are also aware of instances where children on a post-pay contract have run up a monthly bill in excess of £1,000. These issues are perhaps the most common complaint received by mobile network operators customer services, and it is important to ensure that complaint systems and mechanisms should cater for complaints from children and young people, as research has revealed that many young people are embarrassed to report this type of incident and are also fearful of the potential confiscation of their mobile phone.

Prior Permission and use of the word 'free'

There are many instances where consumers, particularly children only digest the most prominent information and chose a service that they might not otherwise whose because they perceive it to be free. Furthermore, customers are not always clearly informed that they are agreeing to a subscription services. It is for this reason that Childnet agrees with the concept of prior permission as set out in the consultation document (from 7.4) to ensure that services abide by the rules of the code. It is often these services that are the ones that we hear children are having difficulties with.

The *explicit acceptance* as required in Switzerland and the *handshake SMS* used in Germany outlined in the consultation document could be a useful protection layer with regards to subscription services. Childnet agrees with the statement of expectation proposed to clarify what is acceptable for those sending SMS messages with a charge and would agree that as highlighted throughout the consultation document there is a need for clarity with regards to the use of the word free and the inclusions of the word advert or promo in specific instances. The additional 'yes' required from the user would act as a safeguard in cases where children and young people disregard information text regarding subscription services

As identified in the consultation document, in particular children and young people are attracted by the perceived low cost and instant gratification of purchases through their mobile phones. Drawing a parallel with some of Childnet's other work we know that children and young people regard the Internet as a source of free content. Childnet agrees that there is currently widespread misuse of the word *free* and agrees with the approach taken by Phonepay Plus (from 7.7) that it is unacceptable to imply that a service is free where the free element is conditional upon purchase. The misuse of the word free is to the detriment of children and Childnet's Fair game report also found this to be true.⁷

⁵ Supported by evidence from the Safer Internet for Children Qualitative Studies across 29 European Countries (May 2007) p.51

⁶ <http://www.childnet.com/downloads/fair-game-final.pdf> (p.34)

⁷ <http://www.childnet.com/downloads/fair-game-final.pdf> (pp.34-35)

The OFT and Phonepay Plus found that a considerable number of websites offering Mobile Phone-paid services would mislead children but were not in most cases specifically aimed at children and rather were misleading to all consumers (3.9). The consultation document further highlighted the example of the crazy frog ringtone where both children and adults ‘suffered’ and consequently no action was taken. Childnet believe that this is at odds with the definition of children’s services in the code which states that “children’s services are services which, either wholly or in part, are aimed at or should have been expected to be particularly attractive to children”. We know from experience that services such as the one described above are particularly popular with children and so believe the measures to protect the vulnerable must be extended beyond services which are solely aimed at children and more attention should be paid to premium rate services likely to *attract* children.

Accessibility, prominence and clarity

Childnet is pleased to see that the consultation document sets out to improve the quality and location of the advice given on such services such as the proposed statement of expectation at 6.29. Such services/statements should be clear and simple for users, but also prominent within the service so that it is highly likely that all users would have seen it. It is important that this term ‘prominent’ is included in any new guidelines or clarifications produced following this consultation, supporting Phonepay Plus’s recognition that consumers only digest the most prominent information (7.9).

We know from our work directly with children and young people that in many instances they do not read the small print, or small dense type.⁸ There is therefore a need to effectively communicate the information in a meaningful and accessible way to the correct audience. It is important that the language used is appropriate for children and young people and is tested with this target audience.

Children also agrees with the proposal for a uniform STOP response as this would provide greater clarity for users, is more in keeping with language used by young people as opposed to other alternatives such as ‘halt’ and would help promote a consistent message to be used with children and young people.

Conclusion

The rigour and transparency of the Phonepay Plus document is commended alongside the thorough consideration of the issues. Moving forward it is crucial that in improving the advice given around the promotion of mobile phone paid services children and young people are taken into account in any resulting proposals so that information can be effectively communicated to the right audiences alongside the need to ensure that the process of complaining is accessible and easy to children and young people to further their protection in this area.

⁸ <http://www.childnet.com/downloads/fair-game-final.pdf> (p.14)