



BT Response to PhonepayPlus Plan and Budget Consultation 2010/11

Please address any queries on this response to:
michael.traynor@bt.com.

Observations

Overall BT considers this is a good plan and budget for 2010/11, there are areas for comment brought out in the answers within the main body of this response but they are matters that no doubt will be subject to PPP/Industry discussion in the coming year.

Response to Questions

Q1. PhonepayPlus will be developing a new Three-Year Strategic Plan in 2010. Do you think our purpose and role as set out above still describes the priorities for regulation in the phone-paid services sector? If not, how do you think this should develop?

We consider there is still question over the clarity of scope of the PPP remit that was not answered by Ofcom's scope Review but deferred to be addressed within PPP's own mandatory code. A stronger formal lead from Ofcom within the scope review would have set the framework for PPP's core remit and set limits of variation beyond that, rather than the situation at present where PPP has considerable freedom to set its own remit.

That aside the 3-year plan looks promising and reflects many of the issues industry has raised. BT would welcome PPP's assurance that where it sees new opportunities for regulatory intervention as technology and services develop it also considers what legacy regulatory activities it can relax or consider that self-regulatory solutions are appropriate.

We would also like to see some resource allocated to inter-industry non-compliant action such as AIT and greater use of intelligence on activities provided by industry whether or not there is direct impact on consumers.

Q2. What information or evidence do you have about market trends and about the overall size of the phone-paid services market in 2009/10?

Our view is that within the volume sector there is little to no growth, the market remains flat. The broadcaster sector has picked up a little, though Ofcom's proposals on the advertising code are likely to impact on the variety of services available.

Q3. What information or evidence do you have about any specific segments or content areas and their potential for real growth or decline over 2009/10?

There is some evidence of evolving participation TV formats, however it is a mature market and consumers are being more selective in where they spend their money. Depending on the regulatory influences there may also be an increase in alternative billing/payment facilities.

Q4. How do you see the phone-paid services market developing in 2010/11?

We have no evidence to suggest that the situation will change notably in the near future.

Q5. What comments do you have on the priorities for 2010/11? Are there other projects or issues that you think PhonepayPlus should consider for the coming year?

Nothing that PPP haven't mentioned but the key area without a doubt is the development of the registration scheme and industry database, linking into an improved number checker facility.

Depending on the final version of the new Code PPP may also become heavily engaged with industry support with regard to its application and will need to bear that resource requirement in mind.

Picking up on the comment on scope of PPP remit where PPP states that as it expands beyond what might be termed its "traditional remit" that the relationships and ownership with neighbouring regulators are agreed and subsequently made clear to industry players who are subject to obligations within the different regulatory regimes.

Q6. Do you agree that PhonepayPlus should increase consumers' PRS literacy, in so far as it builds an appropriate level of trust in the market?

There is a balance between providing a level of consumer information as expected of a regulator and the level of "service" provided by a communications provider as a competitive differentiator, in relation to how they treat their customers as valued clients. Perhaps this is something the ILP can consider along with PPP to achieve a co-ordinated approach and not least assess what is already in place via other customer groups such as CABS, Customer Focus and the like.

Q7. How should PRS literacy work be funded, through the industry levy or through a new fine sanction imposed for breaching the PhonepayPlus Code of Practice?

We consider that it is only reasonable that any consumer literacy is funded from fines revenue, but there we do not see a requirement for any new process to be developed.

Q8. What is an appropriate initial level of funding for our PRS literacy programme?

£100k seems excessive as an initial figure. Perhaps it would be best to determine what might be needed then assess a cost. Any project that starts with a figure for spend will inevitably meet that spend without necessarily achieving the objective at hand.

Q9. What areas should PhonepayPlus focus its core research programme in the coming year? Do you have knowledge of any industry research initiatives in these areas?

There ought to be relatively few occasions when PPP itself needs to commission market research. If it considers there is a need perhaps Industry representatives and Ofcom may be able to contribute or assess what material is to hand that may meet the need. Complaints themselves directed at any source such as CAB, Ofcom, Consumer Focus, and CPs is likely to provide a picture of where any current failing exists, if that is what PPP is trying to address.

Q10. Do you support our proposed budget changes for 2010/11 having regard to the activity and strategy that drives the changes? If not, please explain why.

Overall BT supports the plan and budget, it shows that PPP has taken on board comments made by industry with regard to the size of the market and the economic climate and prepared a plan which will provide benefit to the consumer, which is the real objective. BT notes the efforts that PPP have made with regard to its own operational cost savings and the fact that as the budget has reduced there is a reasonable expectancy that the levy will also reduce.

Q11. Do you have any comments as any other risks that PhonepayPlus might face that are not identified above as part of the business plan design?

None

End