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Consultation

Multi-Party Chat

Submission by

Association for Interactive Media and Entertainment

(AIME)

AIME (www.aimelink.org)

AIME is a UK based not for profit trade association that promotes excellence in the Interactive Media and Entertainment industry.

We uphold our Code of Ethics and Core Values to create an environment of consumer trust and industry confidence within which our members' commerce can grow. We are committed to furthering the interests of Interactive Media and Entertainment through the regular exchange of information and communication throughout the value chain, effective engagement with regulators and legislators and the presentation of a successful industry image to media.

We are the only UK trade association with membership across all elements of the interactive media and entertainment value chain, which is generally supported by Premium Rate Service (PRS) billing facilities, and our membership represents in excess of 90% of annual industry revenues which stood at £0.80bn in 2009 within the UK and which, we believe, has the potential to increase to £1.5bn - £2.0bn per annum over the next three years assuming we have a healthy balance of self and formal regulation and that industry is successful in continuing to build consumer trust.

Industry has made significant advances both in technology and good practice since the issues with Multi-party chat in the 1990's, improvements we are pleased to see acknowledged by PhonepayPlus throughout the consultation document. The Multi-party chat environment is now well positioned to foster a new generation of appealing services, which will increase consumer choice and spur industry growth.

AIME welcomes the opportunity to comment on the PhonepayPlus proposal for the reintroduction of Multi-party chat and to add views on the significant amendments suggested to previous Multi-party chat regulation.

AIME promotes and abides by the philosophy that consumers who are accurately and openly informed of the nature, content and cost of participation in an interactive service are perfectly placed to exercise their freedom of choice and thereby enjoy the most effective form of consumer protection.

General

AIME generally welcomes the PhonepayPlus proposals for the re-introduction of Multi-party chat and is pleased to see a pragmatic approach to regulation, which takes account of changes in technology and acknowledges industry good practice in the similar live 1-2-1 market. We are pleased to see a reduction in applied regulation, which we believe is a positive development in the PhonepayPlus approach.

Whilst supportive of the approach we believe that there is scope to further reduce regulatory control through a review of the continued requirement for both the £30 forced release and £10 spend reminders. AIME wishes to make clear in calling for further work in this area that it should not further delay a decision on the reintroduction of Multi-party chat.

Whilst the end result is positive, concern has been raised by a number of industry members that it has taken a considerable time for PhonepayPlus to respond to requests for the Multi-party chat reintroduction. We understand that PhonepayPlus was first approached over two years ago with a business case centred around the Multi-party chat model and that there have been further approaches in the interim period. Such a long delay in responding to these requests has greatly reduced any commercial advantage that would have existed for these providers in being first to market with an innovative new product. Clearly, this delay has also resulted in lost opportunity for increased industry revenues across a number of operators during a difficult trading period.

With product innovation now highlighted as the major barrier to industry growth in the Think Tank market report, AIME feels that in the future projects which address regulatory barriers to innovation should be treated as a much higher priority by PhonepayPlus.

Questions

Q1. Do you agree with the proposals around the permission condition? Please give detailed reasoning where applicable.

AIME welcomes PhonepayPlus' proposals to remove the requirement to collect address details, which would otherwise prolong the call and may be viewed as intrusive and off putting by many consumers. AIME supports PhonepayPlus' analysis that advances in technology now enable adequate consumer identification and protection without address details being provided.

AIME likewise agrees with PhonepayPlus' analysis that the industry has taken effective steps to restrict underage and unauthorised callers and that the proposal to remove the requirement to request the bill payer's permission would bring Multi-party chat into line with other internet based offerings. AIME welcomes this approach to converged media regulation.

Q2. Do you agree with the proposed changes for the introduction message? Please give detailed reasoning where applicable.

The proposed amendment to the required pre-call announcement to drop reference to recordings 'being passed to the regulator' is welcomed.

Q3. Should higher tariffs up to £1.50 per minute be permitted? If not, please submit your comments and observations.

AIME is strongly in favour of a review of higher rate tariffs and believes that an increase to the maximum call charge of £1.50 per minute would provide greater scope for innovation and a wider selection of services. In the meantime AIME welcomes proposals to bring Multi-party chat pricing in line with other fixed line chat products. AIME holds the belief that a properly informed consumer is best placed to decide whether they wish to consume a product at the price advertised.

Q4. Do you agree with the proposal around the content of MPCs? If not, please submit your comments and observations.

AIME see no reason to apply additional restrictions to the content genre available through Multi-party chat and we welcome PhonepayPlus' pragmatic approach to removing restrictions on adult chat.

Q5. Do you agree with the proposed change around monitoring? If not, please explain your reasoning and any other details you wish to be considered in this regard.

We welcome PhonepayPlus' acknowledgement of technological advances by industry in consumer protection and monitoring capabilities and the resulting proposal to decrease the ratio of moderators to callers.

Q6. Should the maximum call spend remain at £30.00? If not, please supply any concerns you have or other information you feel should be considered.

AIME believes that providing consumers are clearly informed of the price of accessing a service there should be no need to restrict or artificially curtail a consumer's experience. We believe that the retention of both the £30 spend limit and incremental price warning is unnecessary and that only one of these consumer safeguards is needed.

AIME would not wish to see debate over this matter delay the reintroduction of Multi-party chat. We would therefore prefer that PhonepayPlus carryout a separate review of the need to retain the double protection of both cost warnings and forced release.

Q7. Should the call cost warnings remain unchanged? Is there any other information you feel should be considered or other safeguards put in place?

AIME feel that if the £30 forced release is retained, in conjunction with the pre-call pricing announcement, consumers would be adequately informed and protected without additional warning messages.

As this is a matter which affects other service types and may require more careful consideration and industry debate, we would prefer that this be considered as a separate review rather than delay implementation of Multi-party chat.

Q8. Do you agree with the proposals around single services? Please submit any concerns or issues you have with the intended change.

We can see no potential consumer harm from allowing consumers the ability to transfer between services, in fact this would appear to add positively to the consumer's experience. We therefore support PhonepayPlus' proposal to lift restrictions on a consumer accessing Multi-party chat from within other services.

Q9. Do you agree with the proposal to allow MPCs to operate on prefixes other than the 09059 prefix? If not, please supply your reasoning and any other information you would like considered.

We do not believe there to be wide spread consumer recognition of the relevance of prefixes past the first two digits of the number and therefore sub-prefixes in the 09 range would appear to offer no additional consumer protection benefits. We therefore believe that allowing Multi-party chat to operate outside of the 09059 range to be pragmatic.

Q10. Should the age of callers remain as 18 and over? Do you agree with the proposals regarding children? If not, please supply details of any other information you feel should be considered.

We believe in principle that age restrictions should be linked to content type rather than the service genre and there is an argument for reducing the age restriction on certain Multi-party chat content. At 16 years old an individual is able to join the armed forces, play the national lottery and even legally have children; activities requiring a greater level of responsibility and posing more potential risk than engaging with a Multi-party chat product.

However, on balance and at this time we prefer to support the current policy of ensuring callers remain at 18 and over and perhaps the subject of age restriction can be re-visited at a later date when the service has been securely re-established.

Q11. Do you have any suggestions or comments on additional conditions you feel should be imposed or considered by the Tribunal?

It is imperative that prior permissions are processed promptly by PhonepayPlus in order to avoid any unnecessary delay to service implementation and AIME is seeking to establish an SLA with PhonepayPlus, which will include a commitment to process prior permissions within an agreed timescale.

Delays in receiving prior permissions impact heavily on commercial negotiations and erode the important commercial advantage of being first to market with an innovative product idea.

Q12. Do you agree with the proposal to remove the compensation fund and just have a security bond?

AIME shares the PhonepayPlus view that the characteristics of Multi-party chat are similar to live 1-2-1 and we believe that compensation and bond arrangements should be the same for both.

Statement of Representation

AIME confirms that this response has been compiled following a process of internal discussion and distribution of the relevant Consultation documentation to all AIME members. A list of members can be found at <http://www.aimelink.com/home/members.aspx>

The views expressed in this response are a fair representation of the majority views held by the responding AIME membership. Individual members are actively encouraged to submit their own independent views as they deem fit and at their sole discretion.

Close

We assure you that, as ever, our comments are made constructively and with the intent of achieving an effective, fair and proportional regulatory regime for Premium Interactive Media and Entertainment services in the UK.

If any clarification to our response is required or if we can be of any further assistance please contact Zoe Patterson at + 44 1273 685328 or zoe@aimelink.org

Sincerely

AIME