



# BT's response to PhonepayPlus Call for Inputs document

“PhonepayPlus Code of Practice (12<sup>th</sup> Edition) Review.”

23<sup>rd</sup> October 2013

BT welcomes comments on the content of this document. Comments can be addressed via e-mail to Graham Pottie ([graham.pottie@bt.com](mailto:graham.pottie@bt.com)) or Anne McLaren ([anne.mclaren@bt.com](mailto:anne.mclaren@bt.com))

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## **1 Executive Summary**

BT has been supportive of the 12<sup>th</sup> Code of Practice since its introduction and we agree that the move to outcomes based regulation has been successful.

We agree that the Code does not need a fundamental change and that the focus should be on improving the appropriateness, effectiveness and resilience of regulation.

In order to fully achieve this, we believe that PhonepayPlus should review all guidance material to help clarity and consistency.

## 2 BT's Responses to Call for Input Questions

Q.1. Do you agree with our overall approach to this Code review? If not, why not?

*We agree that the fundamental regulation does not need review at this stage and that the 4 areas mentioned are the main areas to be reviewed.*

Q.2. Is there anything else we should be considering?

No

Q.3. Have we considered all implications of Ofcom's proposed NGCS changes on the Code of Practice? If no, please detail what we may have overlooked.

*We believe that as well as managing the move from the current pricing structure to unbundled pricing, the code review needs to manage the co-existence of bundled and unbundled pricing (for business customer pricing and SMS and Voice ShortCode pricing) in a clear manner.*

*We also believe that given that the PPP Code is due to be reviewed in 2014 and the Implementation date for NGCS is in 2015, the review should provide for both the pre-implementation and post-implementation environments. Additionally the Code should be able to support changes in the NGCS environment that occur as a result of Ofcom Working Group discussions prior to implementation and to support trials by industry or individual companies prior to implementation.*

*We believe that, in conjunction with Ofcom, PPP should be assigned the ability to change the upper limit to call charges and therefore include a process for regular review.*

*The registration and compliance requirements for 084X, 0870, 0871 and 09XX need to be clearly explained. In particular the need for 084 and 0870 (although they are included in NGCS unbundling) regulation should be reviewed.*

Q.4. In light of new service charge caps being introduced on the 09 number range, what views and evidence do you have around the application and level of spending caps to certain PRS services to protect consumers?

*We believe that the Prior Permission regime should be reviewed on the basis of consumer harm and requirements and limitations potentially adjusted. The levels and requirements for Prior Permission should be reviewed as well.*

Q.5. Are there areas or provisions within the Code that are not fit for new market innovations and emerging trends that we have not identified in this document?

*We believe that a process for reviewing the spending caps should be introduced based on evidence of consumer harm and comparability with other forms of micropayment.*

Q.6. Do you agree with our overall approach to continue to make the Code even less prescriptive and increasingly outcomes-based? Do you agree with our approach to the issues we have identified?

*We agree that the Code should be outcomes based where possible, and supported by more definitive guidance and the ability for any provider to seek approval for their own services, promotions or processes – actual or planned.*

Q.7. Do you agree with our proposal to review the Track 1 and Track 2 procedures? Do you have any further suggestions as to how PhonepayPlus might amend them to reflect current usage, ensure consumer protection and optimise the principle of polluter pays?

*Given the contractual problems associated with voluntary withholding by Network Operators, we believe a time bound precautionary direction should be introduced. This would enable Network Operators to withhold outpayments without breaching contracts.*

Q.8. Do you agree with our general approach under the enforcement and technical review theme? Do you have any comments on the areas for consideration that we have identified? Are there potential amendments that we should consider but have not? If so, please detail the issue and provide relevant information if available.

*We believe that the inclusion on contracts formed abroad should be restricted to contracts between Network Operators, Level 1 providers and Level 2 providers relating to a UK based PRS service.*

*We believe that preliminary investigations to assess whether a formal or informal procedure is required should be time bound – other than in complex cases – to minimise uncertainty.*

Q.9. Do you agree with the issues we are considering as part of the polluter pays theme? Are there any areas that we have missed?

*We believe there may be a case for a deposit arrangement or extended outpayment timescales for overseas based Level 2 providers where they are new or high risk to avoid the risk of rogue providers benefitting from non-compliant behaviour.*