

## **Action4 response Affiliate Marketing A PhonepayPlus Discussion Document - May 2014**

### **Introduction**

Action4 welcomes and thanks PhonepayPlus for the opportunity to respond to this discussion paper behalf of its members.

As a membership driven trade association representing commercial businesses operating within the non geographic telephony sector we are starkly aware that effective regulation is intrinsically linked to the good levels of industry and consumer trust and in turn a buoyant industry.

### **Questions for Discussion**

1. What has your experience been of using affiliate marketing?

Our membership is concerned by certain affiliate marketers not acting in an appropriate manner, which in turn leads to consumer harm. We welcome this discussion paper and we welcome the work you are endeavouring to do with those that work within this arena to develop clear parameters of what is acceptable and what is not.

2. Did you find the finalised Guidance issued by us in November 2013 useful? Could it be improved? And, if so, how?

The guidance was very useful, however we are concerned that there have been reported cases of non compliance since this was published.

3. Are our expectations of what 'good' looks like right? Are the principles and expectations set out appropriate, clear and reasonable? If not, why not?

We agree with your expectations of what "good" should look like

4. Are the questions listed on page 10 useful in helping frame your affiliate Due Diligence Risk Assessment and Control considerations? If not, why not?

They are helpful in trying to focus where the contract and roles and responsibilities lie in the value chain.

5. What more could PhonepayPlus be realistically doing to build compliance in the marketplace? What can providers do?

PpP needs to further encourage and establishing working relationships that allow them to have full market information as to what is going on, and proactive dialogue with industry will further this. We welcome the various meetings that are taking place as this engagement with industry will lead to PpP having up to date information on market practices. The industry must work together to ensure the consumer

experience is a fair one where they have decision making power in what they chose to purchase.

6. What is industry doing to build trust in affiliate marketing? What more should be done by them?

Industry is meeting with the regulators and does realise that negative activities such as we saw with the dialler issues will not help the industry grow, but actually see it decrease due to consumer mistrust.

The industry must ensure that any persons or entities they contract with are, to the best of their knowledge, who and what they say they are. They must also monitor and react appropriately if there is an issue.