



5 December 2007

Ms D Carré  
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Dear Dawn

Invomo welcomes the opportunity to comment on the PhonepayPlus (PPP) Annual Plan and Budget.

We support the proposed approach of pre-empt, prevent and protect and we also think that there needs to be a joined-up approach with OFCOM along with the recognition that fixed mobile and broadband convergence requires a 'technology aware' and consistent approach and application.

We are concerned about the use of the term "phone-paid" services in an industry consultation document regarding the funding for PPP's regulation, as it is not a term that is recognized in the Communications Act 2003. PPP is in place to regulate premium rate services and, whilst we understand that it is trying to build a user-friendly name for the consumer, it is important that it does not stray outside its remit for regulation.

Whilst we accept that the price that the mobile operators chose to charge their customers to call premium rate services is outside PPP's control, we believe it should be making every effort to help the public understand where the mark-up is coming from. This will help to protect the service providers and networks who are innocent of this, yet often end up being blamed in the media. Any work that can be done under the proposed research and consumer education part of the budget to further this understanding would be welcome.

Although some costs in the document are set out precisely, others are rather vague. There is mention of an increase of 54% for copy advice, with an implication that this may require further staffing, however, we are aware that copy advice requests used to be fewer than 20 a month, so this would still appear to be quite a manageable quantity. Regarding staff numbers, the document refers to the head count of 67 as "relatively small", yet this is considerably larger than many of the service provider and network operator companies that it regulates. Other vague statements relate to the planned savings in the cost of the PPP Board, and the revised charging rates and policy for recovering administrative costs. Without detail, it is difficult to comment on these areas.

We would want to be certain that all research is “cleared” by the industry as relevant and useful before it is commenced and that all outcomes are available to the industry.

Invomo supports the polluter pays principle of regulation, but is unclear how there can be a “continued shift” towards this – does this imply more use of fines, or a significantly higher administrative charge? Presumably the introduction of an hourly rate for all cases, rather than just complex as now, will increase the costs of investigation, and PPP will need to be able to justify such increased charges.

We hope that these comments will be helpful and are pleased to note a continued real cost decrease in budget requirements and levy.

Yours sincerely

Catherine Gerosa