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RESPONSE TO 0871 CONSULTATION

ICSTIS is keen for the existing code of practice to apply to 0871 rather than having a new and separate code.

TUFF favours a simple to understand 0871 statement and but fails to see how a “**one code fits all**” approach will benefit Industry or the public. We believe that the existing 11th code is too detailed for the potential audience however it does contain the key ingredients to prevent Scams and frauds..

TUFF believes that in order to promote fairness for all 0871 regulation should be proportionate to the level of potential harm and therein lays the difficulty. On one hand it would appear that given that the current call charges are much lower than those of premium rate services 0871 might warrant lighter regulation. However there is already clear evidence of major scams taking place using 0871 which operate perhaps **BECAUSE** the 0871 call costs are only 10p/minute and that OFCOM is seen as a minor threat to their operation by Scam Fraudsters.

The new 0871 regulation must be able to deal fairly with both legitimate businesses and Scam fraudsters.

The primary objective of the new regulation is consumer protection and price clarity. TUFF agrees but suggests that ICSTIS must do more to protect the consumer from 0871 Scams and Frauds than has been the case in recent months/years. TUFF sees little in the proposals that gives any confidence that the core issues, already identified, will be tackled. Will for example a business man need to have a price message on his business card if it shows an 0871? How will ICSTIS deal with the leaving of an 0871 CLI on a consumers telephone line or mobile. This is how presently many of such scams operate on 0871 – What is paradoxical is this would not be tolerated with leaving an 09xxxxxx CLI.

THE TELECOMMUNICATIONS UNITED KINGDOM FRAUD FORUM LIMITED

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TUFF believes that the 11th code of practice could be used as the basis for the 0871 code but suggests that a cut down version may be appropriate. However it will need to tackle some new twists to protect the consumer from fraudsters.

TUFF warns that Scams and Frauds will flourish much easier with the ability to hide in the expected mass migration to 0871.

TUFF warns that for the first time there will be a UK PRS range that will be open to inbound International calls. It cannot be stressed too greatly that fraudsters will try to exploit this on the basis that ICSTIS has limited if any powers to protect the overseas consumers. Will ICSTIS requirements be extended to overseas advertising of a UK 0871 number? **If they do not then there is a loophole from day 1 the fraudsters will exploit.**

TUFF suggests that ICSTIS will need to find a way of assisting Network Operator's with the due diligence requirement. But ICSTIS should also remember that some Network Operators have clearly been turning a blind eye to the activities of their 0871 clients. ICSTIS must find a way of tackling this problem and not be tempted to abandon all Due Diligence for 0871.

Perhaps a requirement for 0871 SPs to register on-line with mandatory additional questions about the service offered. To include whether the number is to be used for customers to contact the business for practical services (plumbers etc) OR for entertainment.

Also what a caller can expect to hear when calling the number – live answer or recorded message or Voicemail message. Plus a question as to whether the number is primarily a revenue generation business – e.g. “Cheap chat”.

It would aid the prevention of Scams and Frauds if this registration information was made available to the Industry on the website. Network Operators should be made aware that allowing an SP to operate an 0871 number without such registration will deem the number to be in breach. This would make it easier for AIT retentions to be made and would thereby help bolster regulation.

If ICSTIS were tempted to allow for example, “an electrician” to be exempt from prior permission and other requirements. How then would ICSTIS prevent scams being run by fraudsters pretending to be electricians? (TUFF points out that this example of “an electrician” using 0871 for business is highly unlikely because there is insufficient revenue share to allow such calls to be forwarded to the electricians mobile. Therefore such claims of –“we must protect the electrician, plumber, builder etc from onerous regulation” may well at best be a smoke screen or more likely be designed to allow loopholes for exploitation by fraudsters)

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It is often said that 0871 services have a maximum charge of 10 pence per minute, implying that it is not worth running a fraud or scam. Clearly this is NOT true as is evidenced by the huge number of AIT retentions every month on 0871 numbers. Furthermore it is often forgotten that some 0871 scams operate at 10p PER CALL (fixed fee) ICSTIS should consider this as additional evidence and weight for SP registration.

ICSTIS need also to consider how overseas SP using 0871 numbers should be regulated.

TUFF considers that as a minimum should ICSTIS receive a level of customer complaints or a Network Operator alert, to potential Artificial Inflation of Traffic, ICSTIS should be able to order money to be withheld until the issue is resolved as per the existing PRS emergency procedures.

A handwritten signature in black ink that reads "Jack Wraith". The signature is written in a cursive style and is underlined with a long horizontal line that ends in an arrowhead pointing to the right.

J A Wraith
CEO

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