

0871 Services: An ICSTIS Consultation

Response from Virtual Universe Limited

As a general comment, we are of the view that further 087 number regulation is unnecessary and unwarranted. However, on the basis that it is OFCOM's intention to add regulation of these numbers to ICSTIS' remit, we set out below our response to this consultation paper and our views on the scope and type of regulation appropriate to the 0871 number range. We are excluding from our response any comments about 0870 numbers except where this impacts on 0871 numbers.

Furthermore, we agree with ICSTIS that the current interpretation of the Code in the context of higher charged premium rate services may not be proportionate for the 0871 number range.

Our comments in relation to specific questions as set out below therefore should be viewed in light of our views above.

Q1: Do you agree with our proposal to create a Statement of Application for the 0871 number range? If not, please provide your reasons and alternative suggestions.

We do.

We consider, however, that the Statement of Application ("Statement") as it currently stands is too vague and lacks detail and clarity.

So, for example it should specify how ICSTIS will apply the Code to the 0871 number range to reflect the lower prices (in general) of 0871 numbers when compared to other premium rate numbers, and accordingly should reflect any lower risk of financial consumer harm. We consider that the level of fines and sanctions imposed on businesses should be proportionately lower and this should be expressly stated in the Statement.

Q2: Do you agree that the current application of Section 1 of the Code is appropriate to apply to the 0871 number range? If not, please give your reasons.

No comment.

Q3: Do you agree that this is a fair and proportionate application of the network operators' due diligence requirements to the 0871 number range? If not, please give your reasons.

ICSTIS would welcome further information regarding quantification of costs.

No comment.

Q4: Do you have any further information and evidence regarding usual payment times? Additionally, it would be helpful to have responses that indicate to what extent service providers rely on immediate payments from network operators to cover their operational costs.

No comment.

Q5: Do you agree that this is a fair and proportionate application of a delayed payment mechanism to the 0871 number range? If not, please provide your reasons.

We believe that everyone should be paid after thirty days to ensure a level playing field and assist in preventing fraud.

Q6: Do you agree that the current application of Section 3 of the Code is appropriate to apply to the 0871 number range? If not, please provide your reasons.

No comment.

Q7: Do you agree that the current application of Section 4 of the Code is appropriate to apply to the 0871 number range? If not, please provide your reasons.

No comment.

Q8: Do you agree that it is fair and proportionate to apply ICSTIS' current application of the prior permission regime under Section 5.1 of the Code of the 0871 number range? If not, please provide your reasons.

No comment.

Q9: Do you agree that Option D is a fair and proportionate application of the undue delay requirements in paragraph 5.4.2 of the Code to the 0871 number range? If not, please provide your reasons and alternative preferred option. Additionally please provide details of any other options you feel may be appropriate for ICSTIS to consider.

Of the options proposed, Option D is preferable.

Q10: Do you agree that this is a fair and proportionate application of the pricing information requirements under Section 5.7 of the Code to the 0871 number range? If not, please provide your reasons.

No comment.

Q11: Do you agree that it is appropriate to allow a three-month implementation period, as outlined above.

No comment.

Q12: Do you agree that this is a fair and proportionate application of ICSTIS' scope of regulation in respect to content of services provided on the 0871 number range? If not, please provide your reasons.

No comment.

Q13: Do you agree that the current application of Section 6 of the Code is appropriate to apply to the 0871 number range? If not, please provide your reasons.

No comment.

Q14: Do you agree that the current application of Section 7 of the Code is appropriate to apply to the 0871 number range? If not, please provide your reasons.

No comment.

Q15: Do you agree that the current application of Sections 8 to 11 of the Code is appropriate to apply to the 0871 number range? If not, please provide your reasons.

Not only should the sanctions that ICSTIS may impose be proportionately reduced but also the powers of adjudication should be decreased.

Q16: Do you agree that this is a fair and proportionate application of the funding model in Annex 1 of the Code to apply to the 0871 number range? If not, please provide your reasons.

An ICSTIS levy of 0.34% on 087 numbers will cost proportionately more as the overall ICSTIS levy on network operators' revenues will greatly increase and in some cases double.

We do not, however, think that the work required to regulate 08 will be double that required to regulate 09 numbers; in fact, the opposite is likely. We therefore suggest a decrease of the overall levy or no levy on those numbers until the end of 2008.

Given that the overall volume of work on compliance will increase, ICSTIS should be seeking ways to advise the PRS industry of the nature and timing of appropriate efficiency savings they need to make to keep any increase in cost to their business to a minimum.

Q17: Do you agree that this is a fair and proportionate method of collection of the funding levy to apply to the 0871 number range? If not, please provide your reasons.

No comment.

Q18: Do you agree that a minimum payment amount from each network operator should be £500 per annum? If not, please provide your reasons.

No comment.

Q19: Do you agree that it is not appropriate for ICSTIS to create and promote a separate brand for regulation of the 0871 number range? If not, please provide your reasons.

We agree. We, however, fail to understand why there should be a separate area on the ICSTIS website for 0871 numbers if the Code will apply to these numbers in full as proposed in this consultation paper.

The anticipated cost of the re-branding exercise should be published by ICSTIS in advance and ICSTIS should be accountable for this spending.

Q20: Is there any other way in which ICSTIS' regulatory framework should be amended or otherwise so as to regulate the 0871 number range in a way that it is fair and proportionate?

No comment.

Q21: Do you agree that this is an appropriate wording for a Statement of Application based on ICSTIS' proposals? If not, please provide your reasons and alternative wording.

Respondents are also asked to indicate their preferred option in applying the undue delay provisions of the Code to the 0871 number range.

We have the following comments in relation to the Statement:

- ICSTIS should acknowledge in the Statement that, given their lower costs to consumers, 0871 numbers raise fewer concerns regarding consumer protection than higher charged premium rate numbers. Therefore, ICSTIS will apply the Code in a proportionate manner.
- In the second paragraph of the background, the suggested wording states 'likely application' which makes this totally uncertain. We understand the need for some flexibility but at the same time we need certainty as to how the Code will apply. A Statement should have for purpose to clarify ICSTIS intentions and the way it will apply the Code.
- The Statement should apply to the 0871 numbers now regulated by ICTIS, which are the subject of this Consultation. It is problematic to introduce the possibility of regulating other 087X numbers given the scope of this Consultation and raises concerns about future regulation being introduced through the "backdoor" without proper consultation or discussion with stakeholders.
- It would be helpful to clarify in the Statement that 0870 numbers are not covered by 087X! This is briefly mentioned in the main body of the Consultation but not prominently. Please see page 6 of the Consultation paper.
- Under regulation of the content of a service, ICSTIS suggested wording does not adequately reflect the option D proposed by ICSTIS in this Consultation paper at page 19. In addition, why does ICSTIS consider customer service to be "content of the service"? We think that it would be more appropriate to have an explanation of the application of the Code in this respect under 'undue delay'. Furthermore, how can ICSTIS advise the complainant as to their rights if those rights are not administered by ICSTIS? Would it not be better for ICSTIS to advise the complainant as to the particular body that administers or regulates those issues? We suggest removing 'advise the complainant as to their rights'. Finally, it is not clear what 'level of complaints' means and under which circumstances ICSTIS 'may choose' to commence an investigation. The time limits explained at page 19 of the consultation do not figure in the Statement. Why is this?
- It would be helpful to incorporate the Conclusion and Proposal set out in page 22 of the Consultation into the Statement.