

Business Plan and Budget 2009/10

A PhonepayPlus Consultation

Introduction

In the section of the consultation document entitled “Appendix D Trust and Trust Drivers With Phone-paid Services”, we find:

“Directory Enquiries services have also been around for much longer; they are fixed better in our consciousness, ergo they are trusted more.”

This is, I am afraid, risible! The reason people trust Directory Enquiries services (to the extent they do) is that Directory Enquiries do not regularly and persistently steal money from people. Second-hand car dealers and politicians (in general) have also been around a long time, but neither group feature highly in the public’s list of trusted groups. On the other hand, as this consultation goes to press, one politician in particular is currently enjoying high levels of public trust. He is the very *new* president of the United States.

The reason that the public do not trust PRS is that all the major service providers regularly and persistently team up with crooked content providers to defraud and steal money from phone users. Until PhonepayPlus begins to address this problem, the public will continue to distrust PRS – regardless of its novelty.

Q1. What comments do you have on the five objectives we set out in the Three Year Plan? Do you think they are still relevant and appropriate? What priorities or themes would you identify for consideration as part of our Review?

Your first objective is “Providing effective and *proportionate* regulation to the industry”. I do not think this is appropriate. “Proportionate”, in the context of PRS seems to be a euphemism for “letting PRS criminals get away with it as long as they do not steal too much” (for example, following your most recent consultation, PRS “subscription” providers will not have to employ a robust and verifiable “subscription” opt-in mechanism as long as they steal less than £4.50 per week from their victims).

In my opinion it would be appropriate for PP+ to report *all* PRS firms found to be involved in theft or fraud to the legal authorities and to assist those authorities in the prosecution of those firms with a view to seeking imprisonment for the worst offenders – just as is the case with those who commit theft and fraud in other walks of life.

Q2. Do you have suggestions on specific strategic objectives and tasks – or a re-prioritisation of existing ones - that you think PhonepayPlus should consider as and when we review our Strategic Plan in 2009?

I think that the promotion of PRS and the feeble repetition of the disingenuous claim that only a “small number” of PRS providers engage in crooked practices should be very low priorities for PP+. The reality is that PP+ struggles to name a single PRS firm that abides by its Code. Even the example chosen by PP+ to promote to children as a shining example of good practice (on the Phonebrain site) turns out to concern a “successful entrepreneur” who has been fined for breaches of the PP+ Code of Practice.

Q3. What information or evidence do you have about market trends and about the overall size of the phone-paid services market in 2009/10?

I have no evidence on market trends, but common sense suggests that voluntary PRS use will continue to decline as long as the industry continues to defraud people and steal from people and PP+ fails to regulate the industry.

Q4. What information or evidence do you have about any specific segments or content areas and their potential for real growth or decline over 2009/10?

I have no evidence on specific segments, but common sense suggests that voluntary PRS use will continue to decline as long as the industry continues to defraud people and steal from people and PP+ fails to regulate the industry.

Q5. Do you agree with these priorities as actions for 2009/10? If not, please explain why not with alternative suggestions.

Since PP+ has clearly has no intention of taking significant efforts to clean up PRS, its priority should shift to protecting the majority of phone users who wish to have nothing whatsoever to do with PRS. PP+ should – as a matter of priority – force the networks to allow phone users and their children to opt out of all PRS – including reverse charge SMS messages.

Q6. What action or support could industry providers offer in order to assist us in delivering these priorities?

The networks could make it possible and straightforward for phone users to *pre-emptively* block all reverse charge SMS to their phones and their children's phones. It is hard to imagine that any PRS *providers* will offer any assistance in this matter.

Q7. Do you support our proposed Budget changes for 2009/10 having regard to the activity that drives the changes? If not, please explain why.

No! You are still “rearranging the deckchairs on the Titanic” and you give every impression that this is what you will continue to do.

I have taken part in a number of your “consultations” and made a number of constructive and practical suggestions as to how PP+ might improve customer protection *and* promote the growth of honest and useful services. Not one of these suggestions has even been given the courtesy of acknowledgement or consideration in your responses to these “consultations”. I do not intend to waste any further time explaining why I think that your new budget will make little difference to PRS crime over the coming years.

Q8. Do you have any comments as any other risks that PhonepayPlus might face that are not identified above as part of the Business Plan design?

By far the biggest risk that PP+ faces is that Government will start to notice PP+'s lamentable record and catastrophic regulatory failures in the face of every major threat that has confronted phone uses – diallers, ringtones, TV based PRS, unsolicited reverse charge SMS and so on. If this happens, there is a significant risk the PP+ will be wound up and its responsibilities brought under the umbrella of Ofcom, with all that implies for the people who currently work for PP+. In short, it is in PP+'s self interest to stop acting as an apologist for the PRS crooks and to begin *regulating*.

Conclusion

Under “Section 1 Our Purpose and Role” of this consultation, you state:

“OUR VISION

Our vision is that anyone can use phone-paid services with absolute confidence.”

I do not understand this statement. It simply does not seem to make sense.

If you mean “Our vision is that anyone *ought to be able to* use phone-paid services with absolute confidence.” or if you mean “Our vision is that *everyone will one day be able to* use phone-paid services with absolute confidence.” Then you should say one of these things instead.

If, on the other hand, you believe that “anyone *can* use phone-paid services with absolute confidence”, why do you have a vision about this?

Or perhaps you are using “vision” in sense 3 of the OED’s definition:

3 an experience of seeing something in a dream or trance, or as a supernatural apparition

In other words, perhaps your mission statement is intended to say something like:

Our *hallucination* is that anyone *can* use phone-paid services with absolute confidence.

That would explain a lot!

Dr. Michael Ward

28th January 2009