



BT's response to PhonepayPlus consultation document

“Review of Information, Connection and/or Signposting Services (ICSS)”

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BT welcomes comments on the content of this document. Comments can be addressed via e-mail to Graham Pottie (graham.pottie@bt.com) or Anne McLaren (anne.mclaren@bt.com)

For the attention of

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1 Executive Summary

BT strongly supports PPP's aim to ensure that in the Information, Connection and/or Signposting Services market, consumers are provided with complete, accurate and relevant information about calls that they make. The actions of a small number of service providers over the past few years have brought this into question.

We agree that this market is separate from the 118 Directory Services market and that PPP does not intend to apply the regulatory actions on that market.

Our view is that the compliant operators in this sector must provide a service that fully meets the consumer's expectations, must not be misleading and must provide all the necessary information to enable the rational consumer to make the call knowledgably. Compliant operators should also be able to operate a sustainable business model.

Where a consumer is – for financial, health or other reasons – unable to make a rational decision about calls to particular services, there are grounds for them being provided with more than just the information about the call and not be taken advantage of.

We agree that there is no justification for an ICSS Service Provider misrepresenting, unnecessarily prolonging a call, or seeking and handling personal information unnecessarily or non-compliantly.

2 BT's responses to consultation questions

Q1: Do you agree with our definition of Information, connection and/or signposting services (ICSS)? If not, what alternative would you propose?

A: Yes, though it should make it clear that the PRS service provider is not the same as the end organisation.

Q2: Do you agree with our description of how ICSS operate? Are there other variants not covered in this section?

A: Yes we agree. We not aware of any variants.

Q3: Do you agree with the distinction we are making between the connection and signposting aspects of ICSS on the one hand and directory enquiry services on the other? If not, why not?

A: Yes, we agree with the distinction and note that PPP does not intend to apply regulatory constraints on the Directory Enquiries market under this consultation.

Q4 – Do you agree with our assessment of consumer harm in relation to ICSS? If not, why not?

A: Yes, we agree with the assessment of types of consumer harm. However, we believe that PPP may be understating the risk posed by the exemption of Charities. In the same way as for PPP registration, Charities should be required to comply with the regulations for the provision of service. In order to achieve the PPP 12th Code outcomes, it is vital that the consumer is clearly told the cost of the call prior to incurring that cost and is aware of the service they are calling. This applies particularly in the case of direct connection services. It may be appropriate to exempt Charities from the payment of a Prior Permission fee in the same way they are exempt from PPP registration fee.

We would also state that the number of complaints received by PPP does not necessarily reflect the number of affected customers. A single complaint from a large organisation – such as the NHS – may reflect a large number of affected consumers.

Q5 – Is there other evidence of concerns and/or harm that you are aware of and which have not been referred to in this section? If so, please provide them and any evidence that substantiates them.

A: In addition to the harm described in this section, there is the specific harm to organisations when an ICSS provider uses SEM and increases the cost to the end

organisation of promoting their own name and brand. While this is not specifically a PRS issue, it is a consequence of SEM use by ICSS providers.

Q6 – Do you agree with our assessment that ICSS carry a level of risk which meets the threshold for a prior permissions regime? If not, why not?

A: Yes, we agree that service providers in this market need to demonstrate that they will abide by the desired outcomes of the 12th Code and that, particularly in the case of services used by vulnerable consumers, they will actively avoid any misleading or taking advantage of consumers.

Q7 – Do you agree with our proposed exemptions from a requirement to seek prior permission? If not, why not?

A: As stated above, we believe the exemption of charities does not assist with the removal of potential for consumer harm. It may be appropriate to exempt Charities from the payment of a Prior Permission fee in the same way they are exempt from PPP registration fee, but they should be required to work for the same absence of consumer harm as other providers. Also, agents who have contracts with the end organisations should still be required to identify themselves as agents and work for the same absence of consumer harm as other providers.

Q8 – Do you agree with this assessment and PhonepayPlus' proposed conditions around Search Engine Marketing (SEM)? If not, why not?

A: Yes for the most part, but the assessment should not be restricted to metadescrptions or metatags. Promotions should not use any trademarks, logos or other devices that may mislead. Note that the conditions should also apply to promotion by contracted agents if a PRS number is used.

Q9 – Do you agree with the need to require the inclusion of specific wording in SEM results as displayed to the consumer on-screen in search engine results that states "This is a premium rate telephone service"? If not, why not?

A: Yes, we believe that the conditions should also apply to promotion by contracted agents if a PRS number is used.

Q10 – Do you agree with this assessment and PhonepayPlus' proposed conditions around promotion of ICSS? If not, why not?

A: Yes, although if a consumer is able to make a rational decision about a PRS call based on the information provided, there is not a need to present the non-PRS number alongside. This will significantly damage the business model for providers of these services. Where the consumer is unlikely to be able to make that rational decision, the requirement to present the non-PRS number should apply.

Q11 – Do you have any views on whether condition B ii) should be applied to all ICSS, or whether an altered condition, as outlined above, should apply only to connection and signposting services which can prove they are not used mainly by vulnerable people and link to genuinely hard to find numbers? If so, please provide them, and any evidence which supports them.

Note: B ii) is “where it relates to a connection or signposting service, the promotion should provide the actual contact number of the helpline;”

A: We believe that where a consumer is able to make a rational decision based on complete information that is not misleading, there is not a requirement to present the non-PRS number. Where the consumer is unlikely to be able to make that rational decision, the requirement to present the non-PRS number should apply.

Q12 – Do you agree with this assessment and PhonepayPlus’ proposed conditions once a consumer has dialled an ICSS? If not, why not?

A: In the same way as advertising the number should provide all the information required to make a rational decision, there should not be a requirement to provide the non-PRS number. If the service is such that the consumer is likely to be vulnerable, then the non-PRS number should be provided.

Q13 – Do you have any views on whether condition B should be applied to all connection and signposting services, or whether an altered condition, requiring that the consumer is given the website of the organisation they are looking for rather than the actual number, should apply to connection and signposting services which can prove they are not used mainly by vulnerable people and link to genuinely hard to find numbers? If so please provide them, and any evidence which supports them.

Note: B) is “Where consumers are signposted or connected to a public or commercial organisation’s number at a premium rate, providers must ensure that consumers receive a free message at the start of the call, before onward connection to a chargeable service, informing them of the price per minute and the actual number they are seeking along with the cost of calling that number.”

A: As long as the advertising of the PRS number should provide all the information required to make a rational decision, there should not be a requirement to provide the non-PRS number. If the service is such that the consumer is likely to be vulnerable, then the non-PRS number should be provided.

Q14 – Do you agree with this assessment and PhonepayPlus’ proposed condition where an ICSS collects personal and/or confidential data from consumers? If not, why not?

A: Yes, and any information requested must be demonstrably necessary.

Q15 – Do you have any thoughts on whether a bond is necessary? If so please provide them, and any evidence that supports them.

A: Prior Permission is the primary device, but could be supported with the need for a significant established UK presence to have a deterrent effect in PPP’s jurisdiction.

Q16 – Do you agree with our impact assessment? If not, why not?

A: Without a feel for the scale of the legitimate sector of the market it is difficult to see what the cost or impact on participants is likely to be. The protections proposed should enable knowledgeable consumers to avoid harm.

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