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NEW REGULATION FOR BROADCAST PREMIUM RATE SERVICE PROVIDERS

PhonepayPlus (previously known as ICSTIS) today announced that service providers looking to provide premium rate services (PRS) to broadcasters must first seek its permission. Taken alongside tough new rules for broadcasters also announced today by Ofcom, it is expected the new regulatory regime will protect viewers from any possible harm when participating in broadcast PRS.

Viewers are embracing broadcast PRS – the means to vote in a talent contest, enter a competition or otherwise interact with a programme – in record numbers. However, during 2007 PhonepayPlus and Ofcom became aware of a number of apparent instances of consumers coming to harm as a result of engaging in such services. This resulted in a series of high-profile sanctions brought by both regulators against PRS service providers and broadcasters.

Ofcom has today announced its intention to amend TV broadcasting licences to make licensees directly accountable for PRS on programmes. Services provided on radio programmes will not be affected, though this will be reviewed during 2008.

Today's announcement makes clear that television broadcasters are ultimately responsible for their programmes, and that Ofcom is the lead regulator for the use of PRS in TV broadcasts. However, broadcasters will always be to some degree reliant on the service provider they have partnered with to deliver on assurances made to Ofcom that its systems are effective and compliant.

For that reason, PhonepayPlus – following consultation and with the full support of Ofcom – has decided to impose a Prior Permissions regime on all service providers looking to partner with television broadcasters to provide PRS services to viewers.

Service providers looking to provide such services must first meet a number of conditions. These include:

- ensuring that all valid viewer responses are made available for the broadcaster to consider in good time;
- Closing telephone lines promptly when an announcement is made to that effect;
- Selecting competition winners at random from all correct entries (unless there is a tie-breaker or other skill-based outcome);
- Where service providers contract third parties to help deliver the service, clearly identifying which company is responsible for each activity associated with the service; and
- Banning changes to operational systems or procedures without express authorisation from one of the provider's senior managers.

Prior permission must be sought just once and will allow any and all broadcast PRS services offered by that provider. However, PhonepayPlus will not hesitate to revoke its permission where there is evidence a provider has not met all of the conditions.

George Kidd, Chief Executive of PhonepayPlus commented: "Broadcasters are now ultimately responsible for premium rate services on their programmes, and Ofcom will take the lead in ensuring that viewers are protected."

"However, broadcasters rely on their service provider partners to help deliver on their pledge to viewers. The Prior Permissions regime gives us the ability to bar a provider from operating these services if there is any further and serious wrongdoing.

"PhonepayPlus will work closely with Ofcom to ensure that viewers continue to enjoy these services with confidence."

The new regulations will take effect on 18 March. Service providers that wish to continue providing Broadcast PRS services while their application is being considered must have registered their application by this date.

A Prior Permissions Notice has been published today and is available at www.phonepayplus.org.uk.

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For further information, please contact:

PhonepayPlus press office on (020) 7940 7415 or (020) 7940 7447.

NOTES TO EDITORS

1) PhonepayPlus is the organisation (previously known as ICSTIS) that regulates phone-paid services – the goods and services that you can buy by charging the cost to your phone bills and mobile pre-pay accounts. Further details of its work can be found at www.phonepayplus.org.uk.

2) Under the Communications Act 2003, Ofcom has responsibility for the regulation of premium rate services. In December 2007 Ofcom confirmed that PhonepayPlus will act as the agency which carries out the day-to-day regulation of the PRS market on its behalf.

3) Ofcom's statement on Participation Television can be found at <http://www.ofcom.org.uk/consult/condocs/participationtv/statement>

4) The Ayre Inquiry can be found at <http://www.ofcom.org.uk/tv/ifi/prsinquiry/>