



PhonepayPlus

---

## Invitation to Tender

**Issued 28<sup>th</sup> May 2010**

---

### **Registration System to support PhonepayPlus Code 12**

---

**Responses to Adam Ferguson at PhonepayPlus  
must be received by Friday 11<sup>th</sup> June at 4.00pm**

Issued by:  
Adam Ferguson  
Head of Business Intelligence  
PhonepayPlus Limited  
Clove Building  
4 Maguire Street  
London SE1 2NQ

Tel: 020 7940 7438  
Email: [aferguson@phonepayplus.org.uk](mailto:aferguson@phonepayplus.org.uk)

Prepared for PhonepayPlus by  
David Sharp  
Principal  
Charteris plc  
39-40 Bartholomew Close  
London EC1A 7JN  
  
Tel: 020 7600 9199  
Mob: 07967 323 824  
Email: [david.sharp@charteris.com](mailto:david.sharp@charteris.com)

## Contents

<b>1. Introduction</b>	<b>4</b>
<b>1.1 Introduction to this document</b>	<b>4</b>
<b>2. Introduction to PhonepayPlus and premium rate services</b>	<b>5</b>
<b>2.2 The premium rate service value chain.</b>	<b>6</b>
<b>2.3 The PhonepayPlus Levy</b>	<b>9</b>
<b>2.4 Prior permissions</b>	<b>9</b>
<b>2.5 Breaches of the PhonepayPlus Code of Practice:</b>	
<b>Adjudications</b>	<b>10</b>
<b>2.6 Volume of activity</b>	<b>11</b>
<b>2.7 The need for a new Registration System</b>	<b>11</b>
<b>3. Overview of the “To be architecture”</b>	<b>14</b>
<b>3.2 PhonepayPlus call centre staff</b>	<b>14</b>
<b>3.3 PhonepayPlus case investigations staff</b>	<b>15</b>
<b>3.4 Communication of the adjudication outcome</b>	<b>15</b>
<b>3.5 Enforcement of the adjudication outcome</b>	<b>16</b>
<b>3.6 PhonepayPlus industry-facing activity</b>	<b>16</b>
<b>3.7 PhonepayPlus management and reporting</b>	<b>16</b>
<b>3.8 Finance</b>	<b>16</b>
<b>3.9 Human Resources (HR)</b>	<b>17</b>
<b>3.10 Public-facing web site</b>	<b>17</b>
<i>Number checker</i>	<i>18</i>
<i>Online complaint form</i>	<i>18</i>
<i>Details of adjudications</i>	<i>20</i>
<i>Registration form for companies and directors</i>	<i>20</i>
<b>3.11 Registrant-facing private website</b>	<b>21</b>
<i>Service registration / view services registered</i>	<i>21</i>
<i>Handle changes of premium numbers from one provider to another</i>	<i>22</i>
<i>Make payments / view payment history</i>	<i>23</i>
<i>View/ update registration details</i>	<i>23</i>
<i>View history of changes made</i>	<i>24</i>
<i>Carry out due diligence</i>	<i>24</i>
<b>3.12 PhonepayPlus-facing front end</b>	<b>24</b>
<i>System support for the PhonepayPlus public-facing and industry-facing call handling teams and case investigations</i>	<i>25</i>
<i>System support for the PhonepayPlus finance team</i>	<i>26</i>
<i>Full history available</i>	<i>27</i>
<i>Access permissions</i>	<i>28</i>
<i>Deregistration</i>	<i>28</i>
<i>Adjudications</i>	<i>28</i>
<i>Prior permissions</i>	<i>28</i>
<i>Network returns</i>	<i>29</i>
<i>Unique registration number</i>	<i>30</i>
<i>Other potential areas of interest</i>	<i>30</i>
<b>4. Non-functional requirements of the Registration System</b>	<b>31</b>
<b>5. How to respond to this document</b>	<b>33</b>
<b>5.1 Response checklist</b>	<b>33</b>
<b>5.2 Response content checklist</b>	<b>34</b>
<b>6. Tender terms</b>	<b>37</b>
<b>6.1 General</b>	<b>37</b>
<b>6.2 Communications</b>	<b>37</b>
<b>6.3 Confidentiality</b>	<b>37</b>
<b>6.4 Validity period</b>	<b>38</b>

	Notes
6.5 Preparation of tender response	38
6.6 Supplier responsibility	38
6.7 Disclaimer	39
6.8 Collusive behaviour	39
6.9 No inducement or incentive	40
6.10 Supplier undertaking to proceed if selected	40
6.11 Queries relating to the tender	40
6.12 Late tenders	40
6.13 Customer references	40
6.14 Decision-making process	41
6.15 Selection criteria	41

## 1. Introduction

### 1.1 Introduction to this document

1.1.1 Following this introduction, the remainder of the document is laid out as follows:

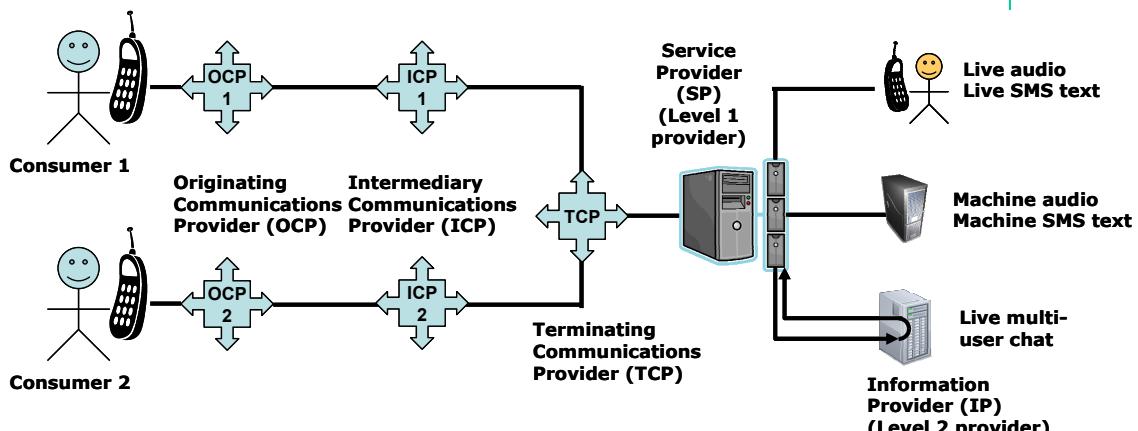
- a) Section 2 introduces:
  - (i) PhonepayPlus and the premium rate telephony services value chain that PhonepayPlus regulates;
  - (ii) the changes that will occur when PhonepayPlus introduces its new Code 12 in April 2011; and
  - (iii) the need for a new Registration System to support PhonepayPlus's activity to operate code 12.
- b) Section 3 provides an overview of the areas of PhonepayPlus's operations that the new Registration System must support.
- c) Section 4 outlines the non-functional requirements for the Registration System.
- d) Section 5 sets out how to respond to this invitation to tender. It includes a checklist of areas that you should ensure that you have covered in your tender response.
- e) Section 6 sets out the terms and conditions for this invitation to tender.

## 2. Introduction to PhonepayPlus and premium rate services

- 2.1.1 PhonepayPlus is the regulatory body for premium rate telephone services.
- 2.1.2 Premium rate services offer some form of content, product or service that is charged to a user's phone bill.
- 2.1.3 Fixed line premium rate services typically offer pre-recorded audio content or an audio connection to one or more live individuals.
- 2.1.4 Mobile phone premium rate services additionally offer text delivered through the Short Message Service (SMS) or audio/video/photo/textual content delivered through the Mobile Multimedia Service (MMS).
- 2.1.5 Examples of premium rate services include:
- a) Directory enquiries;
  - b) Technical help lines;
  - c) Sports alerts;
  - d) TV voting;
  - e) Competitions;
  - f) Chat lines;
  - g) Advice lines; and
  - h) Adult entertainment services.
- 2.1.6 A service may be charged to the telephone bill in various ways. For example:
- a) a connection charge;
  - b) a charge per minute;
  - c) a weekly subscription charge that continues until cancelled by the user;
  - d) a charge per text sent;
  - e) a charge per text received; or
  - f) a combination of the above charging mechanisms.
- 2.1.7 Examples of premium rate telephone numbers regulated by PhonepayPlus that can be dialled from a mobile phone or landline are as follows: (a number 0 to 9 is abbreviated as x):
- a) 118 xxx for directory enquiries;
  - b) 09xx xxx xxxx for paid-for services such as competitions, TV voting, horoscopes, chat lines, adult lines, recorded information and professional advice services. These typically cost between 10p and £1.50 per minute from a BT landline and a lot more from a mobile phone.
  - c) 0871/2/3 xxx xxxx for services costing 10p per minute from BT landlines but a lot more (e.g. 40p per minute) from mobile phones.

- 2.1.8 On mobile telephones a four or five digit short-code (xxxxx) can be used to access some audio premium rate services rather than dialling a longer number.
- 2.1.9 Also, on mobile telephones, sending by SMS a text keyword (e.g. "WIN") to a five digit short-code (xxxxx) can be used to activate a reverse-billed SMS service. The user will then receive a series of premium rate SMS text messages charged typically at 25p to £1.50 per message (but may be charged at up to £10 per message). The user typically has to send "STOP" or "STOP ALL" to the short-code in order to stop receiving further paid-for messages. The interval at which messages will be sent to the user should be stipulated in the material advertising the service.
- 2.1.10 The Communications Act 2003 ([http://www.opsi.gov.uk/ACTS/acts2003/pdf/ukpga\\_20030021\\_en.pdf](http://www.opsi.gov.uk/ACTS/acts2003/pdf/ukpga_20030021_en.pdf)) sets out the definition of premium rate services and those who may be regulated in respect of them. The Act provides Ofcom with the power to approve a Code of Practice. The Code of Practice is published by PhonepayPlus ([http://www.phonepayplus.org.uk/upload/PhonepayPlus\\_Code\\_of\\_Practice.pdf](http://www.phonepayplus.org.uk/upload/PhonepayPlus_Code_of_Practice.pdf)) and sets out the obligations on those who provide premium rate services.
- 2.1.11 It is estimated that between 2,000 and 40,000 premium rate services are in operation at any one time targeting UK consumers.

## 2.2 The premium rate service value chain.



**Figure 1 The premium rate value chain**

- 2.2.1 The premium rate value chain is shown in Figure 1.
- 2.2.2 For audio services:
- The consumer (e.g. Consumer 1 in Figure 1) dials a premium rate number (e.g. 0906 xxx xxxx) or mobile telephone short-code (e.g. xxxxxx).
  - The consumer's telephone company (e.g. Originating Communications Provider 1) connects the call to the Service Provider's telephone company (Terminating Communications Provider). (The call may be connected through one or more Intermediary Communications Providers).

- c) The Service Provider connects the call to the relevant Information Provider's service. (Note that the Service Provider might host all the IT systems used by the Information Provider. Also, the Service Provider might itself act as an Information provider. Also, Terminating Communications Providers may act as Service Providers).
- d) The Information Provider provides the service. If the Information provider's service is a multi-user chat service then many Consumers (e.g. Consumer 1 and Consumer 2) may enter into conversations.

2.2.3 For SMS text services:

- a) The consumer (Consumer 1) sends a text message to a mobile short-code (e.g. 55455). The text message may need to contain a keyword (e.g. "Win" or "Bet" or "Chat") in order to identify which of the Information Providers that use the short code 55455 is the one to which the text should be sent.
- b) The Service Provider passes the consumer's text message on to the Information Provider that is responsible for providing the service reached by the short code (or the combination of the short code and keyword).
- c) The Information Provider responds by providing the service requested. Typically the service is provided by the Information Provider sending reverse-billed (i.e. paid-for) SMS texts to the consumer.

2.2.4 It is the Information Provider who advertises the service and who is responsible for ensuring that there is a non-premium-rate customer helpline available for consumers with queries about the service.

2.2.5 In practice, the obligation to provide a customer helpline might be fulfilled by the Information Provider asking the Service Provider to provide the helpline as part of its service. One Service Provider may therefore operate a single helpline covering a multitude of Information Provider services.

2.2.6 Billing works as follows:

- a) The consumer is billed for the premium rate service by his Originating Communications Provider. (For example in Figure 1 Consumer 1 is billed by Originating Communications Provider 1 and Consumer 2 is billed by Originating Communications Provider 2).
- b) The Originating Communications Provider retains some of the consumer's payment as its own fee and then passes the remainder to the Intermediary Communications Provider.
- c) The Intermediary Communications Provider retains some of the payment from the Originating Communications Provider as its own fee and then passes the remainder onto the next Intermediary Communications Provider in the chain or to the Terminating Communications Provider.
- d) The Terminating Communications Provider retains some of the payment as its own fee and passes the remainder on to the Service Provider.
- e) The Service Provider retains some of the payment as its own fee and passes the remainder to the Information Provider.

- f) The Information Provider uses the payment to recover its costs of providing and promoting the service (e.g. advertising to promote the service; staff/IT costs to deliver the service itself and the costs of providing a customer service helpline) and to contribute towards profits or charitable contributions.
- 2.2.7 The payment from the Terminating Communications Provider to the Service Provider is referred to by PhonepayPlus as an *Outpayment*. PhonepayPlus collects data from Terminating Communications Providers about the Outpayments that they make to Service Providers. PhonepayPlus uses the Outpayments data to charge a levy paid by Terminating Communications Providers that partly finances PhonepayPlus's operational costs.
- 2.2.8 It is estimated (very approximately and subject to revision as better information becomes available) that there are
- Four or five mobile network operators (e.g. Vodafone, O<sub>2</sub>, Orange/T-Mobile, 3);
  - Two hundred or so Terminating Communication Providers which are fixed line network operators (e.g. BT, Cable and Wireless, Virgin Media, ...);
  - Thousands of Service Providers who have direct contracts with Terminating Communications Providers; (Note that some Service Providers may also be Terminating Communications Providers);
  - Twenty to forty mobile aggregators who are Service Providers who have contracts with the five mobile networks for use of short codes;
  - 2,000 to 40,000 Information Providers (some of whom may also be Terminating Communication Providers or Service Providers).
- 2.2.9 The dividing line between Service Providers and Information Providers is not clear cut. Some Service Providers also act as Information Providers or provide hosting services for Information Providers or provide customer care lines for Information Providers.
- 2.2.10 Some Information Providers also act as conduits to other Information Providers. For example a mobile short-code may cause a Service Provider to route SMS texts sent to the short-code to an Information Provider. The Information Provider may then route the SMS texts to different third party Information Providers, depending on the keyword send inside the SMS text by the consumer. E.g. Text "Bet" to 55455 to lay a bet with one information provider; but text "Win" to 55455 to enter a competition run by a different, unrelated, service provider.
- 2.2.11 In general an Information Provider has one or more numbers or short-code /keyword combinations that can be used to access its services. The same Information Provider service may be accessed through multiple short-codes. An Information Provider may elect to advertise different short-codes that connect to the same service in different publications.
- 2.2.12 In general a Terminating Communication Provider may have several number ranges allocated to it e.g. 0906 123 1200 to 0906 123 1299 may all belong to a single Terminating Communication Provider. They may all have the same customer helpline number (provided by the Terminating Communication Provider).

- 2.2.13 The Terminating Communication Provider contracts with Service Providers. Information Providers do not have a direct contractual relationship with Terminating Communication Providers: the Information Provider's contract is with a Service Provider. Service Providers are therefore sometimes referred to as Level 1 providers and Information Providers as Level 2 providers. This terminology is planned for use in future editions of the PhonepayPlus Code of practice.

## 2.3 The PhonepayPlus Levy

- 2.3.1 PhonepayPlus is currently financed by a levy on Service Providers. The monetary contributions from the Service Providers are in practice collected "at source" from Terminating Communications Providers. The Terminating Communication Providers pay PhonepayPlus a levy calculated as a percentage of the Outpayments that they make to Service Providers.
- 2.3.2 Terminating Communications Providers submit quarterly returns showing inflows of revenue for premium rate services and Outpayments to Service Providers so that their levy payments can be estimated as a percentage of the Outpayments. PhonepayPlus fixes the percentage each year in line with its anticipated financing needs.
- 2.3.3 At the end of the year each Terminating Communications Provider submits an annual return and this is used to finalise the levy payments to PhonepayPlus for the year. The figures in the annual return replace the figures in the quarterly estimates.

## 2.4 Prior permissions

- 2.4.1 Certain types of premium phone-paid services pose a greater risk of harm to users because of their content - examples include live chat, gambling and counselling. To provide such services, Service Providers and Information Providers require prior permission from PhonepayPlus. Prior permission is required to operate following type of services:
- a) Subscription charge of more than £4.50 in a seven day period;
  - b) Services that charge per page or per image viewed;
  - c) Live services: these require a bank bond and must be recorded. There are some prior-permission exempt live services e.g. live customer support services; live directory enquiries services; live data capture services; conference call services. PhonepayPlus must be informed in advance even if a prior permission exempt service is to be offered;
  - d) Participation in TV broadcasting;
  - e) Remote gambling: these are limited to a £30 spend in any 24 hour period; all promotional material must be supplied to PhonepayPlus;
  - f) Professional advice (e.g. legal advice);
  - g) Multi-party chat lines: a non-refundable payment of £25,000 is required to the relevant compensation fund. A bond is required for a similar amount, in addition;
  - h) Consumer credit;
  - i) Anonymous SMS;

- j) Voice-based virtual chat / voice-based sexual entertainment;
- k) Call quiz television;
- l) Services using dialler software: there is a requirement to retain £200,000 of revenue for a specific period;
- m) International call routing services e.g. calling cards;
- n) Services charged at >£1 / minute where total cost can exceed £30;
- o) Services charged at >£1.50 / minute.

2.4.2 PhonepayPlus charges a prior permission application administration fee, currently £300 + VAT. The level of the fee is intended to cover the cost of assessing the application for prior permission. The fee is not refunded in the event that prior permission is not given.

2.4.3 Prior permission is granted in the form of a written certificate sent to the service provider.

2.4.4 PhonepayPlus may require the provider to comply with conditions: for example, to lodge a bond with PhonepayPlus or join the PhonepayPlus Compensation scheme.

## **2.5 Breaches of the PhonepayPlus Code of Practice: Adjudications**

2.5.1 Currently there is an obligation for Service Providers (which provide the means for Information Providers to connect to the telephone companies networks) to conform to PhonepayPlus's Code of Practice 11.

2.5.2 When consumers contact PhonepayPlus to report problems, PhonepayPlus tracks their complaints and where a breach of the code by a Service Provider or Information Provider is suspected, PhonepayPlus investigates what has happened.

2.5.3 PhonepayPlus may elect to:

- a) informally ask the Service Provider or Information Provider to remedy a minor breach of the code, refunding any consumers who have been affected;
- b) formally pass the investigation to an Adjudication Panel. The Adjudication Panel may impose restrictions on the Service Provider, Information Provider or their Directors concerning their premium rate activities. The Adjudication Panel can also issue fines and direct that affected consumers should be refunded; or
- c) take emergency action to stop the service.

2.5.4 Any breaches of Code 11 by Information Providers are managed by PhonepayPlus by taking action against the relevant Service Provider. The Service Provider's contracts with the Information Providers typically require the Information Provider to reimburse the Service Provider for any fines imposed on the Service Provider for breaches of the PhonepayPlus code by the Information Provider.

- 2.5.5 When Code 12 is introduced in April 2011 PhonepayPlus will take direct action against the relevant Information Provider. Code 12 refers to Service Providers as Level 1 providers and Information Providers as Level 2 providers.

## 2.6 Volume of activity

- 2.6.1 In 2008/9 according to the PhonepayPlus annual report (<http://www.phonepayplus.org.uk/upload/Annual-Report-08-09-for-web.pdf>):
- a) The PhonepayPlus contact centre fielded 53,484 calls and processed 23,278 complaints.
  - b) Of the 23,278 complaints, 10,449 complaints related to 267 unique services which were identified for further investigation. 69 proceeded to adjudication. Seven were subject to the fast-track emergency procedure. An unspecified number were resolved through informal action without the need to progress to an adjudication tribunal. 92% of complaints were mobile-related.
  - c) There were 650,000 visits to the PhonepayPlus website.
  - d) There were 900,000 checks on the PhonepayPlus number checker.
  - e) The PhonepayPlus Industry support team handled 2,700 enquiries.
  - f) PhonepayPlus imposed fines of £2,479,363 in relation to breaches of its code.
  - g) The phone-paid services market in 2008 was estimated to have a value of around £920 million of which £198 million is directory enquiries (118 xxx).
  - h) PhonepayPlus levy on Originating Communications Providers totalled £1.9m in 2008 and £1.8m in 2009.

## 2.7 The need for a new Registration System

- 2.7.1 During 2011 the regulatory regime will change. PhonepayPlus Code of Practice 12 will require Information Providers to register with PhonepayPlus and to comply with Code 12.
- 2.7.2 For breaches of Code 12 by Information Providers, PhonepayPlus will take enforcement action directly against the Information Provider, not via the Service Provider.
- 2.7.3 There is therefore a need for a new Registration System that will enable the following:
- a) Enable web-based secure registration of company and contact details of:
    - (i) Terminating Communication Providers;
    - (ii) Service Providers (also called Level 1 providers); and
    - (iii) Information Providers (also called Level 2 providers).
  - b) Enable web-based registration of personal details of company directors of Terminating Communication Providers, Service Providers and

Information Providers; and enable the links between companies and directors (and vice versa) to be established.

- c) Enable Terminating Communication Providers, Service Providers and Information Providers to register the premium rate numbers (including short-code and keyword combinations) that they use for their services and some details of the service provided (e.g. charging information and helpline contact number).
- d) Enable PhonepayPlus to update registrants' records to show any adjudications or other relevant information relating to the registrant.
- e) Enable Terminating Communications Providers, Service Providers and Information Providers to carry out due diligence activities on those providers with whom they are considering entering into a commercial relationship. For example:
  - (i) Check the Service Provider or Information Provider is registered with PhonepayPlus.
  - (ii) Check that the Service Provider or Information Provider does not currently owe any outstanding monies (e.g. registration fees or fines) to PhonepayPlus.
  - (iii) View the adjudication history of an Information Provider and its directors, and other Information Providers that share a director in common.
  - (iv) At some time in the future, possibly:
    - I. Verify the passport number of a director by entering it online and receiving a match/no match result when the number is compared with that stored by PhonepayPlus's records;
    - II. Verify that the bank details supplied by the Service Provider are the same details as those supplied to PhonepayPlus; and
    - III. Carry out other due diligence activities.
- f) Enable PhonepayPlus to update a registrant's record to show what Prior Permissions it has been granted or refused.
- g) Enable PhonepayPlus to manage payments by registrants of fees, e.g.
  - (i) Registration fees;
  - (ii) Levy fees;
  - (iii) Prior Permission fees;
  - (iv) Fines; and
  - (v) Any other fees.
- h) Enable consumers to enter into an online "Number checker" a premium rate number (or short-code or short-code / keyword combination) and be given details of the service offered on that premium rate number (e.g. charging information), details of the company offering the service, and the helpline number for customer enquires.
- i) Enable PhonepayPlus to carry out their day to day work to support Code 12 including:
  - (i) handling calls from members of the public, storing details of the member of the public in the Registration System, letting the

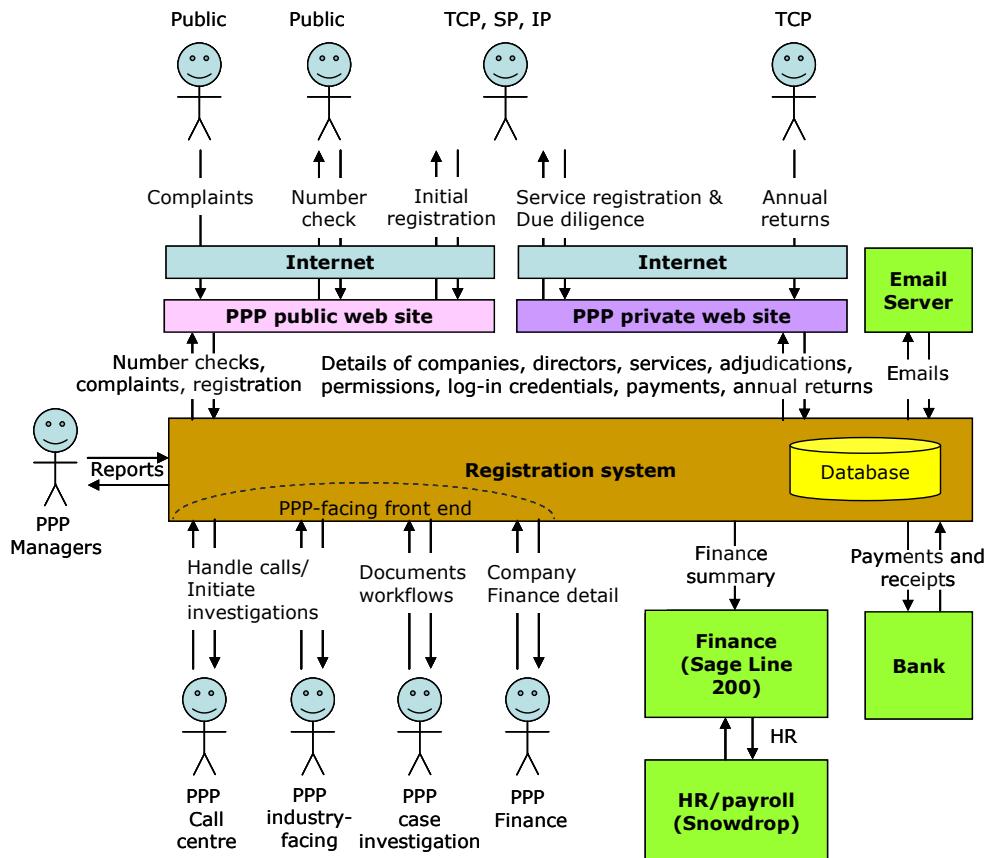
member of the public know if there is already an ongoing investigation into the premium rate number that they have enquired about; capturing details of complaints; feeding back to the member of the public about the progress of an investigation into a complaint and the outcome of an adjudication arising from the complaint;

- (ii) handling calls from members of the premium rate industry, logging the nature of the call any advice given; and handle the prior permissions applications process and invoicing/fee-collection;
- (iii) initiating and progressing compliant investigations, including management of the allocation of complaints to case workers and tracking progress and workload;
- (iv) complaint investigations, using a several-step workflow and storing relevant documents, including emails, in a case investigation record;
- (v) scheduling adjudication meetings for panel members and making adjudication decisions easily accessible on line, with appropriate linkages to the affected registrant companies or directors (and links from registrant companies/directors to adjudications); and
- (vi) managing finance: fee invoicing, collection and payment (e.g. registration fees, levy fees, prior permission fees, fines, administration fees and any other fees); posting of batches of financial transactions to the Sage Line 200 accounting system; and bank reconciliation to ensure the Registration System has up to date details of actual payments received.

2.7.4 The next section of this document explores the above needs in more detail.

### 3. Overview of the “To be architecture”

- 3.1.1 A sketch of the context of the new Registration System inside PhonepayPlus is shown in Figure 2.



**Figure 2 PhonepayPlus Registration System context**

- 3.1.2 The diagram is explored in the following sections.

## 3.2 PhonepayPlus call centre staff

- 3.2.1 PhonepayPlus call centre staff take calls from the public. Typically:

- The member of the public is enquiring about an item that they do not recognise on their phone bill.
- The member of the public provides the premium rate number.
- The call centre staff member retrieves the details of any previous conversations with this member of the public. This can be from a previous “case reference” (i.e. a number given to the caller in a previous call) or from name/address/postcode type details.
- The call centre staff member identifies (using the system) whether or not there is already an investigation underway into that premium rate number.
  - If there is an ongoing investigation:
    - the call centre staff member informs the caller and takes down details of the caller’s complaint. These details are

connected to the case details of the investigation so that they can be used alongside the details of other callers as part of the investigation;

II. the complaint is referred to as a “secondary” as there is already a “lead” complaint (and potentially other secondary complaints) concerning this premium rate number.

(ii) If there is no ongoing investigation:

- I. the PhonepayPlus staff member looks up the premium rate number in the number checker and informs the member of the public of the customer helpline of the service and some details of the service;
- II. if the member of the public has a new complaint against a premium rate number then the call centre staff member records the details of the complaint. If the complaint is sufficiently severe and cannot be resolved by the member of the public contacting the relevant premium rate helpline then the call centre staff member creates a new “lead” case against this number and triggers an investigation workflow whereby the case will be assigned to a case worker and the premium rate number will be added to the list of those being investigated.

### **3.3 PhonepayPlus case investigations staff**

3.3.1 An investigation workflow covers several steps:

- a) Cases are categorised according to severity:
  - (i) Minor: a telephone call to the service provider will be made to advise them how to comply with the code;
  - (ii) Normal: the case will be investigated, leading to an adjudication;
  - (iii) Emergency: urgent action will be taken to stop the premium rate service from causing consumers harm.
- b) Cases are allocated to case workers.
- c) Each case worker on a normal investigation prepares the case documentation for adjudication.
- d) Preparing a case can include:
  - (i) carrying out investigations;
  - (ii) collating documents/emails;
  - (iii) preparing adjudication papers; and
  - (iv) submitting the case to the adjudication panel for a hearing at a subsequent adjudication meeting.

### **3.4 Communication of the adjudication outcome**

3.4.1 The result of the adjudication then has to be communicated to:

- a) the registrant company affected;
- b) any directors against which specific sanctions have been created; and

- c) the members of the public who complained about the service (for example to let them know that they can apply to the registrant company for a refund or compensation);

### 3.5 Enforcement of the adjudication outcome

- 3.5.1 The adjudication result must then be enforced, for example by:
  - a) updating the record in the Registration System to show that the company or its directors have an outstanding fine against them (or a bar against them or some other sanction);
  - b) collecting any fine due; and
  - c) ensuring that the registrant company complies with any conditions placed upon it.
- 3.5.2 The adjudication is published on the web and made available to people searching for it.
- 3.5.3 Other companies carrying out due diligence using the Registration System will be able to see that the registrant company has an adjudication concerning it and will be able to click on a link to see the adjudication document/details.

### 3.6 PhonepayPlus industry-facing activity

- 3.6.1 PhonepayPlus's industry facing staff take calls from industry and give advice concerning how to comply with the PhonepayPlus code of practice. For example, this can include discussing how to set up in business, the need to have approved call recording equipment, prior permission fees and the role of PhonepayPlus.
- 3.6.2 The Registration System will need to be able to record notes made by staff members on these calls and categorise them by type of call.

### 3.7 PhonepayPlus management and reporting

- 3.7.1 The Registration System will need to be able produce reports for PhonepayPlus managers on the volume and nature of activity carried out by the PhonepayPlus public-facing, industry-facing and investigation teams.
- 3.7.2 Reports will also be needed concerning the use of the online number-checker – for example concerning the volume of various types of numbers queried; and the most queried numbers.

### 3.8 Finance

- 3.8.1 PhonepayPlus's finance team handle all aspects of PhonepayPlus's finance. For example:
  - a) obtaining monthly, quarterly and annual returns through the PhonepayPlus website from Terminating Communication Providers. These indicate:
    - (i) the revenue received for premium rate calls; and

- (ii) the Outpayments paid by Terminating Communication Providers to service providers for providing the premium rate services;
- b) charging a levy (0.21% for 2010/11) on the Outpayments and collecting this;
  - c) charging and collecting prior permission fees;
  - d) charging and collecting fines;
  - e) all aspects of day to day business finance (including salaries, expenses, invoicing, payment of invoices, banking, cash flow, financial forecasting and reporting, and accounting);
  - f) using the Sage 200 Finance system for accounting.
- 3.8.2 With the new Registration System the Finance team will additionally have to manage registration fee invoicing, payment and reconciliation with payments made by registrants into PhonepayPlus's bank account. Companies that fail to pay their annual registration fees or fines will be marked as deregistered and hence will no longer be allowed to trade in the premium rate sector.
- 3.8.3 The new Registration System does not have to handle PhonepayPlus staff salaries and expenses.
- 3.8.4 The new Registration System does have to keep an account for each registrant showing what payments are due and what has been paid. The Registration System also needs to enable registrants to pay their fees online using a credit card, debit card. Fees paid need to be exported in batches to Sage. The Registration System needs to upload information from PhonepayPlus's bank to track what payments have been received from registrants (for example for those paying by bank transfer or direct debit). The Registration System needs to trigger the direct debit payments for those registrants electing to pay by direct debit.

## 3.9 Human Resources (HR)

- 3.9.1 PhonepayPlus's HR team handle personnel matters (e.g. employment terms, appraisals, salaries, holidays, training).
- 3.9.2 It is not anticipated that the new Registration System will need to offer HR functionality. However, it will contain the names of case workers, which will need to be the same as those stored in other systems e.g. the HR system.

## 3.10 Public-facing web site

- 3.10.1 PhonepayPlus's public-facing website will need to offer the following functionality:
- a) **Number checker:** a number checker in which a premium rate number (or short code) can be typed in and details of the service on that number returned;
  - b) **Online complaint form:** an online compliant form for members of the public to submit complaints about a premium rate number;
  - c) **Details of adjudications:** details of adjudications/informal procedures involving registrants;

- d) **Registration form for companies and directors:** registration forms for registrants (Terminating Communication Providers, Service Providers, Information Providers) to provide details of their company, the contact points in the company and the company's directors;
- 3.10.2 Each of the four items in the list above is expanded in more detail in the sections below.

### **Number checker**

- 3.10.3 The number checker enables a premium rate number (or short code) to be typed in on the web at [www.phonepayplus.org.uk](http://www.phonepayplus.org.uk) and details of the service on that number returned.
- 3.10.4 There is a current number checker that provides the following information:
- (i) service description: for example, "*This is a text message service charged at premium rate. The types of services operating on this number can be ring tones, jokes, games tarot, chat, mobile internet services (WAP) and more.*"
  - (ii) service costs: for example "*The costs will vary depending on the nature of the service". In future this will need to be much more specific e.g. connection charge, cost per minute, cost per message, maximum cost per call, details of any subscription charging, etc.*"
  - (iii) the company name, address, email and non-premium rate helpline number to contact regarding the service.
- 3.10.5 The data for the current number checker at [www.phonepayplus.org.uk](http://www.phonepayplus.org.uk) is populated manually by PhonepayPlus staff. The new number checker will need to automatically populate itself from the service registration data supplied by the registering companies.
- 3.10.6 The number checker data will be entered by registrants in the form of number ranges: for example, a Terminating Communication Provider called "Terminal Telecom" may indicate that the numbers between 0906 100 1000 and 0906 100 2999 belong to it, that they are charged at 50p per minute and all have the same customer helpline number.
- 3.10.7 If a member of the public entered 0906 100 1234 into the number checker then the number checker would need to identify that the requested number falls into the registered range of Terminal Telecom and return the appropriate details of the services offered and the customer helpline number.

### **Online complaint form**

- 3.10.8 The online complaint form asks for the following:
- a) premium rate number;
  - b) service type:
    - (i) Advice Line;
    - (ii) Betting Tipster;
    - (iii) Chat and Dating;
    - (iv) Children's Service;

- (v) Competition – e.g. scratch cards and mail shots;
  - (vi) Consumer Credit;
  - (vii) Directory Enquiry;
  - (viii) Fundraising and Charitable;
  - (ix) Gambling;
  - (x) International Calling Service;
  - (xi) Mobile Content – e.g. wallpapers and ringtones;
  - (xii) Sexual Entertainment Service;
  - (xiii) Voting;
  - (xiv) Other; or
  - (xv) Unknown;
- c) service description (free text);
  - d) transcript of any text message received (free text);
  - e) trigger word (i.e. an SMS trigger word used to distinguish services operating on the same shared short code; e.g. adult, bet ...);
  - f) affected phone number/billed phone number;
  - g) type and payment method:
    - (i) landline;
    - (ii) mobile pay as you go;
    - (iii) mobile contract;
  - h) network provider:
    - (i) O2;
    - (ii) Vodafone;
    - (iii) T-Mobile;
    - (iv) Virgin;
    - (v) Orange;
    - (vi) Three;
    - (vii) BT;
    - (viii) Cable & Wireless;
    - (ix) Talk Talk; or
    - (x) Other;
  - i) Have you been billed?
  - j) Date of first charge;
  - k) Do you have a copy of the bill?
  - l) Summary of complaint: explain in detail the reason for your complaint, including where possible:
    - (i) a description of the promotion for the service;
    - (ii) the website address if applicable;

- (iii) the billing frequency of the service; and
- (iv) the total amount billed.

### ***Details of adjudications***

- 3.10.9 The web site provides a list of recent adjudications and the facility to search adjudications by date, Service Provider, service type or keyword. (It may also be useful in the future to search by service title and £/fine range).
- 3.10.10 The Service Providers and Information Providers for adjudication information is available are currently provided in a drop-down list.
- 3.10.11 Currently individual adjudications are not stored on the web site in such a way that links to them can be emailed out to people. In the new site adjudications should be stored so that a link to an adjudication can be emailed to someone.
- 3.10.12 The website must also have the ability to list details of any informal procedures (where guidance is given without going to an adjudication) and highlight positive outcomes of informal procedures;
- 3.10.13 The website must also list details of service providers, information and directors barred for non-payment of fines;

### ***Registration form for companies and directors***

- 3.10.14 The website must provide forms for companies (Terminating Communication Providers, Service Providers and Information Providers) and their directors to register through the website onto the Registration System.
- 3.10.15 The current Service Provider form includes the following:
  - a) Service provider's full name;
  - b) Service provider type: charity, limited company, partnership, plc, sole trader, foreign company, other;
  - c) Trading name (if different from above);
  - d) Address: address line 1, line 2, line 3, postcode, country (from a drop down list);
  - e) Correspondence address (if different from above);
  - f) Contact details for PhonepayPlus's use: first name, last name, position, telephone, fax, email;
  - g) Address for customer use (if different from above): address line 1, line 2, line 3, postcode, country, customer care landline number, fax, email;
  - h) Contact details for all directors and partners: contact first name, contact last name, home address line 1, line 2, line 3, postcode, country, telephone, fax and email. There is an "add another" button can be pressed to add details of a further individual.
  - i) Contact details of the person completing the form (i.e. the administrator): first name, last name, position, telephone, email (to which the Service Provider registration number is sent);
  - j) Number ranges on which phone paid services are provided;

- (i) 087X; and
- (ii) Other number ranges.

3.10.16 The current form and registration process will need to be upgraded so as to:

- a) obtain further details relevant for PhonepayPlus Code 12 (e.g. details of the parent company, if any; details of relevant points of contact in the company);
- b) enable a means so that directors can be linked to all the companies of which they are a director without creating duplicates of the same individual director or duplicates of a company;
- c) enable a login and password to be set up so that companies can log in to the registration database to carry out due diligence.

## 3.11 Registrant-facing private website

3.11.1 PhonepayPlus's registrant-facing website will need to let registrant companies login securely using a username and password and offer the following functionality:

- a) **Service registration / view services registered:** with a bulk upload/modify facility to facilitate changes to multiple service details;
- b) **Handle changes of premium numbers from one provider to another;**
- c) **Make payments / view payment history;**
- d) **View / update registration details;**
- e) **View the history of changes made;** and
- f) **Carry out due diligence:** (i.e. searching for information on other registrants).

3.11.2 Each of the six items in the list above is expanded in more detail in the sections below.

### *Service registration / view services registered*

3.11.3 A service registration form is needed to register details of the services offered on premium rate numbers or number ranges, and the corresponding customer helpline number.

3.11.4 We anticipate that the information required will be:

- a) type of number or number range:
  - (i) An individual number (e.g. 0906 100 1234) or short code (e.g. 55455);
  - (ii) A number range e.g. all the numbers from 0906 100 1000 to 0906 100 4999;
  - (iii) A short code (e.g. 88888); or
  - (iv) A short code and keyword combination (e.g. 55455 and "Bet");
- b) the value(s) of the number or number range or short code or short code/keyword;

- c) service name;
  - d) service charging details (e.g. see 2.1.6 on page 5 for details of charging mechanisms);
  - e) Terminating Communications Provider of this service;
  - f) Service Provider of this service;
  - g) Information Provider(s) of this service;
  - h) start date of the service;
  - i) end date of the service (or ongoing if no end date is planned); and
  - j) customer helpline number; and
  - k) any further details of the company providing the helpline number.
- 3.11.5 Registrants must be able to see and export (to a CSV or Excel file) details of the services that they have already registered.
- 3.11.6 Registrants must be able to bulk upload changes to multiple service details using a spreadsheet (or CSV file) upload facility, with appropriate format and error checking by the system. If there is an upload error a spreadsheet or CSV file should be returned so that the locations of the errors can be found easily and corrected.
- 3.11.7 Service Providers may take on the work of registering services for the Information Providers that they service. The website should allow this but it must enforce a security mechanism so that Service Providers cannot update details for Information Providers who have not authorised them to do so. (Initially this might be achieved by Information Providers giving their passwords to their Service Providers but ideally the system would record which Service Provider can edit which Information Providers' details).
- 3.11.8 The service registration information must be used to create the data used by the number checker.

#### ***Handle changes of premium numbers from one provider to another***

- 3.11.9 Premium rate number ranges are initially allocated by OFCOM to Terminating Communication Providers.
- 3.11.10 One Terminating Communication Provider can agree to transfer a premium rate number range to another Terminating Communications Provider. The Terminating Communications Provider gaining the new number range will be required under PhonepayPlus Code 12 to create a service registration record for the number range on the PhonepayPlus website as described in the previous section.
- 3.11.11 The Registration System must trigger an email to the Terminating Communication Provider that is releasing the number range to ask for confirmation that it is being transferred away.
- a) Once confirmation is received the records in the Registration Database should be updated accordingly.
  - b) Prior to receipt of confirmation the PhonepayPlus number checker should return the updated information but additionally return the old

information, indicating that confirmation of the number transfer has not yet been received.

- c) If there is a dispute that the number range has been transferred then PhonepayPlus staff should be notified by the system.

3.11.12 A similar trigger email and confirmation sequence should be used:

- a) when a Service Provider takes over the customer-facing service of a premium rate number from a Terminating Communications Provider or another Service Provider; and
- b) when an Information Provider takes over the customer-facing service of a premium rate number from a Service Provider or another Information Provider.

3.11.13 The above email and confirmation sequence is also used for transfer of Short codes or Short codes and keyword combinations between providers. Short codes are provisioned by Mobile network operators through their service at [www.short-codes.com](http://www.short-codes.com). Currently there are no plans to link the Registration System with the short-codes.com service but this is an area of potential future development.

### ***Make payments / view payment history***

3.11.14 The website must be able to let registrant companies make payments of registration fees, fines, prior permission fees, the levy, administration fees and any other payments using a variety of methods, for example:

- a) Direct debit;
- b) Standing order;
- c) Electronic bank transfer;
- d) Credit card;
- e) Debit card;
- f) PayPal.

3.11.15 The Registration System must import details of payments received at PhonepayPlus's bank and populate the receipts into the relevant company payment records.

3.11.16 Company registrants must be able to see a statement of account showing payments made/received and due.

3.11.17 Directors who are registered must also be able to see a statement of account showing payments made and due, and any restrictions on their freedom to work in the premium rate services business imposed by PhonepayPlus as the result of adjudications (or emergency measures).

### ***View/update registration details***

3.11.18 Registrants must be able to log in and see / update their registration details.

***View history of changes made***

- 3.11.19 Registrants must be able to log in and see the history of changes made on their accounts: for example to see changes in their registration information, including service registration details.

***Carry out due diligence***

- 3.11.20 The system must enable registrants to carry out due diligence on other registrants using a web-based interface and a secure log in.
- 3.11.21 Registrants must be able to perform a search to find details of other registrants.
- 3.11.22 The details shown of the other registrants will be a subset of those held on the system.
- 3.11.23 The details will include:
- PhonepayPlus registration number;
  - Registrant name and address, and general contact details;
  - Whether or not the registration is live (so that the registrant is allowed to trade in the premium rate sector); and
  - Details of the registrant's adjudication history.
- 3.11.24 Over time the content made available is expected to increase. For example, it would be useful for companies that have prior permission to work with each other in specific areas to be able to see this when they carry out due diligence on each other. (It is currently planned that prior permission information will only be visible to companies named on the prior permission certificate to which a search relates).

## **3.12 PhonepayPlus-facing front end**

- 3.12.1 The system must provide support for the areas of PhonepayPlus's staff's work to support Code 12 listed in section 2.7.3i) on page 12. In the sections below further details are given for:
- System support for the PhonepayPlus public-facing and industry-facing call handling teams and case investigations;
  - System support for the PhonepayPlus finance team;
  - Full history available;
  - Access permissions;
  - Deregistration;
  - Adjudications;
  - Prior permissions;
  - Network returns;
  - Unique registration number; and
  - Other potential areas of interest.

***System support for the PhonepayPlus public-facing and industry-facing call handling teams and case investigations***

- 3.12.2 The Registration System must be able to support the work of the PhonepayPlus public-facing call centre staff by doing the following:
- a) Store and retrieve details of calls from members of the public:
    - (i) Full Name and preferred Name of the caller;
    - (ii) Caller's contact details;
      - I. Phone numbers (e.g. mobile / landline);
      - II. Addresses;
      - III. Email addresses;
      - IV. Other contact details);
    - (iii) Details of the conversation:
      - I. Premium rate number;
      - II. Type of service (mobile, SMS ...);
      - III. Enquiry / complaint;
    - (iv) If it is a complaint, log details of the complaint.
  - b) Be able to retrieve previous call notes and add to them. This could be by giving a caller a reference number that they can use by calling back; or it could be by name / postcode or other unique identifying details.
  - c) Be able to tell the member of the public whether or not there is already an investigation underway into the service that they are complaining about.
  - d) Add the caller as one of the affected parties relating to a complaint investigation. (The caller should be copied on any updates relating to the complaint – for example so that they become aware of any adjudication decision that the caller is entitled to a refund from the provider of the service.)
- 3.12.3 The Registration System must be able to support the work of the PhonepayPlus industry-facing staff by doing the following:
- a) Logging details of the caller and the advice given in the call.
  - b) Categorising the call as being in one or more categories: e.g.
    - (i) Advice on prior permissions;
    - (ii) Advice on call recording equipment.
- 3.12.4 The Registration System must be able to support the work of the PhonepayPlus case investigation team by doing the following:
- a) Support the work of allocating cases (comprising one or more customer complaints) to case workers to investigate.
  - b) Have a “case” record that stores the details of the case. It must be possible to add documents to the case record (scanned paper or electronic documents received by email or on other media).
  - c) It must be possible to add notes to the case record, with the date of the note.

- d) The system should support a case management workflow through several stages e.g. allocated to case worker, preparing for adjudication, awaiting hearing, adjudication made, case closed.
- e) The system should be able to provide reports to control the flow of case work: e.g.
  - (i) Progress of cases by case worker;
  - (ii) Caseload on each case worker;
  - (iii) Reports of outstanding actions or stalled cases;
  - (iv) Other reports that help manage the flow of case work.

### ***System support for the PhonepayPlus finance team***

3.12.5 The Registration System must be able to support the work of the PhonepayPlus finance team by doing the following:

- a) Automatically send out:
  - (i) email reminders to companies to pay their registration fees;
  - (ii) invoices for registration fees;
  - (iii) invoices for fines;
  - (iv) acknowledgements of receipt of payment;
- b) Allow registrants to set up payment by various methods:
  - (i) Direct debit (triggered automatically from the Registration System);
  - (ii) Electronic transfer (with automatic confirmation of a successful transfer by importing data from PhonepayPlus's bank);
  - (iii) Credit card;
  - (iv) Debit card;
  - (v) Other (e.g. PayPal);
- c) Allow the finance team (and registrants) to view a statement showing their payment history and any outstanding amounts to be paid.
- d) Hold details of all payments due and made by registrants, including:
  - (i) Prior permission fees;
  - (ii) Annual registration fees;
  - (iii) Fines and administration fees;
  - (iv) Phone pay plus levy;
  - (v) Other fees.
- e) Upload payment batch information to the Sage Line 200 finance system. Be able to easily find in the Registration System the detail information corresponding to summary information in the Sage Line 200 Finance system.
- f) [Optional] stagger payment of fees; e.g. by monthly bank account direct debit or monthly credit card direct debit.

- g) Offer a discount for companies registering part way through a registration year – for example by charging pro-rata annual fees by month of joining part-way through a year.
- h) Support for everyone registering at the same time each year e.g. so everyone's year runs from 1 April to 31 March.
- i) [Optional] support an individual date of registration for each company, with expiry one year later (e.g. so each registrant's year runs from the day they pay for one year).
- j) [Optional] Offer discounts for re-registration for the following year if payment is received 4 weeks in advance of the deadline.
- k) [Optional] Offer a discount for early registration prior to full enforcement of Code 12.
- l) [Optional] Half yearly fees different from full yearly fees.
- m) Import bank receipts so that the Registration System automatically matches and populates what monies have been received and hence what individual items have been paid/are outstanding.
- n) Provide reports and conditional mailings so that non-payers or late payers can be identified and contacted.
- o) Retain details of monthly turnover and outpayment submissions by terminating communication providers and the reconciliation with their annual return that corrects any previous estimates.
- p) Support for the month end close process: month-end reconciliation of amounts paid and due.
- q) Allow the finance contact at registrant companies to log in and see their payment history; and export it (e.g. to a CSV file). [Optional] disallow non-finance contacts from seeing this information.
- r) Provide support for forecasting future cash-flow.
- s) Provider support for ad-hoc financial reporting.
- t) Allow different default payment methods for fines and annual fees.
- u) Support the year-end close process.

#### ***Full history available***

- 3.12.6 The system must provide support for PhonepayPlus staff to view the full history of changes made to a registrants account, including but not limited to:
- a) Company registration and changes in registration details;
  - b) Director registration and changes to their registration details, including changes to the companies that they are directors of and any name changes;
  - c) Changes to services registered. It must be possible for PhonepayPlus staff to know on a given date in the past which premium rate numbers were being operated by which companies. This is essential in preparing material for adjudications;
  - d) Fees paid or due;
  - e) Investigations in progress;

f) Adjudications.

### ***Access permissions***

- 3.12.7 The system must be able to operate access permissions so that different teams in PhonepayPlus can have different areas that they are authorised to view or modify.
- 3.12.8 Initially it is likely that any PhonepayPlus staff member will be able to view or modify any of the data (apart from the historic list of change made to the data) in the system; however, this may need to be more tightly controlled in the future.

### ***Deregistration***

- 3.12.9 The system must allow PhonepayPlus staff to mark a company as deregistered due to non-payment of fines; non-compliance with an adjudication decision; or for some other reason.
- 3.12.10 The system must have an automatic facility so that companies can be marked as deregistered if they have not paid their registration fees or fines within a PhonepayPlus-set period of when these amounts were due.
- 3.12.11 The date at which deregistration was imposed and should be visible in the historic record of the company.

### ***Adjudications***

- 3.12.12 An adjudication includes the following details:
- a) Code to which the adjudication relates (e.g. PhonepayPlus Code 11 or PhonepayPlus Code 12 from April 2011);
  - b) List of paragraphs of the code breached;
  - c) Date of the adjudication;
  - d) Sanction;
  - e) Date of end of sanction;
  - f) Details of sanction (e.g. fine, restrictions, administration fee);
  - g) Named individuals affected (e.g. restrictions on directors);
  - h) A list of those on the review panel;
  - i) Links to the affected registrants (e.g. companies and directors) that breached;
  - j) It might have:
    - (i) an oral hearing with date, panel members, decision;
    - (ii) an appeals hearing with date, panel, members, decision;
    - (iii) an external review following the appeals hearing.

### ***Prior permissions***

- 3.12.13 A prior permission has:
- a) One or more Service Providers;

- b) One or more Information Providers;
- c) A description of the service;
- d) A Service type: for example:
  - (i) Subscription;
  - (ii) Broadcast;
  - (iii) Live chat;
  - (iv) Other ...
- e) A date on which the prior permission is granted; and
- f) an end date (or no end date).

### ***Network returns***

3.12.14 Network returns are submitted by Network providers. They contain:

- a) Email of the submitting person;
- b) Organisation (e.g. T-Mobile, Orange, Nexus, Easynet, Tiscali ...) ;
- c) PhonepayPlus Financial Year (starts 1 April);
- d) Quarterly period (returns are submitted quarterly as estimates, then the annual return replaces the estimates);
- e) Network Service Type: e.g.
  - (i) DQ 118 - 3rd Party;
  - (ii) DQ 118 - Own Service;
  - (iii) Fixed 09 PRS - 3rd Party;
  - (iv) Mobile - 3rd Party - Off Portal SMS;
  - (v) Mobile - Own Portal;
  - (vi) Nothing to Declare;
- f) £ Total Outpayments;
- g) £ Total gross revenue;
- h) £ Total Outpayments for PayForIt;
- i) £ Total gross revenue for PayForIt;
- j) £ Total premium rate services revenue;
- k) Further information (text);
- l) PhonepayPlus notes (text);
- m) Creation date;
- n) Network return status: Active or Inactive;
- o) Nothing to declare: True / False;
- p) Virtual network operator name (text);
- q) Revenue share calculation (text);
- r) AIT revenue held : true/false;
- s) Directory enquiries operator name: (text).

***Unique registration number***

- 3.12.15 The system must be able to give registrants a unique PhonepayPlus registration number.
- 3.12.16 It would be sensible if the numbers had an in-built checksum so that not all numbers are valid (analogous to credit card numbers).

***Other potential areas of interest***

- 3.12.17 There are potentially other areas where PhonepayPlus would be interested in additional support from the Registration System. Examples are:
- a) Support for the allocations process in which complaints are scored and complaints are assigned (with lead and secondary cases) to one of the three main complaint investigation workflows:
    - (i) Informal workflow leading to guidance given to the supplier;
    - (ii) Standard workflow leading to adjudication;
    - (iii) Emergency workflow leading to rapid suspension of the service;
  - b) Support for carrying out a customer satisfaction survey after calls are received / complaints handled by the call centre team;
  - c) Support for screen popping (detecting the phone number of an incoming call and presenting the member of staff the appropriate details of the caller who last rang on that number);
  - d) Support for members of the public to forward SMSs to the call centre (for example those received or sent in connection with premium rate content);
  - e) Support for web analytics/usage information, for example on the number checker and due diligence web pages;
  - f) Support for web personalisation (serving different content to different users).

## 4. Non-functional requirements of the Registration System

4.1.1 The system must:

- a) Provide adequate performance – particularly under peak load which is likely to be registration renewal time in March.
- b) Provide adequate security. The web front end must survive penetration testing by a PhonepayPlus appointed third party.
- c) Provide adequate scalability – so that the system can cope if the scope of PhonepayPlus's activities widens or the number of registrants increases significantly beyond the roughly 20,000 expected.
- d) Provide adequate resilience: the hosting, resilience and disaster recovery arrangements must be appropriate. The system must be hosted in a secure facility with a resilience arrangement onsite and offsite.
- e) Provide a full history:
  - (i) It must be possible to know the state of the data and relationships in the database at a given point in the past.
  - (ii) It must be possible to see an audit history of who changed which records, and when.
- f) Provide good flexibility for future changes: the system must be easily modified to provide updated functionality. For example, the web part of the system must provide simple ways for PhonepayPlus staff to make changes to the look, feel and content of the web site, including changes to what data is sent and retrieved from the main back-end database. Specifically:
  - (i) PhonepayPlus should easily be able to change the content in the web-facing parts of the system.
  - (ii) PhonepayPlus should easily be able to add new fields to forms in the web-facing parts of the system and the data entered into those fields by users should be transferred to the back end system.
  - (iii) PhonepayPlus should easily be able to display additional fields populated from the back end registration database on new web pages or modifications to existing web pages.
- g) Be upgradeable. The system must be based on packaged software where upgrades to the package can be adopted by PhonepayPlus without difficulty. The system must not be configured or bespoke in a way that hinders future upgrades of the underlying software packages.
- h) Conform to relevant industry best practice, for example:
  - (i) Sensitive information must be encrypted, where appropriate; (credit card numbers are an example);
  - (ii) Hashing should be used where appropriate (for example hashing should be considered for storing of passwords);
  - (i) Conform to relevant standards, for example the Payment Card Industry Data Security Standard (PCI DSS).

4.1.2 The supplier must:

- a) Offer system maintenance services so that the system remains in a good operational state;
  - b) Provide a warranty so that if defects are discovered after acceptance testing then these will be corrected by the supplier;
  - c) Provide a help desk with hours of operation and responsiveness that suits the needs of PhonepayPlus;
  - d) Provide initial training in how to use the system “train the trainer”;
  - e) Provide the facility for PhonepayPlus to buy additional services, for example to carry out future enhancement work.
- 4.1.3 The supplier should demonstrate in its response to this invitation to tender that it has a robust approach to project management, risk management and quality management that is likely to result in a successful project delivered on time on budget. The supplier should give examples of previous similar work for other similar organisations.

## 5. How to respond to this document

### 5.1 Response checklist

- 5.1.1 Please register your interest in this invitation to tender by email to [aferguson@phonepayplus.org.uk](mailto:aferguson@phonepayplus.org.uk), cced to [david.sharp@charteris.com](mailto:david.sharp@charteris.com). You should include your name, position, company name, email address, telephone number, company address and company website address. We will then be able to send you any further information about this invitation to tender as needed. Registering your interest does not commit you to submitting a tender response.
- 5.1.2 Your tender response must be sent by email to arrive by 4pm on Friday 11<sup>th</sup> June 2010 to [aferguson@phonepayplus.org.uk](mailto:aferguson@phonepayplus.org.uk), cced to [david.sharp@charteris.com](mailto:david.sharp@charteris.com).
- 5.1.3 Three clearly legible, printed hard copies of your response must arrive by the same deadline, addressed to  
  
Adam Ferguson  
Head of Business Intelligence  
PhonepayPlus Limited  
Clove Building  
4 Maguire Street  
London SE1 2NQ.
- 5.1.4 Suppliers must submit the following:
- a) **Requirements response:** your response to meeting the requirements outlined in sections 2.7 and 3, checking that you have covered the checklist in section 5.2, below, and the non-functional requirements in section 4. Your covering letter should include:
    - (i) an introduction to and credentials of your work and your organisation, including examples of relevant projects you have conducted and your expertise in undertaking work of this nature;
    - (ii) your specific experience of designing, building, configuring and commissioning complex database systems with web front ends;
    - (iii) short summaries of the experience of the people who will be working on the Registration System and their respective roles;
    - (iv) the level of professional indemnity insurance your organisation carries, the nature of the cover, and the provider;
    - (v) confirmation that you have no direct or indirect relationship with any of PhonepayPlus' Directors (details at <http://www.phonepayplus.org.uk/output/The-board.aspx>) or are aware of any other matters that would constitute a conflict of interest. You must include a signed declaration that you are not a person who is regulated by PhonepayPlus and subject to its Code of Practice and that you are not otherwise conflicted. A scan of a physical signature is acceptable for this giving the date, name and position of the person signing on behalf of your organisation.
    - (vi) your summary of the cost of the solution you are proposing (the cost breakdown should be in the Costing spreadsheet).

(vii) We additionally need you to indicate the following:

- I. How much of the price of your system arises due to the need to support the day to day work of PhonepayPlus as listed in 2.7.3i) on page 12 (excluding aspects to do with registration fees)?
  - II. If the functionality listed in 2.7.3i) on page 12 (excluding aspects to do with registration fees) was provided by an existing legacy system at PhonepayPlus, how much would it cost for you to create an interface to the existing legacy system so that details of registrants held in your system could be exported to the legacy system and details of investigations re-imported into your system. You would have to take full responsibility for delivery and testing of both sides of this interface, including any changes required to the legacy system. Please provide your view as to whether such an architecture would be attractive to PhonepayPlus and whether the cost of integrating the two systems is likely to be competitive with the cost of implementing the functionality in your own system.
- b) **Costing spreadsheet:** your filled in “Costing spreadsheet” that accompanies this invitation to tender document. This should include the price for carrying out the work, including any software licensing costs and any ongoing maintenance/support costs;
  - c) **Contracting principles:** your terms and conditions, with a separate commentary indicating where you conform or diverge from the “Contracting Principles” document that accompanies this invitation to tender;
  - d) **Questionnaire:** your filled in “Questionnaire” that accompanies this tender document which requests details of your company and the software products you are proposing.

5.1.5 We will accept the following formats: Microsoft Word 2003 or 2007; Microsoft Excel 2003 or 2007; pdf. The costing spreadsheet and questionnaire must be submitted as Excel documents.

5.1.6 If necessary the response may be sent in multiple emails as the maximum attachment size is 10MB. If you use multiple emails the first email must clearly indicate how many emails will follow and you must not exceed a total of 30MB in attachments. Do not exceed a total of six attachments, five of which are: your registration response; costing spreadsheet; terms and conditions; commentary on contracting principles; and filled-in questionnaire. You must ensure that your attachments will print easily and legibly onto A4 paper with the same pagination as your hard copy response.

## 5.2 Response content checklist

5.2.1 In your response you must clearly explain how your system will support the following:

- a) A back-end system that holds the data, relationships, documents and workflows concerning:
  - (i) Company registration;
  - (ii) Director registration and association of directors and companies;

- (iii) Log in credentials for registered companies/individuals;
  - (iv) Service registration (i.e. registration of premium rate numbers or number ranges or short-code/keyword combinations; along with details of the service and the service provider and its customer helpline);
  - (v) A number checker that enables a premium rate number to be entered and details of the service and service provider returned, including the non-premium-rate customer helpline number;
  - (vi) Incoming call handling for calls from members of the public who phone up with enquiries or complaints;
  - (vii) Incoming call handling for calls from industry who phone up with enquiries;
  - (viii) Case investigation handling where PhonepayPlus staff investigate complaints concerning premium rate services for breaches of Code 12;
  - (ix) Management of the call handling, industry support and case investigation teams;
  - (x) Reporting of activity (for example: the number of complaints by type of service (e.g. mobile/landline); the rate of progress of case investigations; the activity and load on various members of staff);
  - (xi) Adjudication decisions (with their relevant links to companies, directors and other precedent adjudications);
  - (xii) Prior permissions (to offer certain services);
  - (xiii) Collection of the PhonepayPlus levy;
  - (xiv) Collection of registration fees;
  - (xv) Collection of fines;
- b) A thick-client or browser-based front-end that enables PhonepayPlus staff to access and update information in the back-end system;
- c) A web-front end that enables:
- (i) Registration of companies, company staff members and directors; capturing their relationships/roles;
  - (ii) Secure login for companies/company staff members and directors to update their details and carry out due diligence;
  - (iii) Registration of premium rate number ranges, the services on them and the relevant customer support line;
  - (iv) The number checker;
  - (v) Access to certain information held in the back-end system so that a company can carry out due diligence on another company – for example to see if it has a valid PhonepayPlus registration and details of its adjudication history;
  - (vi) Payments to PhonepayPlus by registrants (in respect of registration fees, prior permission fees, the PhonepayPlus levy, administration fees, fines and any other payments);
  - (vii) Companies to view their own PhonepayPlus-related details (for example history of payments made, company registration details and service registration details);

- (viii) Searching and viewing of adjudication decisions; and
  - (ix) Submission of complaints by members of the public;
- d) Interfaces to:
- (i) PhonepayPlus's Sage Line 200 finance system; and
  - (ii) PhonepayPlus's bank to reconcile payments received data with information held in the Registration System; and
- e) The ability for PhonepayPlus to make changes to the web front end and the back end system to refine the functionality of the system over time.

- 5.2.2 You should also outline your approach to data migration, data cleansing, initial upload of data to the new system, helpdesk, support, project management, risk management, quality management, training, hosting and resilience/scalability/security.
- 5.2.3 You should include an outline project plan showing how you will define and implement the system, carry out acceptance testing and carry out preparations/rehearsals for the system to go live for registrants so that they can be uploading their details ahead of the launch of the new code in April 2011.
- 5.2.4 You should outline your approach to how the system can be upgraded as new versions of packaged software become available.
- 5.2.5 You should outline your approach as to how minor changes can be made to system to improve its functionality over time. For example, PhonepayPlus is keen that small changes to the private website or the data fields in the back end system can be made easily at low cost. Preferably PhonepayPlus staff would be empowered to make small changes themselves (e.g. adding an extra field to the back end and having it visible on the private web site).
- 5.2.6 You should include a set of day rates by grade of staff member for ad-hoc consultancy work.

## 6. Tender terms

### 6.1 General

- 6.1.1 PhonepayPlus reserves the right not to conclude a binding contractual agreement as a result of this invitation to tender process. PhonepayPlus shall be under no obligation to accept the lowest-priced or any Tender.
- 6.1.2 PhonepayPlus reserves the right to amend, add to, or withdraw all or any part of this invitation to tender at any time during the procurement exercise.
- 6.1.3 PhonepayPlus may at its own discretion extend the closing date and the time for receipt of Tenders. Any such extension will apply to all Suppliers.
- 6.1.4 PhonepayPlus may at its own discretion require a Supplier to clarify its Tender in writing or provide additional information.

### 6.2 Communications

- 6.2.1 Suppliers shall channel all communications regarding this tender through Adam Ferguson of PhonepayPlus using the contact details on the cover page.

### 6.3 Confidentiality

- 6.3.1 Subject to the exceptions referred to in paragraph 6.3.2, the contents of this invitation to tender are being made available by PhonepayPlus on condition that:
  - a) Suppliers shall at all times treat the contents of the invitation to tender and any related documents (together called the 'Information') as confidential, save in so far as they are already in the public domain;
  - b) Suppliers shall not disclose, copy, reproduce, distribute or pass any of the Information to any other person at any time or allow any of these things to happen;
  - c) Suppliers shall not use any of the Information for any purpose other than for the purposes of submitting (or deciding whether to submit) a Response; and
  - d) Suppliers shall not undertake any publicity activity within any section of the media regarding the procurement exercise.
- 6.3.2 Suppliers may disclose, distribute or pass any of the Information to their professional advisers provided that either:
  - a) This is done for the sole purpose of enabling a Tender to be submitted and the person receiving the Information undertakes in writing to keep the Information confidential on the same terms as if that person were the Supplier; or
  - b) The Supplier obtains the prior written consent of PhonepayPlus in relation to such disclosure, distribution or passing of Information; or

- c) The disclosure is made for the sole purpose of obtaining legal advice from external lawyers in relation to the procurement or to the Database Agreement arising from it; or
- d) The Supplier is legally required to make such a disclosure.
- e) In paragraph a) above the definition of 'person' includes but is not limited to any person, firm, body or association, corporate or incorporate.

6.3.3 PhonepayPlus may disclose detailed information relating to Tenders to its officers, employees, agents or advisers and may make any of the Tender documents available for private inspection by its officers, employees, agents or advisers.

6.3.4 PhonepayPlus also reserves the right to disseminate information that is materially relevant to the procurement to all Suppliers, even if the information has only been requested by one Supplier, subject to the duty to protect each Supplier's commercial confidentiality in relation to its Tender.

## 6.4 Validity period

6.4.1 Tenders should remain open for acceptance for a period of 90 days. A Tender valid for a shorter period may be rejected.

## 6.5 Preparation of tender response

6.5.1 Suppliers must obtain for themselves at their own responsibility and expense all information necessary for the preparation of Tenders. Suppliers are solely responsible for the costs and expenses incurred in connection with the preparation and submission of their Tender and all other stages of the selection and evaluation process. Under no circumstances will PhonepayPlus, or any of their advisers, be liable for any costs or expenses borne by Suppliers or their advisers in this process.

6.5.2 The tender and any accompany documents must be in English. Any prices must be in Pound Sterling.

## 6.6 Supplier responsibility

6.6.1 Suppliers are required to complete and provide all information required by PhonepayPlus in accordance with the Conditions of Tender and the Invitation to Tender. Failure to comply with the Conditions and the Invitation to Tender may lead PhonepayPlus to reject a Response.

6.6.2 PhonepayPlus relies on each Supplier's own analysis and review of information provided. Consequently, Suppliers are solely responsible for obtaining the information which they consider is necessary in order to make decisions regarding the content of their Tenders and to undertake any investigations they consider necessary in order to verify any information provided to them during the procurement process.

6.6.3 Suppliers must form their own opinions, making such investigations and taking such advice (including professional advice) as is appropriate, regarding the registration database and their Tenders, without reliance upon any opinion or other information provided by PhonepayPlus or their advisers and representatives. Suppliers should notify PhonepayPlus promptly of any perceived ambiguity, inconsistency or omission in this invitation to tender, any of its associated documents and/or any other information issued to them during the procurement process.

## 6.7 Disclaimer

6.7.1 Whilst the information in this invitation to tender and supporting documents has been prepared in good faith, it does not purport to be comprehensive nor has it been independently verified.

6.7.2 PhonepayPlus does not make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the invitation to tender; nor does it accept any responsibility for the information contained in the invitation to tender or for the fairness, accuracy or completeness of that information, nor shall it be liable for any loss or damage (other than in respect of fraudulent misrepresentation) arising as a result of reliance on such information or any subsequent communication.

6.7.3 Any Supplier considering making a decision to enter into a contractual relationship with PhonepayPlus following receipt of the invitation to tender should make their own investigations and form their own independent assessment of PhonepayPlus and its requirements for the registration database; and should seek their own professional financial and legal advice.

6.7.4 For the avoidance of doubt the provision of clarification or further information in relation to the invitation to tender or any other associated documents is only authorised to be provided following a query made in accordance with section 6.11 of these Tender Terms.

## 6.8 Collusive behaviour

6.8.1 Any Supplier that:

- a) fixes or adjusts the amount of its Tender by or in accordance with any agreement or arrangement with any other party; or
- b) communicates to any party other than PhonepayPlus the amount or approximate amount of its proposed Tender or information which would enable the amount or approximate amount to be calculated (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of the Tender or insurance or any necessary security); or
- c) enters into any agreement or arrangement with any other party that such other party shall refrain from submitting a Tender; or
- d) enters into any agreement or arrangement with any other party as to the amount of any Tender submitted; or
- e) offers or agrees to pay or give or does pay or give any sum or sums of money, inducement or valuable consideration directly or indirectly to any party for doing or having done or causing or having caused to be

done in relation to any other Tender or proposed Tender, any act or omission,

shall (without prejudice to any other civil remedies available to PhonepayPlus and without prejudice to any criminal liability which such conduct by a Supplier may attract) be disqualified from participating in this invitation to tender process.

## 6.9 No inducement or incentive

- 6.9.1 The invitation to tender is issued on the basis that nothing contained in it shall constitute an inducement or incentive nor shall it have in any other way persuaded a Supplier to submit a Tender or enter into any contractual agreement.

## 6.10 Supplier undertaking to proceed if selected

- 6.10.1 Each Supplier, in submitting a Tender proposal, undertakes that in the event of its Tender proposal being accepted by PhonepayPlus by way of a formal written agreement or agreements, the Supplier will within 30 days of being called upon to do so by PhonepayPlus commence execution of the project as set out in the tender or in such amended form as may subsequently be agreed.

## 6.11 Queries relating to the tender

- 6.11.1 All requests for clarification about the requirements or process of this procurement exercise shall be made through the contact point specified in paragraph 6.2.1 on page 37.
- 6.11.2 In order to ensure equality of treatment of Suppliers, PhonepayPlus may publish the questions and clarifications raised by Suppliers together with its responses (but not the source of the questions) to all participants.
- 6.11.3 PhonepayPlus reserves the right not to respond to a request for clarification or to circulate such a request or response to it where PhonepayPlus considers that the answer to that request would or would be likely to prejudice its regulatory or other interests.

## 6.12 Late tenders

- 6.12.1 PhonepayPlus reserves the right to reject tenders received after the due date and time.

## 6.13 Customer references

- 6.13.1 PhonepayPlus may visit at least one customer reference site of the Supplier and may seek written references or telephone contact with other designated customers.

## 6.14 Decision-making process

- 6.14.1 The Tender process will be conducted to ensure that Tenders are evaluated fairly to ascertain the most economically advantageous tender, that is to say value for money based on the optimum combination of quality and whole-life costs to meet the user requirements
- 6.14.2 The process is a competitive one and decisions will be made taking into account the criteria set out below.
- 6.14.3 Up to three shortlisted applicants will be invited to discuss their proposal with the selection committee. The meetings are expected to take place in board room at PhonepayPlus's Clove Building (address on the front page of this tender).

## 6.15 Selection criteria

- 6.15.1 Your proposal will be evaluated against the following selection criteria:
- a) **Fit:** The fit of the system that you are proposing with PhonepayPlus's requirements;
  - b) **Upgradeability:** the ease with which the system can be upgraded to meet future requirements or to take advantage of new functionality being built into the software package(s) proposed;
  - c) **Capability:** Your capability and the capability of the team that you are proposing;
  - d) **Technical merit:** the technical merit of the proposed solution;
  - e) **Experience:** your experience of implementing a registration database with a web front end for registrants;
  - f) **Project management / project plan / risk management / quality control / methodology:** the merit and suitability of the proposed approach to requirements definition, project management, integration management, data migration management, system development/configuration and risk management;
  - g) **Agility:** the ease with which minor changes to the system (including the web parts of the system) can be made;
  - h) **Empowerment:** the degree to which appropriately trained PhonepayPlus staff will be empowered to make changes to the configuration of the system and the facilities made available to registrants accessed through the Internet;
  - i) **Transparency and flexibility:** as to charges, working practices, and approach;
  - j) **Quality and extent of supporting documentation and training;**
  - k) **Understanding:** Your understanding of PhonepayPlus's requirements;
  - l) **Innovation:** in approach, content and phasing;
  - m) **User community:** where a software package or combination of packages is proposed, the similarity of the likely future needs of PhonepayPlus to the likely future needs of other users of the software package(s) proposed; plus any arrangements for PhonepayPlus to

participate in a user group to influence the future development of the software packages to be deployed at PhonepayPlus;

- n) **Conformance with the contracting principles:** the fit between the Supplier's terms and conditions and PhonepayPlus's needs; and
  - o) **Price:** the cost of implementing the Registration System, including maintenance/help desk/hosting costs and fee rates for development work or system change work.
- 6.15.2 The criteria will be assessed individually and in combination to reach a short-listing decision: for example a system that did not fit PhonepayPlus's requirements would not be selected even if it had a low cost.
- 6.15.3 The appointment of any Supplier will be subject to the completion of satisfactory commercial, legal, technical and financial due diligence.