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**The Premium Rate Association  
response to;**

**Enhancing Stakeholder Engagement:  
An ICSTIS Consultation**

**3<sup>rd</sup> July 2007**

**Introduction**

The Premium Rate Association thanks ICSTIS for this opportunity to add comment to its proposals for future stakeholder engagement procedures, methods and function.

We welcome Sir Alistair Graham's acknowledge in his message that effective stakeholder engagement is vital for ICSTIS to deliver its agenda and remit and hope that the result of this project will be transparent, accessible, on-going and pro-active engagement. In turn ICSTIS and the industry as a whole will benefit from higher levels of trust and confidence from all levels and in all directions. This will create a greater degree of consumer protection whilst fostering an environment conducive to industry growth.

The following are our responses to the questions posed in your consultation.

**Q1. Do you agree with the responsibilities we have outlined above? If not, why not?**

The PRA have always held that when carrying out its duties ICSTIS should have regard to the principles of good regulation. Those being set out in the Code as;

- Transparency
- Accountability
- Proportionality
- Consistency
- Targeting

As referred to in the PRA response to the ICSTIS 2007/8 Activity and Budget consultation we aired our concerns that ICSTIS was expanding its remit by focussing a great deal of resource and efforts on areas such as consumer education.

It is agreed that consumer protection is at the top of the regulatory agenda, but feel that ICSTIS' responsibilities lie in creating an environment and infrastructure conducive to proactive and effective regulation through concentrating its efforts on intra-industry dialogue and co-working.

**Q2. Do you agree that all stakeholders require these things from ICSTIS. Are there other requirements which are generic to stakeholders?**

We would like to see the addition of a general stakeholder responsibility to be both, accessible and receptive to questions and information.

Being aware of a recent incident in which a publicly viewable response to an ICSTIS consultation was published on the ICSTIS website which included incorrect and defamatory statements and accusations about particular commercial businesses. The PRA hope that in light of this, ICSTIS will review it's responsibilities to moderate, verify or at least inform the relevant parties of it's intentions to publish such information.

**Q3. Do you agree with our assessment of the needs and the specific stakeholder groups identified above? If not, where do you disagree and why?**

It is imperative that the stakeholder group covering the PRS industry is extended to incorporate and note ICSTIS' responsibilities to engagement with Trade Bodies. This would then mirror the category "Consumers and those who represent them". Although

this may seem a technicality, the PRA and its members, together with any commercial entities which have invested in memberships in order to have a recognisable and effective channel of engagement with ICSTIS and other regulators must have this acknowledged in any statement of responsibilities to stakeholders.

#### **Q4. How could we improve our engagement through the ICSTIS website?**

Our feeling is that if ICSTIS want to be fully open to comment, suggestion and to provide an effective channel for engagement between all stakeholders and regulators they could look to create an internet based community similar to sites like Call Centre Voice. This would enable a great deal of penetration of interested parties and provide a superb forum to post notices, receive comment and to work closer with the industry and consumer.

With regard to the extent of ICSTIS' engagement through the existing websites the PRA opinion is that it is as should be expected. Our only comments would be that on the part of consumer the site is not particularly easy to use or navigate around.

#### **Q5. Are there any stakeholder expectations that we may have overlooked?**

The noted expectations seem in line with what we would expect as the standard requirement of stakeholders.

#### **Q6. Are there any other measures that would contribute to benchmarking our success in improving stakeholder engagement?**

The measures listed seem sensible for gauging the success of the engagement.

#### **Q7. Do you agree that we should adopt these six criteria for consultation purposes? If not, why not?**

These criteria listed should provide a good basis for effective consultation. We are glad that ICSTIS are looking to formalise its approach to the whole consultation process and expect that if these tests of good consultation are put in place that ICSTIS will be forthcoming with feedback on its performance. We note that ICSTIS has still not published the responses to its Budget and Activity Plan 2007/8 consultation or a final statement even though the consultation period finished over 6 months ago. Although we are aware that there have been many pressures on the regulator and industry in the first half of this year it is vital that ICSTIS can still complete its everyday duties.

With reference to the comments we made in answer to Question 2. We understand the needs to allow the rights of freedom of speech is extended to all consultation respondents however, the PRA hope that ICSTIS will be able to suggest some form of caveat so that potentially defamatory or damaging statements made in responses can be tempered.

## **Conclusion**

The PRA will always welcome actions which aim to professionalise and improve levels and methods of stakeholder engagement with the Premium Rate Sector. For this reason we thank ICSTIS for self examination of its functions and systems.

As a trade association one of our key roles is to provide an identifiable and effective method of communication between our members and its stakeholders which include ICSTIS as the Premium Rate industry regulator we believe that there is potentially much progress to be made in this area.

We are increasingly concerned by the low levels of responses to consultation documents with the exception the most recent 0871 consultation which we understand has received in excess of 500 responses. If ICSTIS is really looking to get the widest scale of opinion on its consultation documents, why does it not investigate how “Say no to 0870” encouraged so many of it’s stakeholders to submit papers. Alternatively, could ICSTIS not create an alternative consultation feedback form that would be in the form of a simple tick box online survey (with a field for reasonings). This could be posted on the ICSTIS website or on the online community forum that we have suggested. By being easier to complete and potentially less time consuming this sort of feedback method may be more appealing to those who, for whatever reason would normally choose not to respond.

The PRA also hold a fear that no matter how far industry engagement goes, the resultant level of incorporation of opinions and ideas that were submitted will really be the test for a stakeholder’s decision as to whether they will continue to invest resource into adding comment. The recent ICSTIS forum in Manchester could act as a great example of both good and bad engagement. On the positive side, we were very pleased with the comments from many of our members who were able to attend due to the choice of Manchester as opposed to London as the host city. For this they were keen to thank ICSTIS for improving its accessibility to stakeholders. However, although the content of the speeches was rated as informative by most, there was an overwhelming issue with the question and answer sessions particularly at the conclusion of the panel debate. After all, the most successful commercial entities, regulatory bodies and individuals are skilled in their abilities to listen, to process information and debate, to accept constructive criticism or probing questioning and use it for self betterment.

Many felt, and I hope that this is backed up in your feedback sheets, that attendees were left listening once again to scripted questions, when issues and questions from the floor would have been forthcoming. When public questions were accepted these were in many cases rushed through or dismissed. It was voiced that in future, forums (which are

potentially fantastic channels of engagement) should incorporate general question and answer sessions which can be directed to ICSTIS as well as an industry panel.

It is our opinion that this, in addition to widespread concern over the forthcoming ICSTIS re-branding exercise and the complete lack of consultation with the vast majority of stakeholders surrounding the decision to rename as Phone Pay Plus compounds fears that currently ICSTIS are still picking and choosing where and when to engage or consult on matters of consequence. Bearing in mind that we are in danger of looking back at the start of the year again, it was of huge concern that at many stages, trade associations were not invited to contribute, or even to be present at ICSTIS hosted meetings and debates tasked with providing solutions to the well publicised Broadcast PRS issues. We hope that going forward this situation will not be repeated.

On a more positive note, video recording of the forum event was a great idea and will no doubt be useful for those who could not attend the event. We look forward to seeing it on You Tube or the ICSTIS website in due course.

Should you wish to discuss any of the above points further please do not hesitate to contact us.

**On behalf of the Premium Rate Association and its members.**