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By email: mcollins@phonepayplus.org.uk

30 July 2009

Dear Mark Collins,

**Developing the next PhonepayPlus Code of Practice  
Discussion Paper  
Response from Channel 4 Television**

I refer to the recent publication of the PhonepayPlus (PPP) discussion paper on the development of the next Code of Practice, and to subsequent discussion at the PPP Forum.

I hope the following brief comments and responses to the particular questions raised are of assistance, and please do not hesitate to contact me if I can provide any further clarification.

In terms of the four main changes referred to in the foreword to the discussion paper, Channel 4 is supportive of all of them, with the following observations:

- 1) The concept of structuring the Code around desirable Outcomes, and not a step-by-step guide to compliance, is a welcome approach generally, and one that is familiar to us from our dealings with Ofcom. However, we do believe that in order for there to be sufficient clarity and certainty, there will need to be a significant amount of detailed rules retained.
- 2) In considering the role and responsibilities of Information Providers (IP's), PPP should distinguish between those IP's such as Channel 4 which are regulated by Ofcom and who have responsibilities arising from that relationship in any event, and those IP's who would not otherwise be regulated. In particular, we would wish if possible to have a unified set of parameters and avoid being in a position of double jeopardy.
- 3) We can see the potential benefit of developing a database of Service Providers (SP's) and IP's, and will be interested to have further discussion in due course on the way this is to be compiled.
- 4) We too see a smooth customer care experience as very important, and discussion to develop rules to promote good practice in this area, and especially regarding refunds, will be welcome.

Q1 – We agree with your assessment of potential consumer harm, although not all of them are directly relevant to the more limited range of PRS activity with which Channel 4 is presently involved.

Q2 – We agree with the six suggested Outcomes and the related Supporting Themes.

Q3 – Our view is that if the present six proposed Outcomes are achieved, then consumer trust and confidence will be met without requiring an additional specific Outcome.

Q4 – The complaints handling Outcome and Supporting Themes seem to be effective.

Q5 – We agree that an ability for PPP to revoke permission or authorisation in appropriate circumstances is sensible.

Q6 – Yes, it should be possible for PPP to require any party in the value chain to apply for prior permission or authorisation.

Q7 – We agree that previous breach record should be considered by PPP as a factor when considering an application.

Q8 – Our view is that all parties in the value chain should have responsibilities for compliance, although as mentioned above, the arrangements put in place should recognise the need for a unified approach with other regulators to avoid overlap and double jeopardy.

Q9 – Please refer to Q8 above.

Q10 – The analysis of risk assessment and control appears to be sensibly structured, and should help prevent and/or mitigate consumer harm.

Q11 – The development of a reputational database could be a helpful adjunct to registration, but would need to be handled with care by PPP. It would be important for the PPP arrangements to mesh effectively with Ofcom systems covering premium rate services.

Q12 – No further suggestions.

Q13 – We understand the concerns about the Informal Procedure but are not convinced that withholding publication of breaches dealt with under the procedure is the best approach. Publication can act as an incentive to ensure compliance, and operates as a useful source of information on trends in the industry.

Q14 – Standard and Emergency procedures should be retained.

Q15 – No further comments.

Q16 – Streamlining and automation of refund processes would be welcome, would have a benefit to consumers, but may involve quite a significant development cost for certain parts of the industry.

Q17 – No comments on fine collection.

Q18 – We are not necessarily persuaded by the need to change the terminology from SP and IP, and do not believe that the suggested alternatives will be any more meaningful to the public.

Please do not hesitate to contact me if you have any questions on this response.

Yours sincerely,

Neil Pepin  
Deputy Head of Legal and Compliance