

**NOTES OF THE ILP MEETING NO. 52nd HELD ON
TUESDAY 18th OCTOBER 2016
10.00pm-12.15pm
PhonepayPlus Offices, 40 Bank Street, London, E14 5NR**

Present:

Ann Cook – ITV (Chair)
Gavin Daykin – Ofcom
Eric Feltin – Safari Mobile
Robert Franks – Telefonica
Julia Freeman – AIME
Cathy Gerosa – FCS
Rickard Granberg – UKCTA
Claire Harding – 118118
Kat Heath – Comic Relief
Anne Hoitink – EE
Justin Kempley – Three
Hamish MacLeod – Mobile UK
Jeremy Stafford Smith – Vodafone
Mike Steel – BT Agilemedia
Rob Weisz – Fonix

PhonepayPlus

David Edmonds (PPP Chairman)
Joanne Prowse (Chief Executive)
Peter Barker
Mark Collins
Jonathan Levack
Alex Littlemore
Ayo Omidéyi
Mike Pemberton
Simon Towler
Stephanie Ratcliffe (minutes)

Apologies

Andrew Ailwood – BBC
Kevin Butcher – BBC
Holly Fairweather – Channel 4
Suzanne Gillies – Action4
David Lewis – Comic Relief
Rory Maguire – AIME
Steve Ricketts – PPP Board
Miranda Smith – Mobile EcoSystem

1.0 WELCOME, INTRODUCTIONS

Ann Cook welcomed members and introduced Julia Freeman and Kat Heath to the meeting. Apologies were noted.

2.0 REVIEW ACTIONS

a) Minutes and Matters arising from the minutes of the ILP meeting held on 19th July 2016

Minutes

The ILP approved the minutes as an accurate record of the meeting.

Matters Arising/Actions

The ILP noted outstanding actions, where not closed or addressed on the agenda, as follows:

- 51.1: A reminder to members to provide biographies for inclusion on the website will follow under separate cover. Action closed.
- 51.2: A PSD2 workshop has been set up in order to facilitate a collective industry stakeholder response to HM Treasury. Action closed.
- 51.3/49.b:
 - Text donations/charity short codes - Julia Freeman confirmed MNOs have approved AIME's proposal and agreement on processes between HMRC and MNOs has been satisfactorily reached. AIME will continue to work with charities to identify any shortfalls.
 - Pre and post charity marketing - AIME's guidance on ways to consolidate and improve processes was issued in September, for member consultation. AIME to send a copy of the guidance to Mark Collins.
(Action: J Freeman)
 - 70 Code ranges – further exploration is required on ways to mitigate and clarify processes. Rob Weisz offered to take forward.
(Action: R Weisz)
- 50.2a: Additional PR options are being explored, with coordination from AIME. Progress will be linked to and reported on via Project Slimline. Action closed.
- 51.4: Craft research – a joint MNO PR statement has been coordinated. Action closed.
- 51.5: Project Slimline will be addressed under agenda item 5. Action closed.
- 51.6: The Executive confirmed no further analysis from MobileSquared of the consumer data is available (other than what the AMR has already provided for). Any further specifics, requested by industry, can be considered for next year's report, at commissioning stage. Jeremy Stafford Smith requested that AMR categories could be extended to include e-ticketing. ILP members are invited to send requests to Jonathan Levack.
- 51.7: List of expert industry practitioners will be addressed under agenda item 6.
- 51.7b & 8: Market issues report will be addressed under agenda item 7.

3.0 PRESENTATIONS: PRS FIXED LINE

Rickard Granberg gave a presentation on UCKTA's observations on fixed line PRS. Areas highlighted included the impact of recent regulatory changes most notably the Ofcom NGCS review, trends on number ranges, and consumer behaviour.

Mike Steel presented an overview on observations from an operator's viewpoint and addressed areas where the NGCS has impacted upon regulation and PRS.

The ILP noted the underlying issues and acknowledged Robert Frank's proposal for industry to address the challenges and opportunities in fixed line collaboratively and explore a common consensus off line.

Gavin Daykin confirmed Ofcom are committed to a 12-month review of the NGCS changes and will review its impact, either in the form of a consultation or a call for evidence. Robert Franks requested effectiveness and measures of success are taken into account. Gavin Daykin agreed to provide an update at the next ILP meeting in February 2017.

(Action: G Daykin)

Ann Cook thanked Rickard Granberg and Mike Steel for the presentations.

4.0 PHONEPAYPLUS UPDATE

The ILP noted the update on developments since the last meeting:

- The strategic priorities and mission have been refreshed in line with the regulatory approach, with a strong emphasis on compliance in an innovative market.
- Project 30:
 - Regulatory framework:
 - consultation on the analytical framework closed on 12 October, responses are now being reviewed;
 - scoping work on consent to charge mechanisms is underway, alongside a review on guidance;
 - work continues on improved ways to coordinate compliance monitoring;
 - Consumer strategy: PhonepayPlus intends to undertake further research to better understand the consumer journey, including redress mechanisms and effectiveness for the consumer. PPP asked to be invited to the AIME consumer journey workshops.
 - Funding review, business plan and budget consultation: following discussions with the major networks (as the main funders of the levy), it is clear that there is little appetite to change the current funding model. Further discussions will continue, with the final position to be included within the draft business plan and budget for 2017/18 which will be presented at next ILP meeting – 6th December.

(Action: J Freeman)

(Action: P Barker)

- Cultural shift organisational developments, aligned to the strategic company objectives, are progressing well.
- A stakeholder survey is planned early 2017, which will include all aspects of PhonepayPlus' work and industry feedback is welcome.
- PSD2 implementation progress: workshops have been set up to facilitate a co-ordinated industry response to HM Treasury's forthcoming 10 week consultation, planned end October/early November. Robert Franks stressed further collaboration is necessary in order to ensure matters are directly addressed. PhonepayPlus agreed to continue to help to facilitate industry's discussions.

(Action: PPP/AIME/MobileUK)

- Following successful implementation of Code 14 in July, both the new Code Adjudication

Panel and Investigations Oversight Panel are working well. A review on processes and effectiveness of the new Code is planned in the new year.

- NED recruitment is underway to replace Peter Hinchliffe, whose terms of office as Deputy Chair, expire at year end. The closing date for applications is 24th October. The Deputy Chair will be replaced by existing Board member, Ruth Sawtell, who will take on the role of Senior Independent Director, from 1 January 2017, at no additional cost.
- The company name change to 'Phone-paid Services Authority Ltd' and supporting strapline will take effect on 31st October. The ILP commended the Executive for the excellent in-house rebranding, delivered at minimal cost.

5.0 ILP UPDATE

The following points were noted:-

- **Progress on MNO's Project Slimline**
Jeremy Stafford Smith explained the project is a joint initiative between MNOs, whereby a new principles based flow is proposed alongside a number of parallel factors, such as Project 30, PSD2 and the requirement to protect and grow existing service revenue. The principle feedback from industry has been taken on board and the MNOs are now awaiting PPP's public response from Project 30 to confirm how the new principles based flow will operate.
- **AIME Power50 Conference - Future Thinking for Senior Managers 9th November 2016**
Julia Freeman confirmed invitations to the Conference will follow shortly.
(Action: J Freeman)

6.0 FOCUS ON TOPIC: PROJECT HORIZON

Mark Collins presented on Project Horizon and advised the project looks at emerging trends, communications technology and services, in order to gain a better understanding of the wider digital market. The project focuses on possible impacts on PPP and the regulated market and how best we can respond and adapt to emerging risks and opportunities.

Mark Collins confirmed PPP will focus on areas relevant to phone paid services such as 'Internet of Things' and M2M communication. Plans include regular sharing of reports and information with industry, via workshops, as well as relevant staff training. The ILP noted the project's progress and that industry practitioners with expertise are welcome to come forward to offer their services.

(Action: ILP Members)

The ILP noted the presentation and allocated timeframes, with a report expected to be in place by April 2017. Robert Franks recommended the scope is contained to areas of high impact. The Executive requested members provide any input on the scoping, information or expertise to Mark Collins.

(Action: ILP Members)

Ann Cook thanked Mark Collins for the presentation.

7.0 MARKET ISSUES

- a) **List of industry practioners with expertise** - covered under Project Horizon, item 6.

b) **Market issues report** - a market issues report was circulated and the following points noted:

- Email marketing: online competition services continue to generate complaints, with concerns mainly around pricing prominence and proximity;
- Click training: investigations continue with specific providers to resolve issues;
- I-framing and malware: investigations continue around hidden PFI charges. Jeremy Stafford Smith confirmed MNOs are aware of the issues and that in order to mitigate them, focus now needs to rest on L1 providers to address how PFI charges are being applied.
- Co-registration: a full review of all co-registration sites has taken place and work continues with L2 providers to resolve issues.
- Out of Hours promotion: progress remains ongoing to address responsibility of L1 providers for ensuring promotions remain consistent, regardless of time of day. PhonepayPlus continue to encourage close interaction with L1 providers and contribution from industry is greatly appreciated.
- Content locking: it was recommended that the level of concern is raised to 'high'.
(Action: M Pemberton)

A detailed report of total and assessed complaints data, broken down by service/payment type was circulated to the ILP. The ILP noted the report and agreed further work needs to be undertaken to gain a better understanding on how to measure and mitigate the increase in complaints.

Robert Franks recommended a more detailed set of KPIs is produced within the value chain, to allow industry to more quickly identify and remedy issues as they arise.

(Action: ILP Members)

The Executive agreed to provide a similar level of analysis at the ILP meeting in February 2017, with any industry KPI data woven in where available and relevant.

(Action: P Barker)

The Executive confirmed softcopies of both reports will be circulated, along with the minutes.

(Action: S Ratcliffe)

The ILP noted the above issues do not require RRT intervention at this stage, as issues are being dealt with via Project 30 and Project Slimline.

8.0 Action Summary & AoB

- Topics planned for the ILP meeting in February 2017: a review update on Ofcom's NGCS.
(Action: G Daykin)
- Forthcoming events:
 - November Industry Forum 2nd November 2016 - ILP members have automatically been registered for the event.
 - AIMEPower50 Conference 9th November 2016 – invitations to follow.
 - 'PSA' 30th Anniversary event 1st December 2016 – invitations to follow.

End of Minutes

ILP Budget meeting at Phone-paid Services Authority Offices, 25th Floor, 40 Bank Street, E14 5NR

- Tuesday 6th December: 10am to 11.30noon.