



# Quarterly Report

2008/2009 - Quarter 2

*Published Date: 17 November, 2008*

## Report Summary

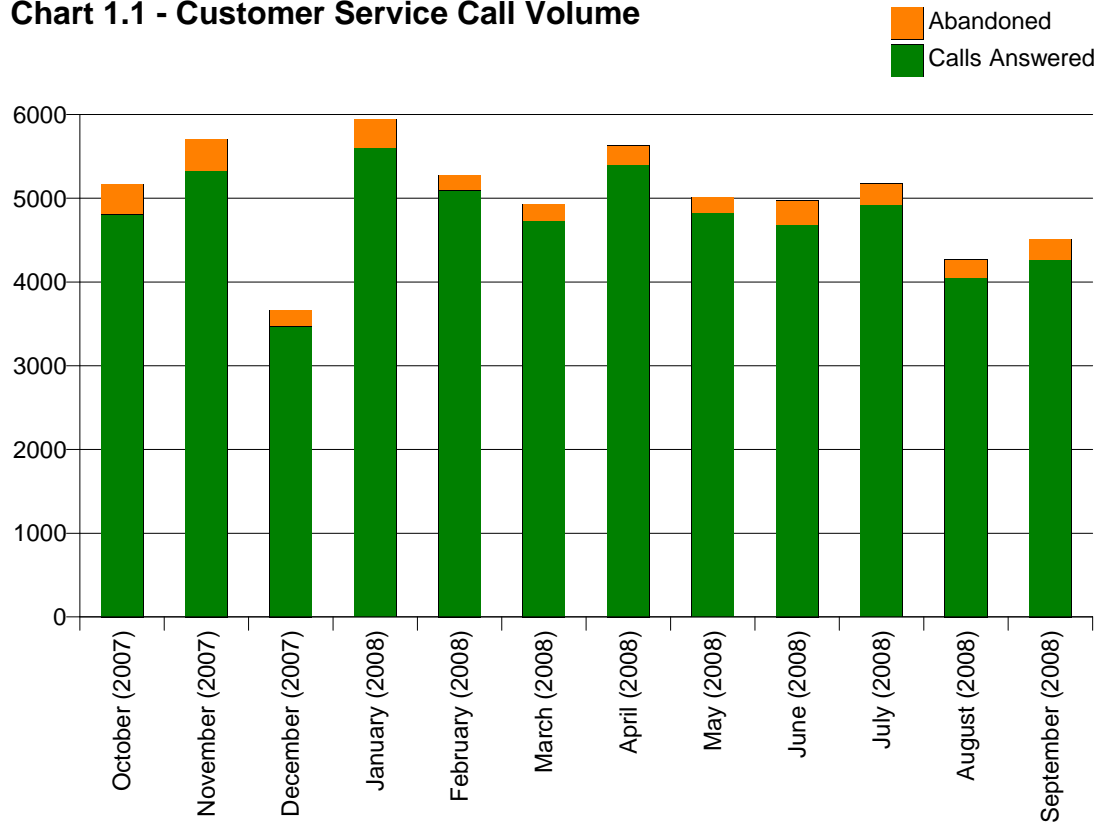
### Introduction

- A total of 15,705 contacts were made by complaints in Q2 2008/09 via the phone, web, e-mail and written correspondence. This is a decrease of 12.6% from Q1 when 17,961 contacts were made. Call volumes are down 11.2% or 1,673 calls whilst complaints logged via the web are down by 2.6% or 300.
- 39% of these contacts (6,059) resulted in actual complaints being logged in Q2 – the same percentage as Q1. Complaints about mobile services accounted for 91% of all complaints logged in Q2 (5,984) – a slight decrease from 94% (6,867) in Q1.
- The volume of numbers checked on the PhonepayPlus website has also decreased from 249,198 checks in Q1 to 216,508 checks in Q2 – 13.1%. The number of 09 number checks has decreased by 6% whilst the number of premium rate text messages checked has fallen by 21%.
- Despite overall contacts and complaints showing decreases, we have identified and opened 77 new investigations in Q2 2008/09 compared to 61 in Q1 – an increase of 26%. The investigations team currently has 74 open investigations; 69 of which are regarding mobile services and 5 are landline.
- Total fines levied in Q2 amounted to £454,500 for the 17 cases presented to the Tribunal. This compares to £282,500 being levied in Q1 for 16 adjudications. In Q2 fines against voice services totalled £209,000 whilst fines for SMS services totalled £245,500.
- Out-payments have fallen slightly in Q2 of 2008/09 to £145,304,484 from £150,109,982 in Q1 – a decrease of 3.2%. This is also a decrease on the out-payments figure reported for Q2 2007/08 of £9,231,156 or 6%.
- 91% of complainants surveyed, after receiving adjudication letter from PhonepayPlus were satisfied or above with the service they experienced. 28% of consumers surveyed (372 out of 1,310) responded.

### New Format Note

- The flow of the new Quarterly Report is designed to provide informative measures to 'follow-through' the process of PhonepayPlus' regulatory functions in the market. First, the report starts with customers contacting and getting information from PhonepayPlus through various methods such as our Contact Centre and websites. The second section deals with those contacts that are logged as complaints; then how those complaints are turned into investigations. Then, outpayment figures and other financial information are shown. The report finishes with our communications, industry support, and research efforts. Any agreed KPIs (Key Performance Indicators), are located in their corresponding areas.

### Chart 1.1 - Customer Service Call Volume

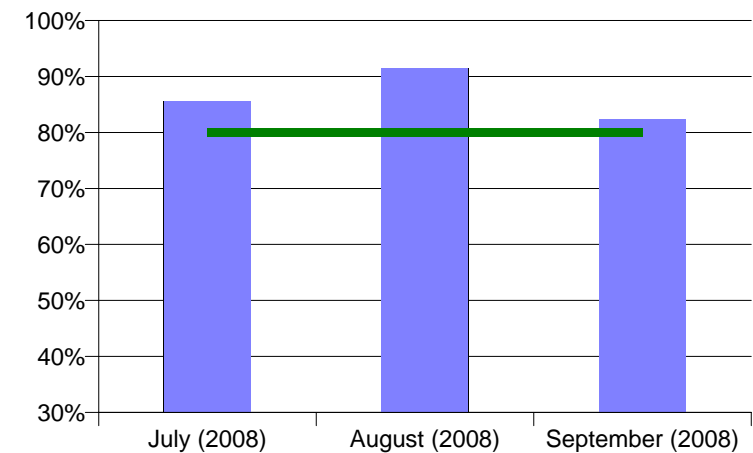


**Comments:**

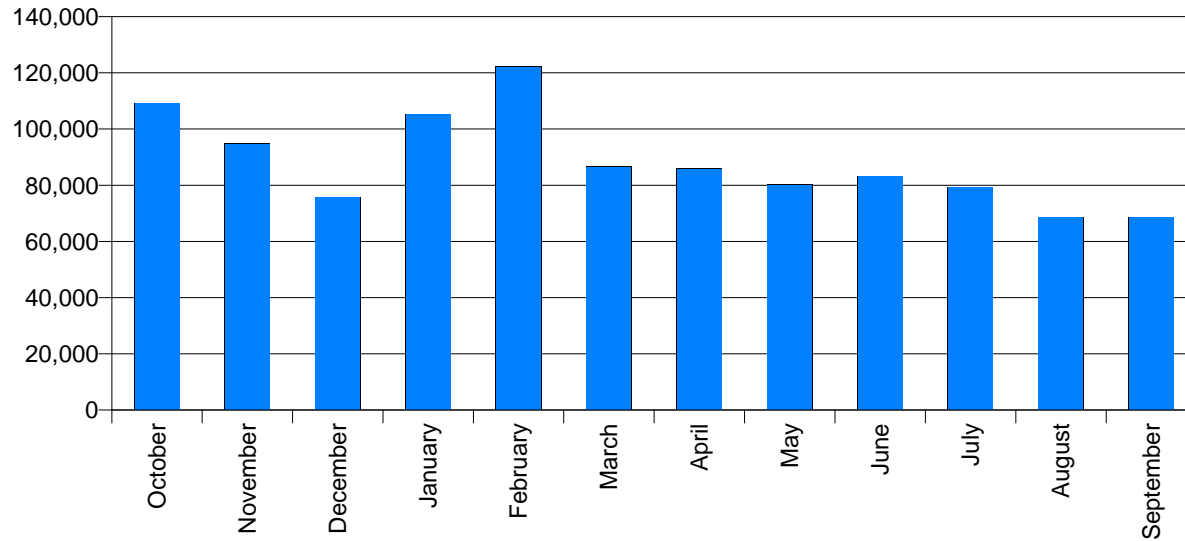
This report contains abandoned calls (calls coming in that hang up before a advisor has a chance to answer) as a measure of the Contact Centre's ability to handle call volume. KPI for Percentage of Calls answered within 30 seconds is 80%.

Month	Calls Answered	Calls Abandoned	Total Calls Offered
October (2007)	4,812	359	5,171
November (2007)	5,329	374	5,703
December (2007)	3,474	185	3,659
January (2008)	5,603	337	5,940
February (2008)	5,097	182	5,279
March (2008)	4,734	195	4,929
April (2008)	5,404	224	5,628
May (2008)	4,826	186	5,012
June (2008)	4,687	287	4,974
July (2008)	4,921	252	5,173
August (2008)	4,056	210	4,266
September (2008)	4,267	244	4,511
<b>Totals for Period:</b>	<b>57,210</b>	<b>3,035</b>	<b>60,245</b>

### Chart 1.2 - KPI: % of Calls Answered < 30 Sec



### Chart 1.3 - Number Checker Usage

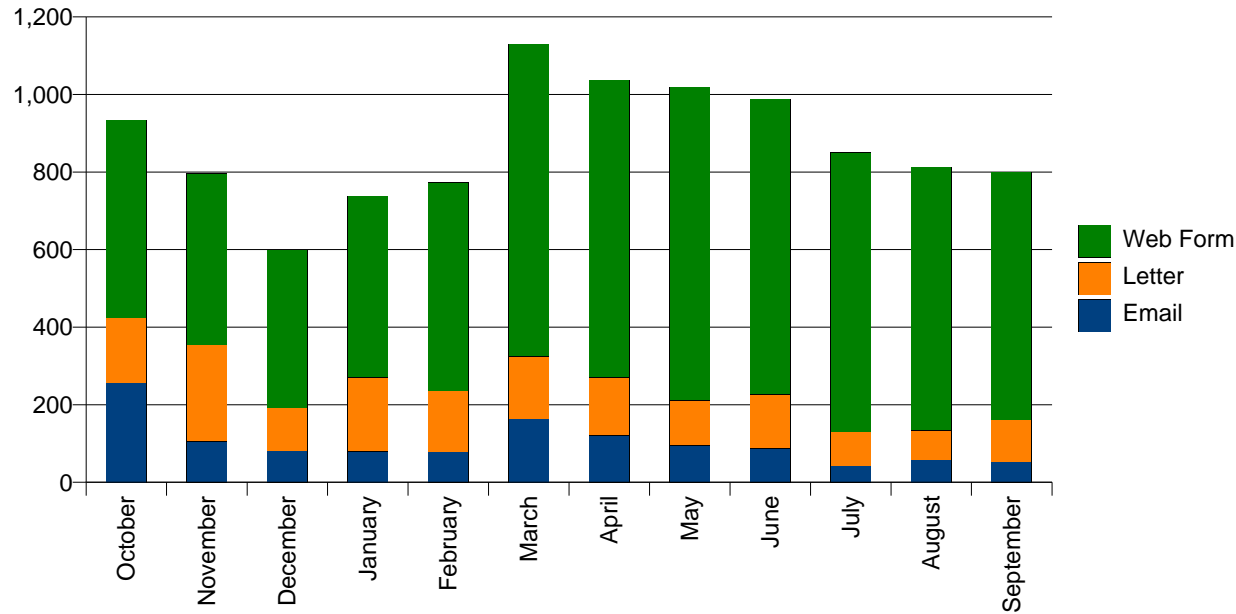


#### Comments:

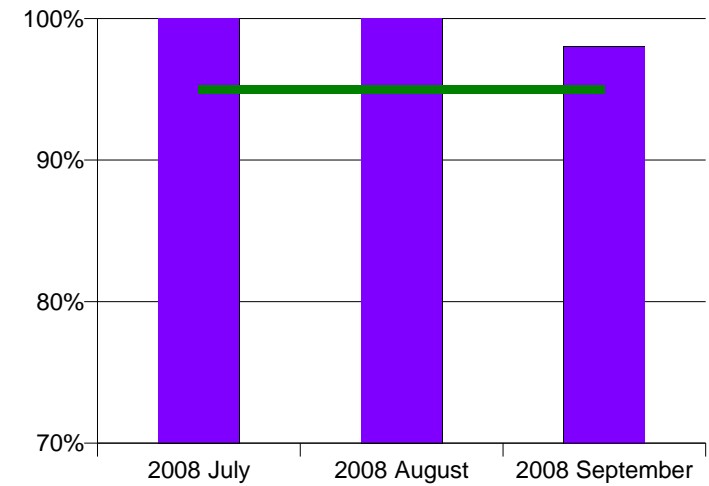
- Chart 1.3 - Number Checker Usage includes Web, IVR, and SMSus number checks.
- PRN = Premium Rate Numbers that are not SMS shortcodes.
- The "Other" category contains out of remit, National, and mobile numbers along with mistyped number searches.
- The past 6-8 months of number checker data will not match reports from previous periods due to a duplication error being fixed by our 3rd party data housing provider. These changes impact the figures by approximately 5,000 checks per month during this period. The total records removed were 65,000 or 5.5% of 12 month activity.

Number Type	PRN	Shortcode	Directory Enquiries	070	Other	Month Totals
October	41,687	23,153	414	2,950	41,051	<b>109,255</b>
November	34,292	22,255	340	2,646	35,202	<b>94,735</b>
December	26,650	18,982	260	1,996	27,723	<b>75,611</b>
January	38,315	27,183	536	2,489	36,605	<b>105,128</b>
February	45,477	32,251	658	2,595	41,137	<b>122,118</b>
March	30,050	29,043	313	1,818	25,351	<b>86,575</b>
April	29,337	29,845	339	1,736	24,599	<b>85,856</b>
May	27,552	28,218	297	1,659	22,340	<b>80,066</b>
June	30,635	28,690	315	1,463	22,173	<b>83,276</b>
July	28,895	26,283	360	1,487	22,208	<b>79,233</b>
August	26,122	21,071	346	1,468	19,611	<b>68,618</b>
September	26,908	21,451	327	1,325	18,646	<b>68,657</b>
<b>Totals for Period:</b>	<b>385,920</b>	<b>308,425</b>	<b>4,505</b>	<b>23,632</b>	<b>336,646</b>	<b>1,059,128</b>

### Chart 1.4 - Correspondence Contacts

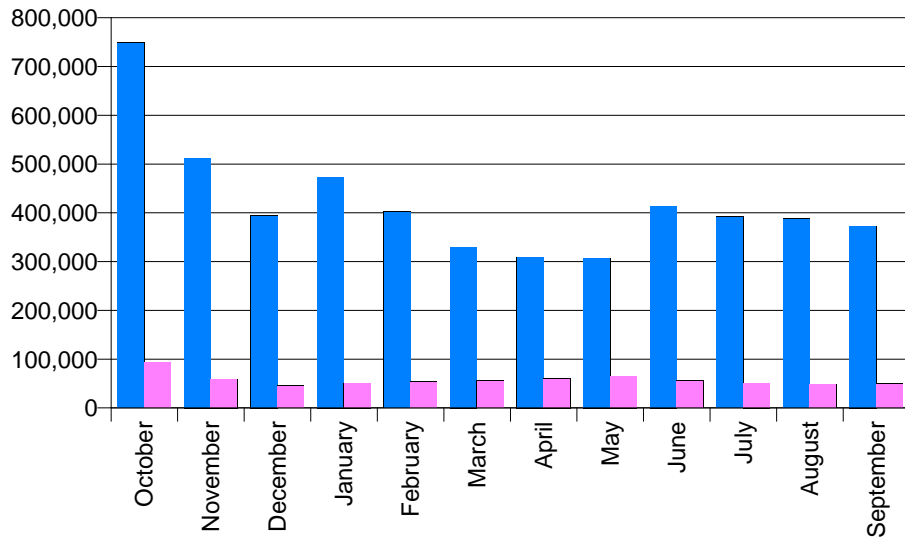


### Chart 1.5 - KPI: Out of Remit Correspondence < 10 Days



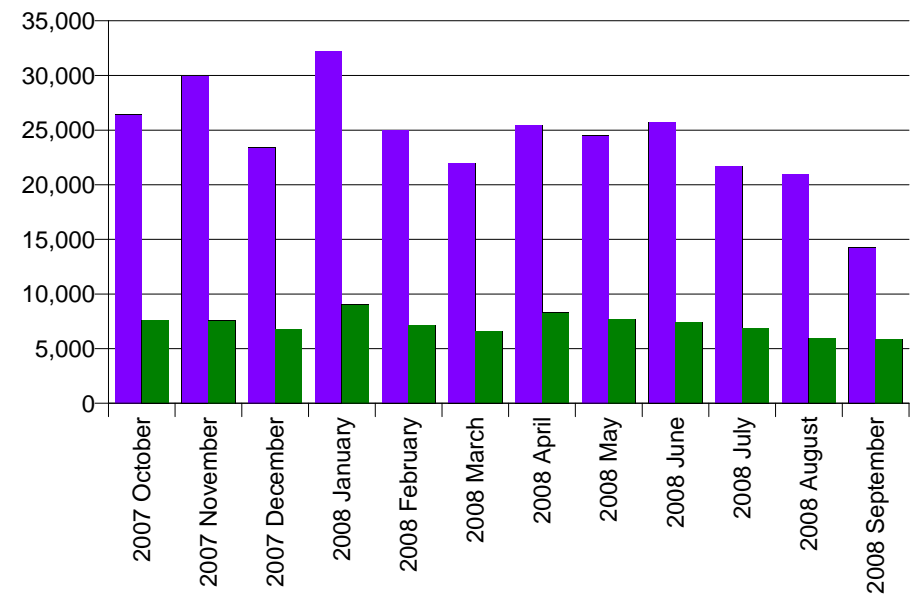
Type of Contact	Email	Letter	Web Form	Month Totals
October	257	167	510	<b>934</b>
November	106	249	441	<b>796</b>
December	82	111	406	<b>599</b>
January	81	190	467	<b>738</b>
February	79	157	536	<b>772</b>
March	164	161	804	<b>1,129</b>
April	122	149	766	<b>1,037</b>
May	95	117	807	<b>1,019</b>
June	88	139	761	<b>988</b>
July	43	88	719	<b>850</b>
August	59	76	677	<b>812</b>
September	53	108	638	<b>799</b>
<b>Totals for Period:</b>	<b>1,229</b>	<b>1,712</b>	<b>7,532</b>	<b>10,473</b>

### Chart 1.6a - PhonepayPlus Web Site Page Views & Visits



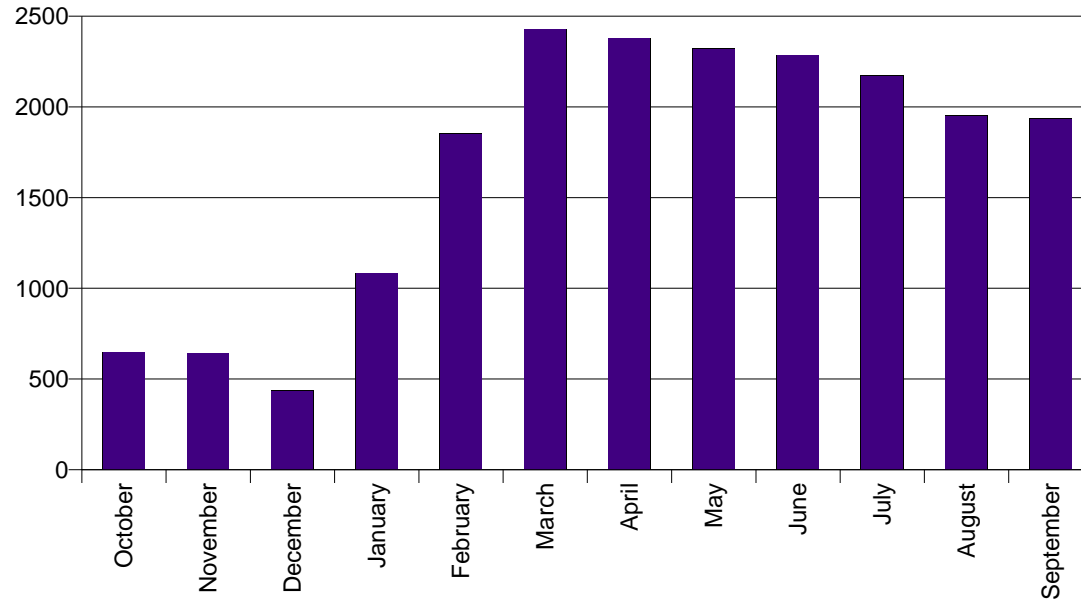
Month	Page Views	Visits
October	748,073	93,731
November	512,902	58,247
December	394,091	45,436
January	473,146	50,001
February	401,694	53,922
March	328,739	55,695
April	309,358	59,730
May	307,146	64,872
June	414,283	55,709
July	391,898	51,296
August	388,321	48,839
September	372,953	49,437
<b>Total for Period:</b>	<b>5,042,604</b>	<b>686,915</b>

### Chart 1.6b - PHONEbrain Web Site Page Views & Visits



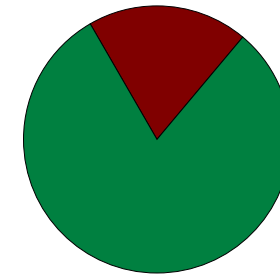
Month	Page Views	Visits
2007 October	26,404	7,558
2007 November	29,920	7,570
2007 December	23,375	6,767
2008 January	32,195	9,032
2008 February	24,986	7,142
2008 March	21,982	6,597
2008 April	25,430	8,271
2008 May	24,478	7,722
2008 June	25,692	7,426
2008 July	21,670	6,864
2008 August	20,923	5,978
2008 September	14,206	5,892
<b>Total for Period:</b>	<b>291,261</b>	<b>86,819</b>

### Chart 2.1 - All Complaints Logged



### Chart 2.2 - Reason for Complaint Q2

Promotion of the Service/Product ( 20% )



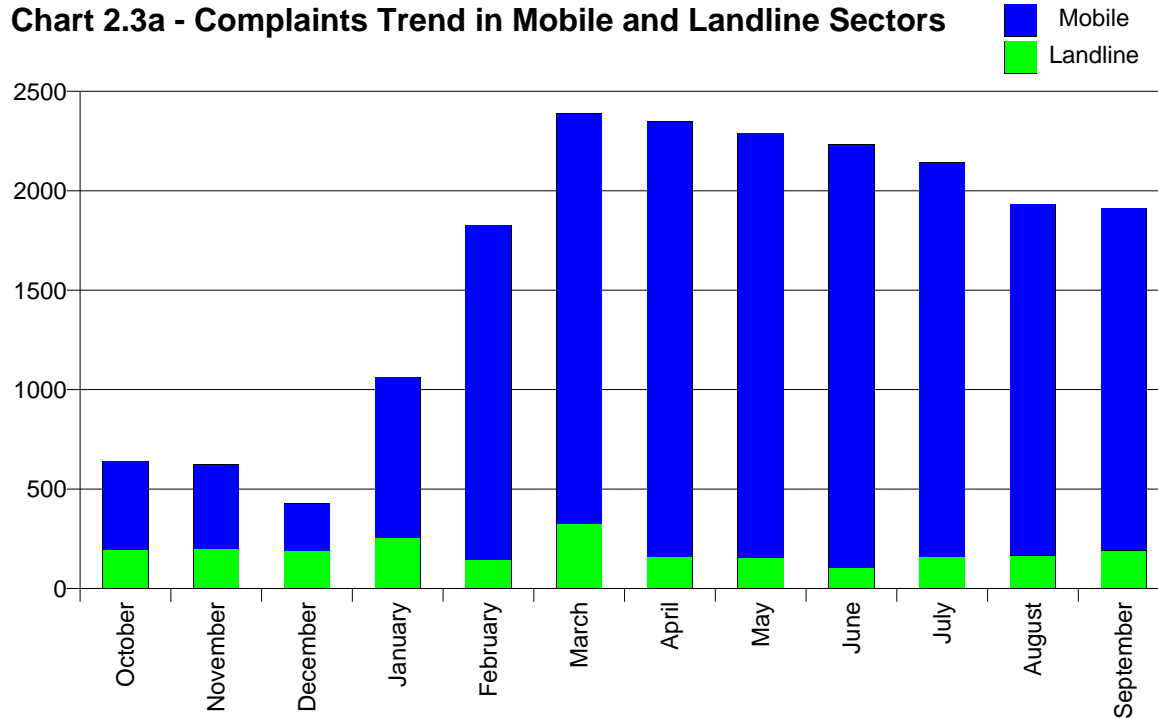
Operation of Service ( 80% )

**Note:**

In February 2008 we revised our methodology for recording complaints to capture in a more complete way all concerns relating phone-paid services; this resulted in an increase in the number of contacts to PhonepayPlus being recorded as complaints and is the sole factor for the dramatic increase.

Source of Complaint	Phone	Web	Correspondence	Monitoring	Other	Month Totals
October	324	276	38	2	9	<b>649</b>
November	354	242	31	4	11	<b>642</b>
December	154	212	25	6	39	<b>436</b>
January	503	334	17	221	10	<b>1,085</b>
February	1,300	425	25	93	11	<b>1,854</b>
March	1,433	672	36	283	4	<b>2,428</b>
April	1,683	646	35	6	10	<b>2,380</b>
May	1,572	719	23	3	4	<b>2,321</b>
June	1,626	624	28	2	4	<b>2,284</b>
July	1,542	615	15	1		<b>2,173</b>
August	1,376	554	16	2	4	<b>1,952</b>
September	1,366	536	30		2	<b>1,934</b>
<b>Totals for Period:</b>	<b>13,233</b>	<b>5,855</b>	<b>319</b>	<b>623</b>	<b>108</b>	<b>20,138</b>

**Chart 2.3a - Complaints Trend in Mobile and Landline Sectors**



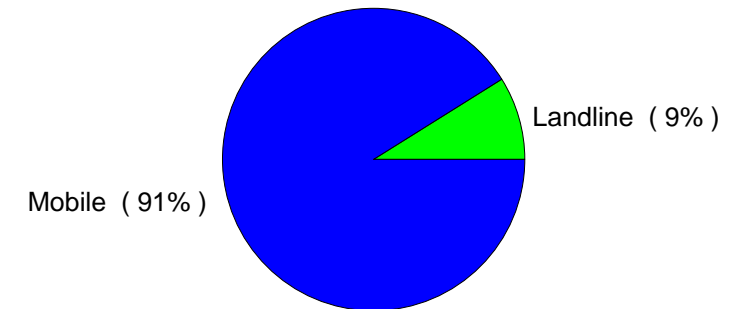
Month	Landline	Mobile	Month Totals
October	196	444	640
November	201	423	624
December	189	237	426
January	256	807	1,063
February	144	1,682	1,826
March	328	2,059	2,387
April	161	2,185	2,346
May	153	2,136	2,289
June	104	2,128	2,232
July	160	1,980	2,140
August	168	1,765	1,933
September	190	1,721	1,911
<b>Sum:</b>	<b>2,250</b>	<b>17,567</b>	<b>19,817</b>

**Comments:**

- In February 2008 we revised our methodology for recording complaints to capture in a more complete way all concerns relating phone-paid services. This resulted in an increase in the number of contacts to PhonepayPlus being recorded as complaints.

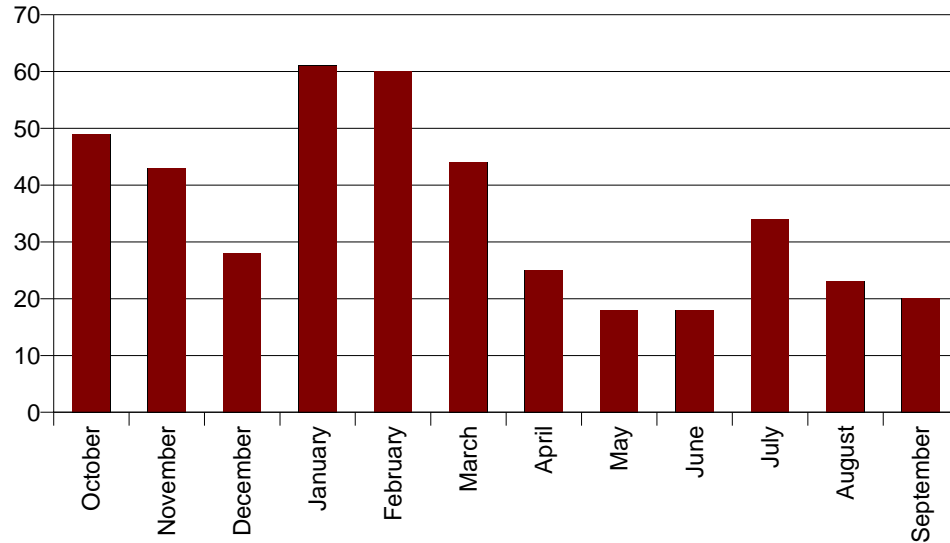
Month	070 Complaints
April	69
May	50
June	56
July	70
August	84
September	99
<b>Sum:</b>	<b>428</b>

**Chart 2.3b - Mix of Mobile vs. Landline Sector Complaints Q2**





**Chart 3.1 - Lead Investigations Identified**



Month	Lead Investigations Identified
October	49
November	43
December	28
January	61
February	60
March	44
April	25
May	18
June	18
July	34
August	23
September	20
<b>Total for Period:</b>	<b>423</b>

**Current Open Investigations as of November 14th: 74 Cases**

Open Investigations by Sector	Cases
Landline	5
Mobile	69
<b>Sum:</b>	<b>74</b>

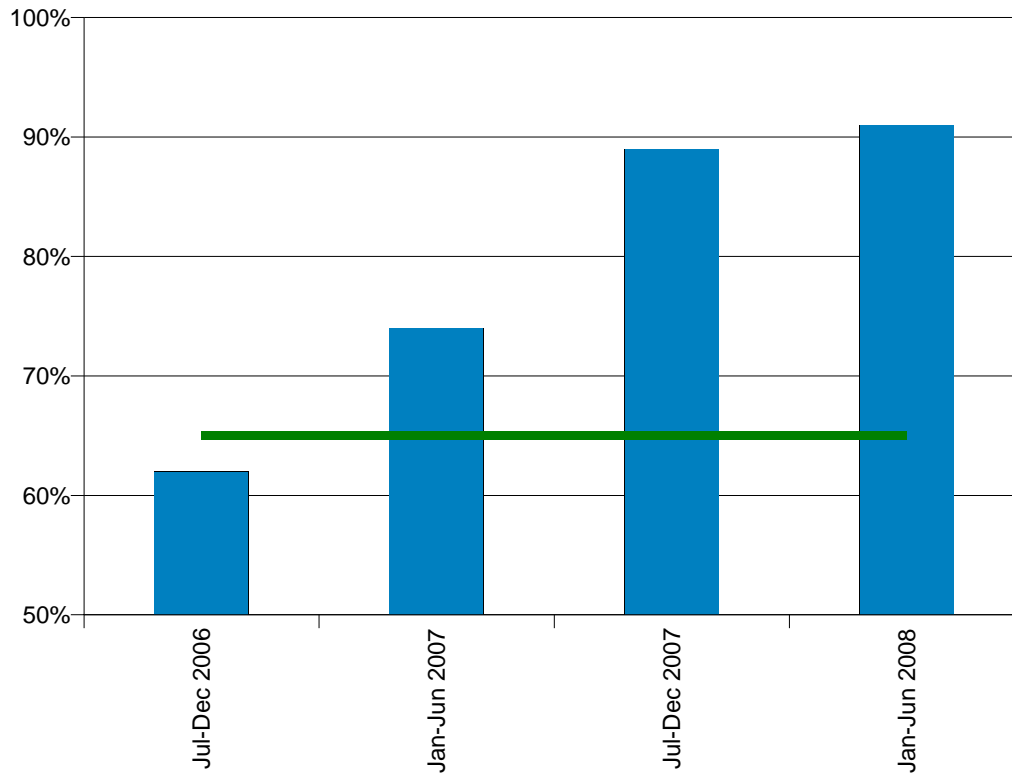
**Comments:**

- 17 cases were presented to Tribunal in Q2
- £454,500 fines were levied

**Note:**

Prior to April 2008, lead investigations identified included preliminary inquiries, as well as those resulting in a formal investigation. This attributes for the larger volume of "Lead Investigations" up to April of this year.

**Chart 3.2 - KPI: Customer Satisfaction \***



\* This measures the satisfaction levels of complainants in receipt of an adjudication letter.

**Comments:**

- 91% of people surveyed were satisfied or above ( Jan – Jun 08)
- 28% of complainants responded to our survey (372 out of 1310)
- 82% felt we met our target timeframe for the investigations
- 86% felt we explained the outcome sufficiently
- 79% of the 372 respondents due a refund, felt we clearly explained how to obtain it
- 59% of the 372 respondents due a refund stated they have not yet received it. They stated that:
  - They would not be chasing a refund due to the small amount concerned
  - They believed it to be PhonepayPlus' responsibility to obtain the refund
  - They were concerned about the cost and the time involved in getting the refund

## Outpayment Amounts

Fiscal Year	Quarter	Mobile	Landline	DQ	Totals for Quarter
2007/2008	Q1	£67,209,538	£60,879,308	£28,869,040	£156,957,886
	Q2	£67,324,028	£55,100,297	£32,111,315	£154,535,640
	Q3	£73,490,259	£55,883,148	£32,225,116	£161,598,523
	Q4	£70,003,933	£48,057,125	£31,993,216	£150,054,274
	<b>Totals:</b>	<b>£278,027,758</b>	<b>£219,919,878</b>	<b>£125,198,687</b>	<b>£623,146,323</b>

### Note:

No reconciliations of the outpayment figures have been done to date; therefore they may change. However, any potential changes are not expected to be significant.

Fiscal Year	Quarter	Mobile	Landline	DQ	Totals for Quarter
2008/2009	Q1	£70,279,646	£48,909,495	£30,920,841	£150,109,982
	Q2	£67,589,657	£45,685,347	£32,029,480	£145,304,484
	<b>Totals:</b>	<b>£137,869,303</b>	<b>£94,594,842</b>	<b>£62,950,321</b>	<b>£295,414,466</b>

**Total fines levied Financial YTD: £789,309**

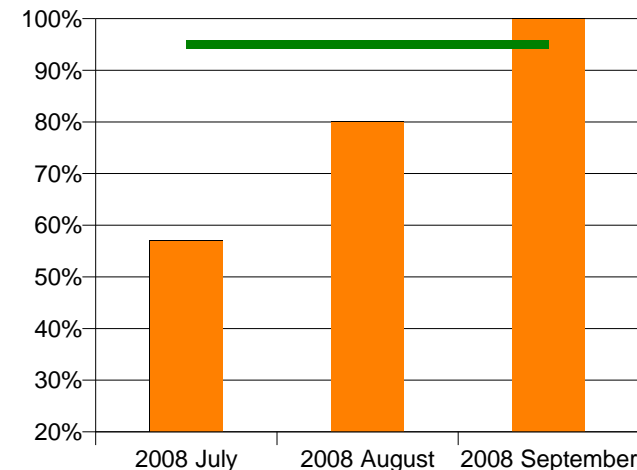
**Total fines paid Financial YTD: £434,309**

**55% Collection Rate of Fines Levied**

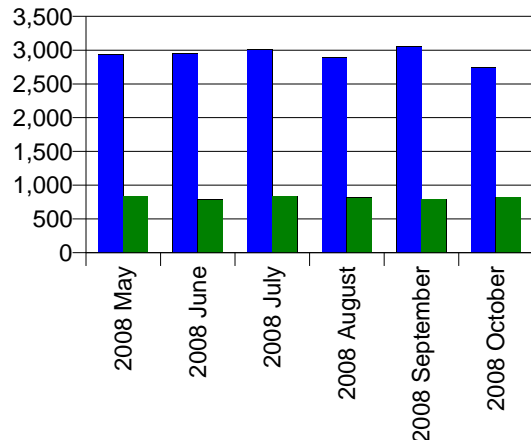
### Comments:

- Total Outpayment amount for Q1 and Q2, year on year comparison, is down 5.2% (£16,079,040 decrease)
- Of the £355,000 fines outstanding, Jack Barnard Telecom Services accounts for £200,000 of the total (this will be raised at the next Tribunal) and £115,000 were levied in October's Tribunal and are awaiting payment.

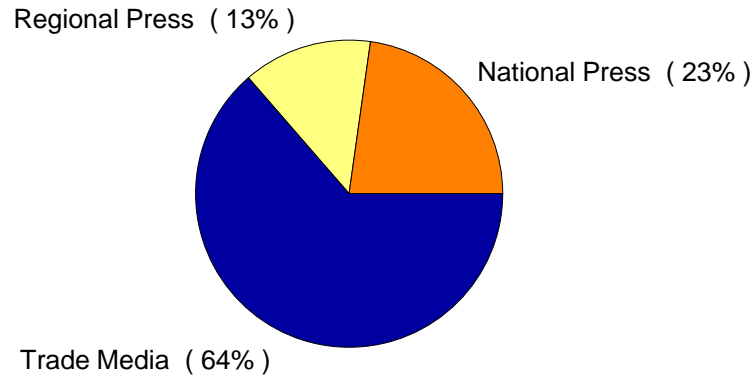
**Chart 4.1 - KPI: Fine Invoices < 10 Days of Tribunal Date**



**Chart 5.1 - External PhonepayPlus Newsletter Readership**

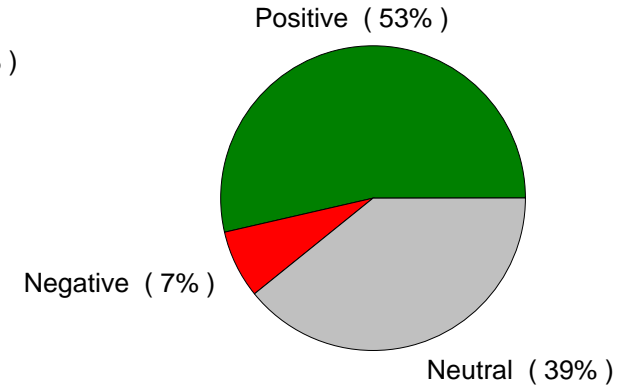


**Chart 5.2a - Press Article Type Q2**



**Articles Published in Q2: 163**

**Chart 5.2b - Press Article Tone Q2**



**Note:** Article Tone is measured internally by our Communications Team

## Communications Team

### Six announcements:

- Emergency investigation into Jack Barnard Telecom Services – 070 number (2 July)
- Live Entertainment Services Compensation Scheme Consultation (10 July)
- Mobile Review (17 July)
- Andrew Bud's Board resignation (4 September)
- Emergency investigation into PremTel Limited – 070 number (19 September)
- PhonepayPlus Network Audit 2007 (19 September)

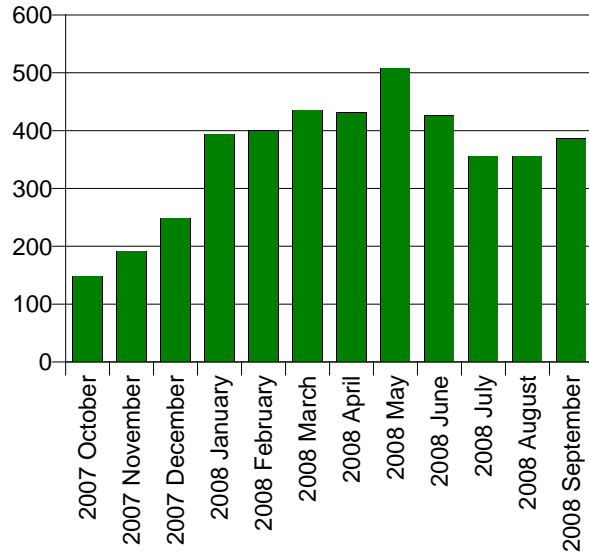
### One event:

- PhonepayPlus Mobile Review/Annual Report event (separate press and stakeholder events)
  - Held at the Royal Institute of British Architects (RIBA) near Regent's Park, London
  - Six press attendees (including Reuters and BBC Radio 1)
  - 90 stakeholder delegates (including consumer bodies, mobile networks, service providers and other regulators)
  - Presentations from Lord Currie, Ofcom Chairman; Sir Alistair Graham; George Kidd; Paul Whiteing; Mark Collins

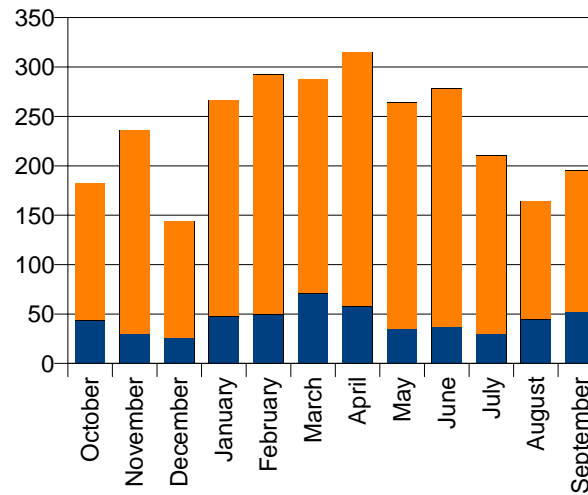
### Other activity:

- Published Annual Report in tandem with Mobile Review (17 July)
- BBC Radio 4 'You & Yours' reporter Shari Vahl visited PhonepayPlus and carried out an eight-minute feature on who we are and what we do (19 September)
- PhonepayPlus Social Committee organised participants in the London Tree-Athlon with PhonepayPlus raising over £500 for the Trees for Cities charity (20 September)

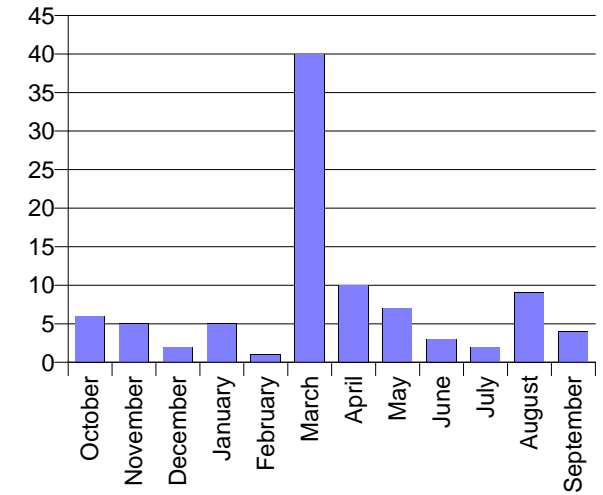
### Chart 6.1 - Industry Incoming Calls



### Chart 6.2 - Industry Advice and Enquiries



### Chart 6.3 - Industry Applications



#### Comments:

- The spike in applications for Broadcast prior permission received in March has seen resolution this quarter as the first tranche of certificates was released to service providers. In terms of volume of applications received, this has remained static this quarter across all service categories.
- The work done by the Industry Support team with service providers prior to applications being submitted to Tribunal, which helps steer planned services to operate in an effective and compliant way, results in the granting of virtually all applications that are reviewed.

Month	Advice	Enquiries	Applications
October	44	138	6
November	30	206	5
December	26	118	2
January	48	218	5
February	50	242	1
March	71	216	40
April	58	257	10
May	35	229	7
June	37	241	3
July	30	180	2
August	45	119	9
September	53	142	4
<b>Total for Period:</b>	<b>527</b>	<b>2,306</b>	<b>94</b>

## Research Team

Research undertaken at and on behalf of PhonepayPlus is used to increase our understanding of market and industry trends in order to improve our operations and policy-making. Where problems were found with specific services findings are passed onto the Investigations Team for further work.

### *Commissioned research:*

2008 Market Report carried out by Analysys-Mason. The draft report has been viewed for comment by PhonepayPlus and pending changes, the final report should be available for publication in December 2008.

### *Monitoring and testing of services, engagement with industry:*

In the second quarter of 2008/09, monitoring and testing activities were focussed on the following:

- services advertised in mid-shelf, top-shelf publications & newspapers
- services advertised on the fixed internet: search returns, advertising & popups in social networking sites.
- services promoted through WAP push messages.

### Services monitored & tested included:

- chat/date services – all platforms (specifically sex-dates)
- mobile content generally
- mobile content paid for using Payfort,
- services promoted on UK-based foreign language TV programmes
- web-based children's games
- social networking sites using phone-paid services (mobile and fixed internet)
- services that operate on multiple shortcodes
- direct-billed (non-prs) services

In order to get a better understanding of whether there are processes in place to ensure compliant promotion of services, a number of visits were made to mid-shelf and top-shelf magazine publishers and advertising agencies who handle the promotion of phone-paid services.