



# Quarterly Report

2008/2009 - Quarter 3

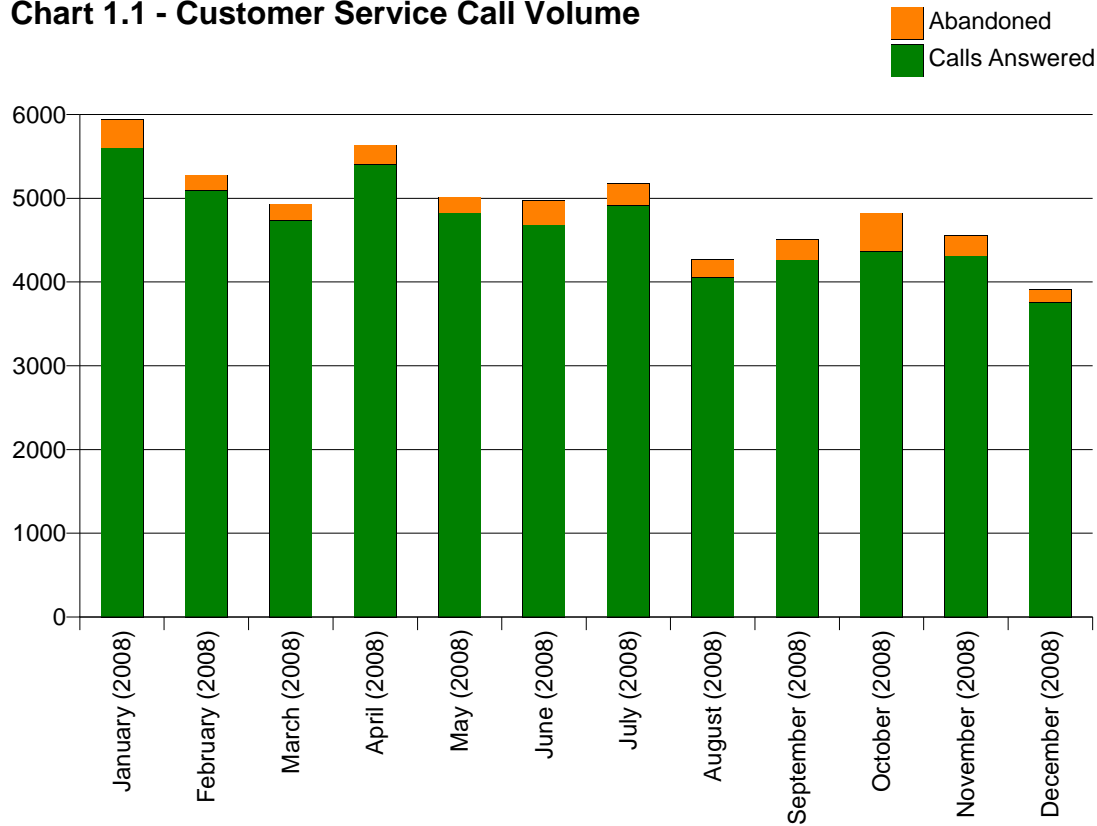
*Published Date: 23 February, 2009*

## Report Summary

### Introduction

- A total of 14,629 contacts were made by consumers in Q3 2008/09 via the phone, web, e-mail and written correspondence. This is a decrease of 7.5% from Q2 when 15,732 contacts were made. Overall call volume was down 4.7% (13,950 calls in Q2 compared to 13,282 in Q3).
- Of the 14,629 contacts, 5,407 (37%) resulted in actual complaints being logged in Q3. Complaints about mobile services accounted for 92% of all complaints logged in Q3 – a slight increase from 91% in Q2.
- The volume of numbers checked on the PhonepayPlus website has decreased slightly from 216,508 checks in Q2 to 213,587 checks in Q3 – 1.3%. The number of 09 number checks increased 6.7% from Q2 to Q3 – mainly attributable to a postal delivery scam e-mail causing concern amongst consumers. Shortcode checks continued to decline – 65,513 in Q3 in comparison to 68,805 in Q2 (a 4.8% drop).
- Total fines invoiced in Q3 amounted to £657,000.
- Out-payments have fallen in Q3 2008/2009 in comparison to Q3 of 2007/2008: Mobile is down 3.1%, Landline is down 4.3%, and Directory Enquiry is down 13.9%. Total out-payments dropped 5.7% (£152M in Q3 08/09 from £161M in Q3 07/08).
- 91% of complainants surveyed, after receiving adjudication letters from PhonepayPlus, were satisfied or above with the service they experienced. 28% of consumers surveyed (372 out of 1,310) responded. New customer satisfaction data will be available in next quarter's report.

**Chart 1.1 - Customer Service Call Volume**

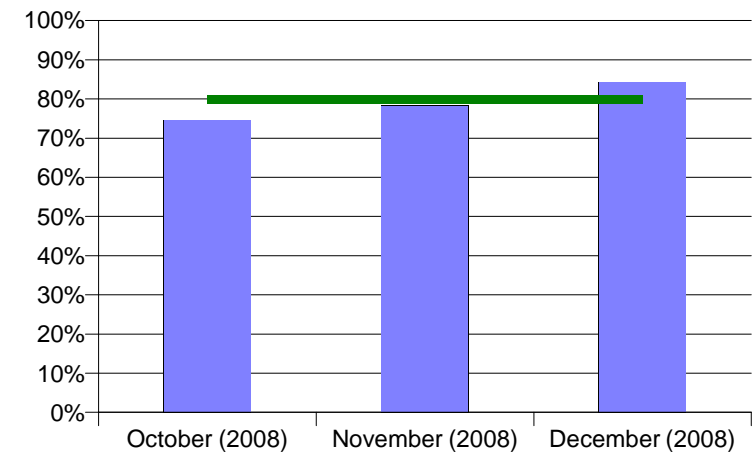


Month	Calls Answered	Calls Abandoned	Total Calls Offered
January (2008)	5,603	337	5,940
February (2008)	5,097	182	5,279
March (2008)	4,734	195	4,929
April (2008)	5,404	224	5,628
May (2008)	4,826	186	5,012
June (2008)	4,687	287	4,974
July (2008)	4,921	252	5,173
August (2008)	4,056	210	4,266
September (2008)	4,267	244	4,511
October (2008)	4,366	458	4,824
November (2008)	4,314	235	4,549
December (2008)	3,759	150	3,909
<b>Totals for Period:</b>	<b>56,034</b>	<b>2,960</b>	<b>58,994</b>

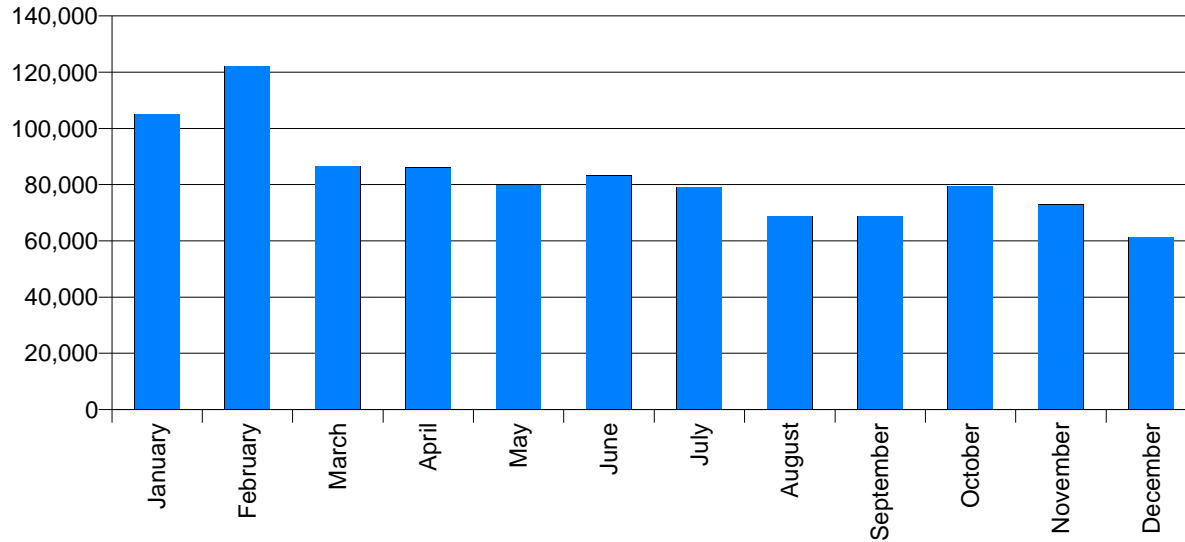
**Comments:**

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% - this KPI was missed in October and November. A detailed review of call volumes and resource has been conducted, staffing schedules have been modified, and this has been corrected.

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



**Chart 1.3 - Number Checker Usage**



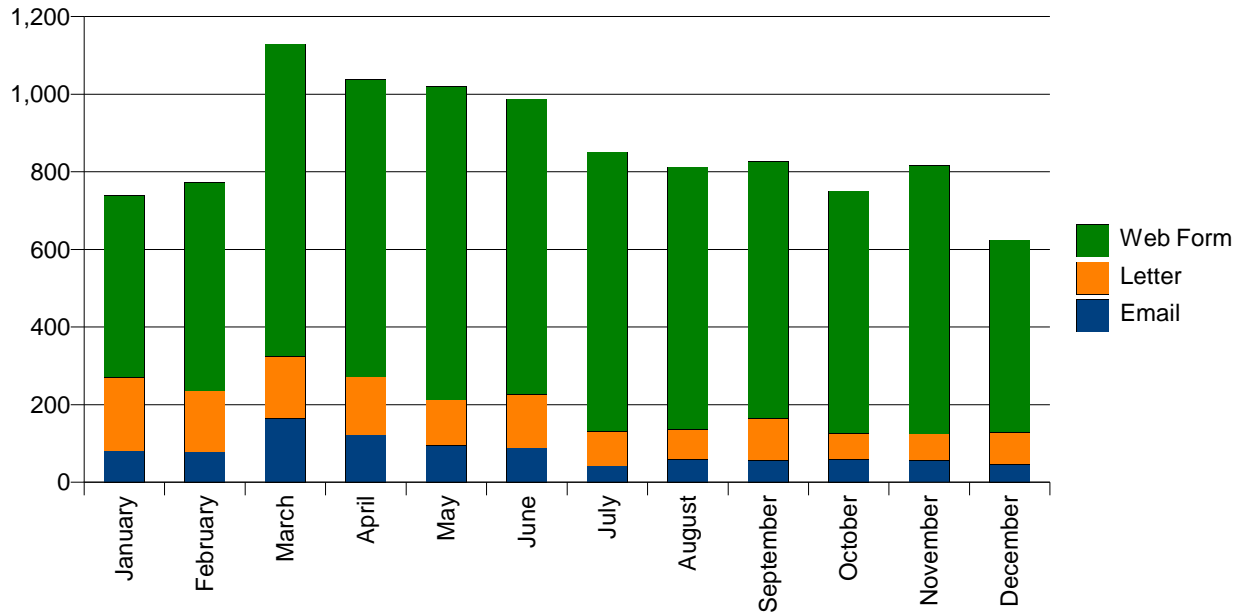
**Comments:**

- 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.

Number Type	PRN	Shortcode	Directory Enquiries	070	Other	Month Totals
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>
October	33,236	23,120	342	1,242	21,578	<b>79,518</b>
November	28,929	23,213	331	1,223	19,093	<b>72,789</b>
December	25,263	19,180	301	1,083	15,453	<b>61,280</b>
<b>Totals for Period:</b>	<b>370,719</b>	<b>309,548</b>	<b>4,465</b>	<b>19,588</b>	<b>288,794</b>	<b>993,114</b>

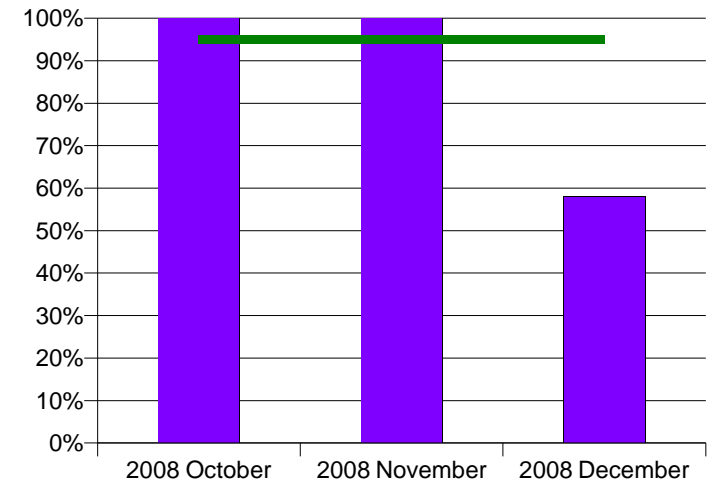
# Quarterly Report - 2008/2009 Q3

### Chart 1.4 - Correspondence Contacts



Type of Contact	Email	Letter	Web Form	Month Totals
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	808	<b>1,020</b>
June	88	139	761	<b>988</b>
July	43	88	719	<b>850</b>
August	59	76	677	<b>812</b>
September	56	109	661	<b>826</b>
October	59	66	625	<b>750</b>
November	57	67	692	<b>816</b>
December	46	82	496	<b>624</b>
<b>Totals for Period:</b>	<b>949</b>	<b>1,401</b>	<b>8,012</b>	<b>10,362</b>

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

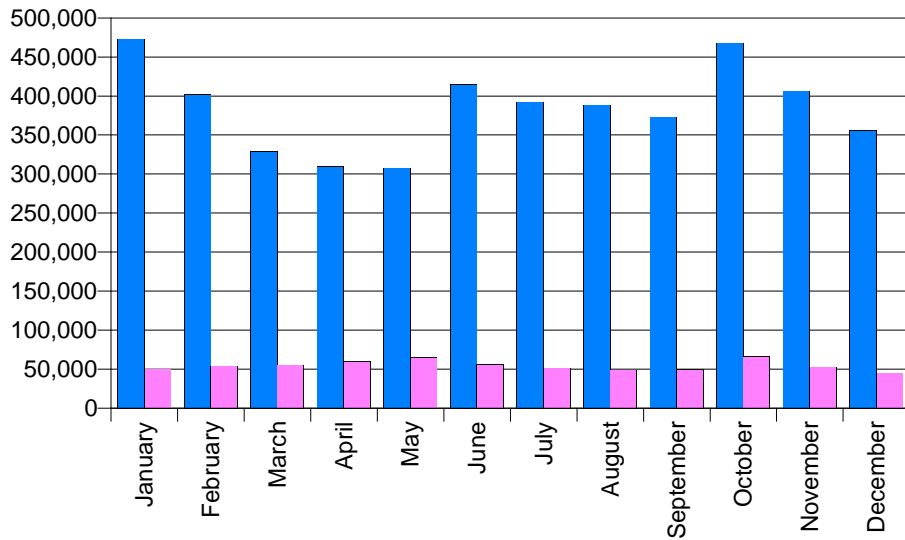


**Comments:**

KPI: A member of staff, who has since left, was responsible for a backlog of correspondence. This has since been cleared and the process has been modified to alert managers should the problem arise again.

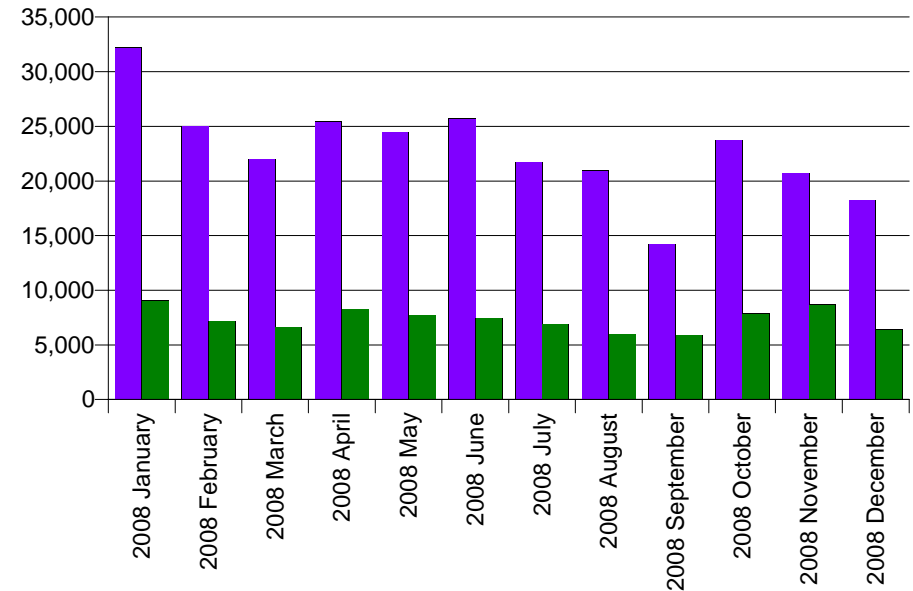
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**Chart 1.6a - PhonepayPlus Web Site Page Views & Visits**



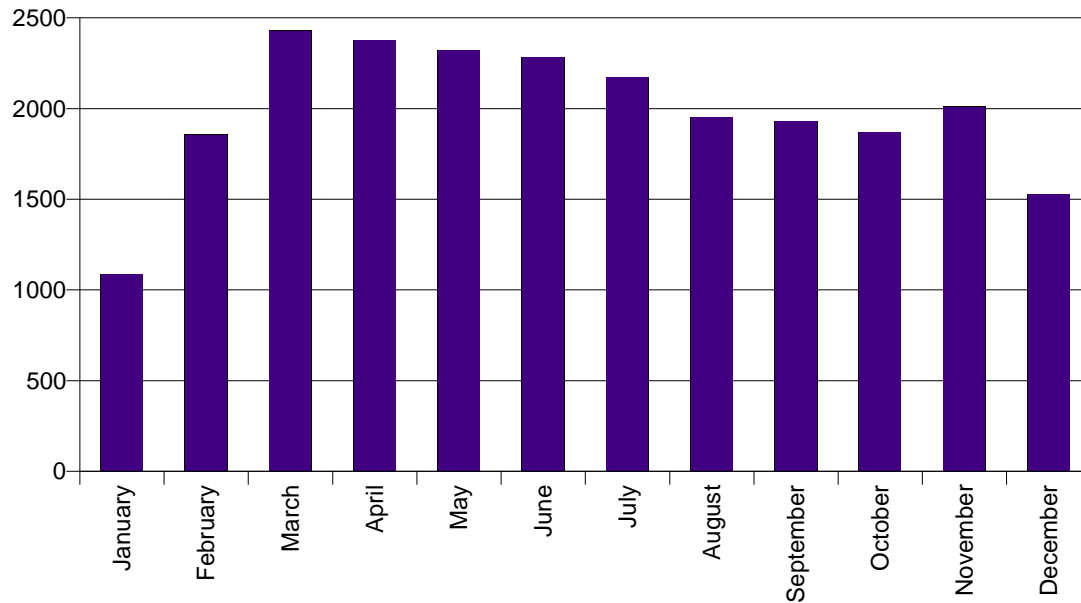
Month	Page Views	Visits
January	473,146	50,001
February	401,694	53,922
March	328,739	55,695
April	309,358	59,730
May	307,146	64,872
June	414,283	55,709
July	391,898	51,296
August	388,321	48,839
September	372,953	49,437
October	468,020	66,233
November	406,328	52,531
December	355,551	44,604
<b>Total for Period:</b>	<b>4,617,437</b>	<b>652,869</b>

**Chart 1.6b - PhoneBrain Web Site Page Views & Visits**



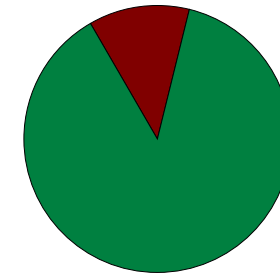
Month	Page Views	Visits
2008 January	32,195	9,032
2008 February	24,986	7,142
2008 March	21,982	6,597
2008 April	25,430	8,271
2008 May	24,478	7,722
2008 June	25,692	7,426
2008 July	21,670	6,864
2008 August	20,923	5,978
2008 September	14,206	5,892
2008 October	23,726	7,821
2008 November	20,676	8,652
2008 December	18,233	6,351
<b>Total for Period:</b>	<b>274,197</b>	<b>87,748</b>

**Chart 2.1 - All Complaints Logged**



**Chart 2.2 - Reason for Complaint Q3**

Promotion of the Service/Product ( 12% )



Operation of Service ( 88% )

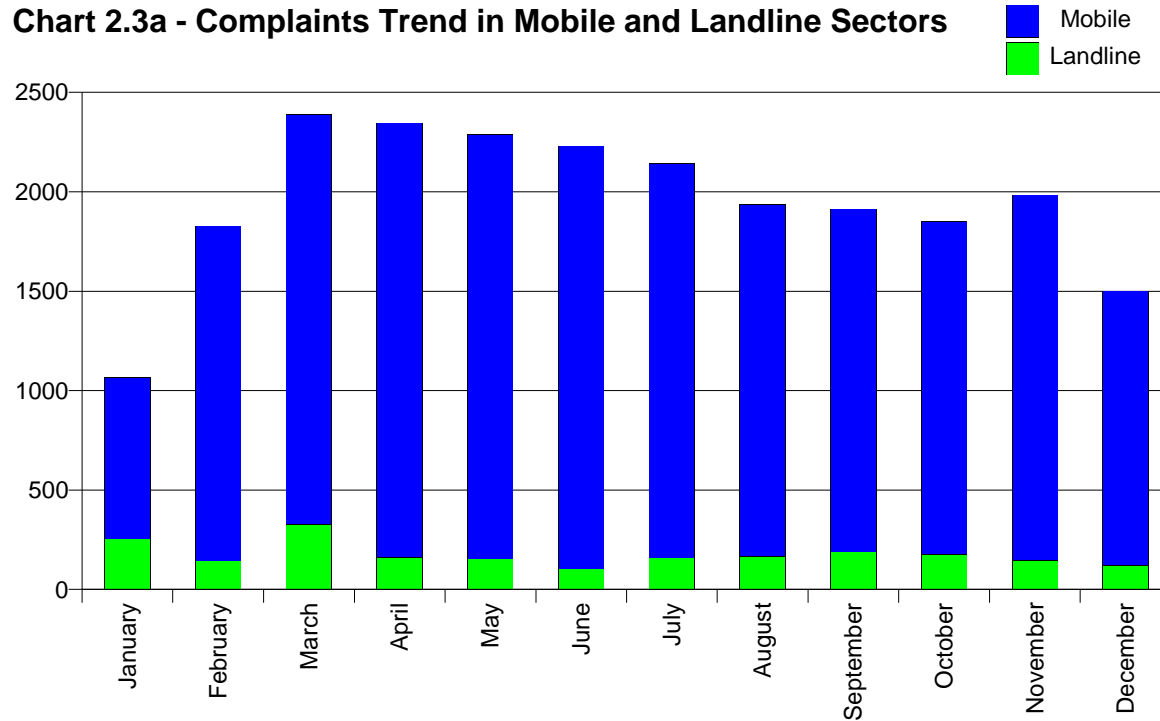
**Note:**

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
January	503	334	17	221	10	<b>1,085</b>
February	1,301	425	25	93	11	<b>1,855</b>
March	1,433	672	36	283	4	<b>2,428</b>
April	1,681	645	35	6	10	<b>2,377</b>
May	1,570	720	23	3	4	<b>2,320</b>
June	1,625	623	28	2	4	<b>2,282</b>
July	1,542	615	14	1		<b>2,172</b>
August	1,376	554	15	2	4	<b>1,951</b>
September	1,363	538	29		1	<b>1,931</b>
October	1,309	536	20	1	3	<b>1,869</b>
November	1,401	600	6		3	<b>2,010</b>
December	1,075	446	5		1	<b>1,527</b>
<b>Totals for Period:</b>	<b>16,179</b>	<b>6,708</b>	<b>253</b>	<b>612</b>	<b>55</b>	<b>23,807</b>

# Quarterly Report - 2008/2009 Q3

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



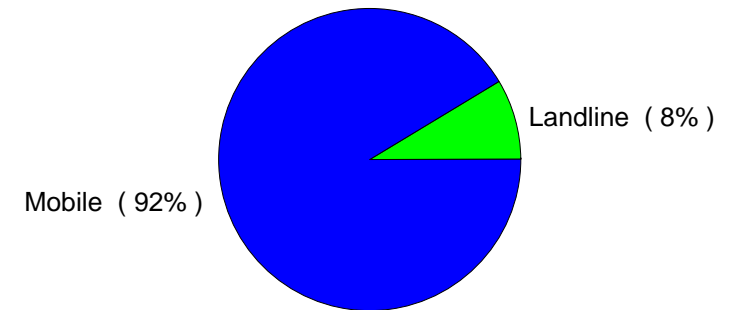
Month	Landline	Mobile	Month Totals
January	256	807	1,063
February	144	1,683	1,827
March	328	2,059	2,387
April	161	2,182	2,343
May	153	2,135	2,288
June	104	2,126	2,230
July	160	1,980	2,140
August	168	1,765	1,933
September	190	1,724	1,914
October	176	1,672	1,848
November	147	1,837	1,984
December	123	1,376	1,499
<b>Sum:</b>	<b>2,110</b>	<b>21,346</b>	<b>23,456</b>

**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.

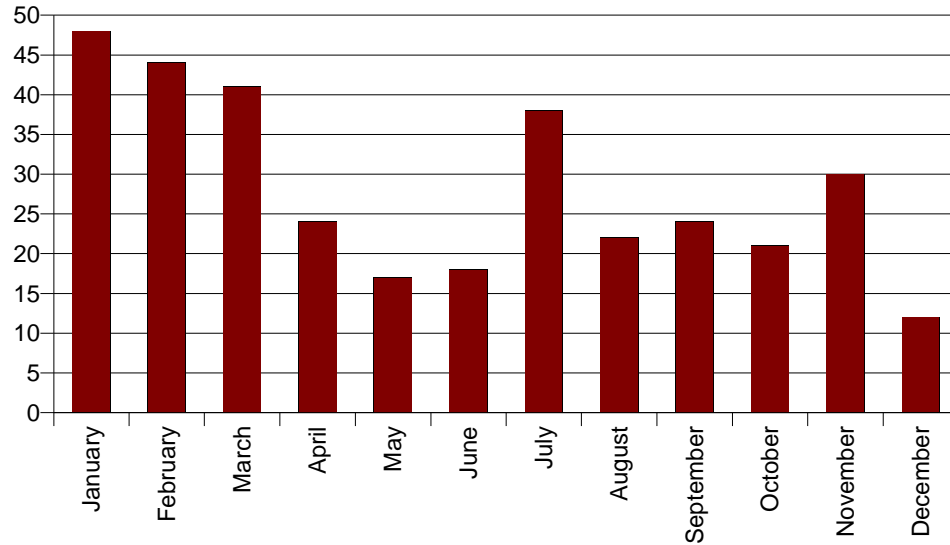
Month	070 Complaints
July	70
August	84
September	99
October	64
November	53
December	43
<b>Sum:</b>	<b>413</b>

**Chart 2.3b - Mix of Mobile vs. Landline Sector Complaints Q3**





**Chart 3.1 - Lead Investigations Identified**



Month	Lead Investigations Identified
January	48
February	44
March	41
April	24
May	17
June	18
July	38
August	22
September	24
October	21
November	30
December	12
<b>Total for Period:</b>	<b>339</b>

**Current Open Investigations as of February 13th: 101 Cases**

Open Investigations by Sector	Cases
Landline	9
Mobile	89
Other	3
<b>Sum:</b>	<b>101</b>

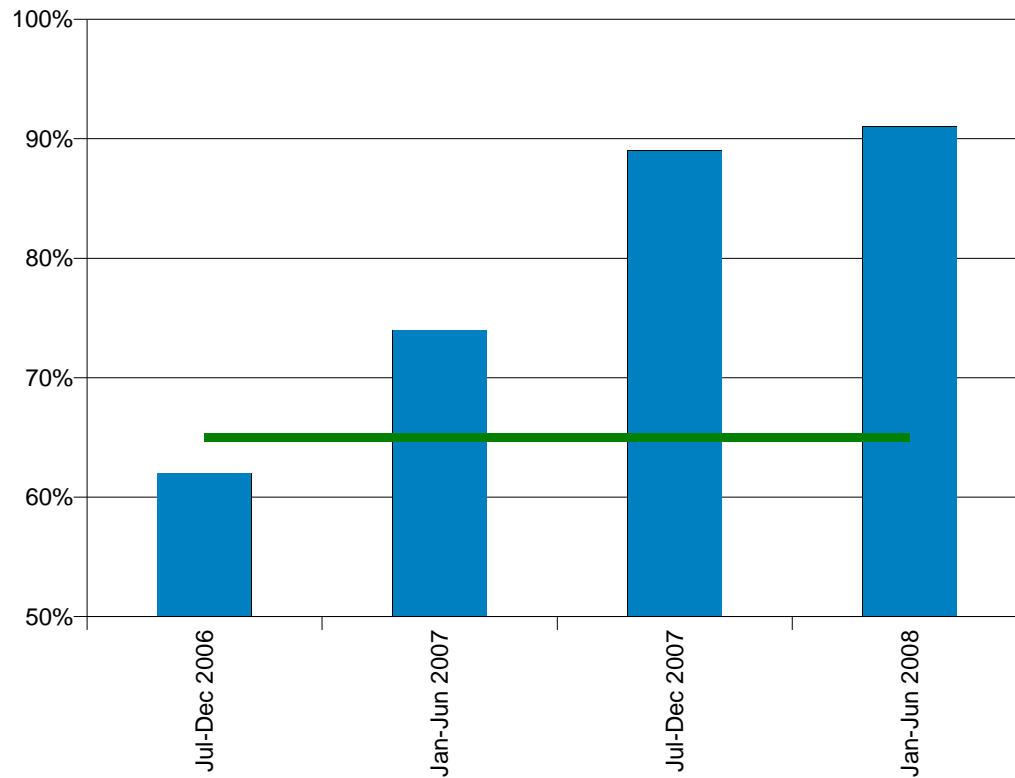
**Comments:**

- 15 cases have been closed due to adjudication in Q3
- Currently there are 9 investigations on 070 numbers
- We have 1 open 118 investigation (118 118)

**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

**Note:** Data from July through December 2008's survey is slated for availability in the next upcoming quarterly report.

# Quarterly Report - 2008/2009 Q3

## 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>

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
	Q3	£71,204,735	£53,505,883	£27,755,970	£152,466,588
	<b>Totals:</b>	<b>£209,074,038</b>	<b>£148,100,725</b>	<b>£90,706,291</b>	<b>£447,881,054</b>

**Total fines levied Financial YTD: £1,759,309**

**Total fines paid Financial YTD: £886,309**

**50% Collection Rate of Fines Levied**

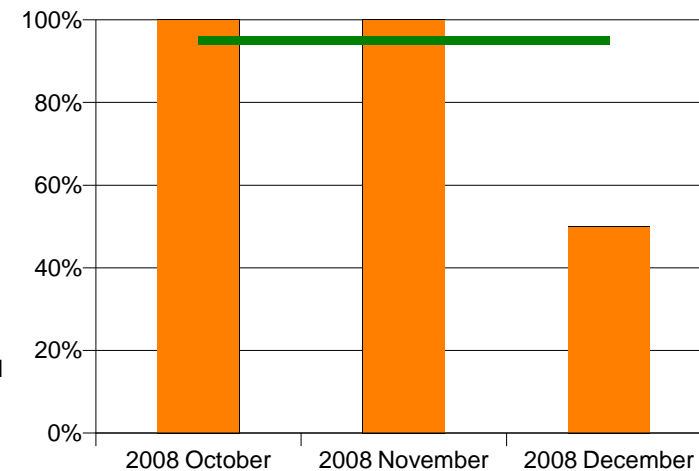
### Aged Debt Analysis:

> 90 Days:	£ 255,000
61 – 90 Days:	£ 0
30 – 60 Days:	£ 275,000
< 30 Days:	£ 343,000

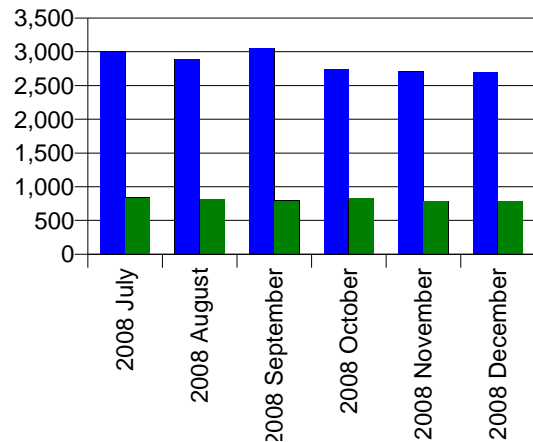
### Comments:

KPI: Due to unforeseen circumstances there was a delay in the publication of Panel minutes in December which caused a delay in correspondence.

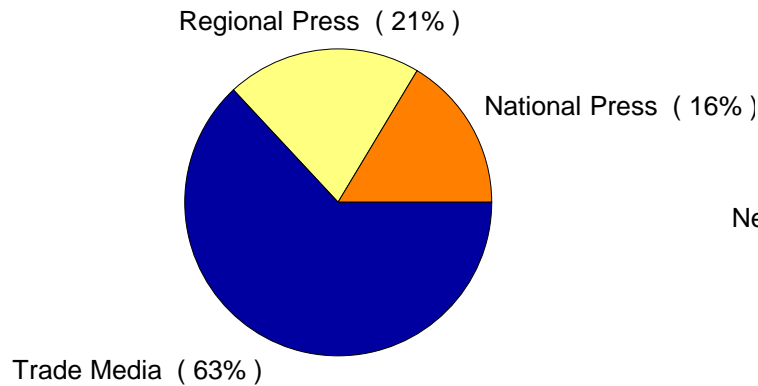
**Chart 4.1 - KPI: Fine Invoices < 10 Days of Tribunal Date**



**Chart 5.1 - External PhonepayPlus Newsletter Readership**

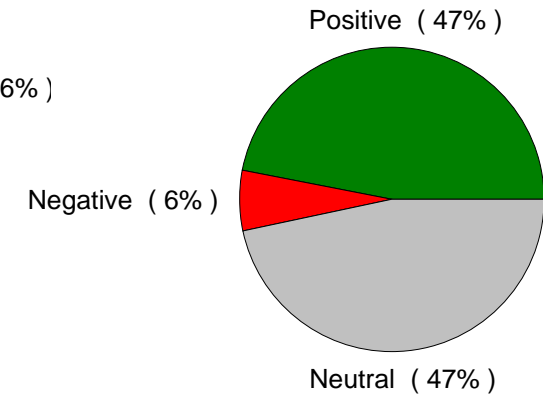


**Chart 5.2a - Press Article Type Q3**



**Articles Published in Q3: 119**

**Chart 5.2b - Press Article Tone Q3**



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

## Communications Team

### 15 announcements:

- PhonepayPlus Industry Liaison Panel (ILP) publishes 'Due Diligence' checklist (3 October)
- First companies awarded permission to provide phone-paid broadcast services (9 October)
- Updated announcement on PhonepayPlus homepage, giving advice about the seasonal parcel delivery scam (PDS) chain email (9 October) – page was viewed by 9,511 unique visitors; if each of those had called our Contact Centre for advice, this would have equated to 317 hours
- PhonepayPlus begins work on next Code of Practice (15 October)
- George Kidd's resignation (16 October)
- PhonepayPlus takes safety to the top of the class with PhoneBrain (18 November)
- Emergency procedure investigation into Ambavox AG – missed parcel delivery mailing (26 November)
- PhonepayPlus quarterly report published (27 November)
- PhonepayPlus' response to decrease in VAT (1 December)
- Final statement on Live Entertainment Services Compensation Scheme consultation (11 December)
- Emergency procedure investigations into H. Navaneeth, K. Felix J. Paul, T. Jaya Kandan and Mr Jaswinder Singh – 070 numbers (11 December)
- PhonepayPlus 2009/10 Business Plan & Budget consultation (18 December)
- 'Phone-paid services: current conditions and future trends' research report published (18 December)
- Notice to Industry: Network due diligence – 070 numbers (19 December)
- PhonepayPlus warns of phone-paid services scams at Christmas (24 December)

## Communications Team continued

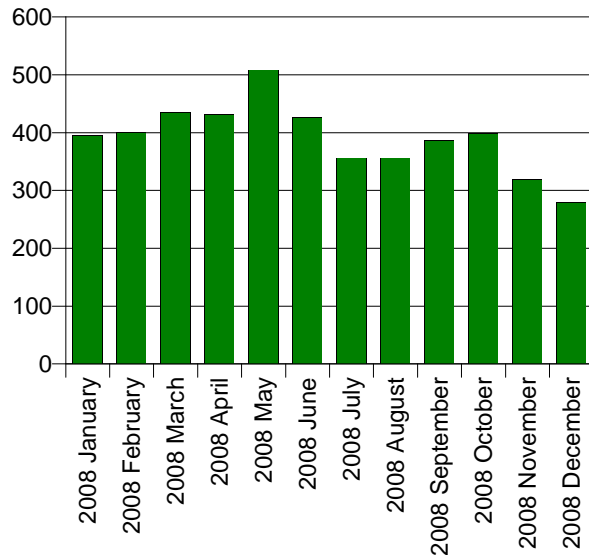
### Two events:

- PhonepayPlus Forum 'Phone-paid services – Today & tomorrow'
  - Held at the Mermaid Conference Centre in Blackfriars, London
  - 75 stakeholder delegates (including consumer bodies, mobile networks, service providers and other regulators)
  - Presentations from Richard Sedgwick, Deloitte; Alistair Hill, comScore; Steve Page, Mobile Commerce; Suhail Bhat, Mobile Entertainment Forum; Anne Hoitink, Ofcom; Sir Alistair Graham; Paul Whiteing; Simon Bates; David Oatway
- Launched PhoneBrain, a youth education initiative to help teach young people, aged 13-18, about how to use phone-paid services safely through curriculum-based ICT and Enterprise lesson plans
  - Held at The Business Academy Bexley with a class of ICT students and their teacher
  - Covered by 'BBC Breakfast'; 'BBC Radio 1'; 'BBC Radio Five Live'; 'Kerrang'; 'Kiss Network'; and syndicated on IRN and Sky radio stations
  - Involvement and support from The Peter Jones Foundation, Ministry of Sound and Make Your Mark (the Government-sponsored enterprise body)

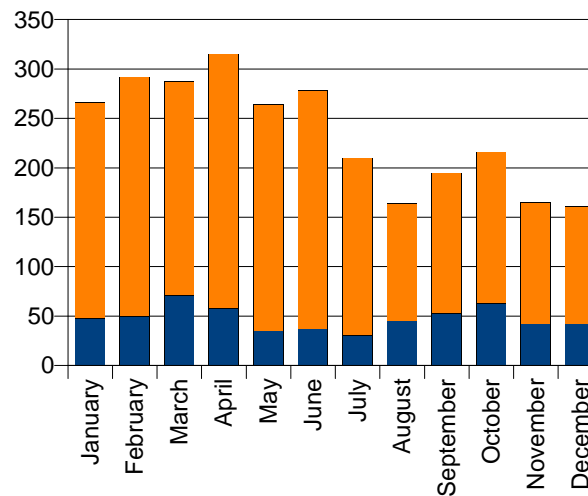
### Other activity:

- Supported the Internet Watch Foundation's (IWF) Awareness Day with a logo and explanatory text (24 October)
- Drafted revised FAQs for the PhonepayPlus website, including some on participation TV (31 October)
- Secured budget and supplier, XM London (<http://www.xmlondon.com/>), for PhonepayPlus website relaunch which will take place on 30 March 2009 (November)

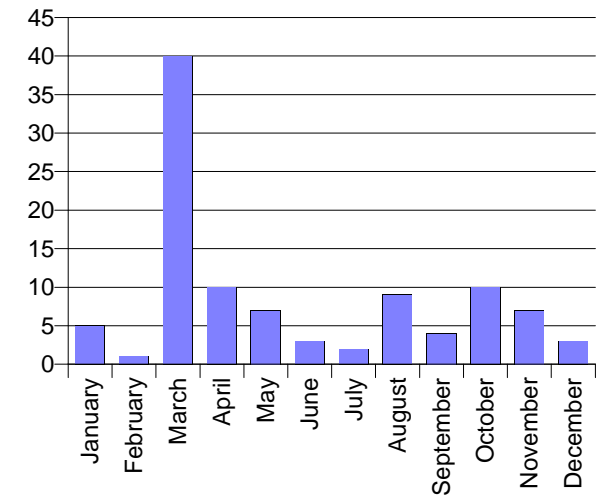
### Chart 6.1 - Industry Incoming Calls



### Chart 6.2 - Industry Advice and Enquiries



### Chart 6.3 - Industry Applications



#### Comments:

- In comparison with Q3 2007/08 the level of industry enquiries has slightly dropped, and prior permission applications have remained relatively constant. However the level of industry advice dispensed has grown by 47%.
- Over the first 6 weeks of Q4 2008/09, we have experienced a spike in enquiries. Predictably, these have coincided with PhonepayPlus communicating new regulations, and two new prior permissions regimes, following the review of mobile phone-paid services and their marketing. In addition, Ofcom has recently announced that PhonepayPlus will regulate 0871 services from August 1<sup>st</sup> 2009, which has led to increased call volume from companies that will be new to our regulation.
- The Industry Support area of the website is currently undergoing review as part of PhonepayPlus website rebuild.

Month	Advice	Enquiries	Applications
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
October	63	153	10
November	42	123	7
December	42	119	3
<b>Total for Period:</b>	<b>574</b>	<b>2,239</b>	<b>101</b>

## Research Team

Research undertaken by 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 and market risk management. A programme of service monitoring and testing also identifies emerging trends and issues with platforms and services. Problems identified with specific services are passed onto the Investigations and Industry Support Teams for further work.

*Research conducted in-house and commissioned research (including ongoing projects):*

- 2008 Phone-paid services market report carried out by Analysys-Mason, published in December 2008 on the PhonepayPlus website
- Review of services promoted on UK-based foreign language TV programmes
- Market development and service testing of mobile content purchased using Payfort
- Assessment of services that operate using multiple shortcodes
- Research project looking at compliance advice given when setting up premium rate services
- Review of premium rate services found on fixed and mobile social networking sites (advertisements and monetisation models)

*Ongoing monitoring and testing of services:*

In Q3 of 2008/09, monitoring and testing activities included the following:

- Services advertised in mid-shelf, top-shelf publications and newspapers
- Mobile content services in general
- TV auction services
- Services advertised on the fixed internet: search returns, advertising and popups in social networking sites
- Contact and dating services offering “sex dates”
- Adult video services – mobile and online
- Web-based children’s games monetised using premium rate