



Quarterly Operational Report

2010/2011 - Quarter 4

Published Date: 15 April, 2011

PhonepayPlus is changing the way premium rate services (PRS) are regulated in 2011, with new responsibilities coming in for all providers involved in delivering services to consumers.

To sign up for updates and for further information, go to:

<http://www.phonepayplus.org.uk/output/cp-code-registration.aspx>

Key Performance Indicators

For Q4 of Financial Year 2010/2011

Maximise compliance by providers with the PhonepayPlus Code of Practice and ensure that “polluters” pay

Measure	Target	Actual	Comments
Fine Collection Rate	80%	69%	The KPI reflects overdue IP fines which have reverted to SP for payment. The majority relates to a single fine and some other exceptions. Excluding these, the fine and administration charges collection rate would be 95% & 86%.
Administration Charge Collection Rate	80%	74%	See note for fine collection rate above
Emergency Procedure cases brought to adjudication within 20 working days	90%	N/A	There have been no Emergency Procedure cases in Q4
Informal cases resolved within target (Fast-track within 10 working days/Track 1 within 30 working days)	80%	86%	195 cases out of 227 in total for Q4 were resolved within target

Ensure that we act in a way that is proportionate and transparent

Measure	Target	Actual	Comments
Notices to Industry sent soon after adjudication	< 30 days	N/A	There were no Notices to Industry after an adjudication required in Q4
Tribunal minutes published after panel	< 11 days	100%	
Board meeting minutes published after being agreed	< 7 days	100%	

Maximise awareness and understanding of the role of PhonepayPlus

Measure	Target	Actual	Comments
Increasing usage of PhonepayPlus website	Upward Trend	Decrease of 6%	This is based on number of visitors to phonepayplus.org.uk in Q4 of 2010/2011 in comparison to Q3 2010/2011
Increasing prompted awareness of PhonepayPlus	Upward Trend	N/A	This measure is currently being reviewed by the Communications Team

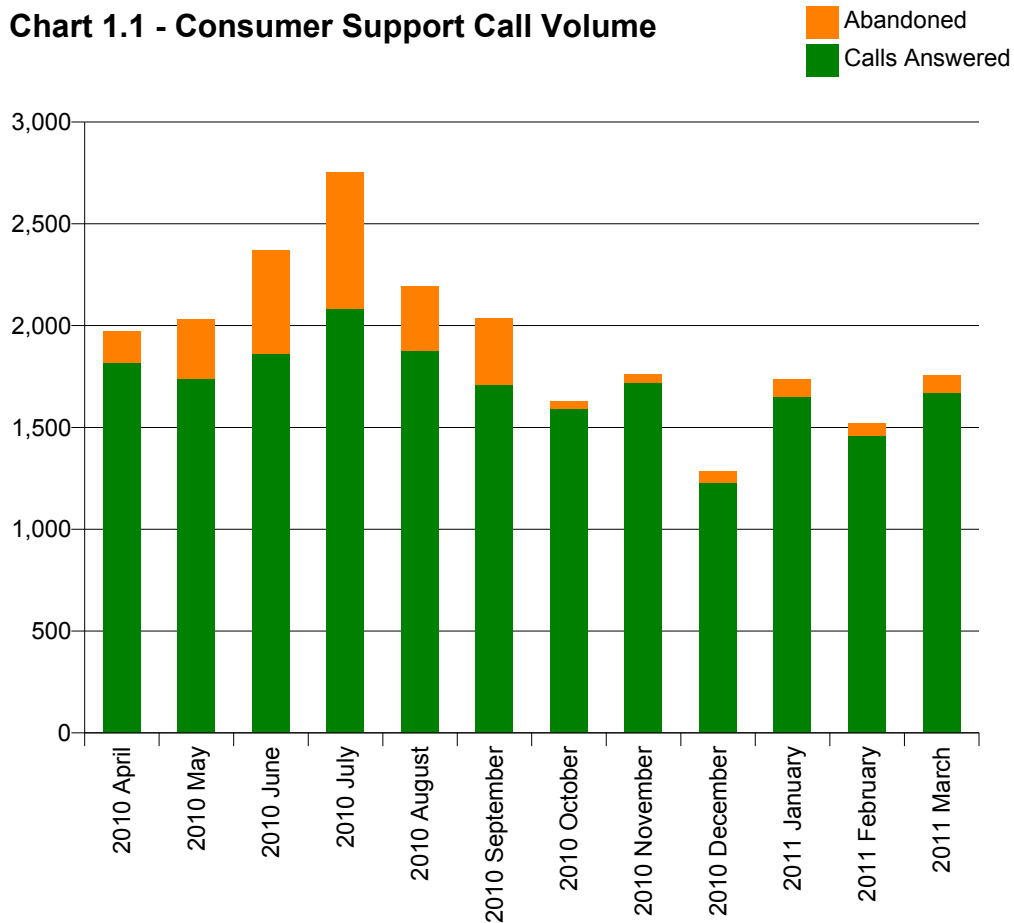
Operate efficiently

Measure	Target	Actual	Comments
Standard procedure cases brought to adjudication within 14 weeks	80%	81%	Eleven cases in total were brought to Tribunal in Q4 of 2010/2011
Calls to Contact Centre answered in 30 seconds	80%	93%	
Response to compliance advice requests answered within five working days	80%	98%	
Complainants are satisfied with the service from PhonepayPlus	80%	75%	Survey data is now refreshed on a quarterly basis. This is based on data from Jan – March 2011. Please see the Customer Satisfaction page for further details.
Industry seeking advice are satisfied with service from PhonepayPlus	80%	N/A	Data refresh has been put on hold whilst resources are directed to the publication of the new Code and pending organisational restructure.

An Executive that is fit for purpose and knowledgeable about the sector

Measure	Target	Actual	Comments
Staff turnover	< 20% annual	16%	Based on calendar year 2010
Average number of training days	TBD	2.19 days	In Q4 of 2010/2011, each employee spent an average of 2.19 days in training
Number of working days lost to sickness	< 3%	4.2%	In Q4 of 2010/2011, 4.2% of working time was lost due to sickness. This reflects seasonal illness and some cases of exceptional sickness.

Chart 1.1 - Consumer Support Call Volume



Month	Calls Answered	Calls Abandoned	Total Calls Offered
2010 April	1,817	155	1,972
2010 May	1,736	293	2,029
2010 June	1,863	510	2,373
2010 July	2,081	671	2,752
2010 August	1,878	318	2,196
2010 September	1,711	328	2,039
2010 October	1,594	35	2,040
2010 November	1,722	39	2,322
2010 December	1,231	54	1,742
2011 January	1,651	89	2,332
2011 February	1,461	60	1,999
2011 March	1,668	88	2,475
Totals for Period:	20,413	2,640	26,271

Comments:

Starting in October, we only report on the true value of abandoned calls (i.e. where consumers have chosen to abort their call at some point after connection). The 'Calls Offered' volume currently includes all calls connected to our Contact Centre - including those serviced by Option 1 on the IVR. Option 1 offers callers, who need to speak to a BT operative to deal with their query, suitable BT contact details via a pre-recorded message.

Chart 1.2 - Calls Answered Under 30 Seconds

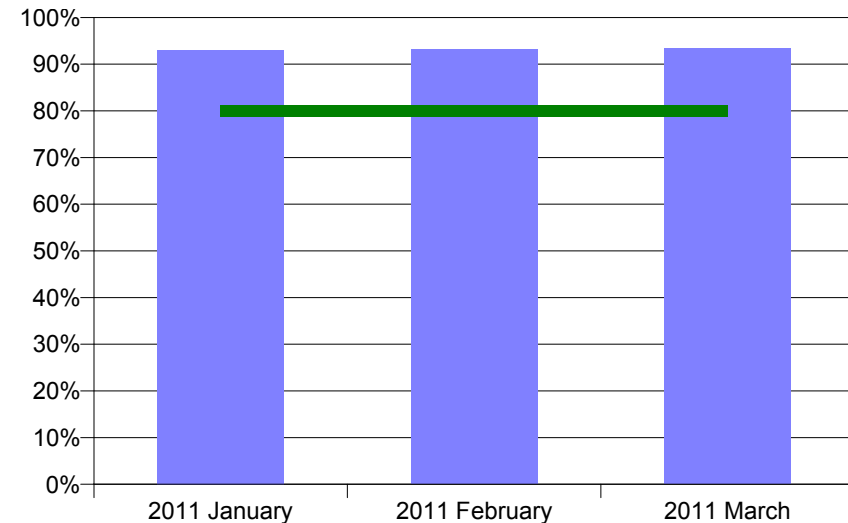
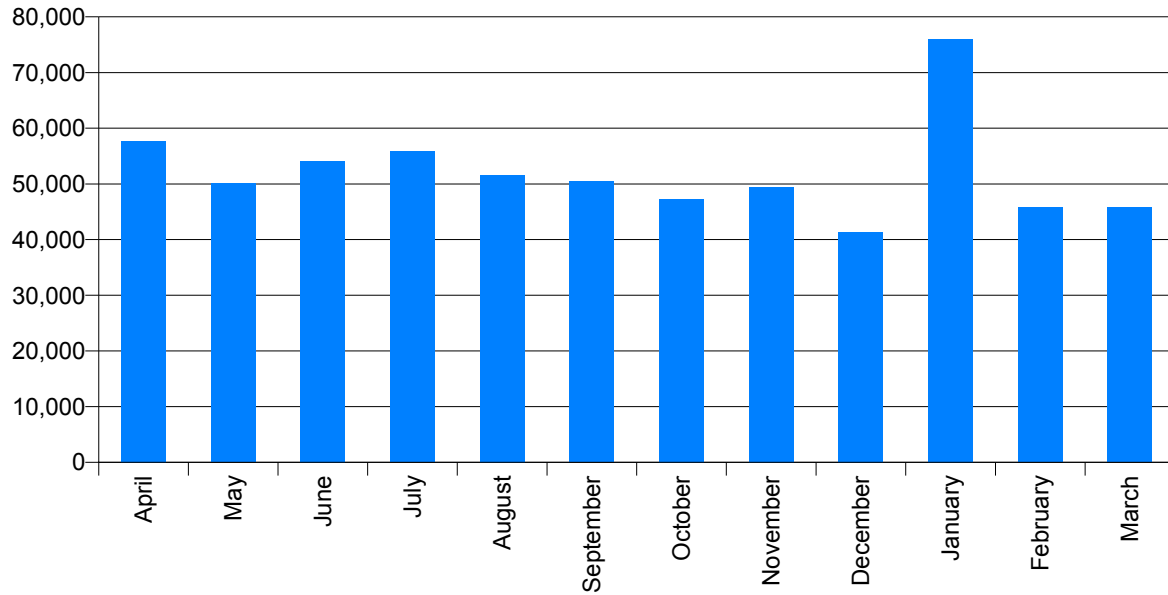


Chart 1.3 - Number Checker Usage



Comments:

- 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
- January saw an increase of 84% over the previous month totalling over 76,000 checks. This figure was inflated as a result of an automated script which was run on our Number Checker over four days. Checks have since returned to the usual level.

Number Type	PRN	Shortcode	Directory Enquiries	070	087	Other	Month Totals
2010 April	20,034	16,570	243	569	1,703	18,593	57,712
2010 May	19,373	14,146	323	560	1,834	13,829	50,065
2010 June	22,460	12,745	397	555	1,951	15,965	54,073
2010 July	24,178	12,747	394	711	1,909	15,908	55,847
2010 August	21,535	11,297	427	680	1,938	15,724	51,601
2010 September	20,691	10,499	440	673	2,022	16,130	50,455
2010 October	19,047	8,283	355	626	1,924	17,076	47,311
2010 November	23,086	7,694	411	613	1,899	15,723	49,426
2010 December	18,185	7,573	320	500	1,670	13,143	41,391
2011 January	22,340	33,705	434	796	2,114	16,681	76,070
2011 February	18,892	8,239	402	679	1,786	15,751	45,749
2011 March	18,626	8,895	395	610	1,636	15,618	45,780
Totals for Period:	248,447	152,393	4,541	7,572	22,386	190,141	625,480

Chart 1.4a - PhonepayPlus Web Site Page Views & Visits

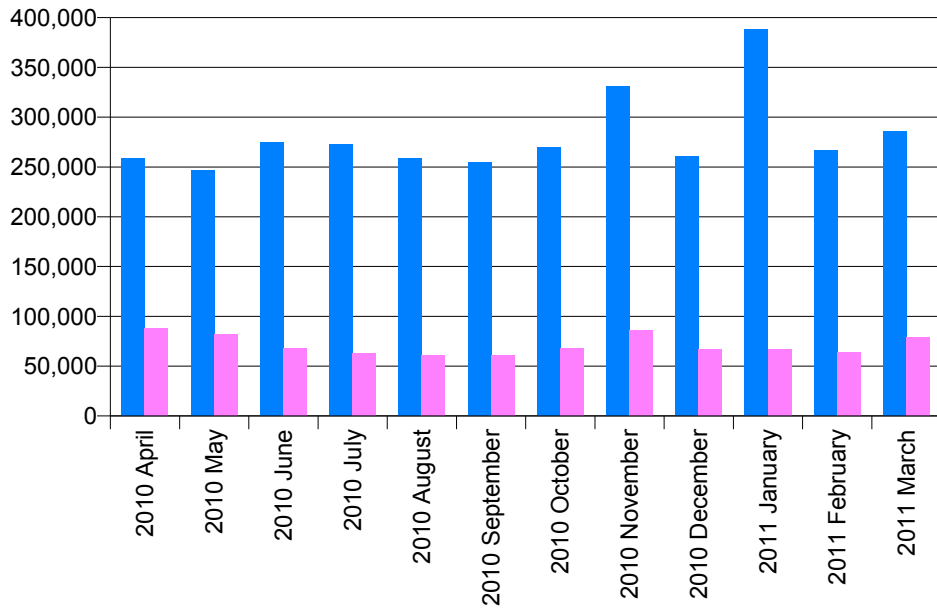
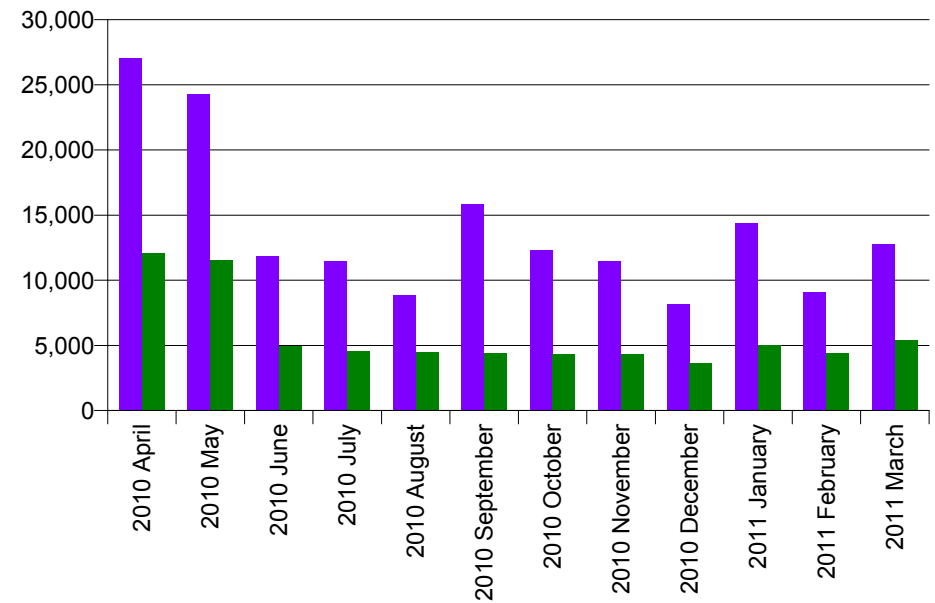


Chart 1.4b - PhoneBrain Web Site Page Views & Visits



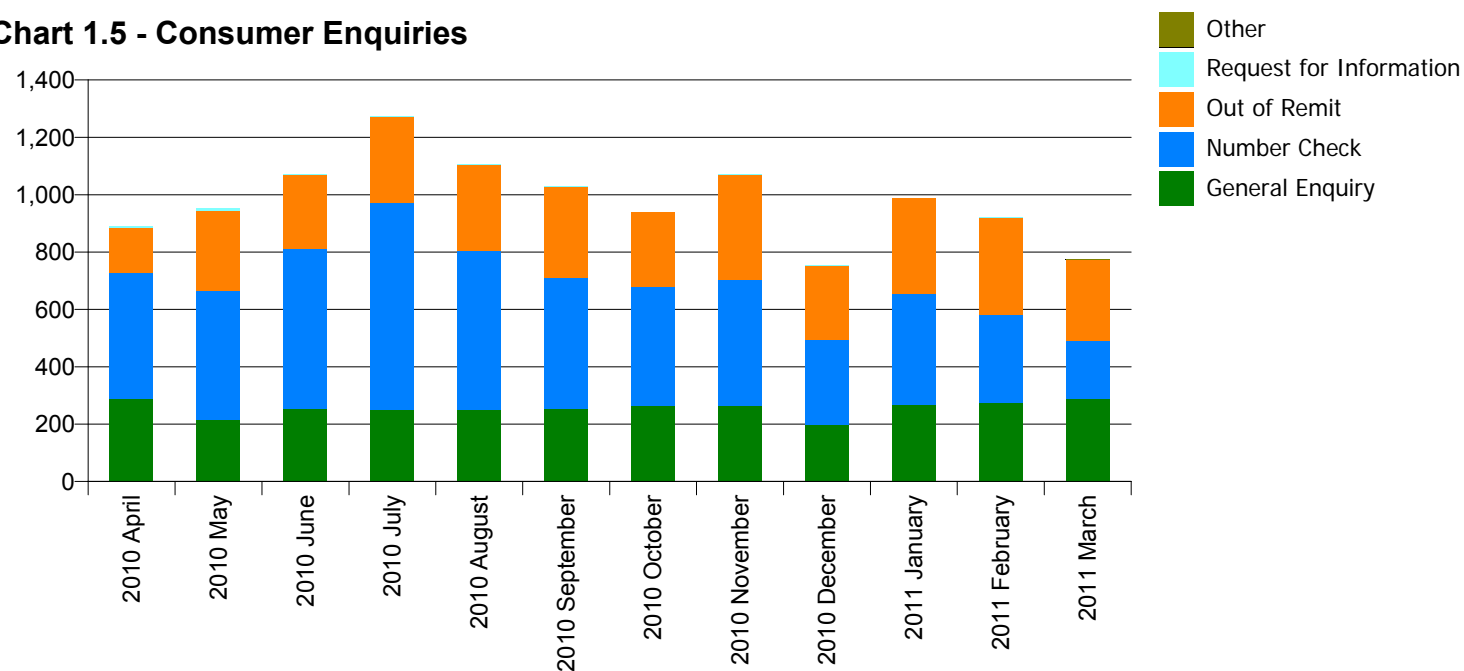
Month	Page Views	Visits
2010 April	259,108	88,191
2010 May	247,140	82,094
2010 June	274,801	67,370
2010 July	272,823	62,476
2010 August	258,376	60,849
2010 September	254,981	60,637
2010 October	269,668	68,216
2010 November	330,696	85,534
2010 December	260,459	67,012
2011 January	388,288	66,761
2011 February	266,304	63,908
2011 March	285,928	78,907
Total for Period:	3,368,572	851,955

Comments:

The increase in traffic to the PhonepayPlus website in November was caused by parcel delivery scam searches. This generated about 10% of the traffic to the site, according to Google.

Month	Page Views	Visits
2010 April	27,081	12,078
2010 May	24,292	11,593
2010 June	11,878	4,964
2010 July	11,488	4,555
2010 August	8,838	4,515
2010 September	15,830	4,434
2010 October	12,337	4,379
2010 November	11,482	4,330
2010 December	8,174	3,675
2011 January	14,391	4,998
2011 February	9,108	4,421
2011 March	12,817	5,437
Total for Period:	167,716	69,379

Chart 1.5 - Consumer Enquiries



Type of Enquiry	General Enquiry	Number Check	Out of Remit	Request for Information	Other	Month Totals
2010 April	288	440	158	6		892
2010 May	217	450	277	10		954
2010 June	252	560	257	2		1,071
2010 July	251	719	303	2		1,275
2010 August	251	552	301	2		1,106
2010 September	253	456	320	2		1,031
2010 October	265	413	261			939
2010 November	265	439	367	2		1,073
2010 December	199	295	259	2		755
2011 January	267	387	333			987
2011 February	275	306	339	1		921
2011 March	287	205	281		2	775
Totals for Period:	3,070	5,222	3,456	29	2	11,779

Chart 2.1 - Consumer Complaints

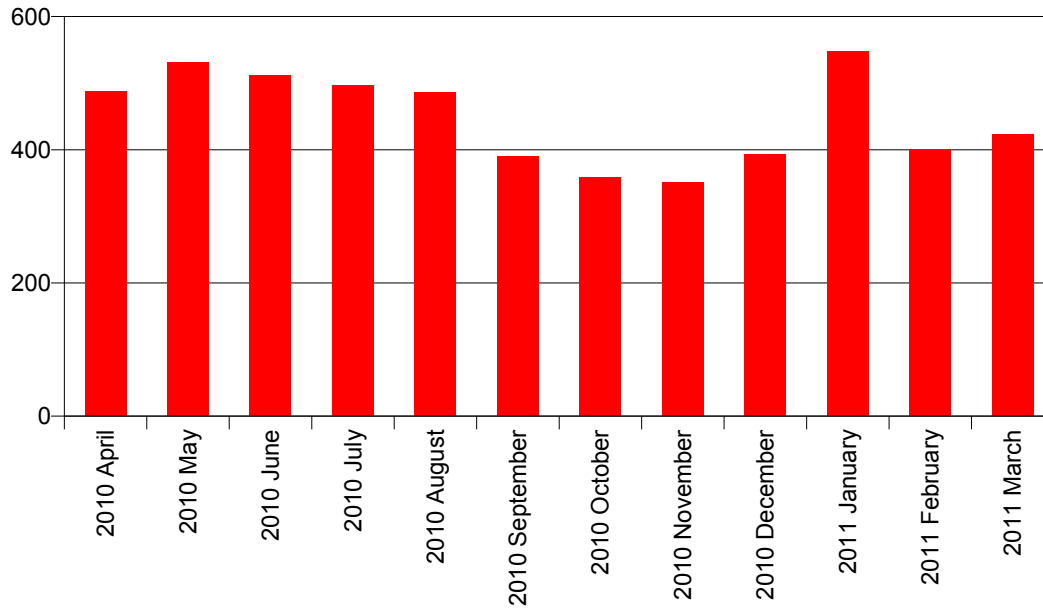
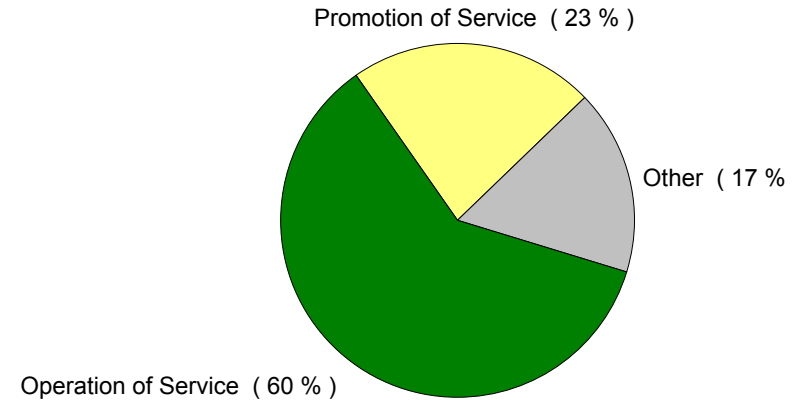


Chart 2.2 - Reason for Complaint Q4

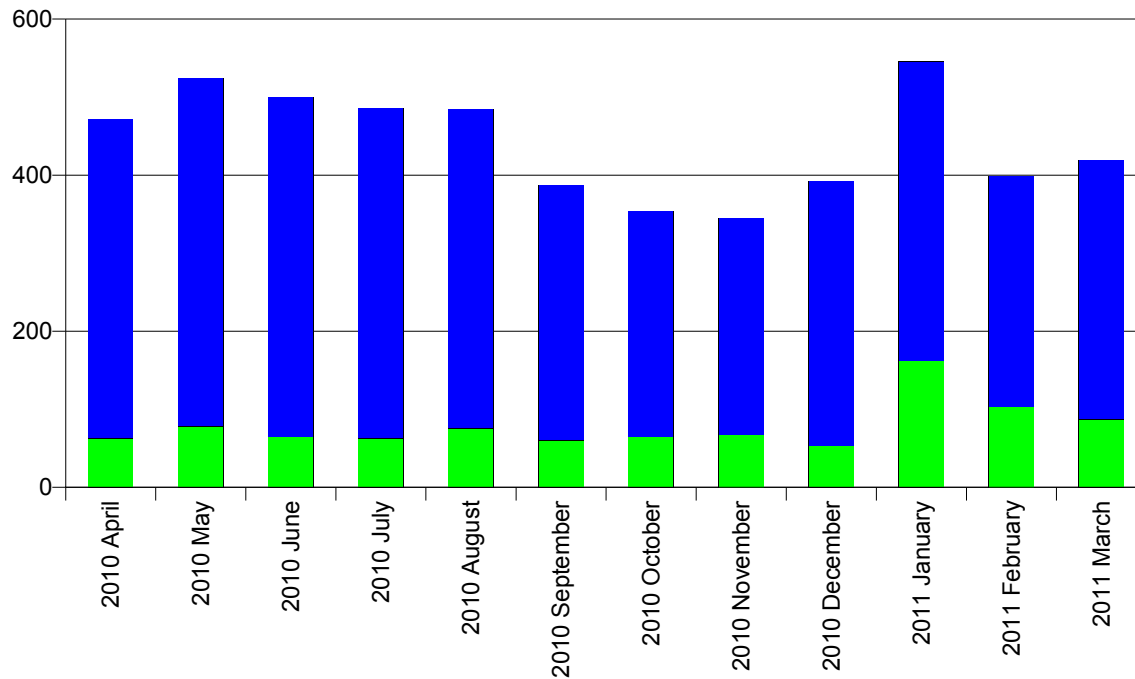


Source of Complaint	Phone	Web	Correspondence	Other	Month Totals
2010 April	267	206	6	9	488
2010 May	312	206	10	3	531
2010 June	287	219	3	2	511
2010 July	279	201	6	11	497
2010 August	250	215	8	13	486
2010 September	214	167	8	1	390
2010 October	176	178	3	1	358
2010 November	172	170	6	3	351
2010 December	164	226	2	1	393
2011 January	185	346	15	1	547
2011 February	137	242	19	3	401
2011 March	131	276	10	6	423
Totals for Period:	2,574	2,652	96	54	5,376

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Chart 2.3a - Complaints Trend in Mobile and Landline Sectors

Mobile
Landline



Month	Landline	Mobile	Month Totals
2010 April	63	408	471
2010 May	78	446	524
2010 June	65	435	500
2010 July	63	423	486
2010 August	76	408	484
2010 September	60	327	387
2010 October	65	289	354
2010 November	67	278	345
2010 December	53	339	392
2011 January	162	383	545
2011 February	103	296	399
2011 March	87	332	419
Totals for Period:	942	4,364	5,306

Chart 2.3b - Mix of Mobile vs. Landline Sector Complaints Q4

Month	070 Complaints
2010 October	24
2010 November	25
2010 December	25
2011 January	108
2011 February	52
2011 March	46
Sum:	280

Month	087 Complaints
2010 October	12
2010 November	3
2010 December	16
2011 January	42
2011 February	33
2011 March	25
Sum:	131

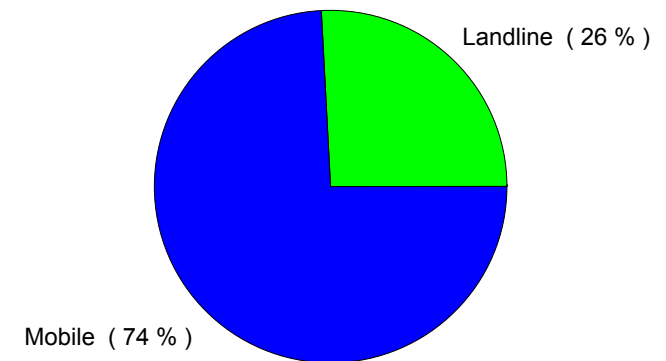


Chart 3.1a - Investigation Type on Complaints Received

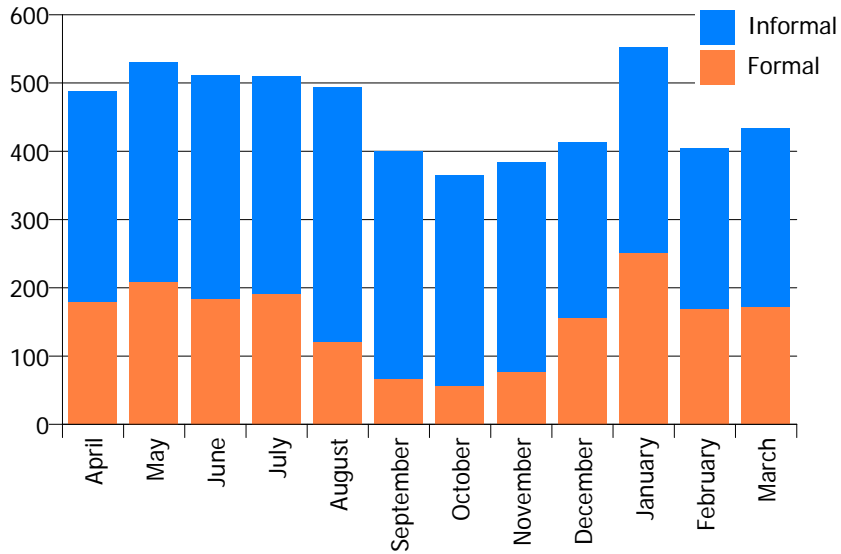


Chart 3.1b - Complaints: Investigation Type (E (

- Informal action is undertaken by the Complaint Resolution team (i.e. Fast-track + Track 1)
- Formal action is undertaken by the Investigations team (i.e. Track 2)

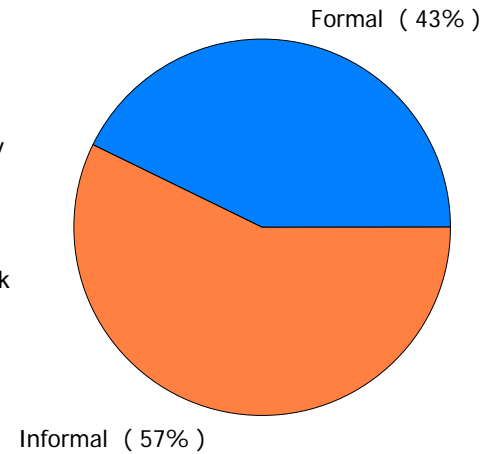


Chart 3.2a - Complaint Resolution: Closed Case Investigation Type

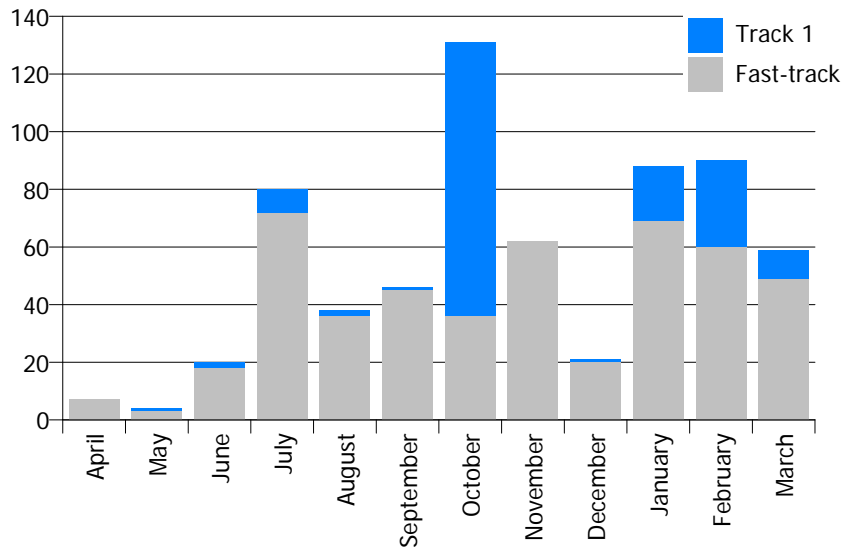


Chart 3.2b Mix of Closed Investigations: Complaint Resolution (E (

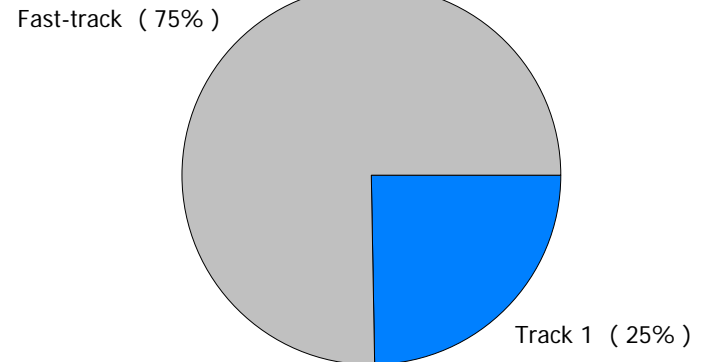
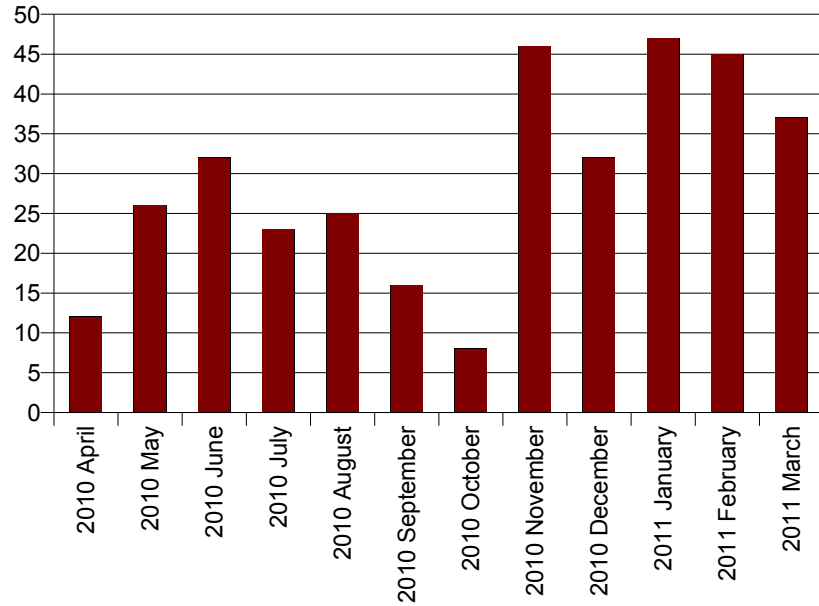


Chart 4.1 - Lead Cases Identified



Comments:

This graph displays the number of new informal and formal investigations identified in the period.

Current Open Investigations as of April 14th: 22 Cases

Open Investigations by Sector	Cases
Mobile short-code	16
PRN 09	1
PRN 070	3
PRN 087	2
Total:	22

Recent Tribunal decisions can be found at:
www.phonepayplus.org.uk/output/Adjudications.aspx

Customer Satisfaction Measures: JUBi Ufm201%– A UFW '201%

We now report on and publish the customer satisfaction results on a quarterly basis:

- Of the 48 complaints relating to adjudications this quarter, three complainants were not contactable (had not provided a contact number) and five complaints were raised through internal monitoring
- 50% of complainants contacted responded to our survey (20 out of 40)
- 75% of complainants were satisfied or above with the service from PhonepayPlus (15 out of 20 people surveyed)
- 15% of complainants were neither satisfied or dissatisfied with the service from PhonepayPlus (3 out of 20)
- 65% of complainants were satisfied or above with the updates they received in the progress of their complaint (13 out of 20)
- 65% of complainants were satisfied or above with the explanation of the outcome of our investigation, including how to get a refund (13 out of 20)
- 20% of complainants were neither satisfied or dissatisfied with this explanation
- 40% of consumers received as refund (8 out of 20)
- 10% of complainants are likely to use phone paid services again (2 out of 20)
- 15% of complainants are neither likely or unlikely to use these services again

The percentage of consumers who received a refund was low for this quarter as a number of consumers whose complaint was investigated related to an 070 service that consumers had not called, or the receipt of unsolicited text messages. In both instances, refunds were not applicable.

General Consumer Comments:

- “I think there are too many people on the internet conning people. These services have no need to be there the information they provide can be found for free.”
- “I was very happy to find that there is someone out there I can complain to about these things.”
- “PhonepayPlus dealt with the situation in a professional manner.”
- “I would have preferred to have more updates maybe once or twice a month, by the time I got the letter I forgot what I had complained about.”
- “My phone company should have better informed me about your services. I feel they treated me unfairly and more stringent rules should be put in place to protect vulnerable people.”

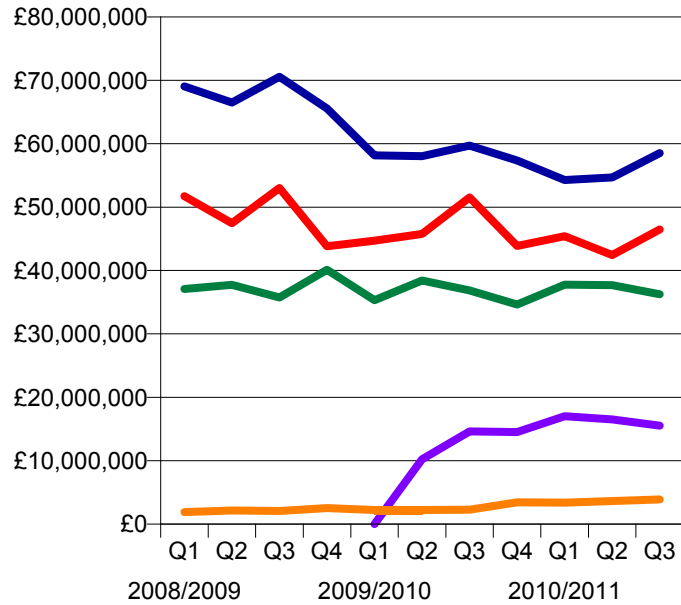
Actions:

- Provide updates to complainants on all formal investigations during the investigation
- Consider alternative methods of surveying, such as email or online solutions, to improve the response rate
- Review the language and content used within the adjudication letter to ensure it is consumer friendly and the explanation of how to get a refund is accurate and clear
- Adjudication letters to be both emailed and sent via the post and followed up with a consumer call
- Survey the satisfaction of consumers whose complaint was resolved informally via the Fast-track or Track 1 process and publish results (due next quarter)

If you would like more detail regarding these results please contact:

Michael Pemberton
Head of Customer Services
mpemberton@phonepayplus.org.uk

Chart 5.1 - Outpayments per Sector



Financial Year	Quarter	Mobile	Landline	DQ	087	Payforit	Totals
2008/2009	Q1	£69,032,248	£51,719,645	£37,080,629		£1,906,133	£159,738,655
	Q2	£66,475,442	£47,470,150	£37,730,948		£2,158,133	£153,834,673
	Q3	£70,539,996	£53,020,511	£35,743,700		£2,073,680	£161,377,886
	Q4	£65,557,017	£43,830,952	£40,102,699		£2,512,835	£152,003,502
Total:		£271,604,702	£196,041,258	£150,657,975		£8,650,781	£626,954,717

2009/2010	Q1	£58,162,923	£44,715,635	£35,314,507	£0	£2,213,188	£140,406,253
	Q2	£58,031,069	£45,755,188	£38,428,137	£10,224,816	£2,221,779	£154,660,989
	Q3	£59,696,090	£51,520,062	£36,869,647	£14,611,738	£2,273,176	£164,970,713
	Q4	£57,352,895	£43,869,920	£34,644,303	£14,498,885	£3,446,338	£153,812,340
Total:		£233,242,977	£185,860,805	£145,256,594	£39,335,439	£10,154,481	£613,850,295

2010/2011	Q1	£54,288,641	£45,412,914	£37,770,540	£17,013,010	£3,380,214	£157,865,318
	Q2	£54,682,719	£42,449,137	£37,677,112	£16,512,434	£3,625,628	£154,947,030
	Q3	£58,504,164	£46,486,229	£36,247,888	£15,503,724	£3,878,279	£160,620,284
	Total:		£167,475,524	£134,348,280	£111,695,540	£49,029,168	£10,884,121

Fines:

Financial Year 2010/2011	Mobile	Fixed	087	070	Network Breach	Totals
Fines invoiced from 01/01/11 - 31/03/11	£1,322,211	£304,000	£8,000	£241,000	£2,000	£1,877,211
Sanctions suspended	£0	£-7,500	£0	£0	£0	£-7,500
Oral hearing	£-202,959	£0	£0	£-70,000	£-500	£-273,459
Deferred Payments	£-103,173	£0	£0	£0	£0	£-103,173
Services barred due to insolvency	£0	£0	£-8,000	£0	£0	£-9,000
Fines not yet due	£0	£-12,000	£0	£0	£0	£-12,000
Fines due	£1,016,079	£284,500	£0	£171,000	£1,500	£1,472,079
Fines paid	£823,827	£183,661	£0	£8,197	£500	£1,016,185
Fines due but not paid	£192,252	£100,839	£0	£162,803	£1,000	£455,893
Collection rate						69 %
% due unpaid						31 %

Chart 6.1a - Press Article Type (Quarter 4)

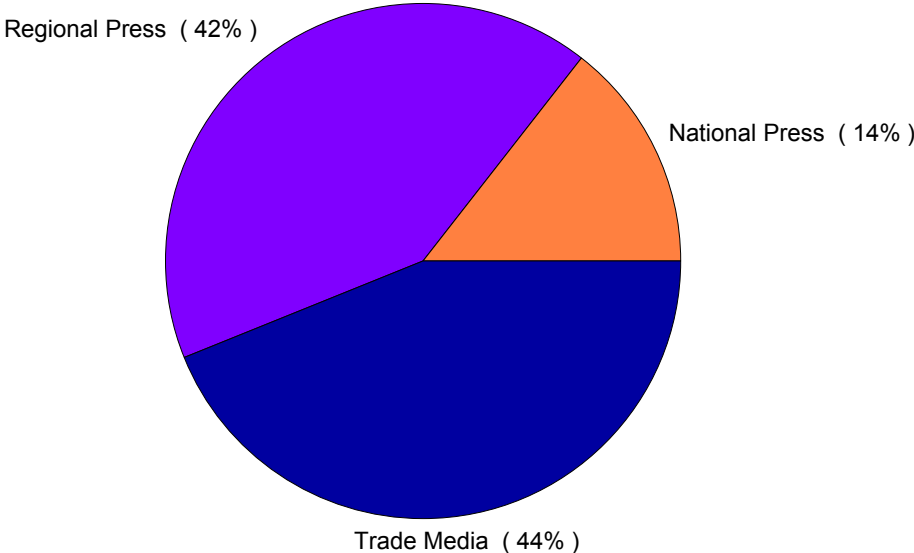
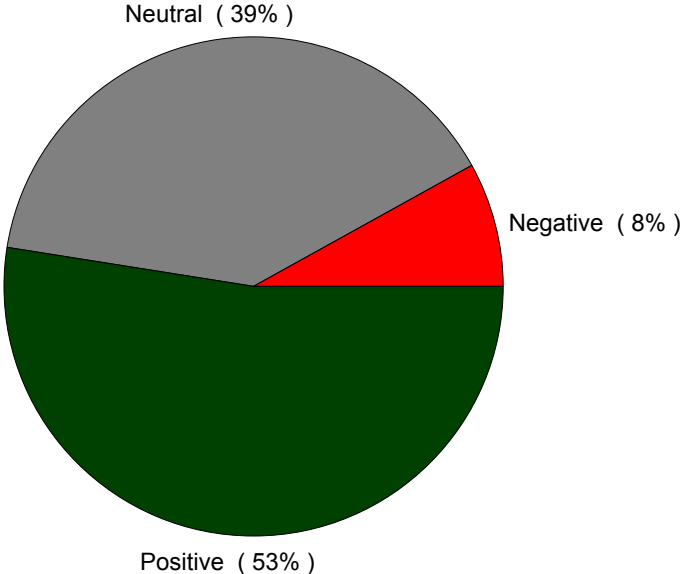


Chart 6.1b - Press Article Tone (Quarter 4)



Note: Article Tone is measured internally by our Communications Team

Communications Team

15 announcements:

- PhonepayPlus publishes second Registration Scheme update (7 January)
- PhonepayPlus publishes announcement by the Trustees to Contributors of the New Code Fund of the Live Conversation Service Providers Compensation Fund (10 February)
- PhonepayPlus publishes quarterly operations report for 2010/11 Q3 (10 February)
- PhonepayPlus announces levy for 1 April 2011-31 March 2012 (3 March)
- PhonepayPlus publishes news release 'Watchdog issues stringent fines and warns consumers to beware of the 'search engine climbers'' (3 March)
- PhonepayPlus publishes presentation from the Chief Executive on PhonepayPlus' sanctions review (9 March)
- PhonepayPlus publishes news release 'Ground-breaking education programme targets mobile entrepreneurs in youth clubs' (11 March)
- PhonepayPlus publishes news release 'Complaints fall by 75% but mobile generation still vulnerable, says regulator' (11 March)
- PhonepayPlus responds to Ofcom's 'Simplifying Non-Geographic Numbers' consultation (14 March)
- PhonepayPlus publishes third Registration Scheme (17 March)
- PhonepayPlus publishes 2011/12 Business Plan & Budget and new market report (29 March)
- PhonepayPlus publishes news release 'Social networking drives growth as new Code of Practice is published' (29 March)
- PhonepayPlus publishes news release '400% increase in virtual goods on mobiles, new report shows' (29 March)
- Notice to Industry: Publication and Implementation of the 12th Edition of the PhonepayPlus Code of Practice (30 March)
- PhonepayPlus publishes new 'fit for the future' Code of Practice (30 March)

Two events:

PhonepayPlus hosted the annual International Audiotex Regulators Network (IARN) meeting (14 & 15 March)

- Held at PhonepayPlus
- 20 attendees from 11 countries
- Chaired by Bradley Brady, PhonepayPlus Director of Strategy and Communications
- Presentations from both PhonepayPlus and external representatives (trade bodies, industry members, market research companies, etc.)

PhonepayPlus Forum – 'New Code and Registration Scheme' (30 March)

- Held at Welcome Collection Conference Centre, Euston
- Approximately 145 stakeholder delegates (including consumer bodies, mobile and fixed-line networks, premium rate providers and other regulators)
- Presentations by PhonepayPlus, focusing on the overarching themes as well as the practical next steps for the new Code and Registration Scheme

Chart 7.1 - Industry Written Advice

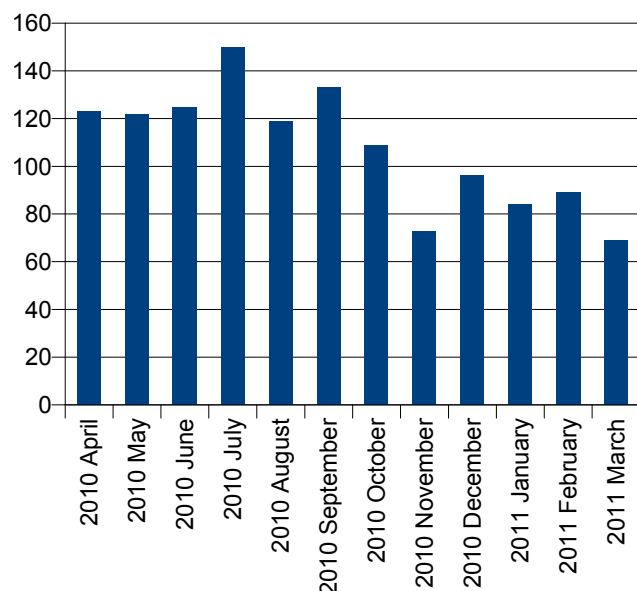


Chart 7.2 - Industry General Enquiries

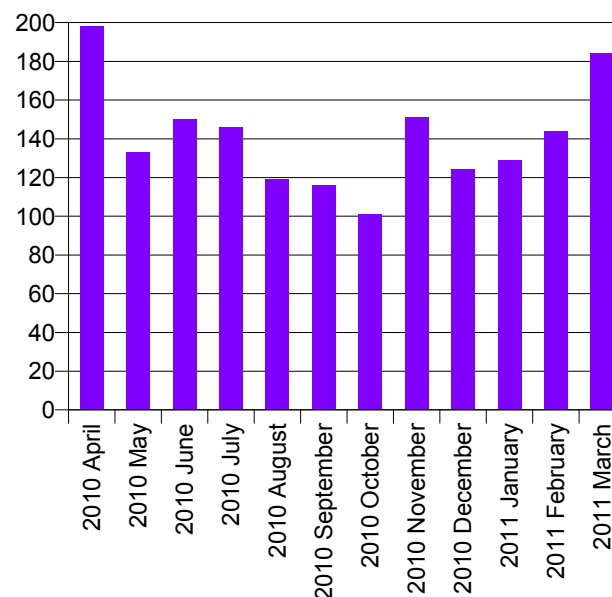
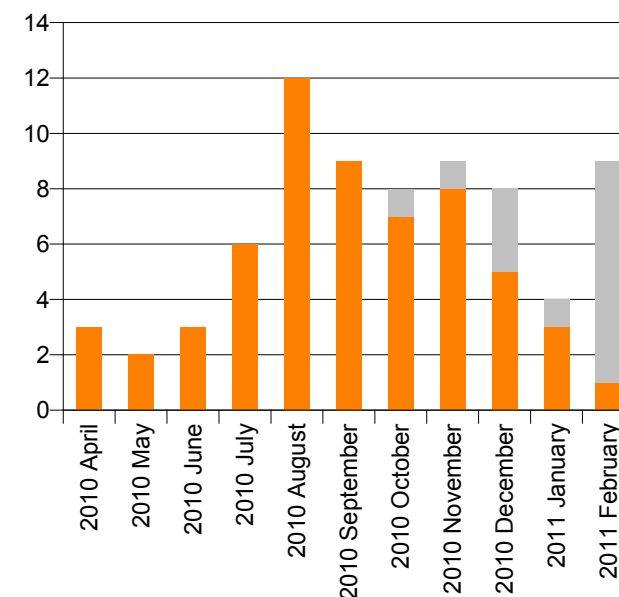


Chart 7.3 - Prior Permissions



Comments

- Telephone-based enquiries have risen significantly (27%) from February, and are generally on an upward trend. Part of this increase is undoubtedly due to the launch of the new Code, which took place at the end of March, and the forthcoming launch of the Registration Scheme. However, over March, the number of requests for Written Advice dropped by 29%, its lowest level for over a year.
- After a recent exercise to review the status of open Prior Permission applications, many older applications – where a provider’s failure to supply further information means the application cannot be progressed to a Tribunal – have been closed; we will issue refunds if it is appropriate. As a result, we now have 21 open permissions from a reporting perspective, but some of these will shortly be closed if a provider does not respond to a last request for further information, and others are open only because their permissions certificate is yet to be issued, or because their permission has been granted on a trial basis. The number of active permissions – i.e. those awaiting a Tribunal – stands at eight.
- The Code of Practice, and accompanying Policy Statement and supporting Guidance, was launched on 30 March. Work now moves to an issues log of implementation and training issues, which we pass to the Operations Directorate and then support them on an ongoing basis.

Month	Advice	Enquiry	Prior Permission
2010 April	123	198	3
2010 May	122	133	2
2010 June	125	150	3
2010 July	150	146	6
2010 August	119	119	12
2010 September	133	116	9
2010 October	109	101	8
2010 November	73	151	9
2010 December	96	124	8
2011 January	84	129	4
2011 February	89	144	9
2011 March	69	184	0
Total for Period:	1,292	1,695	73

Market Intelligence

Research Projects:

- Commissioned research: 2010 PRS market report & forward-look (Analysys Mason)

Published on our website at:

<http://www.phonepayplus.org.uk/upload/2011-Current-and-emerging-trends-in-the-UK-PRS-market-2010-Analysys-Mason-report.pdf>

Areas of focus for intelligence-gathering, monitoring and in-market testing:

- Analysis of complaints about PRS billing for stored-value accounts for online gaming, etc.
- In-depth look at value-chain, techniques and issues with marketing of PRS on the internet, focusing on affiliate marketing programmes
- In-depth look at compliance rates with promotion of PRS services via SMS