PhonepayPlus

Regulating to build trust in phone-paid services

Quarterly Operational Report

2011/2012 - Quarter 1

Published Date: 26 July 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

Quarterly Operational Report 2011/2012 - Quarter 1

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

Measure	Target	Actual	Comments
Fine Collection Rate	80%	88%	
Administration Charge Collection Rate	80%	39%	The collection rate of 39% is due to non-payment of administration charges. Collection processes have been exhausted and we cannot currently pursue legal action on bad debts.
Emergency Procedure cases brought to adjudication within 20 working days	90%	N/A	There have been no Emergency Procedure cases in Q1.
Informal cases resolved within target (Fast-track within 10 working days/Track 1 within 30 working days)	80%	81%	

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 Q1.
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 12%	This is based on number of visitors to phonepayplus.org.uk in Q1 of 2011/2012 in comparison to Q4 2010/2011.
Increasing prompted awareness of PhonepayPlus	Upward Trend	N/A	This measure is currently being reviewed by the Communications Team.

Quarterly Operational Report 2011/2012 - Quarter 1

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Operate efficiently

Measure	Target	Actual	Comments
Standard procedure cases brought to adjudication within 14 weeks	80%	86%	Seven cases in total were brought to Tribunal in Q1 of 2011/2012.
Calls to Contact Centre answered in 30 seconds	80%	81%	
Response to compliance advice requests answered within five working days	80%	89%	This KPI has been based on a sample until full reporting is available from CRM.
Complainants are satisfied with the service from PhonepayPlus	80%	N/A	As the majority of investigations adjudicated were not generated from consumer complaints (but from internal monitoring, etc.), the resultant response rate is considered too low to be a valid measure of satisfaction for this period.
Industry seeking advice are satisfied with service from PhonepayPlus	N/A	N/A	The industry satisfaction measure is currently under review pending delivery of the new Code

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	0.47 days	In Q1 of 2011/2012, each employee spent an average of a half-day in training.
Number of working days lost to sickness	< 3%	2.8%	In Q1 of 2011/2012, 2.8% of working time was lost due to sickness.

Quarterly Operational Report 2011/2012 - Quarter 1

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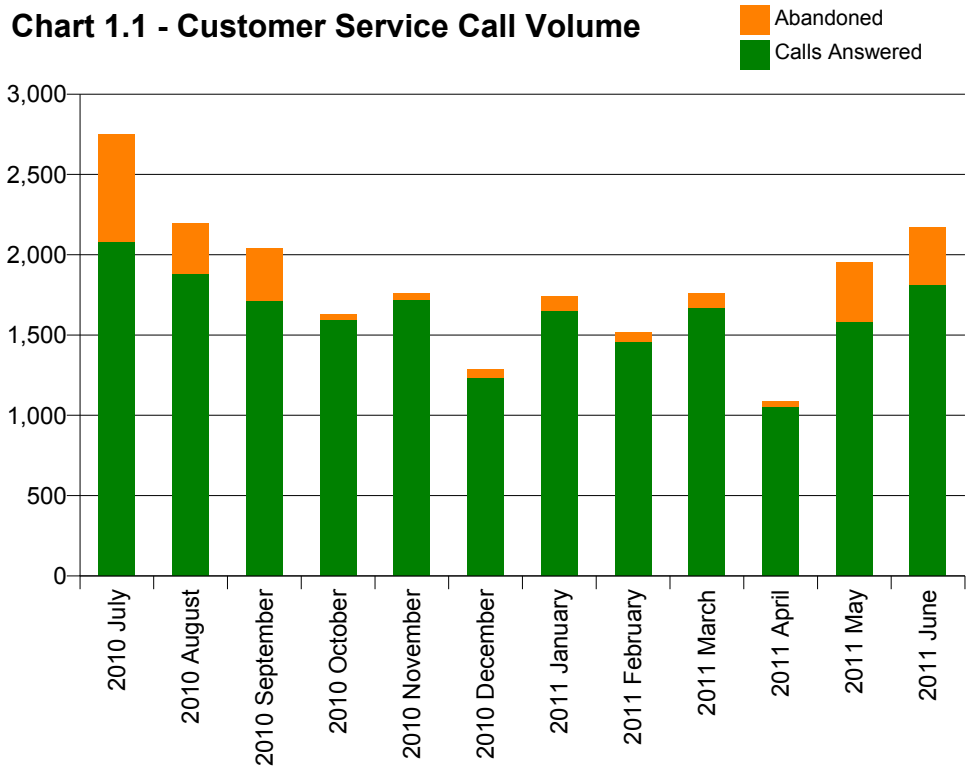
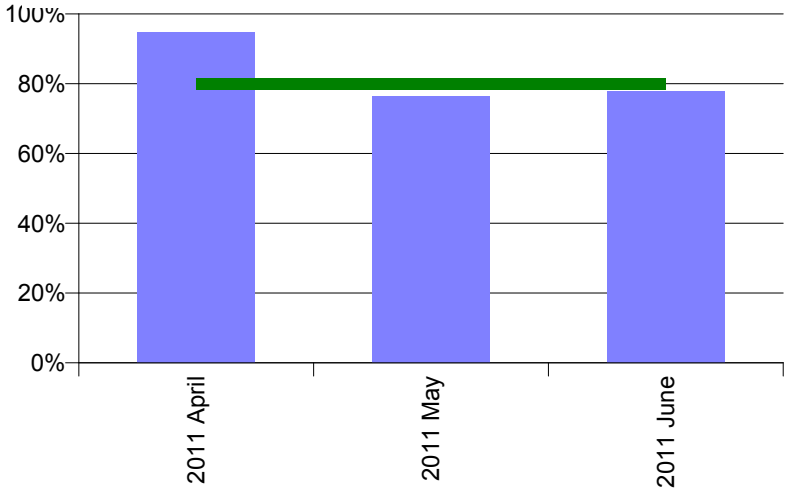
Chart 1.1 - Customer Service Call Volume



Month	Calls Answered	Calls Abandoned	Calls Offered
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
2011 April	1,054	35	1,513
2011 May	1,585	373	1,958
2011 June	1,810	360	2,170
Totals for Period:	**19,446**	**2,450**	**25,538**

Chart 1.2 - Calls Answered Under 30 Seconds



• The service level KPI dipped slightly below target in May and June. This was a result of a 14% increase in customer service call volumes and the additional registration calls being answered by the Consumer Services team. We have now directed all registration calls to the Industry Services team to ensure this KPI is met. The overall KPI for quarter 1 was 81%.

Comments:

• Throughout the report, this quarter reflects reduced volumes for the month of April due to a reduction in the number of working days due to the bank holidays during this period. All figures, therefore, should be considered in light of this.

• An incorrect interpretation of the abandoned call statistic has resulted in this being under-reported for the period October 2010 through April 2011. This has been rectified since May but a technical problem at network level is artificially inflating the abandoned call rate. This is currently being investigated by our network provider.

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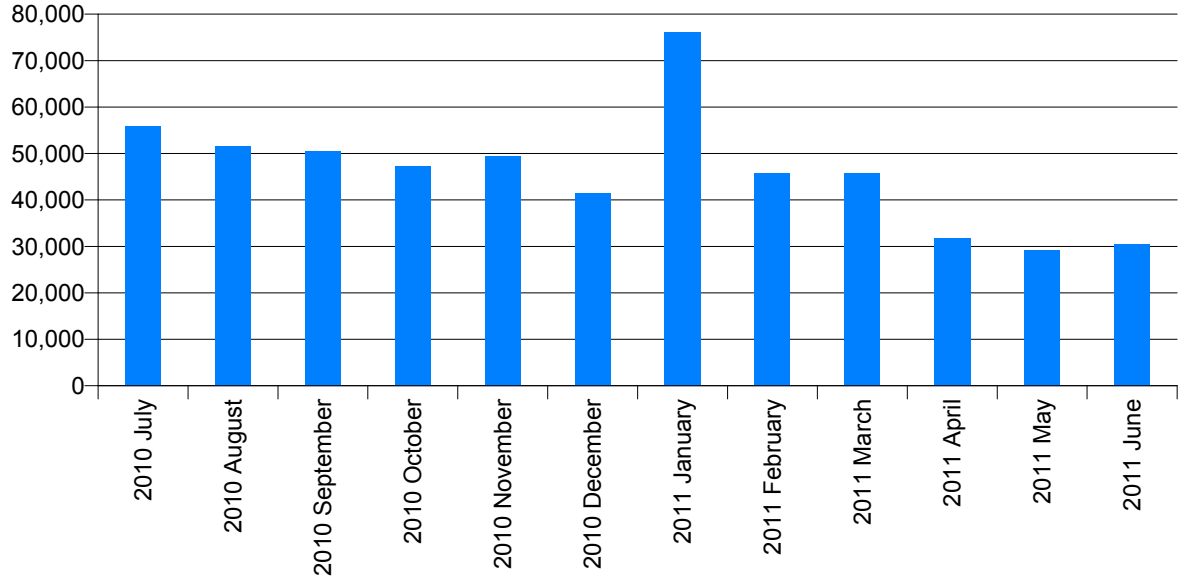
Chart 1.3 - Number Checker Usage



Number Type	PRN	Shortcode	Directory Enquires	070	087	Other	Month Totals
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
2011 April	12,492	6,684	266	369	1,051	10,915	31,777
2011 May	12,758	6,224	318	487	1,369	8,083	29,239
2011 June	12,664	6,294	279	519	1,446	9,378	30,580
Totals for Period:	**224,494**	**128,134**	**4,441**	**7,263**	**20,764**	**170,130**	**555,226**

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
- Number checks in Q1 have seen a reduction from approximately 50,000 checks per month to 30,000 per month. We will continue to monitor this closely.

Quarterly Operational Report 2011/2012 - Quarter 1

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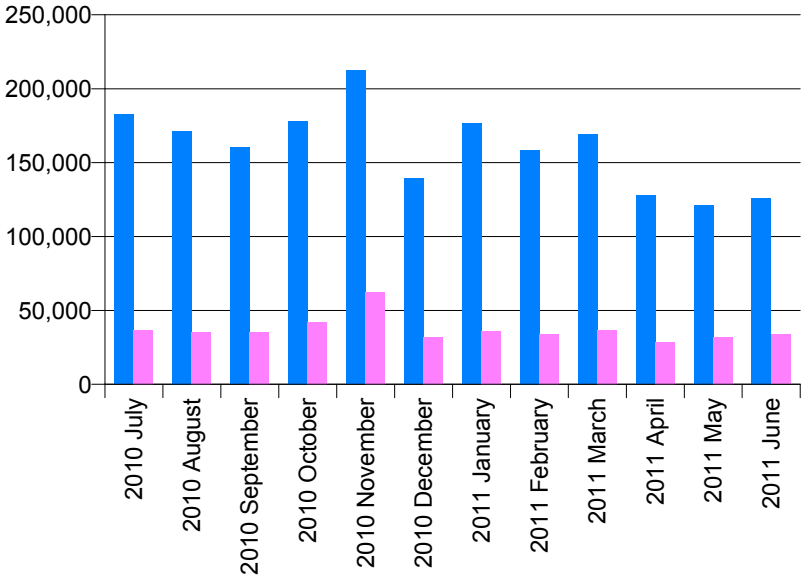
Chart 1.4a - PhonepayPlus Web Site Page Views & Visits

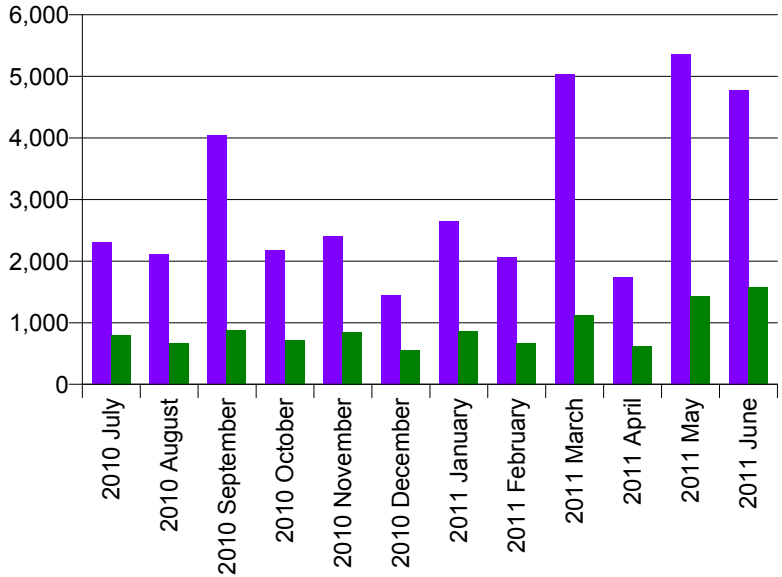


Month	Page Views	Visits
2010 July	182,662	36,909
2010 August	171,754	35,370
2010 September	160,090	35,259
2010 October	178,126	42,370
2010 November	212,511	62,456
2010 December	139,395	32,045
2011 January	176,490	35,927
2011 February	158,622	34,005
2011 March	169,217	37,111
2011 April	127,573	28,659
2011 May	121,385	31,857
2011 June	126,261	33,799
Totals for Period:	**1,924,086**	**445,767**

Comments

We have replaced our website traffic monitoring to an industry standard platform (Google Analytics), and have refreshed historical figures accordingly.

Chart 1.4b - PhoneBrain Web Site Page Views & Visits



Month	Page Views	Visits
2010 July	2,305	809
2010 August	2,116	662
2010 September	4,039	879
2010 October	2,174	722
2010 November	2,411	849
2010 December	1,450	546
2011 January	2,658	865
2011 February	2,066	671
2011 March	5,040	1,128
2011 April	1,748	624
2011 May	5,370	1,429
2011 June	4,788	1,570
Totals for Period:	**36,165**	**10,754**

Quarterly Operational Report 2011/2012 - Quarter 1

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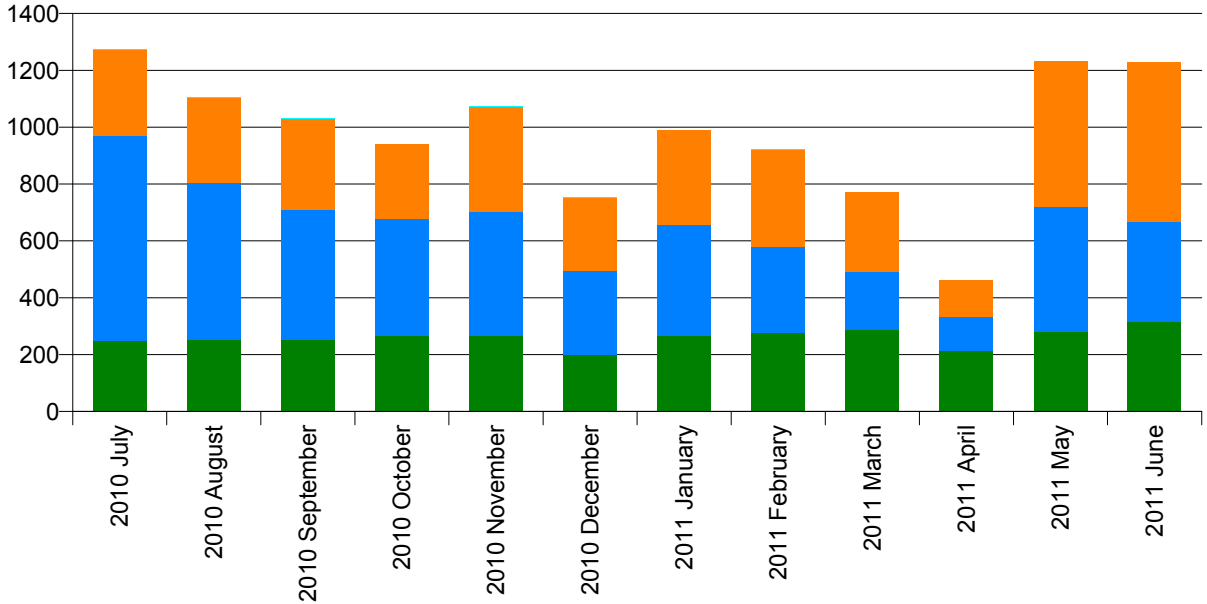
Chart 1.5 - Consumer Enquires



Comments:

Recent months have seen an increase in consumer enquiry volumes (with the exception of the reduced April operational period) which can be attributed in part to the new CRM driving better working practices around the recording of out of remit enquires.

Type of Enquiry	General Enquiry	Number Check	Out-Of-Remit	Request For Information	Other	Month Totals
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	388	333			**988**
2011 February	275	306	339	1		**921**
2011 March	287	205	281		2	**775**
2011 April	214	118	129		6	**467**
2011 May	281	441	511			**1,233**
2011 June	316	350	560			**1,226**
Totals for Period:	**3,124**	**4,682**	**3,964**	**11**	**8**	**11,789**

Quarterly Operational Report 2011/2012 - Quarter 1

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Chart 2.1 - Consumer Complaints

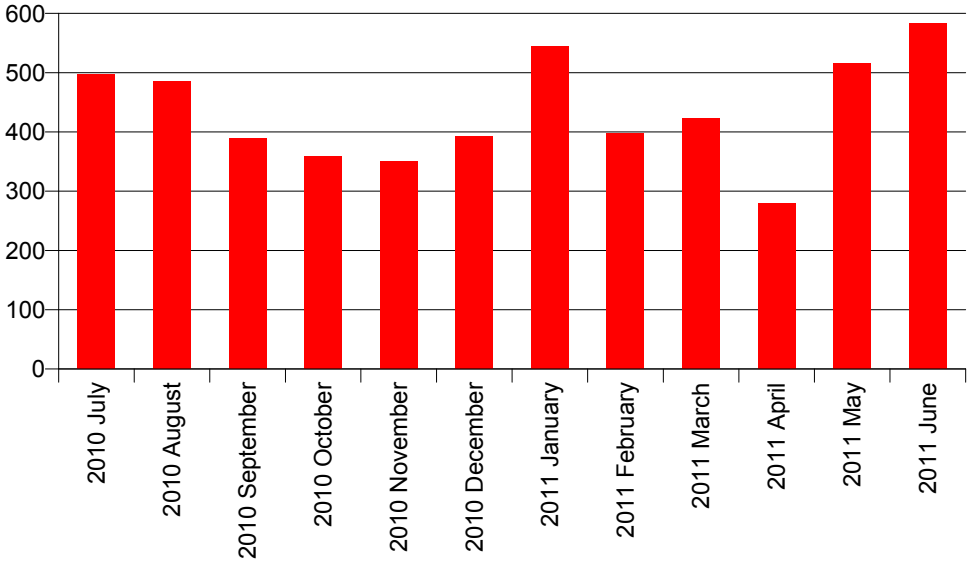
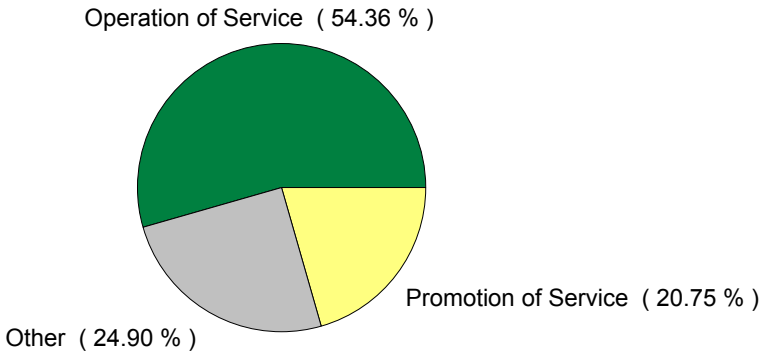
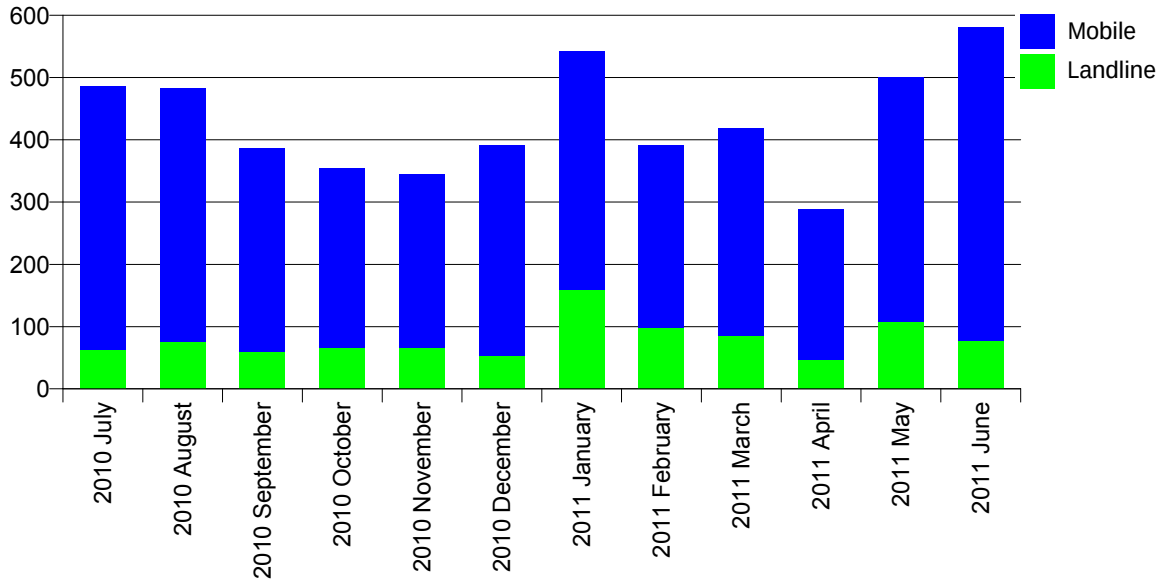


Chart 2.2 - Reason for Complaint



Source of Complaint	Phone	Web	Correspondence	Other	Month Totals
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	343	15	1	**544**
2011 February	137	238	19	3	**397**
2011 March	132	276	9	6	**423**
2011 April	105	169	4	1	**279**
2011 May	124	377	12	3	**516**
2011 June	114	452	7	11	**584**
Totals for Period:	**2,052**	**3,012**	**99**	**55**	**5,218**

Chart 2.3a - Mix of Mobile vs. Landline Sector Complaints

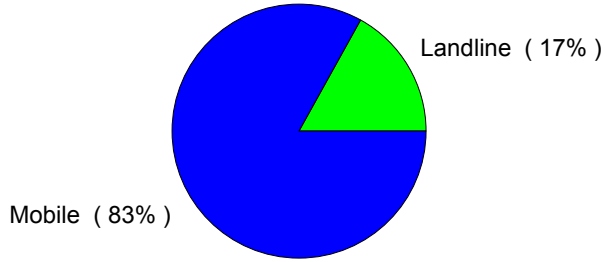


Month	Landline	Mobile	Total
2010 July	63	423	486
2010 August	76	408	484
2010 September	60	327	387
2010 October	65	289	354
2010 November	67	278	345
2010 December	53	339	392
2011 January	159	383	542
2011 February	99	293	392
2011 March	86	333	419
2011 April	47	242	289
2011 May	108	393	501
2011 June	77	504	581
Totals for Period:	**960**	**4212**	**5172**

Month	070 Complaints
2010 December	25
2011 January	105
2011 February	48
2011 March	46
2011 April	7
2011 May	3
2011 June	9

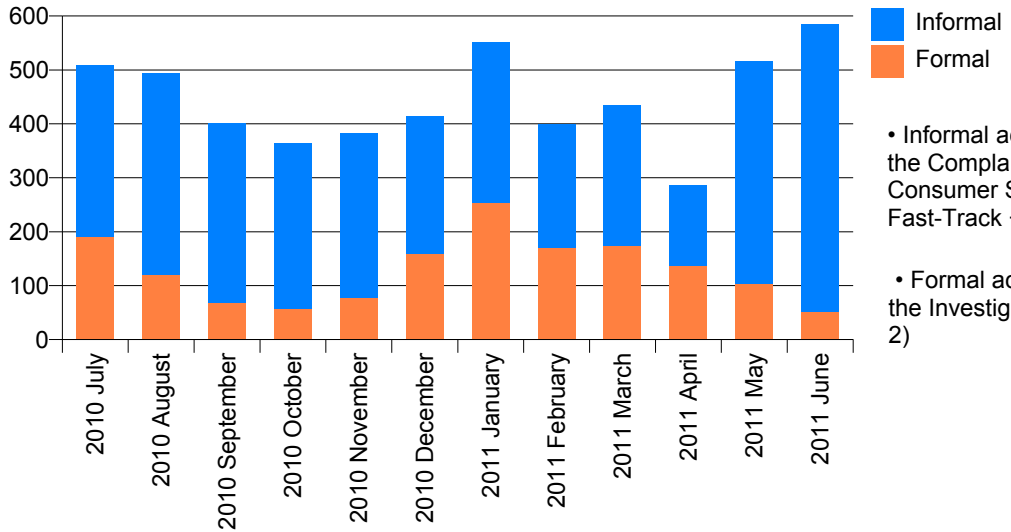
Month	087 Complaints
01/12/2010	16
01/01/2011	42
01/02/2011	33
01/03/2011	25
01/04/2011	9
01/05/2011	8
01/06/2011	3

Chart 2.3b - Mix of Mobile vs. Landline Sector Complaints (Q1)



Quarterly Operational Report 2011/2012 - Quarter 1

Chart 3.1a - Investigation Type on Complaints Received



- Informal action is undertaken by the Complaint Resolution or the Consumer Support Teams (i.e. Fast-Track + Track 1)
- Formal action is undertaken by the Investigations Team (i.e. Track 2)

Chart 3.1b - Complaints: Investigation Type (Q1)

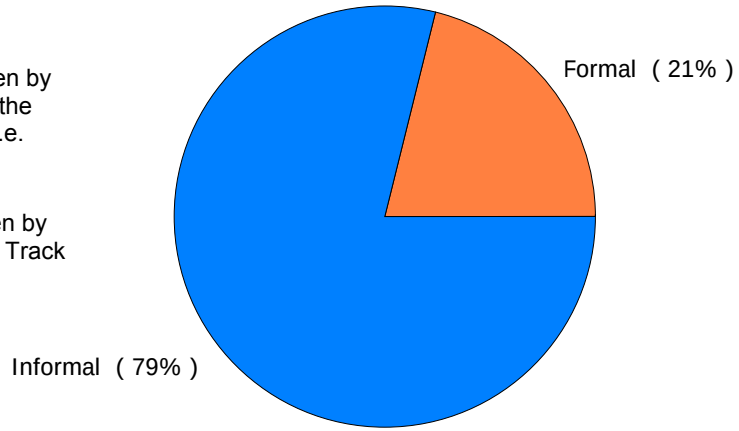
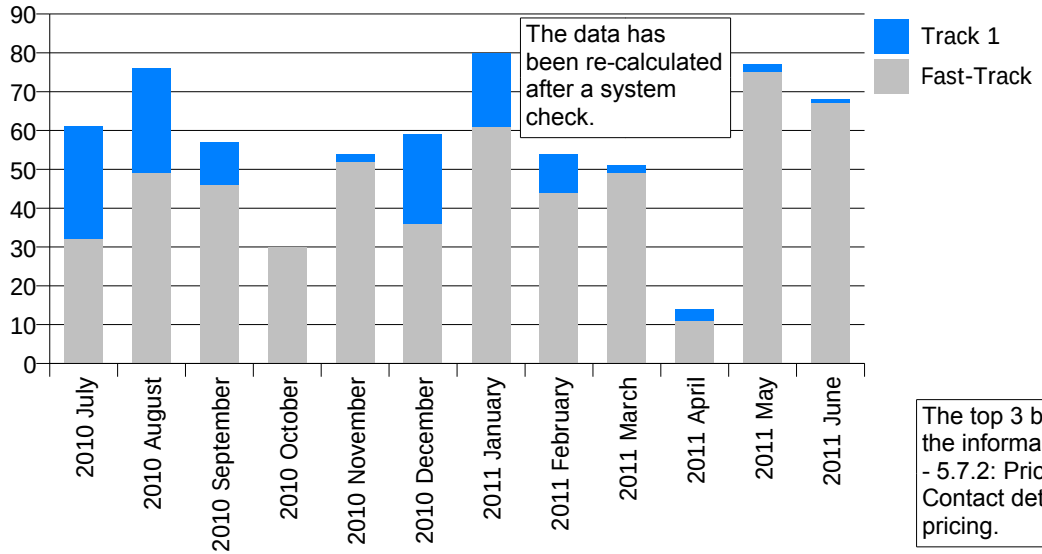
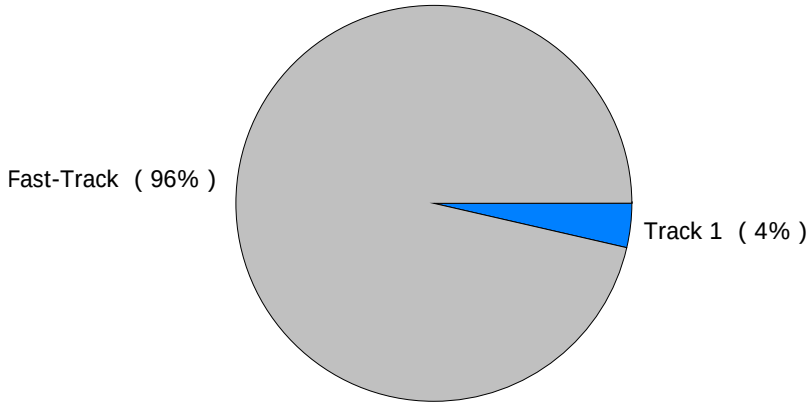


Chart 3.2a - Complaint Resolution: Closed Case Investigation Type



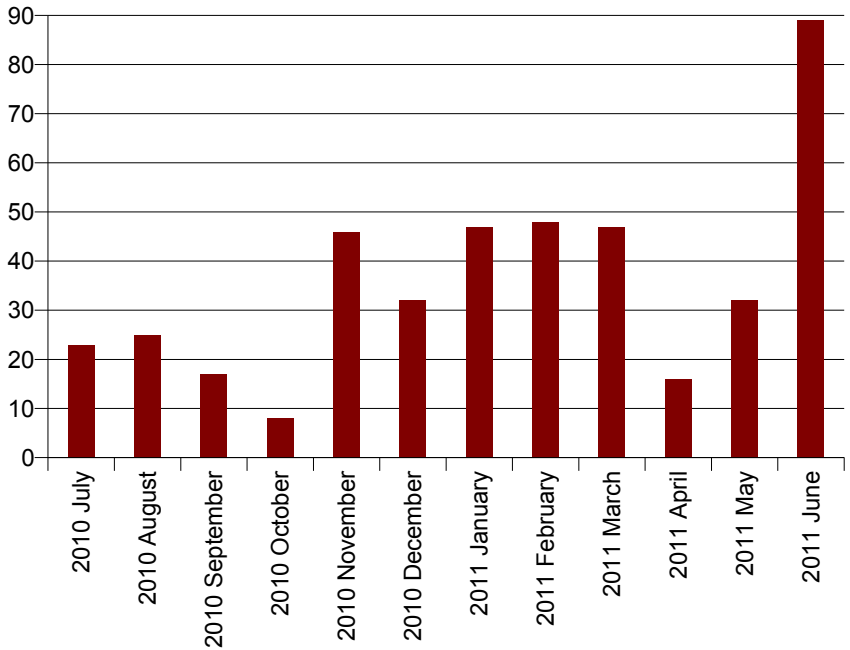
The data has been re-calculated after a system check.

Chart 3.2b Mix of Closed Investigations: Complaint Resolution (Q1)



The top 3 breaches raised using the informal procedure in Q1 were - 5.7.2: Pricing prominance, 5.8: Contact details and 5.7.1: General pricing.

Chart 4.1 - Lead Cases Identified



Comments:

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

We have seen a steep increase in investigations allocated in June due to the receipt of a high number of inter-industry complaints. The vast majority of these are being dealt with under the informal process.

Current Open Investigations as of July 14th: 38 Cases

Open Investigations By Sector	Cases
Mobile shortcode	12
070	2
087/09	7
Network Cases	3
Oral Hearings	4
Breach of Sanctions	2
Total:	**30**

The table above now includes open cases relating to breach of sanctions, oral hearings and network cases.

Recent Tribunal decisions can be found at:
www.phonepayplus-services.org.uk/output/Search-adjudications.aspx

Quarterly Operational Report 2011/2012 - Quarter 1

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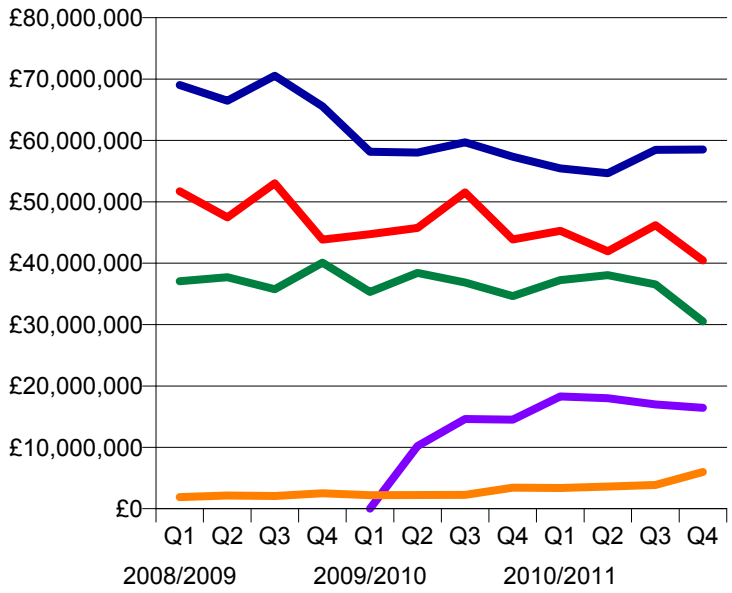
Chart 5.1 - Outpayments per Sector



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	£55,439,992	£45,269,924	£37,262,249	£18,310,118	£3,380,214	**£159,662,497**
	Q2	£54,682,718	£41,942,349	£38,047,101	£18,001,147	£3,625,628	**£156,298,942**
	Q3	£58,477,774	£46,198,863	£36,546,182	£16,974,917	£3,878,279	**£162,076,014**
	Q4	£58,515,164	£40,468,273	£30,524,150	£16,435,650	£5,980,575	**£151,923,811**
Total:		**£227,115,648**	**£173,879,409**	**£142,379,682**	**£69,721,832**	**£16,864,696**	**£629,961,264**

Fines:

Financial Year 2011/2012	Mobile	Fixed	070	087	Network Breach	Totals
Fines invoiced from 01/04/11 - 30/06/11	£185,000	£25,000	£0	£5,000	£1,000	**£216,000**
Sanctions suspended	£0	£0	£0	£0	£0	**£0**
Oral hearing	£0	£0	£0	£0	£0	**£0**
Deferred Payments	£0	£0	£0	£0	£0	**£0**
Services barred due to insolvency	£0	£0	£0	£0	£0	**£0**
Fines not yet due	£135,000		£0	£0	£0	**£136,000**
Fines due	**£50,000**	**£25,000**	**£0**	**£5,000**	**£1,000**	**£80,000**
Fines paid	**£50,000**	**£20,000**	**£0**	**£0**	**£0**	**£70,000**
Fines due but not paid	£0	£5,000	£0	£5,000	£0	**£10,000**
Collection rate						**88 %**
% due unpaid						**13 %**

Media Coverage:

Articles Published in Q1: 92

Chart 6.1a - Press Article Type (Q1)

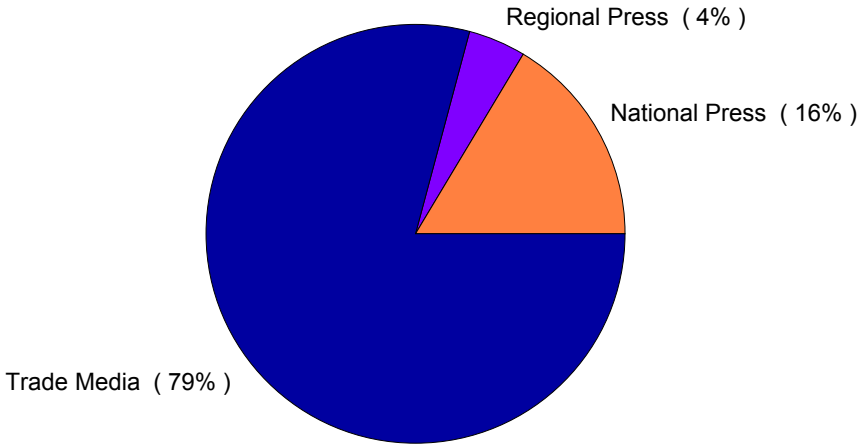
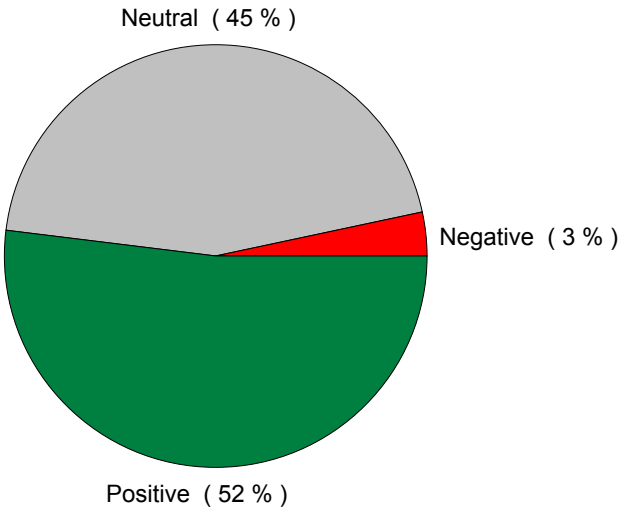


Chart 6.1b - Press Article Tone (Q1)



Note: Article Tone is measured internally by our Communications Team

Communications Team:

12 announcements:

- Notice to Industry: Administrative charges from 1 April 2011 (1 April)
- PhonepayPlus publishes quarterly operations report for Q4 2010/11 (20 April)
- Phone romance up by a third, as mobile flirts splash out on virtual gifts (21 April)
- Notice to Industry: Launch of the Registration Scheme in support of the 12th Edition of the PhonepayPlus Code of Practice (27 April)
- PhonepayPlus Registration Scheme opens (27 April)
- Notice to Industry: 'Underage Fantasy Stories' sexual entertainment services (9 May)
- News alert on Ofcom's publication of its consultation on amending the PRS Condition (11 May)
- 'Are you in?' Pre-registration (for PhonepayPlus' Registration Scheme) now open (31 May)
- Revised Notice to Industry: Launch of the Registration Scheme in support of the 12th Edition of the PhonepayPlus Code of Practice (8 June)
- PhonepayPlus publishes Strategic Plan for the next three years (16 June)
- Independent Appeals Body appoints new Chair (28 June)
- Premium Rate Services Industry and Regulator call for Government to review micropayments sector (30 June)

Two events:

PhonepayPlus Manchester Forum – 'New Code and Registration Scheme' (18 May)

- Held at the Manchester Conference Centre
- Approximately 60 stakeholder delegates (including mobile and fixed-line networks and premium rate providers)
- Presentations by PhonepayPlus, focusing on the overarching themes as well as the practical next steps for the new Code and Registration Scheme

Mobile Data Association event – 'Charity Text Training Day' (24 May)

- Hosted by and held at PhonepayPlus
- Approximately 15 attendees (including charities, solicitors and mobile marketing companies)
- Presentations by PhonepayPlus, the Mobile Data Association, Fundraising UK and others, giving sensible advice on what charities need to do to utilise charitable giving via text

Other activity:

- Published special Registration Scheme edition of *CodePlus* (PhonepayPlus' e-newsletter) on 31 May

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Chart 7.1 - Industry Written Advice

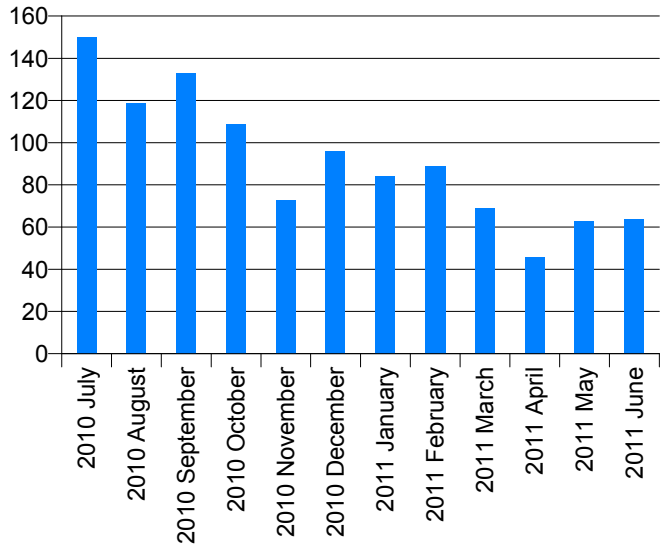


Chart 7.2 - Industry General Enquires

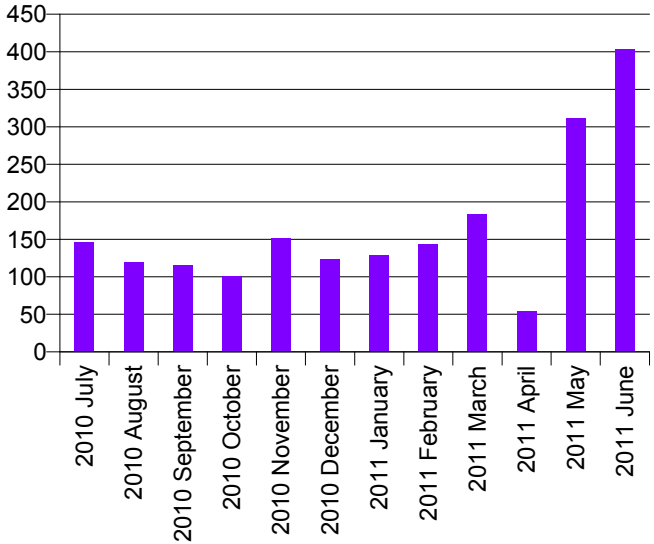
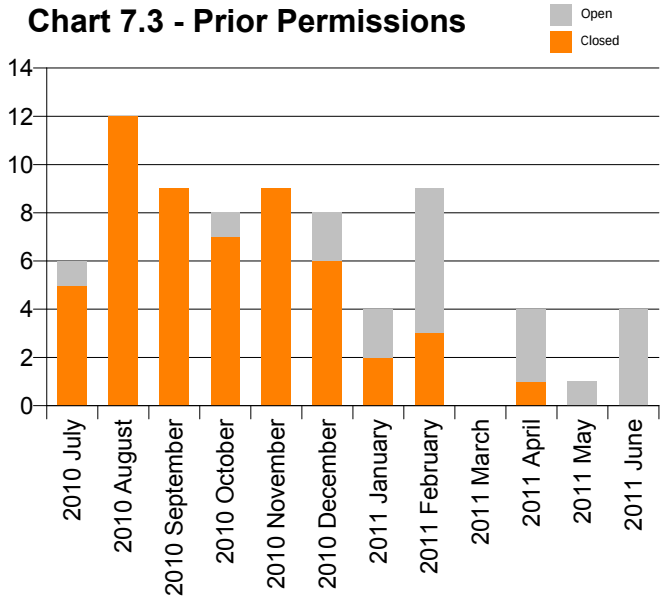


Chart 7.3 - Prior Permissions



Comments

- We have seen an increase in general enquires from May to June which can be attributed to contacts regarding both the new Code and the Registration Scheme.
- All of the functions noted here – written compliance enquiries, general telephone enquiries and prior permissions – have now successfully been transferred to the newly created Industry Services Team as of 1 June.

Month	Advice	Enquiry	Prior Permission
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
2011 April	46	54	4
2011 May	63	312	1
2011 June	64	403	4
Total for Period:	**1095**	**1983**	**74**

Market Intelligence

Research Projects:

• Commissioned research: Markets and Regulation of Premium Rate Services in the EU and other territories (undertaken by Analysys Mason). Published on our website at: http://www.phonepayplus.org.uk/For-Business/~/media/Files/PhonepayPlus/Research/Analysys_Mason_Premium_Rate_Services_International_Markets_and_Regulation.pdf
• Commissioned research: The marketplace and regulation of micropayments (undertaken by Analysys Mason, reported in Q3 2010/11 operational report). Now published on our website at:
http://www.phonepayplus.org.uk/~/media/Files/PhonepayPlus/Research/Analysys_Mason_The_marketplace_for_and_regulation_of_micropayment_services_in_the_UK.pdf

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

• Marketing of PRS on the internet, focusing on affiliate marketing programmes
• Analysis of complaints about PRS billing for stored-value accounts for online gaming, etc
• Establishing methodologies for gathering evidence from mobile applications & application stores
• In-market testing of PSMS chat, subscriptions, Payforit-paid services, live and recorded 090 services