



PhonepayPlus

Quarterly Operational Report

2013-2014 - Quarter 1

Publication date: 09 July 2013

INTRODUCTION

Introduction

PhonepayPlus is the organisation that regulates phone-paid services in the UK. As a strategic regulator PhonepayPlus strives to clearly define to its stakeholders the key regulatory outcomes it looks to achieve and commits to report regularly on measures and key performance indicators which best demonstrate PhonepayPlus's effectiveness in meeting these.

PhonepayPlus looks to achieve the following outcomes:

Healthy market - a trusted and healthy market that can innovate, grow and is compliant with our Code of Practice

Drivers

- The market attracts and retains new entrants
- Market participants thrive in the market
- Harm is dealt with appropriately, redress achieved and balance restored
- High levels of compliance in services specifically and the market overall
- PhonepayPlus regulation anticipates, understands and responds to market dynamics and business and commercial drivers

Consumer confidence - a market that informed consumers have trust and confidence in

Drivers

- Consumers understand how to use PRS services safely and appropriately
- Consumers receive the PRS services as expected
- PhonepayPlus is accessible to those consumers who are seeking redress
- Complainants are satisfied with the service and redress provided by PhonepayPlus

Cost effective and proportionate - a regulator that is capable, cost effective and has the confidence of stakeholders

Drivers

- Regulation is cost effective and makes best use of resources
- Regulation is proportionate, effective and fair
- Regulation is future proofed
- PhonepayPlus's internal capability is effective
- Stakeholders have confidence in the effectiveness and efficiency of the organisation

The following report provides information and metrics which look to track our progress and provide measures of success to judge our level of effectiveness in meeting our outcomes. The report is divided into four sections:

1. Market indicators
2. Key performance indicators
3. Management information
4. Tribunal information

This report is provided on a quarterly basis and is published on the PhonepayPlus website on or around the 15th of the month.

PhonepayPlus also produces independent, external stakeholder and staff satisfaction surveys on a biennial basis. The results of these surveys are considered an integral part of our key performance indicators providing a view from our key stakeholders on their satisfaction with the functions and services we provide, and our effectiveness as an employer in the view of our employees.

EXECUTIVE SUMMARY

Market

The market size in terms of organisations registered on the Registration Scheme remains stable at just over 3,000 providers. Outpayment figures by sector for Quarter 4 2012/13 have been finalised providing a full year view. This shows an overall market decline of 6% over the last financial year with declines in all sectors bar Payforit which is showing a 13% year-on-year increase.

Consumers

Complaint volumes per quarter are remaining broadly static (on average 3,300 per quarter). On a rolling year basis complaint volumes are up 35% and 14% up on the previous financial year to date. Contacts to the call centre totalled over 7,500 with 81% of these answered within the 30 second target. Number Checker remains a popular tool (at over 120,000 checks per quarter) and with a healthy return rate on valid checks of over 85%.

Compliance

A new measure of compliance has been introduced as part of the suite of market indicators. The study, an indicative snapshot view on a sample of consumer journeys, found that 82% of the services measured against the Code of Practice were compliant. This is encouraging as a measure of compliance, although our day-to-day regulatory experience has given us exposure to a number of marketing methods which may not have been captured by this research, in particular, services reached via misleading affiliate marketing and which have been a significant driver in complaint volumes. It is possible therefore that the overall level of compliance is lower than the figure shown.

Over 90% of compliance advice requests have been answered within five working days and over 1,200 due diligence reports have been requested this quarter.

Enforcement

85% of cases have been investigated through informal tracks this year to date with 15% of cases and 29% of complaints formally investigated. 53% of complaints were resolved without the need for investigation. Formal investigations on average this quarter are heard at Tribunal in 14 weeks (on target). 84% of cases to date are with Level 2 providers, 10% Level 1 providers and 6% network operators with 42% of complaints attributable to the top 15 offenders. 77% of complaints relate to SMS mobile. Twelve cases have been heard this year to date by the Tribunal with the majority of (relevant) cases considered serious or above. Almost 90% of breaches and 100% of cases were upheld. The accumulative fine collection rate for the financial year to date is low at 31% (adjusted) and 24% (non adjusted) which is due to non payment of fines by three providers all of whom are being pursued through our debt recovery procedures and specialist agency.

MARKET INDICATORS

Description of this section

This section provides information on the premium rate market. The metrics included in this section, unlike those elsewhere in the report, are not an indicator of PhonepayPlus' performance but rather a view on the activity of the external market which PhonepayPlus regulates. Such information is seen as vital in providing an overall context to the regulator's effectiveness. The section includes information on the size of the market in terms of revenue outpayments, the number and type of industry participants providing premium rate services registered on the PhonepayPlus Registration Scheme and trends on volumes of complaints received from consumers and number checks made on services by consumers and industry.

MARKET INDICATORS

Market size and composition

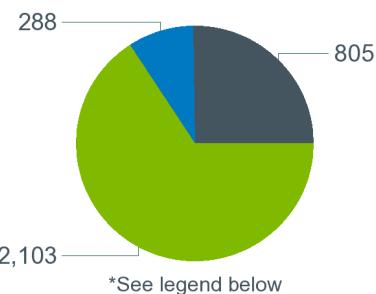
Number of registered organisations: **3,196**

Quarterly view

1.1 Number of new registrations

| | 10k exempt | Charity | Payable | Total |
|----------------|---------------|---------|---------|-------|
| 2013-2014 - Q1 | 240 | 45 | 118 | 403 |
| 2012-2013 - Q4 | 198 | 31 | 112 | 341 |
| 2012-2013 - Q3 | 177 | 33 | 113 | 323 |
| 2012-2013 - Q2 | 208 | 42 | 127 | 377 |

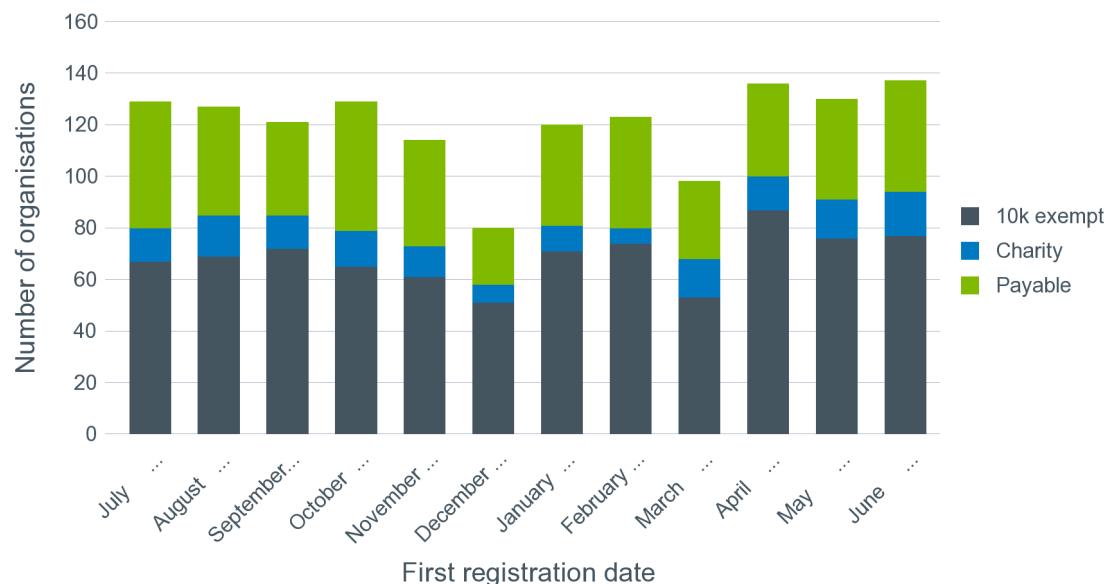
1.2 Registered organisations total (to date)



*See legend below

Annual view

1.3 Number of new registrations



Comments

This market metric gives a view on whether the market size, in terms of organisations registered, is growing or declining. The number of registered organisations on the Registration Scheme remains stable at just over 3,000 registrants with an average of 361 new registrants per quarter (over the past four quarters). Total registrants are made up of 66% payable, 25% exempt due to revenue threshold and 9% charities.

MARKET INDICATORS

Registration changes

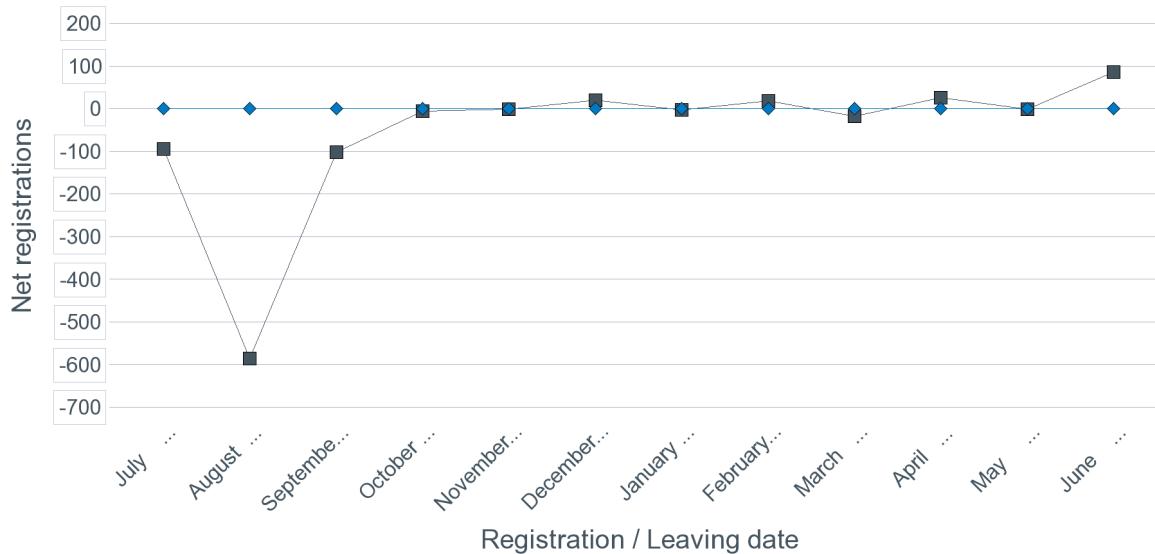
Quarterly view

1.4 Number of organisations leaving the PRS market compared to new registrations

| | De-registered | Left the PRS market | Total left | New registrations | Net |
|----------------|---------------|---------------------|--------------|-------------------|-------------|
| 2013-2014 - Q1 | 199 | 92 | 291 | 403 | 112 |
| 2012-2013 - Q4 | 268 | 74 | 342 | 341 | -1 |
| 2012-2013 - Q3 | 288 | 21 | 309 | 323 | 14 |
| 2012-2013 - Q2 | 927 | 232 | 1,159 | 377 | -782 |
| Total | 1,682 | 419 | 2,101 | 1,444 | -657 |

Annual View

1.5 Net registrations per month



Comments

The net number of registrations (those joining the market minus those leaving the market) remains broadly static month by month with the exception of August 2012 where 600 registrants left the market. August is the historic month where the majority of providers first registered on the Scheme in order to comply with the then new Code requirements. The first annual renewal period in the following August, where many organisations only offering low levels of PRS left the market rather than paying the required annual fee, had the effect of reducing the total registrants to a level which more accurately reflects the number of organisations which are operating on an ongoing basis in the market. The total figure of just over 3,000 in is line with original estimates of market size. The Quarter 1 de-registered figure is likely to increase over the course of the next quarter as organisations that do not renew have a 30 day window to do so.



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MARKET INDICATORS

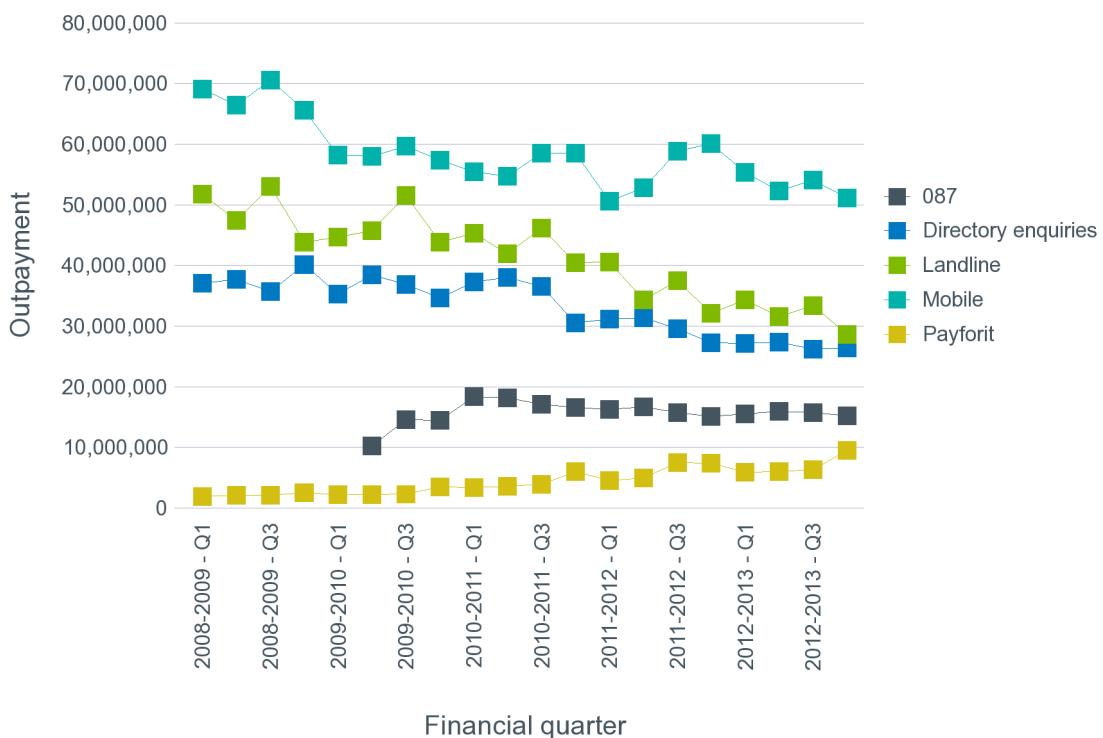
Market size and composition

Quarterly view

1.6 Outpayments by sector

| | 087 | Directory enquiries | Landline | Mobile | Payforit | Total |
|----------------|------------|---------------------|------------|------------|-----------|-------------|
| 2012-2013 - Q4 | 15,208,377 | 26,422,991 | 28,642,931 | 51,140,933 | 9,455,709 | 130,870,941 |
| 2012-2013 - Q3 | 15,771,046 | 26,161,247 | 33,331,909 | 54,093,912 | 6,291,048 | 135,649,162 |
| 2012-2013 - Q2 | 15,982,224 | 27,319,237 | 31,547,508 | 52,276,965 | 6,014,539 | 133,140,473 |
| 2012-2013 - Q1 | 15,477,872 | 27,118,903 | 34,340,762 | 55,373,109 | 5,943,270 | 138,253,916 |

1.7 Outpayments by sector



Comments

The following market metric gives a view on whether the market size in terms of revenue is growing or declining.

The mobile and landline sectors are showing a downward trend this quarter, 087 and directory enquiries are broadly flat and Payforit is on an upward trend.



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MARKET INDICATORS

Market size and composition

Annual View

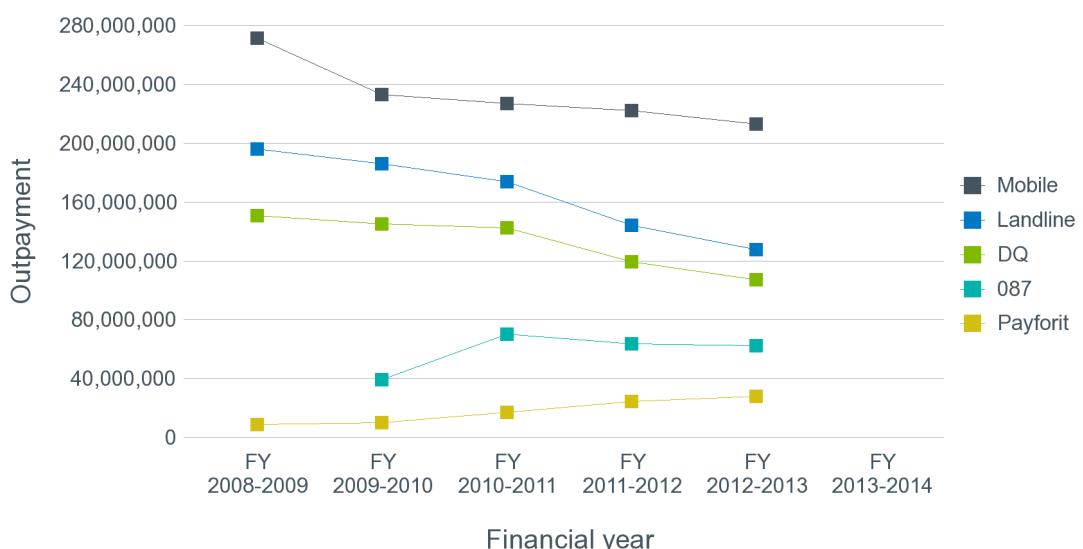
1.8 Outpayments by sector *

| | Mobile | Landline | DQ | 087 | Payforit | Total |
|--------------|-------------|-------------|-------------|------------|------------|-------------|
| FY 2012-2013 | 212,884,919 | 127,863,110 | 107,022,378 | 62,439,519 | 27,704,566 | 537,914,492 |
| FY 2011-2012 | 222,371,371 | 144,378,889 | 119,325,005 | 63,843,734 | 24,455,447 | 574,374,445 |
| FY 2010-2011 | 227,115,647 | 173,877,266 | 142,379,680 | 70,262,751 | 16,864,696 | 630,500,040 |
| FY 2009-2010 | 233,242,977 | 185,860,805 | 145,256,594 | 39,335,439 | 10,154,481 | 613,850,296 |
| FY 2008-2009 | 271,604,702 | 196,041,258 | 150,657,975 | | 8,650,781 | 626,954,717 |

* up on previous financial year

down on previous financial year

1.9 Outpayments by sector



Comments

Over the last financial year the mobile sector has declined by 4%, landline by 11%, directory enquiries by 10% and 087 by 2%. Payforit has increased by 13%. Overall, the market has declined by 6% over the last financial year.



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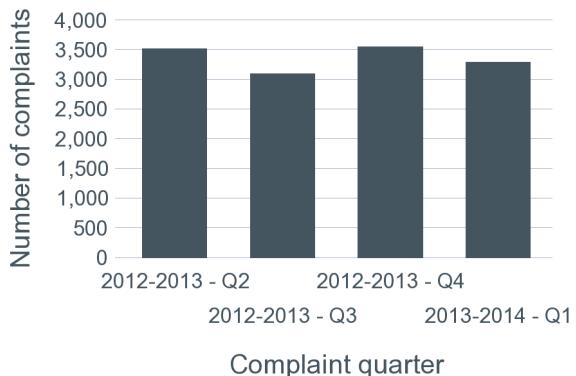
MARKET INDICATORS

Complaint data

Monthly view

1.10 Number of complaints received

| Period | Complaints | Change |
|----------------|------------|---------|
| 2013-2014 - Q1 | 3,283 | -7.34% |
| 2012-2013 - Q4 | 3,543 | 14.51% |
| 2012-2013 - Q3 | 3,094 | -11.98% |
| 2012-2013 - Q2 | 3,515 | |



Annual View

1.11 Complaint trends compared to previous financial year



| Rolling year | Complaints | Up / Down | Financial year to date | Complaints | Up / Down |
|-----------------------|------------|-----------|------------------------|------------|-----------|
| July 2012 - June 2013 | 13,435 | 34.52% | 2013-2014 | 3,283 | 14.27% |
| July 2011 - June 2012 | 9,987 | | 2012-2013 | 2,873 | |

Comments

This market metric gives an indicator of overall regulatory effectiveness, consumer confidence and a view on market compliance and harm. Complaints for Quarter 1 are down 7% on the previous quarter although they have been broadly static quarter-on-quarter and average 3,300 per quarter.

On a rolling year basis complaint volumes are 35% up. As we start this financial year, volumes to date are 14% up.



MARKET INDICATORS

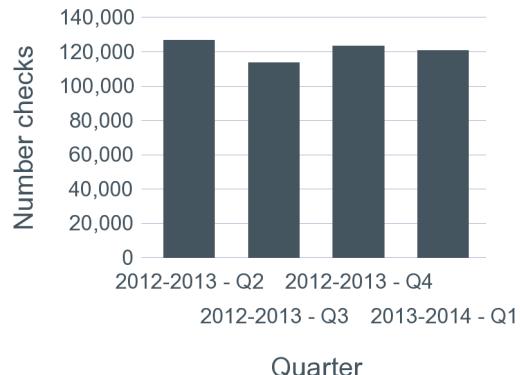
Number checker data

Quarterly view

1.12 Number of number checks

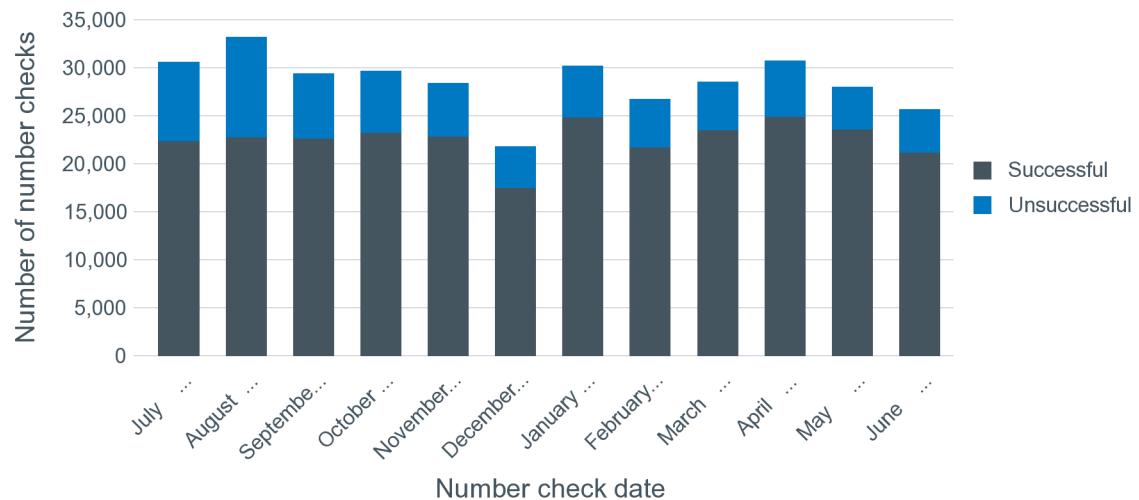
| Period | Number checks | Up/Down | Valid |
|----------------|---------------|---------|--------|
| 2013-2014 - Q1 | 120,588 | -2.14% | 84,308 |
| 2012-2013 - Q4 | 123,220 | 8.36% | 85,399 |
| 2012-2013 - Q3 | 113,714 | -10.19% | 79,866 |
| 2012-2013 - Q2 | 126,618 | | 93,120 |

1.13 Quarterly number checks



Annual View

1.14 Success rate of valid number checks



Comments

This market metric provides a measure of consumer engagement and an indicator of potential market harm.

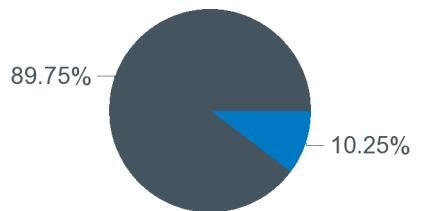
Numbers checked continues to average approximately 121,000 per quarter. Valid checks are those which return a recognised shortcode or 11-digit, fixed-line number and average 70% of the quarterly checks.

MARKET INDICATORS

Number checker data

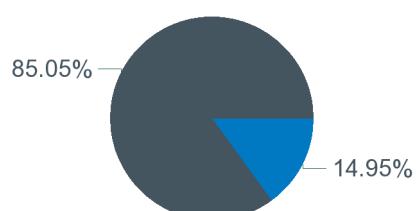
Annual View

Number checker success rate as percentages (financial year)



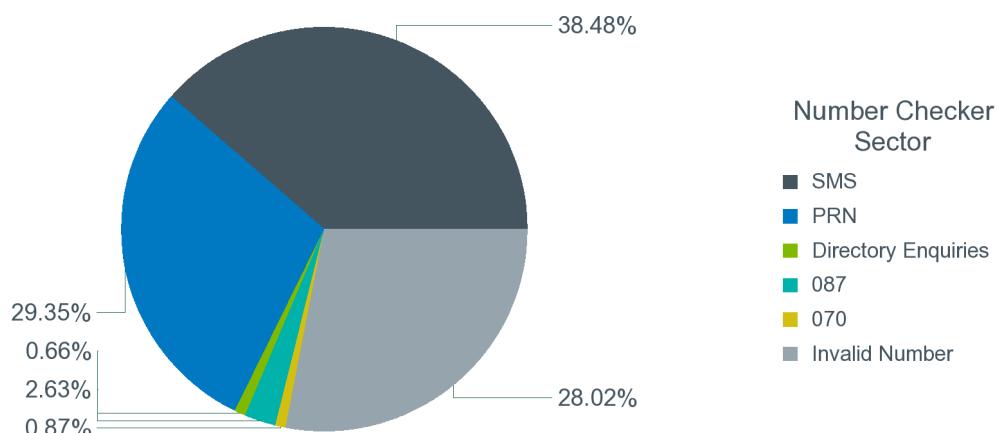
**1.13 SMS
success rate**

■ Successful
■ Unsuccessful



**1.14 PRN
success rate**

1.15 Number of number checks by sector (financial year)



Comments

The return rate for valid checks for SMS for the financial year to date is 90%. Fixed-line success rates on valid checks is 85%. The number of checks made on SMS and PRN over the financial year to date are broadly similar, within a 10% differential.



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MARKET INDICATORS

Measurement of market compliance 2013

Introduction

As part of the suite of Market Indicators, providing a view on the activity of the market which PhonepayPlus regulates, this study provides a measure of compliance that can be used as an initial benchmark for a 'Market Compliance' indicator.

The study was necessarily limited by the resources (time and budget) available and provides an indicative 'snapshot' view on the basis of a sample of 100 consumer journeys rather than a statistically robust measure of market compliance (see Methodology below).

Result

The in-market testing exercise, measured against the Code of Practice, found that 82% of the 100 premium rate services monitored in this study were completely compliant with the Code of Practice. This is encouraging as a measure of compliance, although our day-to-day regulatory experience and complaint handling has given us exposure to a number of marketing methods which may not have been captured by this research, in particular, those which result in misleading marketing for services occurs some time after an initial activity. It is possible, therefore, that the overall level of compliance is lower than the figure stated above.

Key Themes

Of the 18 failures identified, 16 were categorised as potentially serious (i.e. they could be considered for formal resolution - Track 2 or Emergency Procedure).

The two most frequently-occurring issues identified were 'no free or non-premium rate UK helpline, staffed throughout normal UK office hours' and formatting breaches on a number of services that use the Payforit payment mechanism.

Methodology

PhonepayPlus commissioned an external study with a specialist agency (WMC Global) to conduct an analysis of 100 consumer journeys in the PRS market. These services were monitored in the period 22 February – 1 March, 2013.

The sample selected was constructed to reflect the UK market revenues by service sector as determined by the 2011 PhonepayPlus Market Review. The sample was adjusted to ensure that no service sector sampled below ten services and, as a very small (less than 0.25%) sector of the market, 'TV Red Button' was excluded. Once completed, the results were then reweighted to reflect the market revenue of the remaining sectors – directory enquiries, premium SMS, Payforit, PRS voice and voice 087x.

Although not constructed to provide statistically robust view, the sample of services tested was selected to provide a reasonable spread within each service area (Information, Calling, Entertainment, Personalisation and Gifts and Payments).

The services identified to test were selected via natural consumer journeys, using a variety of search methods (web, print, mobile internet and TV).

No attempt was made to focus on services that are known to be problematic or those where PhonepayPlus has received a lot of complaints (such as those reached via misleading affiliate marketing) as the intention was to provide an overall snapshot view of the market, as a consumer would experience it.

No attempt was made to monitor services over a longer period of time to see, for example, whether subscription services adhered to the rules in the longer-term or whether services captured personal information and later promoted other services without permission. As such, this study provided a 'snapshot' view.

Services were tested against the requirements of the PhonepayPlus Code of Practice and the Payforit Scheme Rules 4.

Where services were found to be in breach of one or more requirements, the level of severity was assessed as to be potentially considered for an 'Informal' resolution (Fast Track or Track 1) or a 'Formal' resolution (Track 2 or Emergency Procedure).

KEY PERFORMANCE INDICATORS

Description of this section

This section details PhonepayPlus's performance against key indicators. These are measures which have been identified as providing the best means to judge our achievement against our stated outcomes. The KPIs look to provide a view on how we perform against the key drivers of activity. These key drivers include how effective we are in delivering on the objectives of the Code of Practice in due diligence, risk management and control, the level of integration of the enforcement strategy, our ability to anticipate future developments, the level of consumer awareness and satisfaction with our service provision and our cost efficiency and internal capability. The measures include the level and types of formal to informal investigations undertaken, the timeliness of these investigations, a view over time of repeating offenders, and trends on the collection rates of fines and administrative charges levied.

In addition to the KPIs included in this report, PhonepayPlus also produces independent, external stakeholder and staff satisfaction surveys on a biennial basis. The results of these surveys are considered an integral part of our key performance indicators providing a view from our key stakeholders on their satisfaction with the functions and services we provide, and our effectiveness as an employer in the view of our employees.

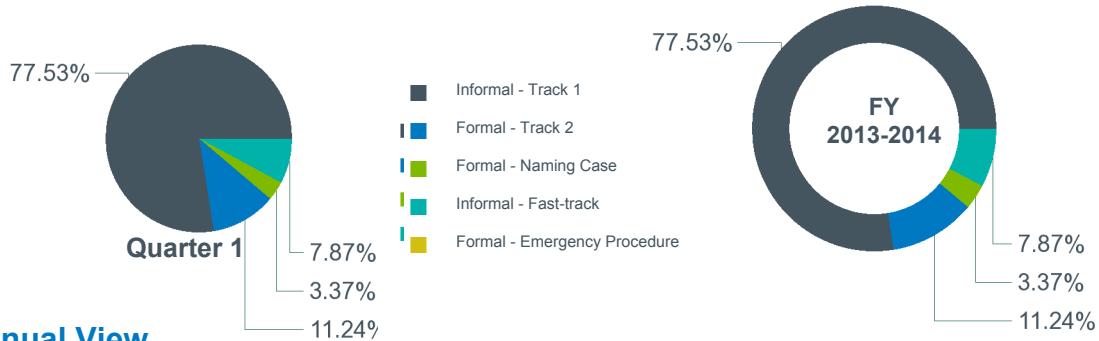
KEY PERFORMANCE INDICATORS

Investigation cases by resolution type

Quarterly view

14.61% of the cases were formal investigations in this quarter.

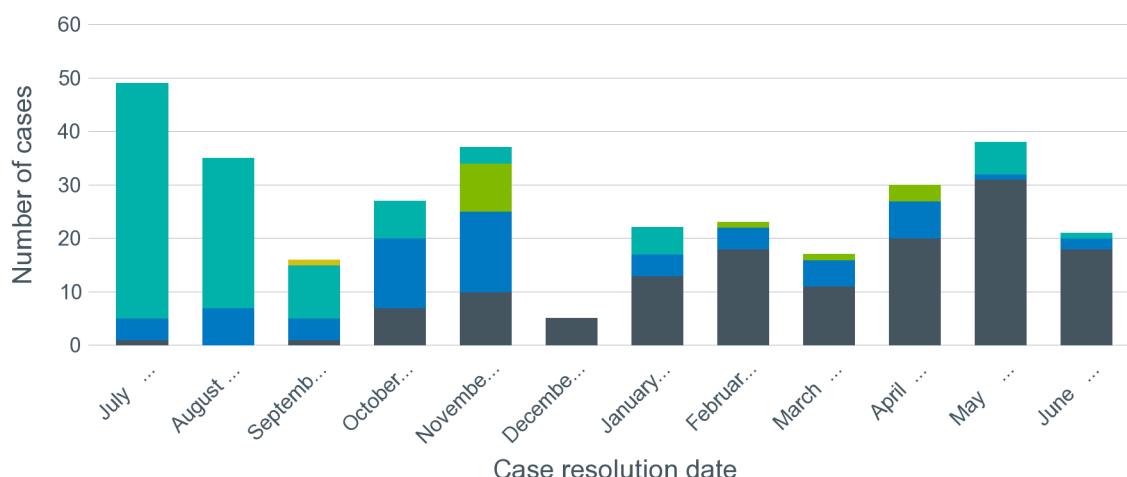
2.1 Enforcement action type by case



Annual View

14.61% of the cases were formal investigations in this financial year.

2.2 Enforcement action type by case



Comments

This KPI is the ratio of formal to informal cases. This provides a view on the level of harm in the market, the effectiveness of due diligence, risk assessment and control by providers, whether enforcement is providing a deterrent and the proportionality of the regulator in terms of dealing with harm appropriately, achieving redress and restoring balance.

In Quarter 1 (and financial year to date) the ratio of cases resolved was 1:6 formal to informal. Over the rolling year the profile has changed quite significantly as we have improved our categorisation of Fast-track procedure to only include cases where there are breaches which have the potential for consumer harm but which could be classed as minimal. Where breaches have been determined which can be considered of a severity which requires redress but does not warrant a formal investigation, the appropriate enforcement track is Track 1. The majority of cases assessed and resolved in this quarter have been of a nature which require consideration under the Track 1 enforcement track.



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KEY PERFORMANCE INDICATORS

Complaints by classification type

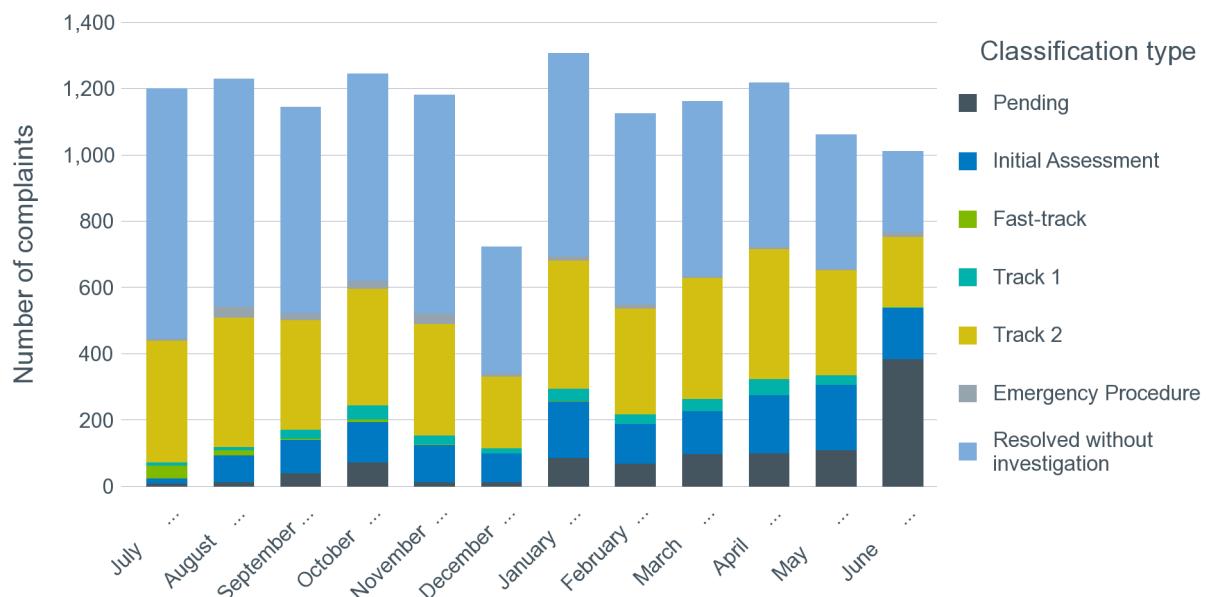
Quarterly view

2.3 Enforcement action type by complaint

| Created On Period | Classification type | Number of complaints | Percentage |
|-------------------|--------------------------------|----------------------|------------|
| 2013-2014 - Q1 | Pending | 596 | 18.12% |
| 2013-2014 - Q1 | Initial Assessment | 527 | 16.02% |
| 2013-2014 - Q1 | Track 1 | 79 | 2.40% |
| 2013-2014 - Q1 | Track 2 | 920 | 27.97% |
| 2013-2014 - Q1 | Emergency Procedure | 25 | 0.76% |
| 2013-2014 - Q1 | Resolved without investigation | 1,142 | 34.72% |
| Percentage: | | | 100.00% |

Annual View

2.4 Enforcement action type by complaint per month



Comments

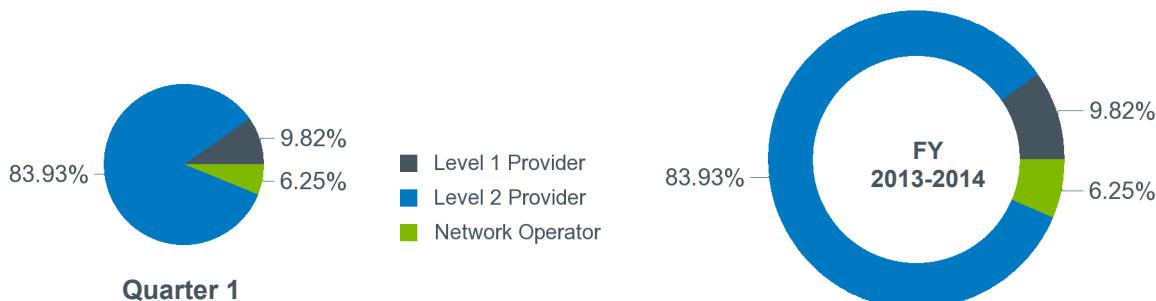
This KPI provides the breakdown of how complaints on a monthly basis are classified and processed. This provides a further view on the potential levels of harm in the market and the proportionality of the regulator. 16% of complaints are currently under initial assessment (detailed service information being requested from the Level 1 or Level 2 providers as per paragraph 4.2.3 of the Code). 35% were resolved immediately without further redress required. 2% have progressed to a Track 1 procedure and 29% to a formal investigation. A significant number of the 'pending' complaints relate to complaints about ICSS services (where, after assessment of the service, no enforcement action has been applicable – complaints relating to non compliant services have been investigated using the appropriate enforcement channel). These complainants have been informed of our open consultation on such services and we will be contacting them with an update on the outcome of the consultation and the impact on these services going forward when the consultation closes. All consumers have been referred to the provider of the relevant service in the meantime. The remainder of the pending complaints are under review whilst awaiting further service information from the provider of the service.

KEY PERFORMANCE INDICATORS

Investigation cases by provider

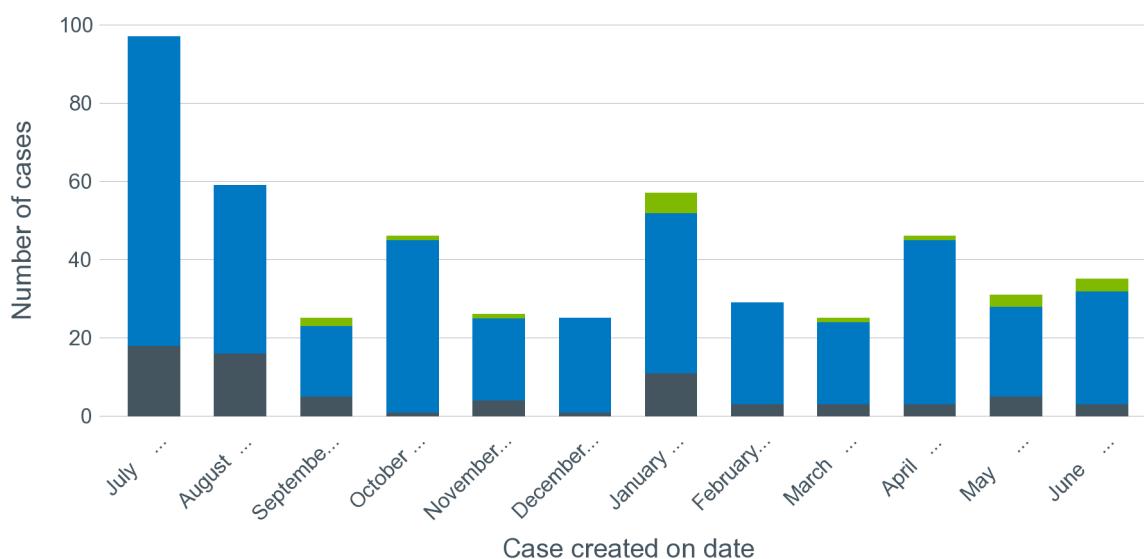
Quarterly view

2.5 L1, L2 and Network cases



Annual View

2.6 L1, L2 and Network cases per month



Comments

This KPI provides the ratio of Level 1, Level 2 and Network operator cases (all cases either under initial assessment or informal or formal investigation). This provides a view to the effectiveness of due diligence, risk management and control by those further up the value chain both in terms of the volumes of cases investigated against Level 1s for non-effective Due Diligence risk assessment and control procedures and on the level of Level 2 cases under formal investigation.



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KEY PERFORMANCE INDICATORS

Track 2 cases to target

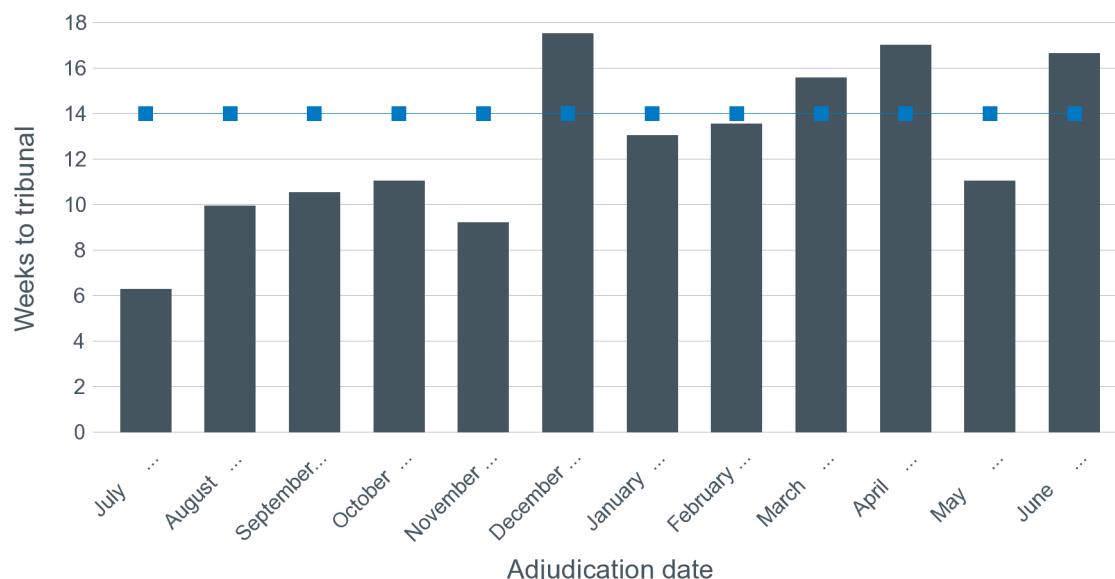
Quarterly view

2.7 Track 2 cases to target

| Period | Number of cases | Average weeks to tribunal |
|----------------|-----------------|---------------------------|
| 2013-2014 - Q1 | 9 | 14 |
| 2012-2013 - Q4 | 8 | 14 |
| 2012-2013 - Q3 | 11 | 12 |
| 2012-2013 - Q2 | 9 | 9 |

Annual View

2.8 Track 2 cases to target per month



Comments

This KPI provides metrics on the timeliness of Track 2 cases to Tribunal which gives a view on the effectiveness of our enforcement action in preventing harm (playing also to the polluter pays principle) and so contributing to a healthy market. The indicator also comments on the performance of the Executive and gives a view on our cost effectiveness and use of resources.

The average time to Tribunal for cases in Quarter 1 is 14 (on target).



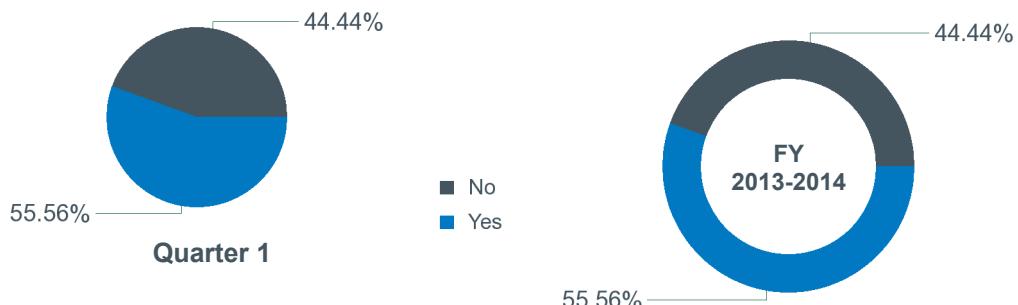
PhonepayPlus

KEY PERFORMANCE INDICATORS

Track 2 cases to target

Quarterly view

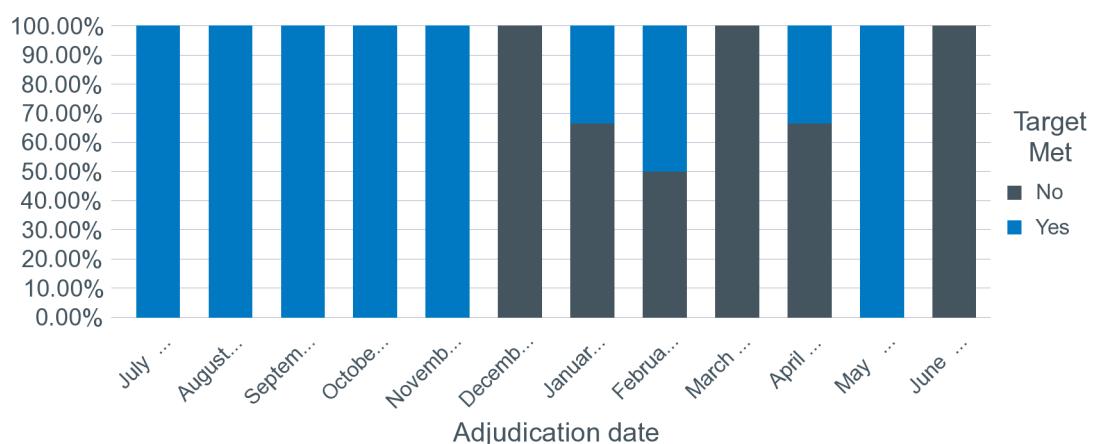
2.9 Percentage of cases which met the target



2.10 Number of cases met the target per quarter

| Period | Target met | Number of cases | Percentage | Average weeks over target |
|----------------|------------|-----------------|------------|---------------------------|
| 2013-2014 - Q1 | No | 4 | 44.44% | 3.79 |
| 2013-2014 - Q1 | Yes | 5 | 55.56% | |
| 2012-2013 - Q4 | No | 5 | 62.50% | 1.94 |
| 2012-2013 - Q4 | Yes | 3 | 37.50% | |
| 2012-2013 - Q3 | No | 3 | 27.27% | 3.52 |
| 2012-2013 - Q3 | Yes | 8 | 72.73% | |
| 2012-2013 - Q2 | No | 0 | 0.00% | |
| 2012-2013 - Q2 | Yes | 9 | 100.00% | |

2.11 Percentage of cases met the target per month



Comments

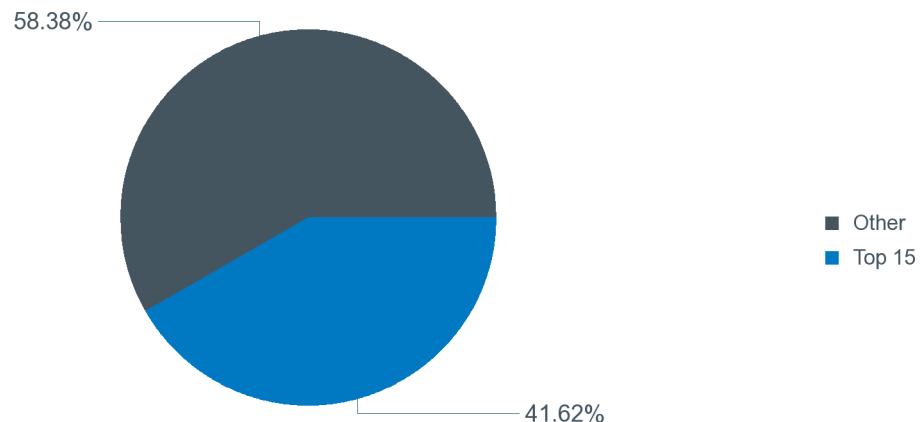
In Quarter 1, and the financial year to date, 56% of cases met the 14 week target. For those missing target due to workload and complexity (four cases) the average number of weeks over target is four weeks.

KEY PERFORMANCE INDICATORS

Repeat offenders

Annual view

2.13 Percentage of cases and complaints the top 15 offenders are responsible for



| Top 15 repeat offenders | Number of cases over the last four quarters |
|-------------------------|---|
| Top 15 | 3,809 |
| Other | 5,342 |

Comments

This KPI tracks the trends of repeat offenders to give a view on the effectiveness of due diligence risk management and control activity, our enforcement approach generally and specifically the effectiveness of sanctions as a deterrent for persistent offenders.

KEY PERFORMANCE INDICATORS

Fines collection rates

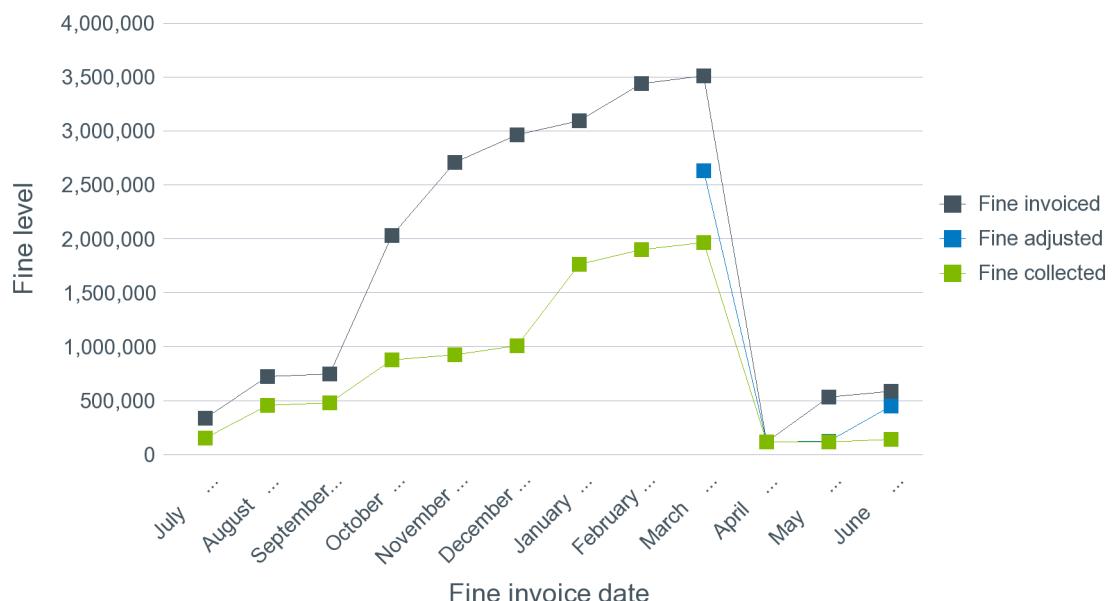
Quarterly view

2.14 Accumulative fine collection rates

| Period | Adjusted KPI | Non-adjusted KPI |
|----------------|--------------|------------------|
| 2013-2014 - Q1 | 31% | 24% |
| 2012-2013 - Q4 | 75% | 56% |
| 2012-2013 - Q3 | | 34% |
| 2012-2013 - Q2 | | 64% |

Annual View

2.15 Accumulative fine collection rates



Comments

This KPI is the accumulative actual collected fines over total fines invoiced and the adjusted measure of the collection rate discounted for fine income which is suspended, deferred or not yet due. This KPI gives a view on the effectiveness of the polluter pays principle and PhonepayPlus' internal effectiveness in debt collection procedures.

Fine collection rates for the year to date stand at 24% (non adjusted) and 31% (adjusted). The low level of the year-to-date accumulative fine collection rate is due to non payment of fines by three providers. All providers with outstanding fines are being vigorously pursued through our debt recovery procedures which include consideration of all appropriate recovery and enforcement activity and referral to our debt recovery specialist agency.

KEY PERFORMANCE INDICATORS

Administration charges collection rate

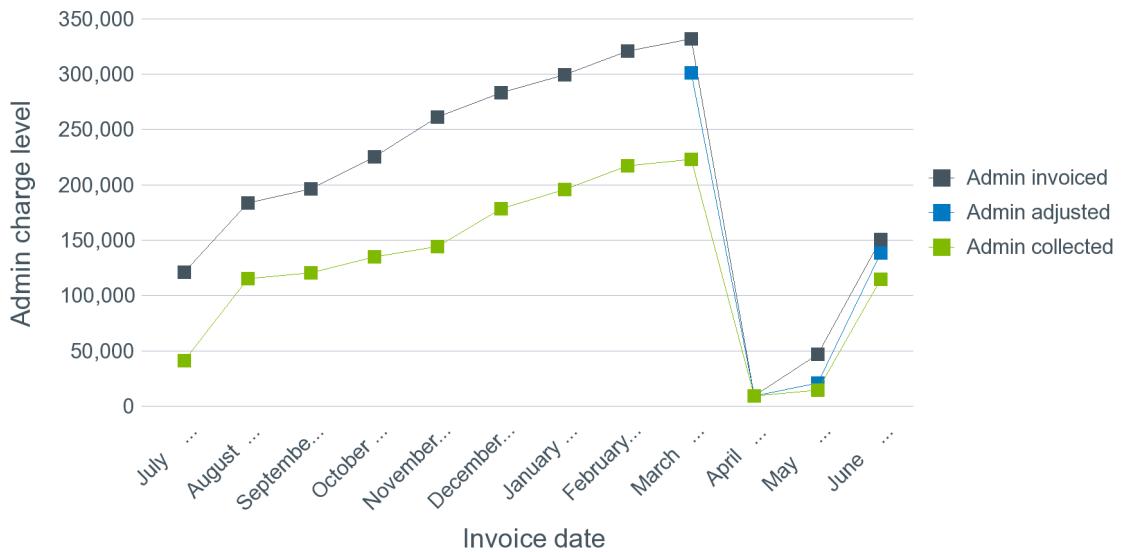
Quarterly view

2.16 Administration charge collection rates

| Period | Adjusted KPI | Non-adjusted KPI |
|----------------|--------------|------------------|
| 2013-2014 - Q1 | 83% | 76% |
| 2012-2013 - Q4 | 74% | 67% |
| 2012-2013 - Q3 | | 63% |
| 2012-2013 - Q2 | | 61% |

Annual View

2.17 Administration charge collection rates



Comments

This KPI is the accumulative actual collected administration charges over total administration charges invoiced and the adjusted measure of the collection rate discounted for administration income which is suspended, deferred or not yet due. This KPI gives a view on the effectiveness of the polluter pays principle and PhonepayPlus' internal effectiveness in debt collection procedures.

Administration charge collection rates for the year to date stand at 76% (non adjusted) and 83% (adjusted).

MANAGEMENT INFORMATION

Description of this section

This section includes a range of key management information metrics and targets which produce a view on activity levels and which demonstrate the effectiveness of our delivery across our core operational functions. These measures include a view on volumes processed, inputs and outputs and timeliness and efficiency in the key business functions. The section includes information on timeliness of processing of informal complaint resolution to target, formal case management targets and volume and efficiency across prior permissions, compliance advice and industry and consumer enquiry call management.

MANAGEMENT INFORMATION

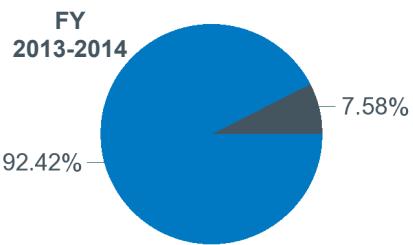
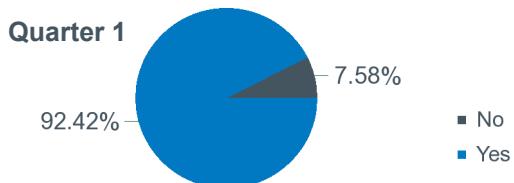
Track 1 cases to target

Quarterly view

3.1 Track 1 cases to target (30 days)

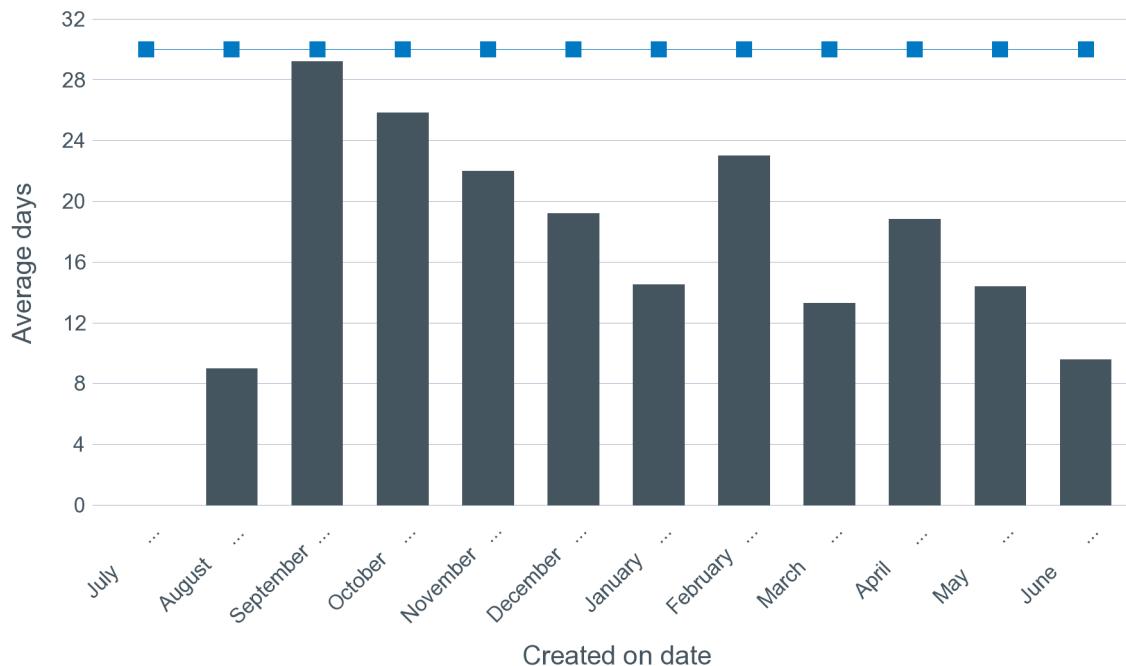
| Period | Number of cases | Average length (days) |
|----------------|-----------------|-----------------------|
| 2013-2014 - Q1 | 66 | 15.71 |
| 2012-2013 - Q4 | 41 | 16.14 |
| 2012-2013 - Q3 | 28 | 22.45 |
| 2012-2013 - Q2 | 7 | 25.83 |

3.2 Percentage of target met



Annual View

3.3 Track 1 cases to target per month



Comments

The average time to complete a Track 1 case in Quarter 1 was 16 days against a target of 30 days. The annual view shows an overall downward trend.

MANAGEMENT INFORMATION

Track 1 cases to target

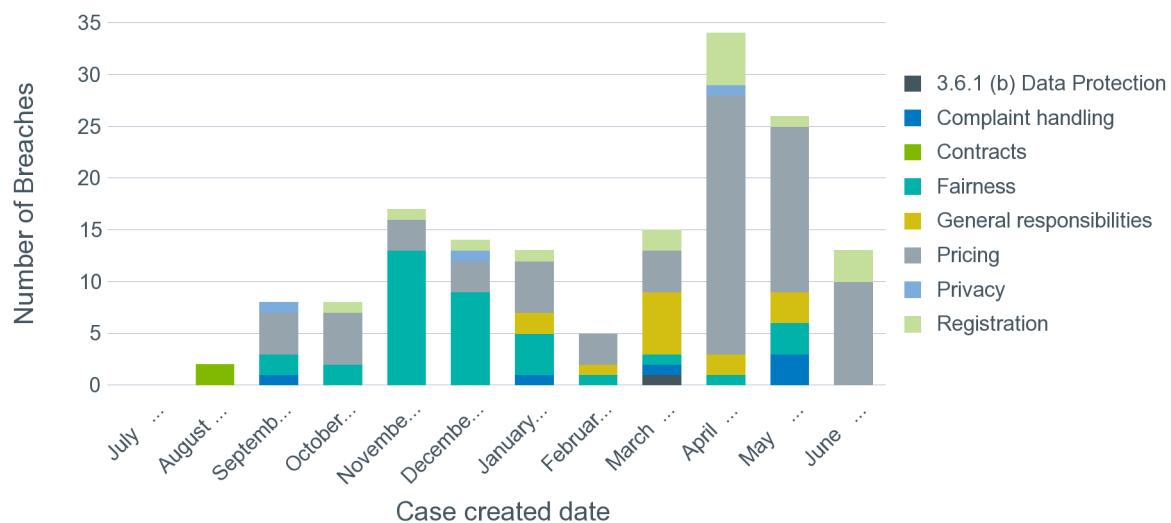
Monthly view

3.4 Track 1 cases to target

| Period | Target met | Number of cases | Percentage |
|----------------|------------|-----------------|---------------|
| 2013-2014 - Q1 | No | 5 | 7.58% |
| 2013-2014 - Q1 | Yes | 61 | 92.42% |
| 2012-2013 - Q4 | No | 6 | 14.63% |
| 2012-2013 - Q4 | Yes | 35 | 85.37% |
| 2012-2013 - Q3 | No | 4 | 14.29% |
| 2012-2013 - Q3 | Yes | 24 | 85.71% |
| 2012-2013 - Q2 | No | 2 | 28.57% |
| 2012-2013 - Q2 | Yes | 5 | 71.43% |

Annual View

3.5 Breaches raised in Track 1 procedure



Comments

92% of Track 1 cases met target in Quarter 1. The vast majority of breaches raised in Quarter 1 related to pricing issues.



MANAGEMENT INFORMATION

Actionable and non-actionable complaints

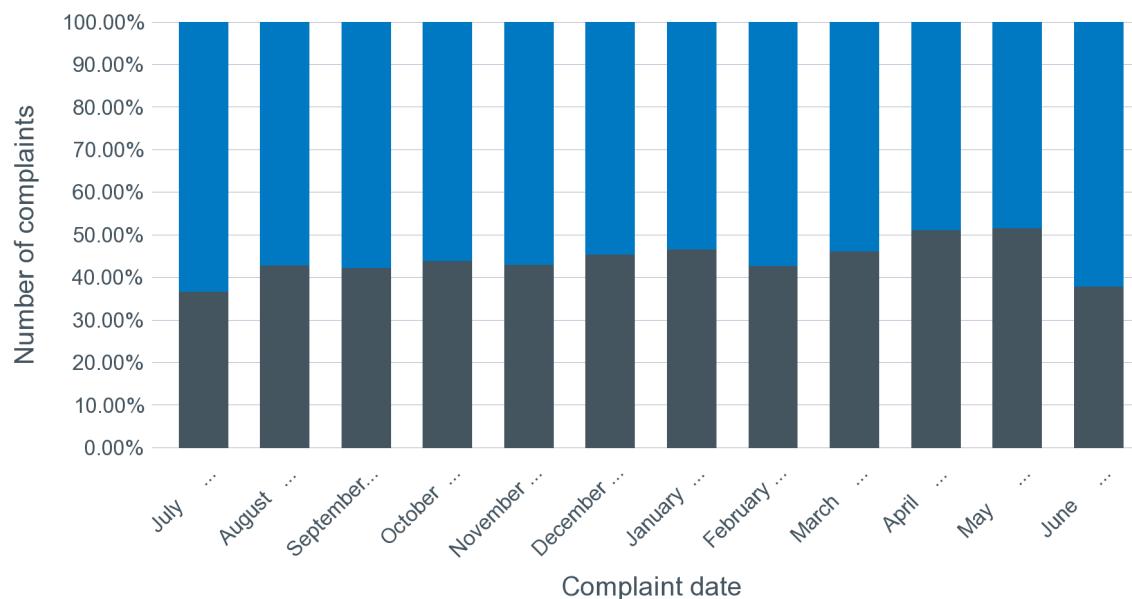
Quarterly view

3.6 Actionable and non-actionable complaints as percentage of total



Annual View

3.7 Actionable and non-actionable complaints per month



Comments

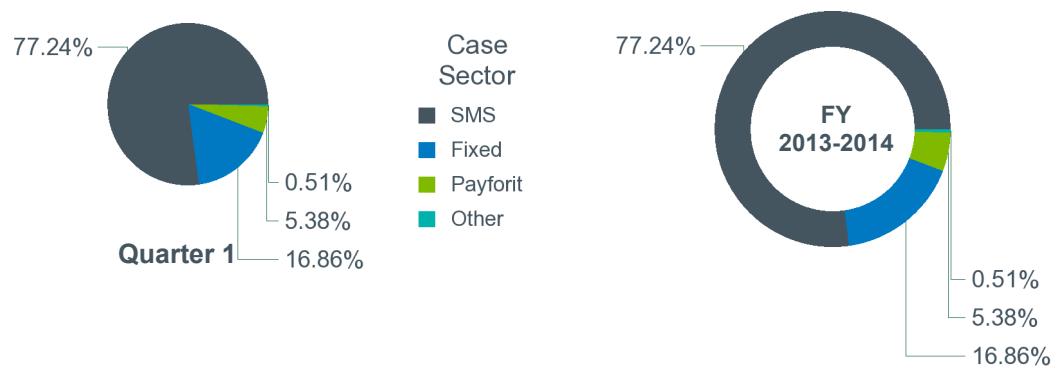
47% of complaints in Quarter 1 required escalation to an enforcement track (Track 1 or Track 2). Those which were closed without the need for formal investigation were done so after reviewing the data from providers and no evidence of the service operating in breach of the Code was found despite the consumer contacting PhonepayPlus to log a complaint.

MANAGEMENT INFORMATION

Complaints by sector

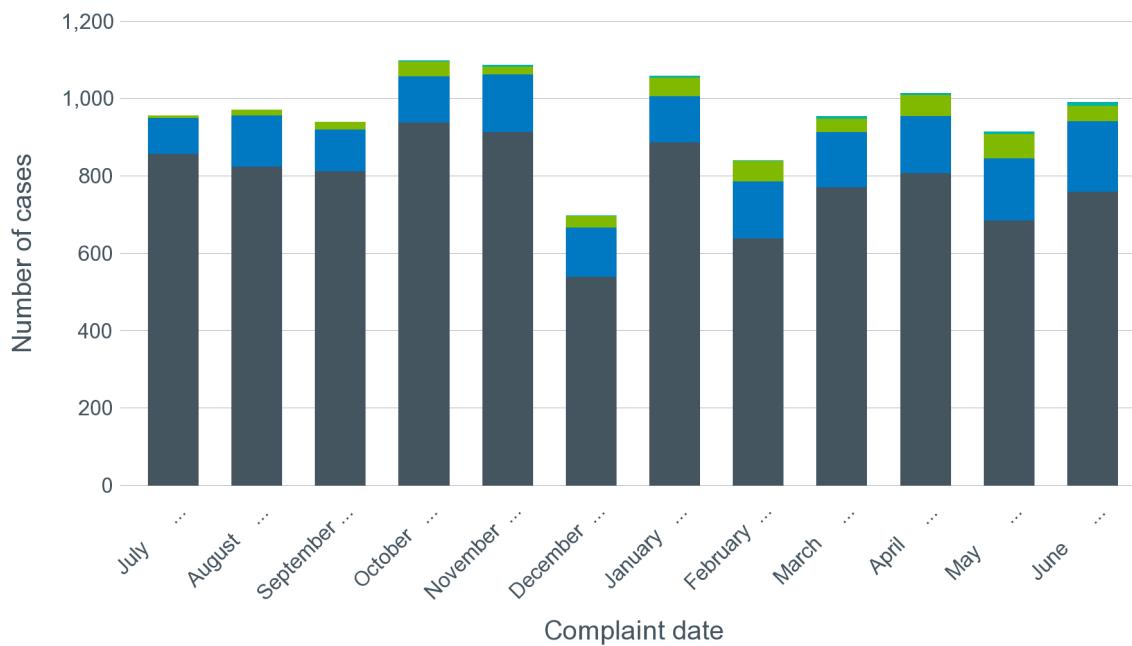
Quarterly view

3.8 Complaints by sector as percentage of total



Annual View

3.9 Complaints by sector per month



Comments

77% of complaints received in Quarter 1 related to SMS mobile.



PhonepayPlus

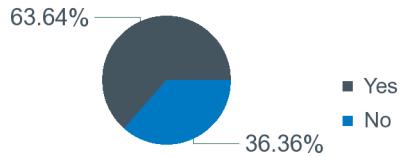
MANAGEMENT INFORMATION

Suspension of services

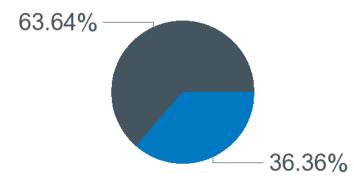
Quarterly view

3.10 Percentage of adjudicated cases with suspensions

| Period | Suspension | Cases | Percentage |
|----------------|------------|-------|---------------|
| 2013-2014 - Q1 | No | 4 | 36.36% |
| 2013-2014 - Q1 | Yes | 7 | 63.64% |
| 2012-2013 - Q4 | No | 3 | 37.50% |
| 2012-2013 - Q4 | Yes | 5 | 62.50% |
| 2012-2013 - Q3 | No | 9 | 60.00% |
| 2012-2013 - Q3 | Yes | 6 | 40.00% |
| 2012-2013 - Q2 | No | 10 | 55.56% |
| 2012-2013 - Q2 | Yes | 8 | 44.44% |



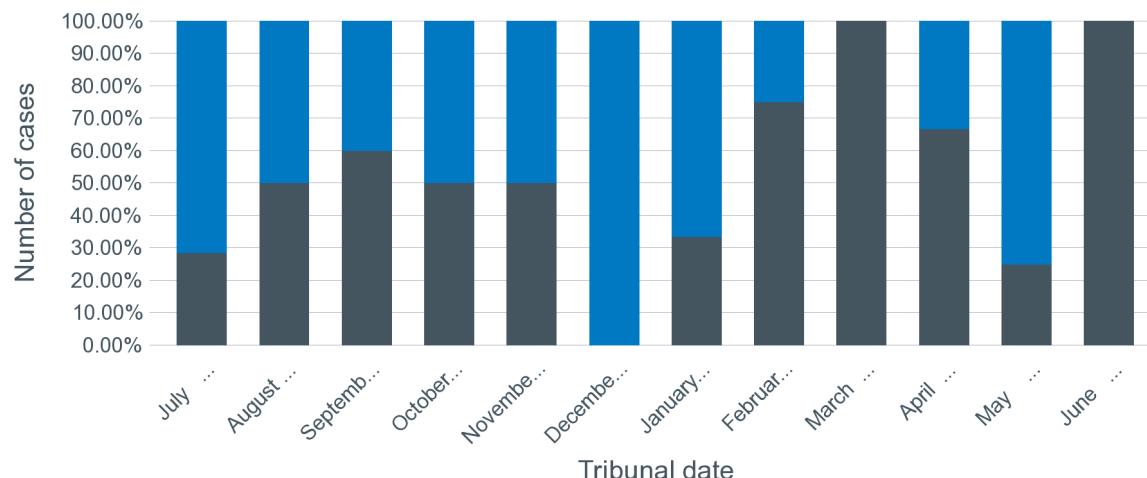
Quarter 1



FY
2013-2014

Annual View

3.11 Percentage of adjudicated cases with suspensions per month



Comments

The information on suspension of services and withhold on cases during the period provides a view on the effectiveness in optimising the polluter pays principle and minimising consumer harm from non-compliant services. Suspension of services and withholding of revenue is subject to proportionality test criteria on a case-by-case basis with higher risk services and providers subject to tighter controls.



PhonepayPlus

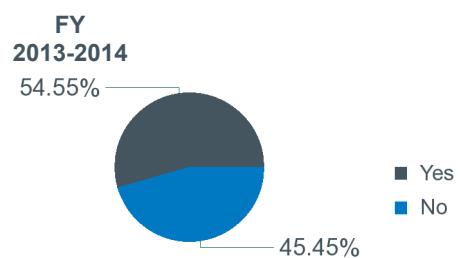
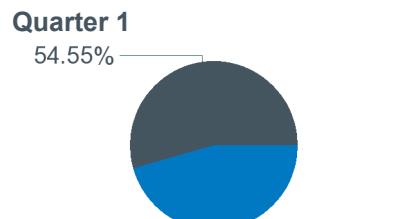
MANAGEMENT INFORMATION

Withholds

Quarterly view

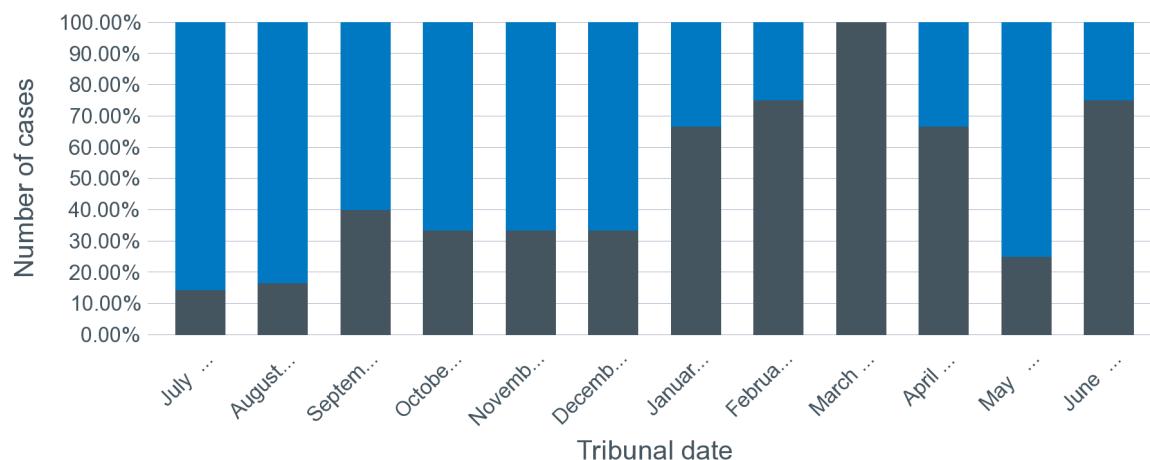
3.12 Percentage of adjudicated cases with withhold

| Period | Withholds | Cases | Percentage |
|----------------|-----------|-------|---------------|
| 2013-2014 - Q1 | No | 5 | 45.45% |
| 2013-2014 - Q1 | Yes | 6 | 54.55% |
| 2012-2013 - Q4 | No | 2 | 25.00% |
| 2012-2013 - Q4 | Yes | 6 | 75.00% |
| 2012-2013 - Q3 | No | 10 | 66.67% |
| 2012-2013 - Q3 | Yes | 5 | 33.33% |
| 2012-2013 - Q2 | No | 14 | 77.78% |
| 2012-2013 - Q2 | Yes | 4 | 22.22% |



Annual View

3.13 Percentage of adjudicated cases with withhold per month



Comments

See page 27.



PhonepayPlus



MANAGEMENT INFORMATION

Prior permissions

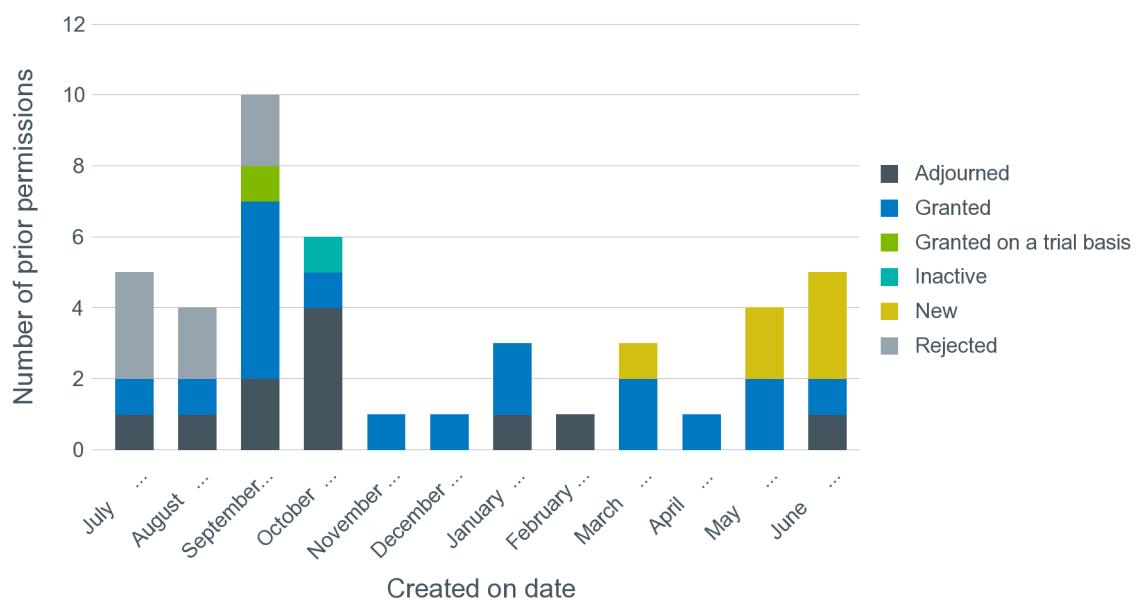
Quarterly view

3.14 Prior permissions by status

| Period | New | Granted | Trial | Rejected | Adjourned | Inactive | Total | Average days |
|----------------|-----|---------|-------|----------|-----------|----------|-------|--------------|
| 2013-2014 - Q1 | 5 | 4 | 0 | 0 | 1 | 0 | 10 | 33 |
| 2012-2013 - Q4 | 1 | 4 | 0 | 0 | 2 | 0 | 7 | |
| 2012-2013 - Q3 | 0 | 3 | 0 | 0 | 4 | 1 | 8 | |
| 2012-2013 - Q2 | 0 | 7 | 1 | 7 | 4 | 0 | 19 | |

Annual View

3.15 Prior permissions by status per month



Comments

The average days measure for Prior Permissions has recently started to be recorded (from March 2013) for applications completed in that month. Prior permission applications are processed by the Executive but in some cases require referral to the Board (or its sub committee). On average valid applications were processed in five weeks in Quarter 1.

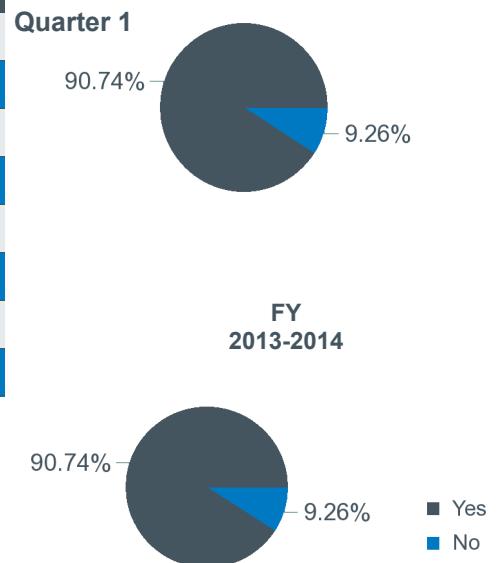
MANAGEMENT INFORMATION

Compliance advice

Quarterly view

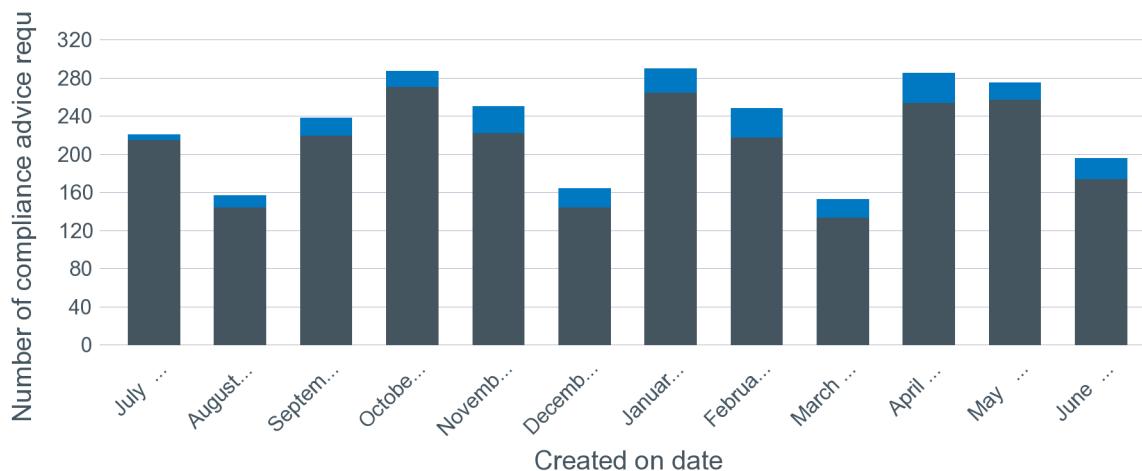
3.16 Number of compliance advice requests answered within five working days

| Period | Target Met | Number of requests | Percentage |
|----------------|------------|--------------------|---------------|
| 2013-2014 - Q1 | No | 70 | 9.26% |
| 2013-2014 - Q1 | Yes | 686 | 90.74% |
| 2012-2013 - Q4 | No | 74 | 10.71% |
| 2012-2013 - Q4 | Yes | 617 | 89.29% |
| 2012-2013 - Q3 | No | 62 | 8.84% |
| 2012-2013 - Q3 | Yes | 639 | 91.16% |
| 2012-2013 - Q2 | No | 36 | 5.84% |
| 2012-2013 - Q2 | Yes | 580 | 94.16% |



Annual View

3.17 Compliance advice requests per month



Comments

Compliance advice requests average 691 requests a quarter with Quarter 1 slightly higher at 756 (9% up).

MANAGEMENT INFORMATION

Consumer enquiries

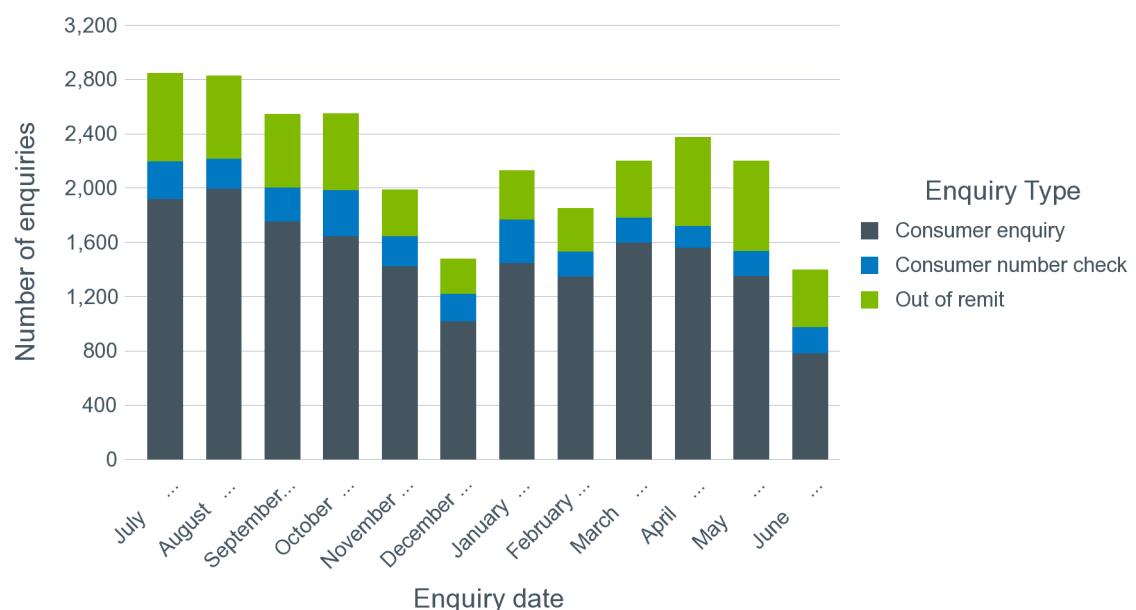
Quarterly view

3.18 Number of consumer enquiries (phone and web)

| Period | Consumer enquiry | Consumer number check | Out of remit | Total |
|----------------|------------------|-----------------------|--------------|---------------|
| 2013-2014 - Q1 | 3,707 | 540 | 1,725 | 5,972 |
| 2012-2013 - Q4 | 4,400 | 690 | 1,093 | 6,183 |
| 2012-2013 - Q3 | 4,100 | 761 | 1,156 | 6,017 |
| 2012-2013 - Q2 | 5,675 | 753 | 1,794 | 8,222 |
| Total | 17,882 | 2,744 | 5,768 | 26,394 |

Annual View

3.19 Number of consumer enquiries per month



Comments

On average 6600 consumer enquiries are received each quarter. Quarter 1 was slightly lower at 5972 or 10% down.

MANAGEMENT INFORMATION

Due diligence

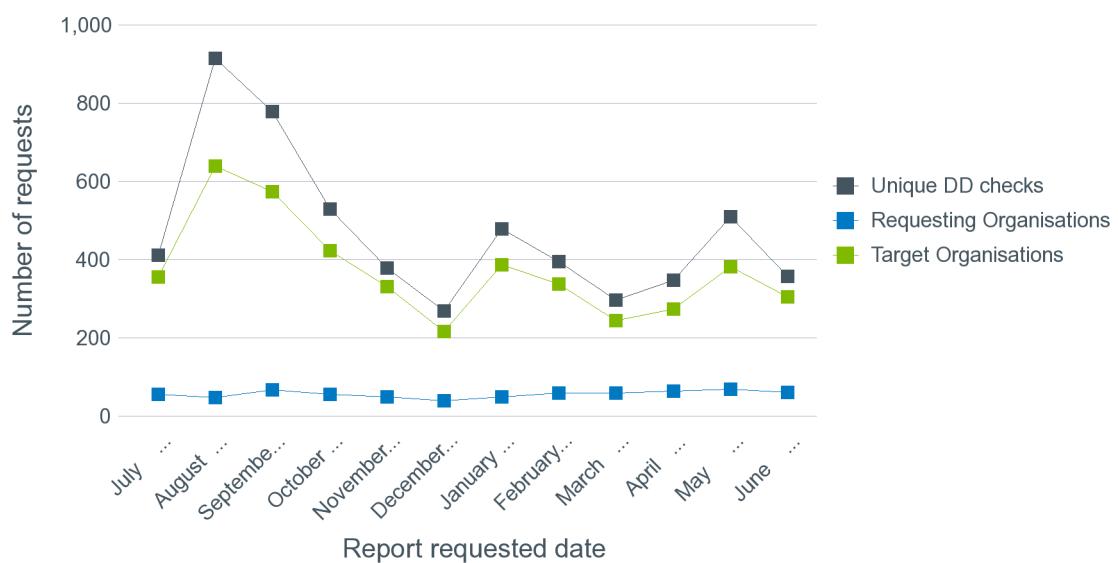
Quarterly view

3.20 Number of due diligence requests

| Period | Unique checks | Requesting Orgs | Target Orgs |
|----------------|---------------|-----------------|-------------|
| 2013-2014 - Q1 | 1,213 | 117 | 771 |
| 2012-2013 - Q4 | 1,168 | 98 | 770 |
| 2012-2013 - Q3 | 1,176 | 85 | 790 |
| 2012-2013 - Q2 | 2,104 | 109 | 1,159 |

Annual View

3.21 Number of due diligence requests per month



Comments

On average 1,415 due diligence reports are requested each quarter by 102 organisations.

MANAGEMENT INFORMATION

Call centre data

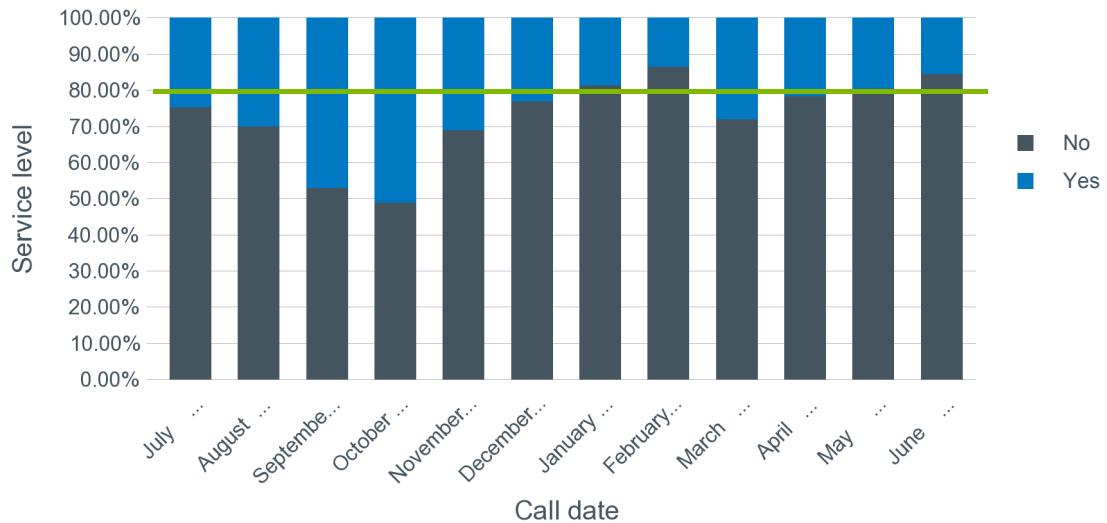
Quarterly view

3.22 Calls and service level

| Period | Incoming calls | Calls abandoned | Calls answered | Calls served in time | Percentage answered | Answered within 30 sec |
|----------------|----------------|-----------------|----------------|----------------------|---------------------|------------------------|
| 2013-2014 - Q1 | 7,578 | 472 | 7,106 | 5,751 | 93.36% | 80.93% |
| 2012-2013 - Q4 | 9,059 | 687 | 8,372 | 6,699 | 91.79% | 80.02% |
| 2012-2013 - Q3 | 8,918 | 1,665 | 7,253 | 4,647 | 77.04% | 64.07% |
| 2012-2013 - Q2 | 8,302 | 1,087 | 7,215 | 4,817 | 84.93% | 66.76% |

Annual View

3.23 Answered service level per month (served in time / answered)



Comments

On average 8,500 contacts are made to the call centre each quarter. In Quarter 1 service level met the target at 81%. Abandoned levels of 7% are over target by 2%.

TRIBUNAL INFORMATION

Description of this section

This section provides information those cases which have been put to the Tribunal, the body which hears and adjudicates on cases against premium rate providers that PhonepayPlus suspects to be in breach of its Code of Practice. The section includes volumes of cases heard and the severity of the cases and breaches upheld.

Further detail on the cases heard and the formal record of the hearings can be found on the PhonepayPlus website <http://www.phonepayplus.org.uk/For-Business/Tribunals.aspx>

TRIBUNAL INFORMATION

Number of cases heard at tribunal

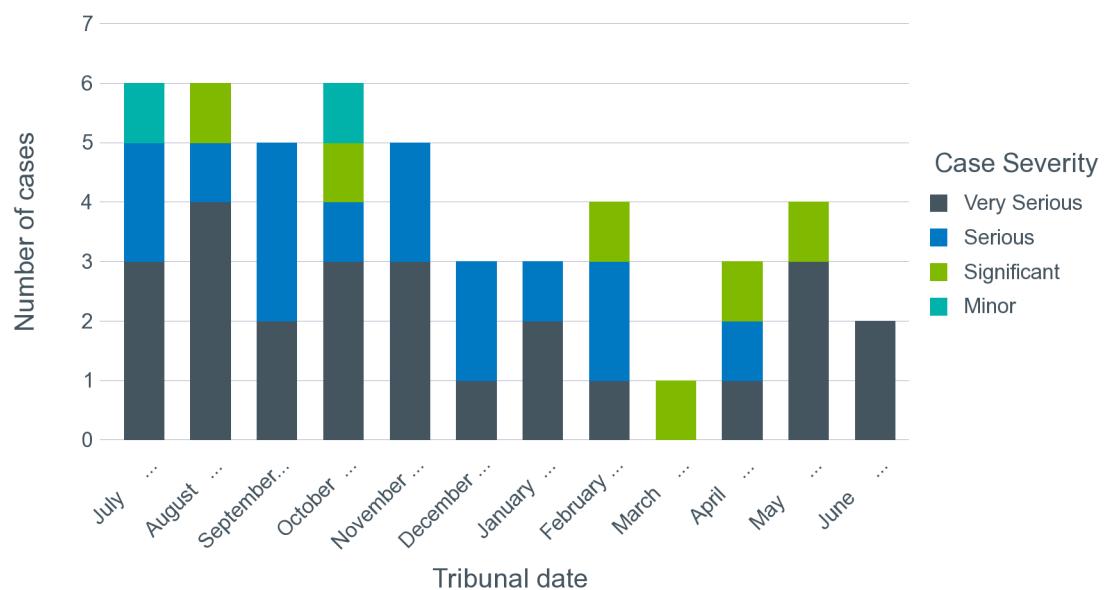
Quarterly view

4.1 Number of cases heard at Tribunal

| Period | Tribunals | Track 2 | Emergency Procedure | Naming Case | By consent | Review | EP Review | Oral hearing | Total |
|----------------|-----------|---------|---------------------|-------------|------------|--------|-----------|--------------|-------|
| 2013-2014 - Q1 | 6 | 9 | 0 | 1 | 1 | 0 | 0 | 1 | 12 |
| 2012-2013 - Q4 | 5 | 8 | 0 | 3 | 0 | 0 | 0 | 0 | 11 |
| 2012-2013 - Q3 | 7 | 11 | 0 | 3 | 1 | 3 | 0 | 0 | 18 |
| 2012-2013 - Q2 | 8 | 17 | 0 | 1 | 1 | 0 | 0 | 0 | 19 |

Annual View

4.2 Cases by severity rating



Comments

On average 15 cases are heard at adjudication per quarter. The majority of (relevant) cases are judged to be serious or above by the Tribunal.

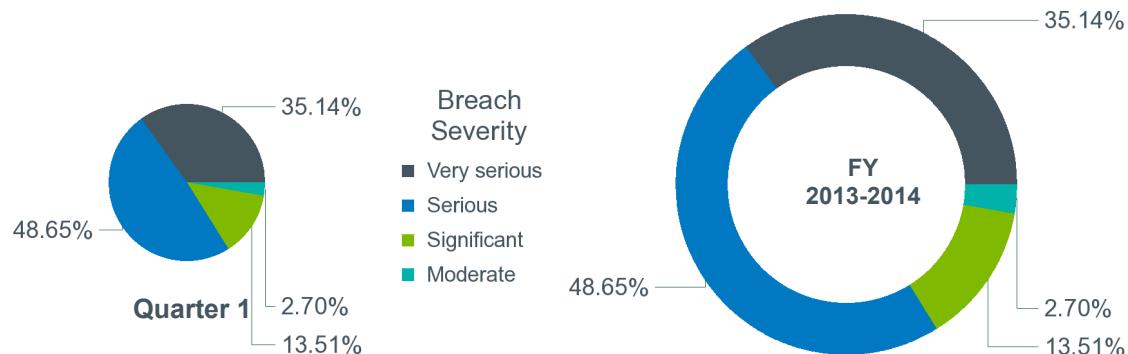


TRIBUNAL INFORMATION

Upheld breaches by severity

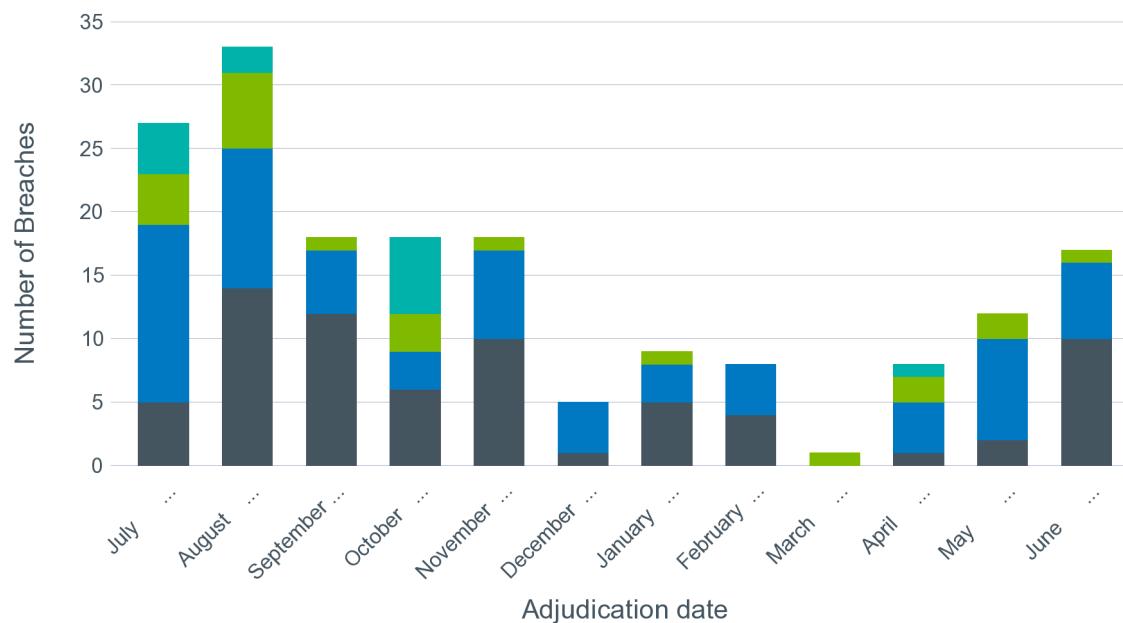
Quarterly view

4.3 Upheld breaches by severity as percentages



Annual View

4.4 Upheld breaches by severity per month



Comments

In Quarter 1 and financial year to date, almost 84% of breaches found by the Tribunal were considered serious or above.



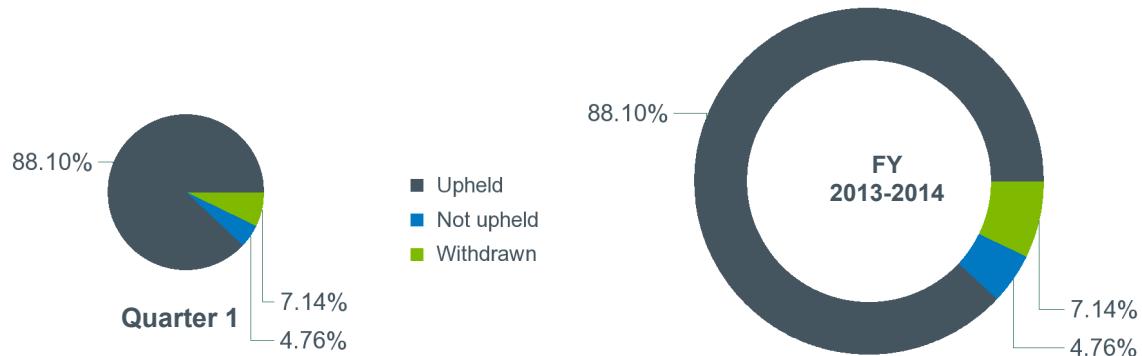
PhonepayPlus

TRIBUNAL INFORMATION

Breaches by status

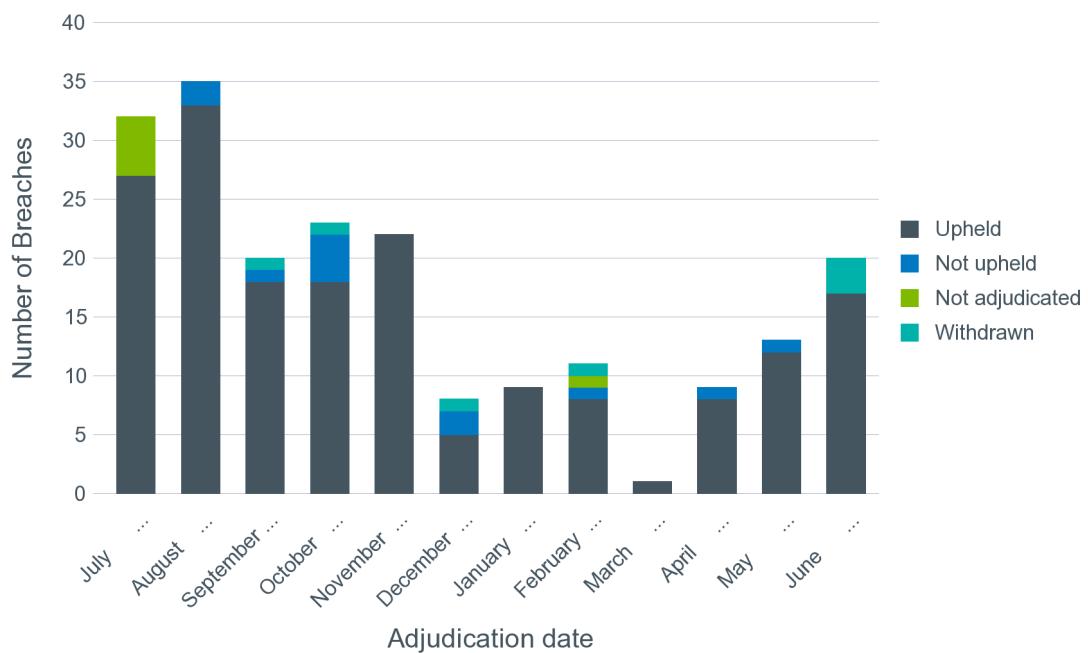
Quarterly view

4.5 Breaches by status as percentages



Annual View

4.6 Breaches by status per month



Comments

Almost 90% of breaches brought by the Executive were upheld in Quarter 1 and the financial year to date. 100% of cases were upheld.



PhonepayPlus