

# Introducing the 13<sup>th</sup> Code of Practice

Special conditions

June 2015

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Code of Practice

# Overview of Code 13 seminars

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## Upcoming seminars



SIGN UP TO SECURE YOUR SEAT

As we are approaching the launch of the 13th Code of Practice, we have organised a series of seminars to help you understand the changes involved and what you need to do to prepare for the new Code across the industry.

To sign up please email us at [seminars@phonepayplus.org.uk](mailto:seminars@phonepayplus.org.uk)

All three seminars will be held at the Phonepayplus office on the following dates, each lasting around 2 hours:

**27th May 2015 (2pm) DDRAC seminar**

This seminar will focus on Due Diligence, Risk Assessment and Control (DDRAC) and how strong DDRAC will assist with the enforcement of the new Code and improving compliance standards across industry.

**24th June 2015 (2pm) Special Conditions seminar**

This seminar will help PRS providers understand how these Special conditions will take effect, and be enforced under the new Code.

**15th July 2015 (2pm) Consumer vulnerability, complaint handling requirements & refund sanctions seminar**

This seminar will cover all other changes to the current Code, such as protection against consumer vulnerability and customer care requirements including a look at the new Complaint Handling guidance.

If you have any questions, please email us at [seminars@phonepayplus.org.uk](mailto:seminars@phonepayplus.org.uk)



# Objectives of Special conditions seminar

- Introduce the concept of Special conditions
- Explain the process for adopting such conditions
- Discuss the Special conditions that will take effect on 1 July 2015
- Explain our future approach to prior permissions

# Special conditions in the Code

- Paragraph 3.11.1
  - A risk of a significant level of consumer harm; or,
  - A risk of unreasonable offence to the general public.
  - Imposition of special conditions for the purpose of ensuring compliance with the Code's outcomes.
- Paragraph 3.11.2
  - Consultation
  - Urgent cases – conditions may apply while consultation process is undertaken

# Special conditions in the Code

- Paragraph 3.11.3
  - Breach of a special condition is a breach of the Code
- Paragraph 3.11.4
  - Notices will be published clearly setting out Special conditions that apply

# Code Annex 2 – the options

- Paragraph 3.11.1 refers to Annex 2 of the Code
- List of options when considering imposing special conditions
  - PhonepayPlus limited as to what it can impose
- 24 options available, including:
  - 1.1(i) necessity for recording equipment;
  - 1.1(k) requirements to display or provide information at certain stages or promotion or service delivery
  - 1.1(l) callers not being charged more than once for same services;
  - 1.1(q) in-service monitoring requirements.

# Higher Rate PRS - proposals

- In advance of the new NGCS framework and higher tariffs taking effect, we proposed Special conditions to address the following risks:
  - Lack of accountability with live services;
  - Risk of under age use in relation to adult services;
  - Increased propensity to mislead
  - Poor infrastructure
  - Lack of adequate information at point of need

# Industry feedback

- More information needed to understand the opportunities and the risks associated with HRPRS
- Definition based on cost alone is inappropriate
- Conditions imposed based on such a definition are too generic and potentially ineffective
- Approach may hinder the positive impact sought by Ofcom with the NGCS policy changes



# Higher Rate PRS – Our position

- We have listened to feedback
- PhonepayPlus acknowledges potential impact of other Code provisions and Special conditions for Live Entertainment and Chatline services
- We have decided not to proceed with these conditions at the present time
- Service categories that use higher tariffs will be kept under review

# Key changes under Special conditions

- Receipt requirements
  - Pay-per-view services (PPV2)
  - Subscriptions over £4.50 per 7-day period (SS2)
  - Consumer expectations established in digital market
- Notification to PhonepayPlus
  - ICSS, Credit broking services, Pay-per-view services
  - Recording equipment for live services

# Key changes under Special conditions

- Amalgamation of counselling services within professional services group
- Removal of proposed conditions for Voice-based, Text-charged services
  - Such live services need to comply with the Code, the Special conditions on LECS, and any relevant Ofcom guidelines

# Impact on prior permissions

- Sufficiency of the Code?
- Special Conditions considered first – evidence of heightened risks
  - Prior permission a last resort
- Pilot schemes set up using prior permission
  - Structures to run controlled tests of the market
  - Industry-led schemes
  - Data used as evidence for consultations on future regulations

## Questions on

- 1) **Live services?**
- 2) **Broadcast PRS?**
- 3) **ICSS?**

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## Questions on

- 1) **Subscriptions?**
- 2) **Recurring donation services (RDS)?**
- 3) **Credit broking?**

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## Questions on

- 1) Pay-per-view services?
- 2) Remote gambling?
- 3) Call TV Quiz?

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## Questions on

- 1) **Professional services?**
- 2) **Counselling?**
- 3) **Prior permissions?**

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[www.phonepayplus.org.uk](http://www.phonepayplus.org.uk)

**Any questions?**

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