

NOTIFICATION OF PERMISSION GRANTED UNDER PARAGRAPH 3.10.4(a) OF THE PHONEPAYPLUS CODE OF PRACTICE, AND A SIX MONTH PILOT ENABLING APP STORES TO APPLY FOR PERMISSION TO PROVIDE AN EMAIL COMPLAINT HANDLING FACILITY IN PLACE OF THE NON-PRS UK-BASED TELEPHONE NUMBER REQUIRED BY RULE 2.6.2 OF THE CODE

This Notification should be read by all app stores who provide, or wish to provide, a premium rate payment facility, and who also wish to provide an alternative to a UK-based telephone contact number for consumer enquiries and complaints.

Background

Paragraph 3.10.4(a) of the PhonepayPlus Code of Practice (12th edition) (“the Code”) allows registered providers to apply for written prior permission from PhonepayPlus (which may be given subject to conditions) for their service to be provided by means other than strict adherence to the Code provisions. Such permission can be withdrawn or varied by PhonepayPlus subject to the giving of reasonable notice.

An application was submitted to dis-apply the requirement under Rule 2.6.2 of the Code to provide a non-premium rate UK telephone number for the purposes of complaint handling. Rule 2.6.2 of the Code states that;

‘Level 2 providers must provide a proportionate complaints process which is easily accessible through a non premium rate UK telephone number and must be effectively publicised.’

The applicant, Skype, in tandem with the Mobile Network operator, Hutchison 3G UK Limited (‘Three’), proposed that instead of a telephone based facility for consumer complaints and enquiries they would offer an email-based complaints handling facility. All those signed up to the app store (which would be required before purchasing using premium rate charging) must provide an email address in order to register.

Explanation of the service flow

The applicants were able to demonstrate to the satisfaction of the PhonepayPlus Board that sufficient controls exist to ensure that consumers will still be able to have complaints resolved quickly and easily despite the absence of a UK-based non premium rate telephone number, for the reasons set out below:

- The consumer is required to provide their email address (and not MSISDN number) to sign-up to the app-store. An individual cannot register, and subsequently make purchases from the app store, without having provided an email address.
- Following a purchase from Skype an email receipt is generated, detailing the purchase with contacts for post-sale complaints and/or enquiries. The same information is also sent by the Mobile Network operator via text message.
- In instances where the consumer wishes to make a complaint three separate methods of redress exist: Firstly, by contacting the merchant directly via the email provided; secondly, by using Skype’s email address (as would be displayed within the store’s website); and thirdly, by contacting the Mobile Network (Three) if neither party has resolved the complaint in a timely and transparent manner.
- Three has committed to monitor complaint handling by Skype, to assume responsibility for any unresolved complaints, and to provide contact details for PhonepayPlus if the consumer’s complaint remains unresolved. In addition all refunds to consumers can be processed and re-credited to the consumer’s account directly through Three’s billing network.

Based on the description provided and the assurances given, the applicants were granted permission to use an email-based complaints handling facility instead of a non-premium rate UK-based telephone

number for the handling of complaints, as required under rule 2.6.2 of the Code. However, this permission was granted on an initial six month pilot basis and subject to compliance with the following conditions:

- Consumers cannot make any PRS purchases from the app store without first providing an email address as part of registration of an account.
- Purchase receipts must be sent by both Three and Skype to a consumer immediately after a purchase is confirmed.
- The Mobile Network operator's purchase receipt must be via text message to the consumer's MSISDN, and Skype's purchase receipt must be via email to the email address the consumer has provided at registration.
- Both Skype and Three must monitor all complaints to merchants, and commit to take action to ensure any escalated or unresolved complaints are dealt with in accordance with the rules contained within section 2.6 of the PhonepayPlus Code of Practice.
- PhonepayPlus must receive monthly reports of the total number of complaints, the number of complaints escalated or resolved by the app store and/or Mobile Network operator, and details of the action taken.
- Any complaints which are not resolved to the consumer's satisfaction must be forwarded directly to PhonepayPlus by Three.

The PhonepayPlus Board has decided to offer to other app stores that can meet the above criteria and (if already in the PRS market) have a good compliance record with our Code, the opportunity to participate in a six-month pilot. All app stores and contracted Level 1 providers/Network operators should note that participation in the pilot is not automatic. App stores (or a contracted Level 1 provider/network operator applying on an app store's behalf) will need to apply to PhonepayPlus in order to participate. All applications will be considered by the Board on a case-by-case basis and permission will only be granted for the duration of the six month pilot, and subject to the conditions above. As such, all policy considerations remain with the PhonepayPlus Board. Applicants should note that whilst each individual pilot that is granted will run for six months from the date of the right to pilot being granted, PhonepayPlus will only accept applications for three months from 27 November 2012 (the date on which this Notice is issued).

Finally in accordance with paragraph 3.10.5 of the Code, a record of all providers granted permission as part of this initial six month pilot will be placed on PhonepayPlus' website.