



Premium rate number services – Consumer research

Qualitative In-depth interviews

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PhonepayPlus

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Introduction

Background and objectives

The main objective of the research is to identify what causes confusion or misleads consumers, particularly in the advertising of phone-paid premium rate number services, and the ways in which 'terms & conditions' (of services) are communicated. Focusing on consumers who have experienced or anticipated 'low level of harm', the aim is to gain a better insight into consumers' perceptions, experiences and expectations in relation to purchasing these types of services.

The premium rate number segments investigated were:

1. Mobile content subscription services
2. Mobile content / services purchased via WAP
3. Chat / dating services
4. Competitions (scratchcards and prize claim mailshots)
5. 09 Calling card services

The consumers who were recruited had to have been exposed to advertising for the services, whether via press, online, TV or in the case of 09 calling cards) by being handed a card in the street. It was essential that they had some experience of the service, either from using it or because they had considered using it.

Methodology

70 one-hour in-depth face to face interviews were conducted. During the interviews, respondents were shown stimulus materials in order to explore in detail the areas that were confusing or misleading.

Each segment was split into two groups: those who had used the service and those who had thought of using the service.

Segments	Total Number of interviews
Mobile content subscription	14
WAP services	14
Chat / dating services	14
Competitions (scratchcards & prize claim mailshots)	14
09 Calling card services	14

Management summary

The management summary presents the findings that were identified as being common to all five segments investigated. The detailed findings for each of the five individual segments are described in the sections that follow the summary.

Respondent profile – who are they?

The overall profile of the respondents was diverse:

- From students, working, unemployed, to retired.
- English and other ethnic Backgrounds (Caribbean, Asian, African, Eastern European)
- 16 to 67 years old

It is important to stress that, before using these services, all respondents had experience of alternative services NOT accessed via premium rate numbers, such as pre-paid calling cards / paid-for lottery scratchcards / free ringtone downloads.

What is the norm for them?

The experiences listed below set their 'Expectation' – and they go into the premium rate service purchasing process armed with that knowledge, and therefore predisposed towards what they regard as 'the norm'.

Segments	What they 'normally' do
	Prior experience before using premium rate types of services:
Mobile content subscription	Like to have fun or pass the time with games or listen to music files and regularly customise their phones with ringtones, wallpapers, etc.
WAP services	
Chat / dating services	Have tried online chat dating forums, speed dating ...
Competitions (scratchcards & prize claim mailshots)	Like gambling, taking part in competitions on the radio or in the press, going to Bingo, or buying lottery tickets or scratchcards.
09 Calling card services	They use and are very familiar with pre-paid cards to call abroad and keep in touch with family and friends.

Low awareness and lack of understanding of premium rate numbers

There is confusion and lack of understanding about what premium rate numbers are.

Most respondents understood that calls to premium rate numbers are more expensive than local rate, but they did not know exactly how much more expensive they are. When asked for examples of premium rate numbers, numbers such as 0870 and 0845 were cited. Only a minority mentioned the 09 prefix.

None of the respondents associated the shortcodes (used to send a text to the service) with premium rates.

Premium rate numbers have gained a poor reputation, and respondents admitted they try to avoid using them. However all have in fact used them without realising it, because they wanted the product (such as a download) or the experience (such as chat or a competition entry) and the outlay was considered to be small.

The purchasing process for premium rate number services

Respondents saw these services advertised: in the press, online or on TV. In the case of 09 calling cards, the cards were handed out in busy high streets and outside tube stations.

Irrespective of the service...

1) respondents were enticed / seduced by several factors:

- Appealing / eye catching advertising
- Novelty factor, curiosity to try another service, *"might be worth giving it a try"*
- Price: non threatening, appears good value
 - appears to be a promotion or a 'freebie': part of the service or the whole service appears to be free
 - it's given to them free, it falls out of a newspaper, it says "you are a winner", it says "free download"

2) and they had faith and trust in the service advertised, because

- it appeared to be endorsed by what they perceived to be reputable companies (newspapers, TV channels)
- it was similar to what they had used in the past (e.g. scratchcards, pre-paid calling cards)

What they expected vs. what they got → A disparity

Respondents' expectations varied; however overall there was a disparity between what they expected and what they got, in terms of

- the amount they ended up being charged (some did not even expect to pay, as they thought it was a 'freebie')
- and, to a lesser extent, the quality of the product / service.

Irrespective of the service, respondents expected 'a bit of fun' but also, in terms of the purchasing process, they expected to enter into a 'traditional purchase mode' based on their experience with similar (non premium rate) services.

Why? What was misleading? What caused confusion?

Irrespective of services:

- Pricing
 - Lack of clarity and consistency in the pricing structure in terms of wording and also layout (small font used, pricing details hidden in long stretches of text)
- Terms and conditions
 - Too wordy, too long, seem to be deliberately written and laid out to confuse and to deter a thorough reading.
 - Relevant and important information for the reader is often hidden in the middle or at the end, where readers would have already stopped reading as the first few lines (e.g. publishers, copyrights) seem irrelevant to them.
- Context - Misleading advertisement, apparent endorsement from companies perceived as reputable (MNOs, publishers, TV channels)

How does the context have an impact?

As a result of the context in which the service is purchased, respondents are misled because, as they admit, they let their guard down.

They are seduced and want to give the service a try. It seems similar to what they have used before or the cost of the service / product is attractively low. Therefore, entering into the 'transaction' does not seem to need much thought. They then go into the purchasing process very quickly, and do not necessarily think it relevant to read the small print, which (as they say) is difficult to read anyway.

How did they feel about the experience?

Irrespective of the service, respondents felt:

- Disappointed
- Angry
- Cheated / 'hurt'
- Frustrated / irritated ... even stupid to have fallen for a 'con'

Most did not want to complain about their experience, as they

- felt the amount they lost was not worth pursuing
- feared it would cost them even more to complain
- do not trust the company to give a refund
- do not know who to contact

What impact has their experience had? → Impact on usage, confidence and trust

The respondents mainly said they put what happened down to experience - but their image of the industry is tarnished.

Consequently, their trust and confidence in using the service again is reduced, if not eradicated. However, for most of the services (but not the 09 calling card service), many respondents said they would in fact like to use such services again - but only if changes were made to give them more confidence.

What improvements would consumers like to see implemented to increase trust and confidence in using the service?

Overall – irrespective of segment

The common trust drivers that can be identified in all the segments investigated are...

Being upfront about what the service offers and the cost by having:

- **Clear wording (simple and unambiguous) in pricing information, Ts&Cs and other information related to the transaction**
 - Cost to be stated clearly, including any minimum call charges or other incidental charges incurred (e.g. download charges, etc)
 - Any reverse billing to be clearly stated
 - Not to use the word free if the service is not completely free
 - Information to be prioritised and presented according to needs of the user, not the service provider
 - Terms and conditions to be less wordy and to contain only relevant information

- **Clear layout throughout**
 - Bigger font to be used for all important information (i.e. pricing, stop instructions, opt in / opt out for sharing of personal details). The font used needs to be visible to the naked eye
 - the small font was undeniably difficult to read for all users, even when their eyesight was good;
 - moreover using small font discourages users from reading and implies the information is not important
 - Colours used in the text and the background to aid readability

- **Product information**
 - A clear statement about the product or service describing what the service is and how it works
 - No misleading advertising (e.g. when a game is advertised as a 'top game' but in fact the price relates to another, lesser ranked game)

- **Context: Advertisements and perceived endorsement from reputable companies**
 - There tends to be an increase in trust and confidence if the product or service is
 - advertised in a well-known medium distributed widely by a large publishing company
 - or broadcast on major TV channels
 - or endorsed by the network operators (through use of their logos)

- **Provision of contact details (credentials) for service providers**
 - Website address
 - Postal address (not just a P.O. Box number)
 - Telephone number (not premium rate, and not with IVR but a 'real person' to talk to)
 - Email address

What would increased confidence and trust do?

In general, respondents said they would increase their use of these services if they had more confidence in them.

"Yes I would use them much more if I had more confidence ... I buy iTunes because I know what I'm getting for 79p each, it's clear so I commit to doing it"

"If I knew what I was getting, I'd stay loyal longer"

Segment 1: Subscription services findings

Segment 1: Subscription services

This report presents the findings of the premium rate number subscription services segment, defined as mobile content **subscriptions** for ringtones, wallpapers or games. Subscribers use their mobile phone to sign up to such services (and are charged a daily or weekly fee until they text STOP to end the subscription).

The consumers recruited had to have experienced the mobile content subscription services that were advertised. They were split into two groups, those who had used the service and those who had thought of using the service.

Profile of subscription users

Most respondents were full time workers, but there were also students and part-time workers. They like to personalise their phones by downloading new ringtones, games to pass the time or songs to listen to while on the move.

The age of the respondents varied from 16 to 35 years.

Experience of premium rate subscription services

What enticed the respondents into using the service?

Respondents enjoy having the latest song, ringtone or game. There is a desire to be 'cool', 'fashionable'. For some, there is just the novelty factor.

Most were also seduced by the word free and the promotion deals offered.

"My friend had the song and I wanted the same. It was cool!"

How did they go about it?

They saw the ad in magazines, online or on TV, and after selecting the product they sent a text to the shortcode. They would then receive the download.

The whole process was described as fast and easy. Considering the amount involved, the purchase is really considered to be non-threatening. It is an impulse buy and it is not expected to generate a lot of thought.

"It was only £3.50 and I spend that in Starbucks"

What were they expecting? What did they get?

Respondents expected to pay the price advertised but, for most, what they did not expect was the fact that the service was a subscription.

Their assumption was that they were buying a product, and they assumed the price quoted is the total price, as in any other traditional purchase.

How did their experience make them feel? And why?

Respondents felt: disappointed, cheated, stupid for falling for a con, and even in some cases irritated and frustrated, especially as they did not know how to stop the service and felt “bombarded” with unsolicited messages. One respondent ended up changing his mobile phone number in order to stop the subscription.

There were two main reasons why respondents were disappointed or angry with the mobile content subscription service.

- Actual cost of the service
 - o Most did not realise it was a subscription and that the price was not a one-off
 - o The hidden charges
- Quality of the product
 - o The song was too short
 - o They felt that the game was not a ‘top’ game as described
 - o The quality of the pictures or sound was not as expected

Will not repeat the same mistake

“I could not believe it! I was literally taken for a ride”

“The whole thing made me feel a victim”

“The only way around this was to change my mobile network. Now I will never buy via these services”

STOP command

For the majority, cancelling was not an easy process and contributed to the feeling of anger and frustration:

- If at the time of the purchase they had not realised that it was a subscription service, they would not necessarily know about the stopping procedure. If they did, there were still unsure and worried about the procedure not working.

“I thought if I did not text back, they would stop sending them....”

- Lack of confirmation increases concern

“How am I supposed to know if it will work?”

- There was concern about having to pay additional costs to get information

“How much am I being charged to send the STOP text back?”

Most sought help from others such as network operators, third parties or friends.

How did they check what they were charged?

It was only when they received their bills at the end of the month (for contract mobile phone users) or when they noticed their credit had dropped more quickly than expected (for pay as you go users) that respondents realised the actual cost of their purchase (and for some people it was only then that they realised the service was a subscription) and that they had to cancel in order to stop paying for it.

“They cost an unbelievable amount of money, what a shock when you receive the bill”

What was misleading and what needs to be done to increase confidence and trust?

Respondents were shown a series of print and TV adverts for the subscription services in order to identify the areas of confusion. During the interview, they also described the purchasing process that they went through. The exercise confirmed their feedback and helped gain clearer indications of the areas for improvement.

Pricing

The pricing structure is not clear from the advert. Respondents were confused about:

- what was included in the cost, and when they start paying if it is a promotion
- registration charges
- the minimum amount they will be charged.

“It says: Join for just £3 a week and get up to 5 downloads for just 60p each....I don’t understand ... I am not sure what it means. Do I pay after the 5 downloads or do I pay 60p on top of the £3?”

“It is quite long and distracted by music, and it doesn’t make clear what you get for £4.50 a week”

How to stop

Most respondents understood why they did not necessarily realise they had bought a subscription, as they noticed when shown the stimulus material that the information on how to stop is hidden in the advert.

Areas for improvement were:

- State in a clear and visible way the service is a subscription (not hidden in terms and conditions, and in bigger font.)
- Improve clarity of the instructions to stop, in terms of the wording used
- Specify if a cost is going to be incurred (although ideally users did not want to pay)
e.g.: do not say “STOP TO 41144” but “TO STOP THE SERVICE TEXT STOP TO 41144, THIS TEXT WILL BE CHARGED £XX or THIS TEXT WILL NOT COST YOU.”

“Just tell people clearly how much it is to join up, how much per song and how much to stop”

Layout

The print adverts were in general thought to be colourful, welcoming, enticing and fun, and their look and feel made the product appear to be a low spend item.

However, the messy layout and the overuse of images confuse the reader and make it unclear who the service provider(s) is (are) for each advert on the page. This is an area that respondents felt could be enhanced in order to improve the clarity and increase the confidence and trust in the service.

“There is a lot going on on the page... how can you notice this information? And it is so small!”

“I think these kinds of adverts are dodgy now... I try to stay away from them now!”

Perceived endorsement from reputable companies

The advertising medium does have influence on their perception of whether the service is reliable or not, one that they could trust.

Some assume that if the ad is seen in quality magazines, the services are more reputable (especially because they expect that the service providers will have undergone some kind of vetting process).

Others – a minority – are more cynical, recognising that the ads simply generate revenue for the magazines.

“It doesn’t make any difference what platform a shyster stands on...he is still a shyster”

Moreover, respondents mentioned that the use of network operators’ logos in some adverts implied some sort of endorsement from the network operators.

“The fact that you have the logos of the mobile operators makes it look like they are approving this”

Terms and conditions

Most respondents admitted they never read the Terms and Conditions.

“It is not like I am buying a house, is it?”

“They are too small anyway”

Terms and Conditions usually:

- Are too small, almost hidden

- Appear to be deliberately written and laid out in order to create more confusion and to distract the reader from seeing the important information, such as instructions on how to stop the subscription.

“Nobody would read past the first sentence about publishers ...it’s gibberish”

“They should be written in font 12 and not 7.5”

Areas for improvement for the Terms and Conditions:

- Layout
 - o increase font size and ensure the background colour does not make the text difficult to read
 - o use bullet points
- Content:
 - o be less wordy
 - o Should contain relevant information and be prioritised according to the needs of the user not the service provider; for example copyright information is not seen as essential for the user.

Level of Understanding of Premium Rate Numbers

For most respondents, premium rate numbers implied a higher cost than other calls, but how much more expensive these numbers could be is not well understood. Respondents tend to associate premium rate with 0870 / 0845 types of numbers. The 09 prefix was recognised only by a minority.

Very few associated premium rate with text shortcodes.

How they feel about using premium rate numbers

Generally, respondents would prefer not to use premium rate numbers as they are uncomfortable using them, feeling they could be ripped off.

Moreover, they are not seen in the respondent’s mind as a normal way to enter into a purchasing transaction.

Conclusions – Subscription services

People who had used these services have experience of downloading new ringtones, wallpapers and games onto their phones. Because the cost of such downloads is low, such transactions are seen only as a small indulgence, regarded just as “throwaway” expenditure. These users will happily spend £10 a month or more on such small pleasures.

However, they do not expect to be drawn unwittingly into what appears to be an open-ended subscription arrangement, and to receive texts daily (or more often) that they later discover are reverse billed. They are often angry at themselves about being made to feel stupid because they failed to read the terms of the transaction thoroughly. Some admit they were naïve or gullible to fall into the trap.

However, when they look at the stimulus material, taking the time to read through it fully, most are considerably confused about the instructions and the Ts&Cs. They find the print difficult to read (implying the service provider has something to hide), the language used unclear and the text too verbose and longwinded.

What would increase trust and confidence is:

- Clarity on pricing: being upfront
- Clarity on what the service is i.e. a subscription, and how to stop
- Layout: font that can easily be read, and appropriate colours used for the text and the background to ensure contrast and legibility.

Segment 2: WAP services

This report presents the findings of the premium rate number WAP services segment, defined as using a mobile phone WAP browser to download add-ons such as wallpapers, ringtones and games, and also MP3 files onto the phone's music player.

Sometimes such personalisation content is provided on a subscription basis, so there are some similarities in the findings between this segment and the mobile content subscription segment.

The consumers recruited had to have experienced the mobile content download services that were advertised. They were split into two groups, those who had used the service and those who had thought of using the service.

Profile of WAP users

Similarly to mobile content subscription users, most respondents were full time workers, but there were also some students and part-time workers. They like to personalise their phones by downloading new ringtones, games to pass the time or songs to listen to while on the move, and they are familiar with the process involved in getting the content they want.

The age of the respondents varied from 20 to 35 years.

Experience of premium rate WAP services

What enticed the respondents into using the service?

Similarly to mobile content subscription services, these respondents like to have the latest song, ringtone or game. There is a desire to be 'cool' and 'fashionable', and in many cases to keep up with their mates by getting the same download (ringtone, game, etc). For some, there is just the novelty factor. Others were seduced by the word free.

"It said free download, I thought it was a freebie"

How did they go about it?

Some respondents were just browsing on their phone and became interested in downloading something new, but most of them already knew what they wanted to download. They used the WAP feature on their mobile phone to browse to the download website, clicked on the category (games, ringtones, music files, wallpapers, pictures, etc) and then either selected the download they wanted from a "Top Ten" or searched for it.

The whole process was described as fast and easy, a matter of 'click and buy'. Considering the amount involved, the process is really considered to be non-threatening. It is an impulse buy and does not involve a lot of thought.

What were they expecting? What did they get?

Respondents expected a fast, straightforward download service, and to pay the price displayed next to the item on the webpage. Sometimes they had been surprised to find that their PAYG credit had dropped, after they downloaded something that had been offered as “free”. A few found they had unwittingly entered into a subscription service, and consequently did not expect to pay the large amounts they were being charged for all the text messages and links they were receiving.

Others found they had incurred extra, “hidden” charges in addition to the cost of the download. Their assumption had been that they were buying a product, and they assumed the price quoted was the total price, as in any other traditional purchase.

“I downloaded the ringtone from the Jamster website but then [the Network Provider] added their own charges on top – it was double what I expected”

How did their experience make them feel? And why?

Respondents felt disappointed and angry, and if they had realised they had been charged for something that had been offered “free”, even cheated and stupid for falling for a con. In a few cases, where they had been enticed into a subscription service, they felt irritated and frustrated because they did not know they had subscribed and therefore did not know how to stop the service and felt “bombarded” by unsolicited messages.

The main reasons why respondents were unhappy with the WAP service were:

- Actual cost of the product / service
 - o Charged when it was supposed to be free
 - o “Hidden” charges (especially download charges)
- Impossible to retract the purchase
 - o By the time they clicked, they sometimes realised that they were actually downloading and did not have a chance to stop as the download was fast.
- Not knowing which company they are buying from, in case they have any follow-up queries or complaints
- Quality of the product
 - o Sometimes the song was too short
 - o Or they felt that the game was not a ‘top’ game as described
 - o Or the quality of the product was not as expected – sometimes the ringtone was low-grade, and certain games did not work well on certain phones

“I found the song I wanted, and I would have liked to listen to it to check it out, but I couldn’t see an option for that. I clicked on PURCHASE NOW and it started to download at once, but I didn’t really like it, and I was annoyed.”

“It was an old game and it took a long time to load”

How did they check what they were charged?

It was only when they received their bills at the end of the month (for contract mobile phone users) or when they noticed their credit had dropped more quickly than expected (for pay as you go users) that respondents realised the actual cost of their purchase (and for some people it was only then that they realised the service was a subscription) and that they had to cancel in order to stop paying for it.

“I didn’t realise until all my credit was gone that something wrong was going on and it took me another two weeks to figure it out”

“They say you can get free ringtones, they lead you to their website, then you realise you have to sign up to a subscription. I don’t want to because they may take money through my phone without me knowing.”

What was misleading and what needs to be done to increase confidence and trust?

During the interview, respondents were taken through the download purchasing process that they had gone through. The respondents were also shown stimulus material (print ads and a TV ad). This exercise confirmed their experiences and helped gain clearer input about areas for improvement.

Pricing

For some, especially younger users, the pricing structure appears confusing and unclear.

- they are unsure exactly what is and what is not included in the cost
- for subscriptions, registration charges applied, but sometimes this was unclear
- sometimes minimum charges apply, but this is unclear
- reverse billing
- hidden charges / vague data charges

“They say you get so many kilobytes for £1, but how am I supposed to know how many kilobytes I’m using?”

“When it says free, it’s always a catch – either they end up charging you after all, or you find you have subscribed to something. You get hooked in, and then you have to cancel it.”

“Do you get charged to send STOP? It doesn’t say. That’s another hidden charge.”

Terms and conditions

These can be seen either on the service provider's webpage (which can be accessed via the mobile phone WAP browser) or in ads for the service.

Most respondents admitted they never read the Terms and Conditions.

"They're printed in a way to frustrate the reader; you just look at the bigger print. There's too much fine print they know people won't read."

"I want the terms and conditions in the TV ad; it just refers me to the website, but I shouldn't have to go to the website to read them"

Terms and Conditions usually:

- (on the service provider's webpage viewed on the phone) are almost hidden at the end of the page.
- (in the print ad) appear to be deliberately written and laid out in order to create more confusion and to distract the reader from seeing the important information, such as details of any extra charges.

Respondents mentioned the difficulty of reading small print on their mobile screen. It is not easy to see all the information, so they need to scroll down or even go to a second page.

Some users are concerned that they are being charged to read the service provider's Ts&Cs on their mobile screen.

"I know I should read them, but I don't want to spend long on there as it's costing me. The longer I'm on the net, the more I pay."

Areas for improvement for the Terms and Conditions:

- Content:
 - o be less wordy and use plain English
 - o should contain relevant information to the service purchased
 - o should make it crystal clear if the user is entering into a subscription

Layout (print ads)

Many said they disliked the 'cheap' design of ads for downloads – too cramped, cluttered, confusing – and that it was difficult to wade through the content to find key information. The look of the ads made some potential customers wary about buying.

“I just find the look of ringtone ads cheap, unsophisticated, I just feel somehow I’m going to get conned. People just aren’t attracted to these ads, they’re off-putting.”

How to stop

A few respondents found they had entered into a subscription. Looking back they now understand why they did not realise this, as they noticed when shown the stimulus material that the fact that the service is a subscription is unclear.

The areas for improvement suggested were similar to those identified in the Subscriptions segment:

- State in a clear and visible way that the service is a subscription before the user clicks to buy the download.
- Make the wording of the STOP instructions clearer to understand
- Specify whether or not a cost will be incurred to stop, rather than say nothing

Level of Understanding of Premium Rate Numbers

For most respondents, premium rate numbers implied a higher cost than other calls, but how much more expensive these numbers could be is not well understood. Respondents tend to associate premium rate with 0870 / 0845 types of numbers. The 09 prefix was recognised only by a minority.

Very few associated premium rate with text shortcodes.

How they feel about using premium rate numbers

Generally, respondents would prefer not to use premium rate numbers as they are uncomfortable using them, feeling they could be ripped off.

Moreover, they are not seen in the respondent’s mind as a normal way to enter into a purchasing transaction.

Conclusions – WAP services

Similarly to subscription users, people who had used WAP services have experience of downloading new ringtones, wallpapers and games onto their phones. Because the cost of such downloads is low, such transactions are seen only as a small indulgence, regarded just as “throwaway” expenditure.

Consequently, results are similar to the subscription services segment, since the major disappointment / confusion was due to the fact that users did not realise they were getting into a subscription service due to the lack of clarity of the information provided prior to purchase.

Moreover, other concerns were raised in relation to

- Not knowing which company / website they were buying from. The main reason behind this concern is that if they need to enquire or complain about the service / product, they would not know who to contact.
- Not being clear about the hidden charges such as download charges
- Misleading product description or advertising: stating ‘free download’ actually implies it is free as users do not know that there are download charges.

Segment 3: Chat / dating services findings

Segment 3: Chat / dating services

This report presents the findings of the investigation into premium rate number chat / date services.

The consumers who were recruited had to have experienced the chat / date services that were advertised. They were split into two groups, those who had used the service and those who had thought of using the service. The focus was on younger age groups and equal split between male and female.

Profile of Chat / dating services users

Who are they?

The respondents who used the chat services are single; a couple of respondents are divorced with children. Most are working full time.

Their ages varied from 20 to 32 years old.

What enticed the respondents into using the service?

Most of the respondents interviewed for this project used this service in order to

- Entertain themselves; they felt bored, lonely and wanted a bit of fun, could also be seen as a confidence booster.
- Potentially to meet someone: they are shy and thought of trying to use the service to see if they could meet anyone, it was seen as another way to possibly meet someone.

Moreover, respondents were also familiar with other means of dating, which they have also tried, such as speed dating and online chat rooms.

About premium rate number Chat services

"I've tried that [premium rate chat service] because let's face it: I am not the type of girl that men will look at, and why not."

"I don't think it's a seedy thing anymore, a lot of people use these"

"I've had my share with men. I am divorced (for 1 year now) and I just want to meet someone, not for necessarily serious relationship where I am getting into commitment."

"It's a bit sad to have to resort to this, but 20% of marriages are through online dating... so why not?"

What do the words “Chat”, “Flirt”, “Dating” mean to the respondents?

Overall, when asking the respondents what they understood by “chat”, “flirt”, “date”, most were clear about what they meant and accepted that there are some differences between them, although they overlap and are interlinked.

Chat and Flirt:

- having fun
- no real intentions to meet
- not necessarily face to face

“It’s just a bit of fun, it can’t do any harm”

Date:

- Slightly different as it could lead to a date and face to face interaction (pending mutual appreciation and desire to meet)

Text dating, photo dating, video dating and sex dating:

The respondents thought that in text dating and video dating they could exchange messages via texts or video files on a one to one basis.

They were not familiar with photo dating or sex dating as such, but they envisaged it would mean an exchange of some sort with someone else. Sex dating meant both parties expect to have sex with no particular commitments.

Experience of premium rate Chat / dating services**How did they go about it?**

Respondents saw:

- ads in public places such as the Underground with a number to call
- or ads in magazines or newspapers such as the Sun or Times,
- or TV ads (Channel 4, Sky, Virgin or other cable channels), usually late in the evening.

They then followed the instructions given in the ad: they called a number or texted to a shortcode.

What enticed respondents into using the service?

The advertising, whether TV or print, was seductive. For men in particular, pictures of attractive women grabbed their attention.

Certain words such as *“meet someone in your local area”* have also enticed some of the respondents.

They initially did not feel threatened by the cost, as they felt they would be able to control that element. However, some respondents mentioned that the ads, especially in print, would also mention “Free chat”.

“I saw the ad and the women used in the ads are pretty and well that caught my attention”

“It did not seem expensive and considering what you could spend on the speed dating events, I thought I could try”

What were they expecting?

Expectations varied. Some expected a bit of fun and a thrill, some sensations. Others expected to potentially meet someone, if they felt there could be compatibility.

Most expected to be exchanging texts or conversation with genuine people who also wanted to chat, flirt or date, even if they did not necessarily aim to eventually meet people face to face.

“Well you’d expect to talk to someone, like maybe going out for a drink... but it is a bit scary because you don’t know if the other person is ‘psycho’ or not. Starting with text is easie.r”

Areas of concern when using chat dating services

Spontaneous comments were made in relation to

- Use of personal contact details: most expected that their details would not be shared with other parties without prior consent and that would be information they look for.
- And the importance of ensuring they are chatting with adults who are not underage and are genuine people.

“I am just scared that the other person is not who he says he is, for example older man pretending to be younger and also sometimes under 18 who pretend to be adults... then it is a total waste of money”

“I have a friend who works for one of these services, texting, and he has to pretend to be a girl”

Did they obtain what they were expecting? How did their experience make them feel? And why?

Overall, respondents were disappointed, as the service did not match up to their expectations.

Moreover, some were shocked when discovering the actual cost of the service.

“Just thought it was a rip-off”

“I felt like I was chatting with a computer or someone who’s doing it as a job”

“It’s quite addictive, you get an instant response, you get intrigued to find out who is behind the text, if you are flirting you can easily send and receive ten texts in an hour, and they cost 60p each”

“You have this long recorded message and then you get the numbers. Then I went on to exchange texts, I ended up paying around £300!!! That’s a lot for what it was, I did not understand how I could get charged that much, I wished I’d spent it in drinks and food instead of text messages”

Overall, most felt confused about how the pricing actually works. Most were not sure whether or not they would pay for text messages they received. Moreover, the feeling of being ripped off was worsened when they realised that they had inadvertently “subscribed” to a service, and they had to cancel by texting back STOP to avoid being charged further.

Following these bad experiences, respondents are more wary and cautious.

“I was more naïve then, now I’d use a back-up mobile number, so I could get rid of it if I started getting problems [unsolicited texts]”

“When it’s so grey, not black and white, you daren’t make a mistake ‘cos it’ll cost you”

What was misleading and what needs to be done to increase confidence and trust?

Respondents were shown a number of sample materials (ads from Loaded, and Cosmopolitan magazines and from the Evening Standard), and were asked to watch a TV ad and to listen to the IVR message that plays when calling the number of the service advertised. The objective was to pinpoint exactly what they found misleading and unclear. Overall, this exercise confirmed their experience. The following findings are based both on the respondents' personal experiences and the exercise used.

Irrespective of the materials shown, areas for improvement were suggested in order to increase the clarity of the pricing and how the service works.

Respondents felt that it was very difficult to understand what the user is getting into. A lot of questions arose: "What I am supposed to do once I get a text? How do I know they have found someone in my local area?" "They say to text but then they also give a telephone number; which one is which?"

Pricing

- Needs to be clearer and more upfront and specify how the charging operates (i.e. for both sent and received text messages)
- The user should not have to pay to cancel the service
- Inform the user of the duration of the call and total cost of the call
- If there is a promotion: be clear on the costs of texts included in the promotion and of those not included.
- State how many texts (that are charged to the user) can be received a day
- Improve clarity on the cost of calling the number used and specify if the number is premium rate or not
- State the price at the top of the ad not the bottom

"How much it is to text, not just to [service provider] but to the other people chatting"

"I'm not too sure what I'd be getting into ... 50p for the first text but I don't know what would happen next"

"The ad says 60p per minute but it's a premium rate number 09098 so I don't believe it, it seems too cheap"

Instructions / how the service works

- Need to be clearer and more of them

“The ad should say who you get through to if you call, what happens next”

“They should tell you in one sentence what to do, step by step, to make it clearer”

“They want to entice you with the least amount of information”

“You could spend quite a bit of money before you work out how to stop”

“You could see the ad and get the main number but forget to take down the STOP number”

Advert

- Could be improved to look less ‘cheap’ or sound less cheesy
- Unclear what the phone number shown is for, i.e. if it’s for the helpline or something else
- No information is given on what happens after the user phones the number

Terms and conditions

Most admitted they do not read them and do not expect them to be available on TV ads. However, ideally the reference to Terms and Conditions could be made during the TV ad.

“They want your business, and if they give them [Ts&Cs] they won’t get people calling”

“It’s all legal lingo ... you read the first sentence then give up”

“The price info is PARTICULARLY unclear; the fact that it’s right at the end in the Ts and Cs box scares me off”

“They are tiny, and you are usually focused on the big breasted ladies”

The following areas for improvement were suggested:

- For TV ads: Improve the pace: currently the voice over is too fast
Glossed over ...seems deliberately quick so as to confuse
- Improve usability: currently need to go to website to check – off-putting for some but often suggested as action point
- Language used is confusing e.g. “unsubscribe text stop”
- Improve layout and use bigger font: White text doesn’t stand out enough against the girls in the background
- Should include data protection info and safety guidelines
- Should say ‘Ts&Cs are on website’ and have website address in corner of ad throughout

What else increases confidence and trust in using Chat / Dating services?

Safety guidelines in ads

All recognised that it is important to have them and that they are part of the minimum required information for any type of ad, especially as young people could see the ads.

“These are important and it’s not offensive to put those in”

“It would give me more confidence, I’d give it a go, and having the meeting advice [in the ad] gives you more reassurance”

Industry standards

“It would do them no harm to say we adhere to a code of conduct, it would make you feel so much safer and it would help the industry shed its sleazy image”

Perceived endorsement from reputable companies

Many mentioned that they feel safer by using a service that is advertised in reputable / known publications such as The Times, London Paper and Sun, or broadcast on TV or cable channels.

They would expect the advertiser to be vetted by the papers / magazines or broadcast companies, since they feel companies that allow advertising are responsible for that.

“That gives me a little bit of confidence [in the supplier]”

“It’s a bit more reassuring - if the channel allows it then it should be quite reliable”

Customer service

Reference to the helpline is encouraging and increased credibility.

“It was almost impossible to contact them after I received my phone bill; there was no helpline number, only a postal address”

Increased confidence increases usage

“If you get a good service you usually recommend it”

[If ad seen in ‘trusted’ medium] “You would think it’s a decent provider ... I would trust Mail on Sunday and Hello but not OK”

“I would spend £10 per month – it’s just buying something on the spur of the moment, if it doesn’t work you don’t care”

Level of Understanding of Premium Rate Numbers

Most of the respondents knew what a premium rate number is.

They gave examples of numbers starting with 09 and they understood that these numbers are much more expensive to call than other numbers. However, there is confusion about the actual rates charged, with some saying 30p per minute and others saying £1 or £2 or more.

None of the respondents associated the shortcodes used to send a text to the service with premium rates.

How they feel about using premium rate numbers

Generally, respondents would prefer not using premium rate numbers as they believe they could be ripped off.

“They’re going to stitch you up; you’re paying through the nose”

Conclusions – Chat / dating services

The issue of chat and dating services strikes a sensitive chord with users. People expect to have a bit of fun or chat with a genuine person, maybe to eventually meet someone. These users are from all sorts of backgrounds, and most of them for some reason feel too lonely or shy to engage with other people in other ways. Some would, in the back of their mind, ideally want to meet someone.

However, their experience with chat / date services was disappointing and even 'hurtful', as they did not receive the service they anticipated and/or ended up paying a lot more than they expected.

Respondents would feel more confident using premium rate chat dating services if the following were provided:

- Clarity on how the service works
- If it is a subscription, to clearly give instructions on how to stop
- Clarity on costs: how much a text costs to send and to receive
- Guarantees they will speak to genuine people who are
 - o interested in chat / flirt or dating, especially as they may want to then engage in further conversations or face to face meetings
 - o in similar age groups and
 - o not under 18 years old
- Guarantees that contact details are not passed on to third parties without prior consent
- Contact information for any queries; they are considered to be important credentials.

"If that was all stated clearly we'd all be doing it ... if I was looking for somebody I'd do this ... if you're not confident enough to do speed dating then text dating is a way to get started"

Segment 4: Scratchcards & prize claim mailshots findings

Segment 4: Scratchcards & prize claim mailshots

The results shown below are from Segment 4 'Competitions.' This segment was recruited and defined as follows:

'Entering 'competitions,' such as scratchcards & prize claim mailshots. To enter such competitions and claim the prize, the consumer is encouraged to use either a mobile phone (to dial or text) or a landline, to enter the competition and claim their prize.'

Fourteen in-depth face to face interviews were conducted; all respondents interviewed had experience of Competitions (scratchcards & prize claim mailshots). The criterion for pre-selection was that respondents had to feel that they had experienced (or would have experienced) some kind of harm, either due to deception or unclear representation of the prizes and procedures.

Furthermore, the respondents were split by 'users' & 'non-users' and the focus was on the 55+ age group.

Profile of scratchcard / prize claim mailshot users

All the respondents interviewed were over the age of 55, of which nine (out of 14) were retired.

They were careful with money and sensitive to costs.

All respondents use mobile phones but none use their mobiles to access any competitions. The majority use 'pay as you go'; they tend to see mobile phones as being for 'emergency' / 'convenience.' Furthermore, due to their usage, views and income, they tend to use pay as you go rather than contract as they see this as the cheapest option.

Scratchcards User	4 – Pay as you Go
	3 - Contract
Scratchcards Non user	5 – Pay as you Go
	2 – Contract

Attitudes to gambling

Irrespective of whether the respondent was a current user or not, the respondents had a 'positive' attitude to 'competitions' and 'prize claim mailshots.'

Although their attitude to gambling was fairly positive, the target audience were not 'hard obsessive gamblers' - they liked gambling (a number of them did so on a fairly regular basis) but did not spend hundreds of pounds. However, this target audience would spend anything from approximately £2 to £20 per month on gambling & competitions (such as prize claim mailshots & scratchcards).

"Once every 3 months I would spend at least...£60 – £80"

"I do the lottery once or twice a month...particularly the rollover..."

"I play poker at casinos sometimes... I bet £50 – £60 a night...when I am on holidays but that is rare"

"I like competitions particularly the ones where I know what I am getting – the ones that are done on the spot"

"I like bingo and competitions"

Experience of competitions and prize claims

How did they go about it?

Purchasing experience is split into the following areas:

The majority of respondents saw the 'Competitions' (such as scratchcards & prize claim mailshots) through newspapers and magazines, or had received a mailshot.

"I picked it up in a magazine, it seemed a reasonably good prize...rang number...cannot recall much as it was such a long time ago. I rang but realised that the prize was not a prize, it was only a prize draw! This cost me £10 for 7-8 minutes."

"It fell out of a magazine – it said you have won a prize and I called"

"I saw it in Readers Digest... I never won"

"Saw it in the Daily Mail"

"I found it in a magazine MOJO"

When did they purchase?

Interestingly, the respondents who initially described themselves as non-users of competitions (scratchcards / prize claim mailshots) had in fact taken part in competitions, but felt that the experience was misleading and were too nervous to try again.

The majority of respondents who had described themselves as non-users during the pre-selection process had entered a competition (scratchcard / prize claim mailshot) over a year ago, whereas the respondents who considered themselves as 'users' of competitions (such as scratchcards and prize claim mailshots) have entered such competitions within the past year.

"Last time I played was 4 years ago"

"6 months ago"

"I played 3 months ago"

"One year ago"

What were they expecting?

The main complaint respondents had was about the call charges to the IVR. They certainly were not expecting such high call charges and felt that they were misled.

"I did not expect to wait on the phone and get very little – I was expecting to get the prize I was led to believe that I had won"

"Hoped for more valuable prize e.g. £5000 not £5 The call to claim cost more!"

"They said I have won a holiday in Tunisia"

What did they get?

Respondents overall were very dissatisfied with what they got, but what was interesting was that they had a fairly detailed recollection of their experience, even if it was a long time ago. It seems that the experience is often so unpleasant that it stays with them for a long time.

"I ...got a pack of cards and when the telephone bill came it was £16...that was 4 years ago...now I read the small print"

"They said a holiday but had to send money, etc etc and dates never suitable, it was not really a prize!"

“They said I won... but not ‘I have a chance of winning.’ I did not get anything just a really cheap worthless thing which I ended up paying about £8 for.”

“Nothing... I got fed up listening to the endless message ... put the phone down and was charged for it! ...£5 I think”

Messages received from other suppliers / Choice to Opt in / Opt out

Respondents were asked whether anything had happened with their contact details given that they would have supplied them as part of the competition process. More specifically they were asked whether they were given the option to ‘opt in / opt out’ to receive information from sources / suppliers that they did not know.

None of the respondents were aware, or could remember, that they were given the choice to ‘opt in / opt out.’ Furthermore, the majority felt very strongly that they would not allow anyone to have their personal details. So the idea that companies may be passing (or selling) their details to a third party horrified them.

“I never give details...I am very wary of that. If I am dealing with a reputable company I would expect them to give me the opportunity to opt in / opt out”

“I am very fearful of identity fraud...not sure whether I was told about choice to opt in or out”

“Not averse to giving details...other than to banks... I would normally opt out...don’t like being contacted ...get calls anyway 3 – 4 times a day...from insurance companies ... it does piss me off”

“Wasn’t asked for contact details...I am fine about my address but nothing else such as PIN number”

“I am more aware now and will not give my details again”

“I cannot remember seeing anything about opting in or out”

How did their experience (with competitions) make them feel?

To be pre-selected, respondents must have felt that they experienced some harm (by entering the competition), or anticipated that they would be harmed if they had proceeded with the competition.

The respondents felt:

- Stupid for doing it

"Felt cheated and stupid ...So the lesson was DON'T do it again...don't open any scratchcards other than lottery"

- Conned and annoyed

"They make you listen, I was disappointed and the cost of the call was not worth the prizeit feels like a con"

- Will not repeat the same mistake

"Well I was not happy but I am not broken hearted as I did not lose a great deal of money... but I will not fall for this again"

"Put it down to experience.... they took £16 off me and laughed all the way to the bank"

How did they check what they were charged?

All the respondents who took part in a competition used their landline phone. The majority realised the ultimate cost of the IVR call, as they did check their landline phone bill. Furthermore, none of the respondents realised how much the call actually cost them until their landline phone bill arrived.

"I did check, it was £9"

"Yes I checked, it cost me £16"

Perceived endorsement from reputable companies

Some of the respondents received the scratchcard or prize claim mailshot in what they perceived as a reputable newspaper such as the Daily Mail or a magazine such as the Reader's Digest. These respondents felt that their guard dropped as they 'trusted' the publication, and they expected the publication to make the relevant checks regarding the services / products that they are promoting.

"I thought that the Telegraph would not allow such scams"

"I thought that a reputable magazine (MOJO) will always be strictly above board"

What was misleading and what needs to be done to increase confidence and trust?

Respondents were shown a number of sample materials, and were asked to listen to an IVR recording, in order to pinpoint exactly what they found misleading and unclear. Overall, this exercise confirmed their experience. The following information is based both on the respondents' personal experiences and the exercise used.

Description of the product / prize won

Respondents felt that the descriptions were very misleading and ambiguous; therefore what they could actually win or have a chance of winning should be clearly laid out. Furthermore, a number of the respondents mentioned that the fonts and colours used made the text difficult to read.

"No clear information about prizes"

"Almost certain nothing would have come out of it...at least we should be told that you are registered for a prize not that you have won..."

"They used black on green ... it is difficult to read"

"Have big, clear fonts and use colours that are sensitive to the eyes and easy to read"

"Simpler, straightforward; well presented language"

Pricing

In general, respondents felt that the way that pricing is presented is unclear, confusing and misleading. There should be no hidden charges.

"It just says calls would be charged at a premium rate...what's that?"

"I think it said pay nothing, except premium rate! I was too excited and rang... now I've realised that I should have stopped and thought."

"I thought it was very misleading as it stated 35p a minute...for 5 minutes; but the prize I thought I won was more valuable so I thought it worthwhile, but it was not worth it! They should tell you upfront ... that you have a chance of winning"

"No idea about the cost and could not believe it when I got the bill...but I didn't dare to phone to complain...would have cost me another £12 ...so put it down to experience."

The respondents felt that they should be told how much the call would cost – not just the per minute call charges but the cost for the duration of the call

the total cost as they had no idea), and if they have won a prize they should be told what it is without having to ring up and listen to an IVR machine.

Length of call

The length of the call and how much the total cost will be should be stated upfront. Currently the recordings on the IVR are considered to have too much 'padding.'

"Why don't they just state the TOTAL price?"

"The price should be clearly stated in BIG letters and in a prominent position"

"£1.50 a minute – outrageous...you are on for at least 8 minutes, that is £11 per call...they are making a fortune and the prizes are rubbish and it should be made illegal"

"Take out the padding, there is just too much unnecessary information"

"You are paying for the privilege of entering"

"Be upfront at beginning and tell us what it is going to cost...and if prize value is greater than cost of call, then I might be interested"

Terms & Conditions

The "Terms & Conditions" issue was one of the main areas that respondents spoke about. The main concerns with the Ts&Cs were that:

- they were far too small,
- they were too wordy,
- the language used was complex, confusing, misleading and ambiguous,
- the important information was hidden in the middle of the paragraph

"I have to carry my magnifying glass and a dictionary to read them"

"I went to the opticians recently and told him that I want to be able to see the smallest fonts; he said 'it is not the standard, you don't need it'"

"It takes too long to read them"

Respondents considered that the time required to read the terms and conditions carefully in relation to what they were 'entering' was not justifiable.

Interestingly, the majority of the respondents tended to be retired with time on their hands, yet they considered that the time required to carefully read all the small print was too much of an effort and unnecessary.

“They want to put us off from reading all the Terms and Conditions that is why they put so much stuff”

Contact details & how to get in touch

Respondents felt that ‘information on how to get in touch if there were any problems’ was missing or very difficult to identify. Respondents wanted to see full contact details namely:

- Full address
- Telephone numbers
- Website and
- Ideally name of person to speak to

“I was not too sure how to get in touch”

“Sure it says PO Box, which has negative connotations, but how do I get in touch?”

“I want to see a website so I can check it out... it does not have a website”

“It would be good to know where companies are based and have a telephone number”

How did the experience affect their confidence? What would they like to purchase but feel uncomfortable about?

The respondents felt that their experience had an effect on their confidence. For some, the experience was so unpleasant they will never use the service again. Others would like to use the service, but are wary and find it difficult to trust the current offerings.

If consumers ‘trusted’ and felt ‘confident’ with purchasing via Premium Rate services, the majority would consider using or increase usage. In the majority of cases respondents mentioned that they would spend approximately £5 a month. This is considerably more than what they are currently spending, however the sample is only based on 14 respondents and therefore such findings should be considered with caution.

Furthermore, it was considered that the ‘reputable channels’ that insert these types of scratchcards, such as The Telegraph, The Observer, MOJO, Reader’s Digest, The Times and Daily Mail could start to ‘clean up their act.’

Level of Understanding of Premium Rate Numbers

The majority of respondents understood that calling premium rate numbers costs more than calling standard numbers.

A small minority mentioned that premium rate numbers have 09 as the prefix; others mentioned anything that was not charged at a standard rate such as '0845, 0870, even 0800.' It is therefore clear that there is a distinct lack of awareness about which numbers are premium rate numbers. The consensus is that calling premium rate numbers costs more than standard rate numbers, but as to how much they are being charged the respondents were not sure. Overall they were confused about which were premium rate numbers and which were not.

"Premium rate is anything that is not standard rate"

"I understand the principle – they are higher than standard rate, it could be as high as £1.50 a minute"

"Is the charge 35p plus per minute?"

"They charge an arm and a leg per minute from a landline, not sure how much"

How they feel about using premium rate numbers

Respondents try to avoid using premium rate numbers and the majority did not realise (when they rang to claim their prize) that they were using premium rate services.

"I will not do it out of choice; I am very confused about premium rate numbers, which ones they are and which are not"

"Would not use it in principle BUT would, if the company is legitimate and prize is worthwhile and fair odds..."

"If I had an opportunity to win a cruise with 3 cherries – for example and I had a 20% chance and it's a fair odds. Even if I am not a winner but it is a checkable name...then I would be happy to play and pay a premium rate number"

"I only use to vote for the X Factor"

"Been caught before so I am dubious about using a Premium Rate Number"

"I try to avoid Premium Rates at all costs"

Conclusions – Scratchcards and prize claims mailshots findings

Irrespective of whether the respondent entered the 'competition' through a prize claim mailshot or scratchcard, they were encouraged to 'call' to claim their prize. The experience that respondents had with the process (including the user of IVR) was similar, irrespective of whether they were entering a competition initiated by 'scratchcards' or 'prize claim mailshots'.

Therefore, the main findings are that respondents would like to have the opportunity to take part in competitions, but they would like to see 'clarity and transparency' particularly with:

- Description of prize won
- Clarity with pricing (stating the total price, no hidden charges)
- Clarity with Terms and Conditions (using brief, simple, unambiguous language)
- Layout clarity, using large bold fonts, bullet points, in prominent positions and easy-to-see colours
- Company contact details (including telephone numbers, address, website and who to speak to for any queries)

Segment 5: Calling card services

Segment 5: Calling card services

This report presents the findings of the investigation into premium rate number calling card services (09 calling card service).

The consumers recruited needed to have used or thought about using the 09 calling cards given out in the street or advertised in public places.

Profile of calling card users

The respondents interviewed came from various ethnic backgrounds: English, Asian, African (Nigeria, Cameroon, South Africa), Russian and the Caribbean.

All have lived in the UK for at least four years. Although English was not their first language for the majority of the respondents, their understanding was generally good enough for them to speak and read well, apart from a couple of respondents whose English was less fluent.

The age of the respondents varied from 24 to 49.

Calling abroad: what services do they usually use and how?

Before looking into the 09 calling card service experience, it is important to understand the experience and usage of calling abroad.

The respondents need to call to keep in touch with their families and friends abroad, whether in their home country or somewhere else.

"I call my family in Nigeria, but I also have relatives and friends in the US and Canada"

"I have friends all over the world and I want to be in touch with them"

Most have a landline and pay BT for their landline communications. A couple had a package with Sky or Virgin, and their package included unlimited local calls. They all had a mobile phone, and most had a contract. Apart from one respondent, no-one used their mobile phone to call abroad as they believed it would be more expensive.

The monthly spent on landline communications (excluding line rental) varied from £5 to £30 approximately.

Currently:

The majority prefer to use pre-paid calling cards to call abroad, such as those with pre-allocated minutes that are available in corner shops and newsagents. These cards tend to cost £1 or £2.50, £5, £10 or as much as £20. By buying these pre-paid cards, most respondents felt they could better control their spending on calling abroad.

Most of them have used pre-paid calling cards for several years, and they tend to try different ones as they are always on the lookout for the best deal, which means maximum minutes for minimum outlay' often for just one specific country. Moreover, they are also aware that with some cards there can be quality issues, such as poor line, cut-offs etc, and therefore the quality of the call is also an important criterion when choosing which pre-paid card to buy.

Some mentioned they get recommendations from their friends or the shops.

Experience of 09 calling card services

What enticed the respondents into using the service?

These 09 calling cards were usually handed to the respondent in the street. Some areas mentioned were:

- Brixton
- Clapham
- Balham
- Oxford Street
- Covent Garden
- Tottenham Court Road
- Bethnal Green
- Liverpool street station area

Moreover, as respondents commented, the look and feel of the 09 calling cards seem similar to the pre-paid cards they are familiar with buying and using. This explains why they had no hesitation accepting the card in the first place. Other reasons why most of the respondents took and used the 09 calling card were:

- They thought it was a promotion and wanted to give it a try: they completely believed it was free, since they were given it in the street, especially as they are accustomed to receiving freebies in busy shopping areas or high streets.
- Others (a minority) thought it might be a cheaper alternative to what they currently use, and as they are always looking for good deals, they wanted to give it a try. They thought the card might offer more minutes.

All in all, most respondents felt intrigued and were willing to give it a try.

How did they go about it?

When they used the 09 calling card, they went through the process quickly and did not pay attention to the information on the card, if at all. They went straight into scratching off the pin number and calling the number on the card, as they are used to doing with the pre-paid cards.

Duration of the calls

The respondents usually called the number on the card for less than 10 minutes. Therefore, no-one had any experience of hearing a second pin in order to benefit from the cheaper rate advertised in some of the 09 calling card services.

Where they called from

All used their landlines as they would with the pre-paid cards.

None of the respondents mentioned having had a problem with the quality of the call.

“Usually with cards like that you are not supposed to call from payphone or mobile phones, I think it is more expensive”

What were they expecting? What did they get?

Expectations varied. Some expected to pay; others thought it was free (since they were given the card for free). All in all, they all expected it to be some kind of a promotion.

“I thought it could be a freebie or promotion, I could use some free minutes and only after would I have to pay”

“I knew it would cost me money, but I thought I would have lots of minutes on it, like a special offer.”

“It’s given to you; I did not pay for it so it should be free...”

How did they check what they were charged?

It was only when they received their landline bills that they realised how much they had been charged.

They tend to notice as they generally know how much they spend monthly and they pay attention to the charges for calls made abroad or on specific numbers.

“I got my bill, and then I had £5 something charged for the call I made and it was not that long... It should have been free otherwise I would not have used it!”

How did their experience make them feel?

→ Irrespective of their expectations, respondents felt disappointed or even angry.

The ones who expected to pay were disappointed with the high cost for the small number of minutes they were on the call.

Most did not expect to pay at all (since they thought it was a freebie given to them), and realised only when the bill arrived that they had been charged.

So they were angry and felt they had been “conned, ripped off” to the extent that some would proactively tell their friends and family not to take the cards when offered them in the street. One respondent even told a distributor of the cards that they were a con.

They also felt stupid or naïve, and were quick to blame themselves for not having paid attention to the instructions and the terms and conditions. However, they felt it was not fair to be given a card for free and not to be clearly told what the actual cost was.

“I ended up paying money, when I thought it was free! They give it out for free so it should be free”

“I feel stupid! I thought it was free... now maybe the information was there but I did not see anything about that at that time, it said dial and scratch and enter the destination number.”

“They should not be allowed to give them out for free”

Will not repeat the same mistake

Most felt their fingers had been burnt and they would not use the 09 calling card services again as they turned out to be more expensive than the normal cards they would use. Moreover, the fact that they felt ripped off reinforced their decision to never use them again.

“I tell anybody I can about this scam. It is very bad what they do”

Interestingly, some still tried to use the card several times (usually a second time, rarely a third time) but stopped when the phone bill came and they realised the true costs.

Also sometimes if the cards were given out in a different location, or if they heard about friends using a free card and being happy, they wanted to try again as they felt it may have been a different company.

“I was given one in Brixton, and also in Clapham, I thought because it's a different place, it would not be the same.”

What was misleading and what needs to be done to increase confidence and trust?

Respondents were shown a sample 09 calling card that had been handed out in the street (around London, Oxford Circus area).

The original card was also scanned and enlarged to A4 format in case the respondent was unable to read the instructions, so that we could obtain more feedback on the wording used.

Respondents were given a few minutes to read the instructions on the card.

⇒ Overall, the respondents were confused.

Their responses indicated that they were very puzzled about the process and the instructions.

What was misleading on the card?

Respondents felt that both the instructions on the cards and the pricing were unclear.

- Pricing

- The card appears to offer free calls. Although the first statement on the card states the total cost of the call, it is in small print and respondents usually hardly notice it. They looked at the first bullet point of the instructions as that was in a much bigger font size, and they are accustomed (from their use of prepaid cards) to quickly reading the number to call, scratching off the pin and starting the call, ignoring anything else written on the card.
- The phrase 'Total cost is £15' is not clear; what is needed is for that to be more specific and detailed, for example:
"To get the number of minutes, you need to stay on the line for XX minutes and the call will cost you £XX and this will be charged to your phone bill."
- The respondents said the card should clearly state how many minutes are available and how much the call to the destination number will cost

- Language used

- Some commented on the lack of clarity of the instructions, especially the ones relating to the "10 min continuous call." Certain words were found to be ambiguous and the sentences too 'grammatical' as one respondent said.
- Certain terms such as "bill's payer permission" and "continuous" were found to be confusing, especially when the respondent's native language was not English.
- Irrespective of their level of English, instructions 4 and 5 on the sample card were regarded as obscure and needed to be read a

number of times. Often even then the respondents did not fully understand them.

- **Layout**

- Some could not read the text about the total cost and the terms and conditions because the font size used was too small; others could read the text but it was very difficult. Ideally the instructions should be in a larger font size so the user can know what they are getting into.
- Most did not understand why the card had the UK directory enquiries number in a large font size, wasting space that they thought could be better used for making the instructions larger and clearer.

“They should write simple instructions, they should use clear English and not too much grammar” i.e. shorter sentences and simpler words”.

“Why do they have 118 number in big font and the most important information on cost in small print?”

Terms and conditions

Most respondents admitted they never read the Terms and Conditions.

When they took the time to read them during the interview, they usually admitted that some of the necessary information was there and clear, such as “unanswered calls to be charged”. However, they felt they were deliberately written to confuse people, especially as they are written in small print.

What was confusing in the terms and conditions was:

- The layout: small font
- The mention of the “0911 access number”: they did not relate this to the number they call to use the service.
- The fact that the customer service contact number is given just after the address along with other text, making it harder to distinguish.

“Honestly who is able to read them? I am 24 and I can’t read it”

Awareness of who to contact

Most felt they would not reach any resolution by calling customer services, and what is more they believed they would probably have to call another premium rate number and therefore incur more costs.

They feel they would have difficulties in proving that they were not given the advertised amount of minutes or that they were charged more than they should have been.

“What is the point? I would have to pay to call them and how am I going to prove to them that my call lasted for less?”

“It’s not worth the trouble! I just won’t use that kind of number again.”

When asking respondents which body they think they could complain to, all were unaware of PhonepayPlus. A couple mentioned Ofcom / Oftel but one did not think it was Ofcom’s remit either.

“I could complain to the competitions commission and the fair trading authority ... I know Ofcom don’t cover this”

Level of Understanding of Premium Rate Numbers

Most of the respondents knew what a premium rate number is.

They gave examples of numbers starting with 09 and understand that they are more expensive than all other rates, but how much more expensive 09 numbers could be is not well understood.

How they feel about using premium rate numbers

Generally, respondents would prefer not to use premium rate numbers as they are uncomfortable using them, feeling they could be ripped off. Interestingly, in the calling card situation, they are still willing to give it a try as they are seduced by the ‘free’ aspect and the potential of cheaper phone calls and more minutes.

Some have even gone as far as barring 09 numbers from their landline as they do not want to get expensive bills.

“If my friends want to call from my home’ I ask them which number they are going to call. If it is a 08 or 09 number I don’t let them use my phone”

“I barred the 09 numbers, that way I don’t get to worry about being charged more”

Conclusions – Calling card services

Overall, most respondents were not too concerned about complaining as they felt the amount they lost is not worth the effort and they put it down to experience. They do feel strongly about the 'conned' aspect and deliberate misleading, since it felt like a scam to them.

⇒ Since these 09 calling card services have a similar approach and look and feel to pre-paid calling cards, consumers are confused about how the 09 service works and how much they are being charged.

The following improvements were suggested by consumers:

- Ideally make it a free number to call or a local rate number
- Don't make it look like it is free by giving out in the streets for free.
- Clearer instructions and simple English to be used
 - o The continuous call information is not clear to anyone, and the second pin instruction was unclear and no-one understood it
 - o Lack of clarity about the procedure for subsequent calls
- Prioritise the information so that the important information for the user is stated clearly at the beginning
 - o Remove the unnecessary information such as the directory enquiries number
 - o Rearrange the information, putting the total cost information under the number to dial, so that the reader can pay attention to it.
- Layout
 - o Use bigger font size
 - o Show the customer service number separately to make it more obvious
 - o Ideally the card should come in an envelope, or packaged in such a way that the information on price, instructions and Ts&Cs can all be written in big letters and in a bigger space.
 - o The card itself could be bigger, providing more space for the important information to be in larger print, or some information like the table showing number of minutes for each country could be on the front of the card