

**THE CODE COMPLIANCE PANEL OF PHONEPAYPLUS
TRIBUNAL DECISION**

Thursday 20 December 2012
TRIBUNAL SITTING No. 116/ CASE 1
CASE REFERENCE: 09077

Network operator: Core Telecom Limited

Level 1 provider: N/A

Level 2 provider: Daniel Marshall t/a Housing Help UK, Mr A Esmaeli t/a Meydan Racing, Mr J B Hayes t/a Victory Racing, Premier Racing Club, Mr J Schofield t/a J S Racing

Type of service: N/A

**THIS CASE WAS BROUGHT AGAINST THE NETWORK OPERATOR
UNDER PARAGRAPH 4.4 OF THE CODE**

BACKGROUND

Daniel Marshall

On 19 July 2012, the Tribunal adjudicated against the Level 2 provider Daniel Marshall trading as Housing Help UK (“**Daniel Marshall**”), who operated the Housing Help UK premium rate service (“**the Service**”) (case reference 07101). The Service, which was promoted on the internet, claimed to offer help and advice to consumers, who were in receipt of benefits and required private rental accommodation. In order to use the Service, consumers were required to telephone the premium rate number, at a cost £1.53 per minute. On calling the number, consumers were required to leave their contact details for registration purposes. After registration, it was stated that consumers were regularly emailed a list of available properties, housing related links, details of local councils and a list of “DSS friendly” estate agents. Executive monitoring of the Service, including promotional material, highlighted a number of additional concerns in relation to pricing and registration.

The Tribunal upheld nine breaches of the PhonepayPlus Code of Practice (12th Edition) (the “**Code**”).

- Rule 2.3.2 – Misleading
- Rule 2.3.10 – Fairness – vulnerability
- Rule 2.2.5 – Pricing – proximity
- Rule 2.2.1(a) – Pricing – promotional material
- Paragraph 3.4.1 – Registration
- Paragraph 3.4.12(a) – Registration of numbers
- Paragraph 3.9.1 – Substantiate factual claims
- Paragraph 4.2.4 – Investigation – conceal or falsify information
- Paragraph 4.2.5 – Investigation – failure to disclose

The revenue for the Service was within the range of Band 1 (£1-5,000). The Tribunal concluded that the overall seriousness of the case should be regarded as **serious** and imposed a formal reprimand and a fine of £6,000. In addition, an administrative charge was imposed. The Level 2 provider failed to fully co-operate with PhonepayPlus, or pay the fine and administrative charge.

The Network operator was Core Telecom Limited. During the course of the investigation against Daniel Marshall, the Executive had concerns regarding the Network operator's due diligence and risk assessment and control measures.

Betting tipster services

Between April and June 2012, PhonepayPlus received three complaints regarding betting tipster services operating on 070 numbers. Preliminary investigations showed that the numbers were used by the following:

- Mr Ali Esmali, trading as Meydan Racing (070 5610 1112 and 070 5610 0096);
- Mr Jason Schofield, trading as JS Racing (070 5792 4686);
- Mr J B Hayes, trading as Victory Racing (070 5793 9090); and
- Premier Racing Club (070 5798 2900).

None of the above were registered with PhonepayPlus. Further, the Executive could not locate any records on Companies House or One Source for Meydan Racing, JS Racing or Victory Racing. Premier Racing Club was listed on Companies House, as a dormant company, dissolved 24 May 2011. The Executive established that all four services offered betting tipster advice, on a one to one basis, via subscription. In addition, each service had 070 numbers which consumers could ring to obtain betting tips at a cost of 50 pence per minute.

PhonepayPlus had extensive correspondence with the Network operator in relation to similar betting tipster services in 2010. From the correspondence, it is clear that the Network operator drew a distinction between premium rate services and the betting tipster services that operated on 070 numbers. This point did not appear to have been explicitly addressed in the papers by PhonepayPlus, although PhonepayPlus did describe the 070 services as premium rate services.

The Network operator accepted that it had a revenue share agreement with the four betting tipster providers, but asserted that the revenue share was not with the end user (as the end user was the four providers' employees or agents). In addition, the Network operator asserted that the services were not premium rate services and/or if the services were premium rate services it was not aware of this as PhonepayPlus had advised it to the contrary and/or not corrected its view in 2010.

PhonepayPlus asserted that the services were premium rate services and that the Network operator had failed to conduct satisfactory due diligence before contracting with the four providers and/or failed to carry out satisfactory risk assessment and control.

The Investigation

The Executive conducted this matter as a Track 2 procedure investigation in accordance with paragraph 4.4 of the Code.

The Executive sent a breach letter to the Network operator on 30 November 2012. Within the breach letter the Executive raised the following potential breaches of the Code:

- Rule 3.3.1 – Due diligence
- Rule 3.1.3(a) – Risk assessment and control (provision of premium rate service)
- Rule 3.1.3(b) – Risk assessment and control (promotion, marketing and content)

The Network operator responded on 14 December 2012. On 20 December 2012, after hearing informal representations made on behalf of the Network operator, the Tribunal reached a decision on the breaches raised by the Executive.

SUBMISSIONS AND CONCLUSIONS

PRELIMINARY ISSUE

After full consideration of the written and oral submissions of the Network operator, the Executive's submissions and the documentary evidence put before the Tribunal, for the reasons advanced by the Executive, the Tribunal made a finding of fact that the betting tipster services were premium rate services. This finding was made on all the evidence available to the Tribunal, including but not limited to:

- i. Consumers were charged 50 pence per minute;
- ii. A service was provided on the number (and the nature of the service);
- iii. The betting tipster operators, who the Tribunal found to be the "end-user" as the numbers were used by its employees or agents in the course of their employment and/or business, had a revenue share. In addition many of the operators were sole traders.
- iv. The existence of and nature of promotional material for at least one of the numbers; and
- v. The definition of premium rate services contained in section 120 of the Communications Act 2003.

ALLEGED BREACH ONE

Paragraph 3.3.1

"All Network operators must perform thorough due diligence on any party with which they contract in connection with the provision of premium rate services and must retain all relevant documentation obtained during that process for a period that is reasonable in the circumstances."

1. The Executive submitted that the Level 1 provider had breached paragraph 3.3.1 of the Code on the grounds that the Network operator had failed to fulfil its obligations in relation to Daniel Marshall, the four betting tipster services and generally.

The Executive relied on PhonepayPlus Guidance on due diligence.

Further, the Executive highlighted that the Network operator accepted in both its written and oral submissions that there had been issues in relation to its due diligence, particularly in relation to Daniel Marshall. The Executive noted that on 5 October 2012 the Managing Director of the Network operator admitted that there had been gaps in both its documentation and its procedures.

Reason 1: Daniel Marshall trading as Housing Help UK

The Executive noted that Core Telecom accepted that it had not carried out proper due diligence, which was consistent with its obligations under the Code, before contracting with Daniel Marshall. Specifically, the Executive stated that the Network operator had failed to conduct sufficient checks, for example, checking Mr Marshall's identity, or even fulfilling its own procedures, for example the Network operator contracted with Daniel Marshall even though he failed to provide information required in its own "Company due diligence" form.

However, on the day of the Tribunal, the Executive accepted that the contract between the Network operator and Daniel Marshall was signed before the current edition of the Code came into force. Therefore the Executive stated that, although it maintained that the due diligence completed in relation to Mr Marshall was wholly inadequate, a breach of paragraph 3.3.1 of the Code could not be upheld as paragraph 3.3.1 was not in force at the time the due diligence was and/or should have been completed.

Reason 2: Betting tipster services

For the reasons set out in the preliminary finding, the Executive submitted that the betting tipster services were premium rate services.

The Executive asserted that the Network operator had not fully considered the nature of the services that were offered by its betting tipster clients and had not made sufficient enquiries to establish who its clients were.

The Executive noted that on 25 September 2012, the Executive sought information from the Network operator regarding due diligence with respect to its betting tipster clients. On 25 October 2012, the Executive received the following documents:

- A copy of a contract with J S Racing;
- A copy of a contract with Meydan Racing;
- Premier Racing Club contract and Creditsafe report; and
- A copy of a contract with Victory Racing

In the absence of further evidence, the Executive considered that the information provided in relation to JS Racing, Meydan Racing, Premier Racing Club and Victory Racing was very limited and did not constitute evidence of effective due diligence.

Reason 3: General and/or systemic failures

The Executive submitted that the Network operator did not have sufficient due diligence procedures in place and as a result there was a systemic failure to conduct proper due diligence. The Executive relied upon the admissions of the Network operator in relation to Daniel Marshall and the alleged lack of effective due diligence in relation to the betting tipster services.

In light of the above, the Executive asserted that the Network operator had acted in breach of paragraph 3.3.1 of the Code.

2. The Network operator accepted the breach in relation to Daniel Marshall but strongly denied a breach in relation to the betting tipster services or generally.

Reason 1: Daniel Marshall trading as Housing Help UK

In relation to Daniel Marshall, the Network operator stated that the Commercial Director, who oversaw compliance, left suddenly in March 2012. As a result, there was a lack of compliance oversight and knowledge for a short period of time. The Network operator stated that had that employee been with the company when it contracted with Daniel Marshall, the contract would not have gone ahead as it would have been checked and a premium rate number refused on the grounds that proper due diligence had not been conducted and that the service offered by Mr Marshall was morally unacceptable. The Network operator stated that the employee

responsible for contracting with Daniel Marshall was a “rogue employee”, who did not follow the relevant due diligence processes.

In informal representations, it was pointed out that the Network operator contracted with Mr Marshall in March 2011, i.e. at time when the employee in charge of compliance was still working for the Network operator. In response, the Network operator asserted that the failures were due to the “rogue employee” and reiterated that it takes due diligence seriously.

In addition, the Network operator stated that a number of documents that the Executive suggested should have been obtained, for example, business accounts, would not have been of practical assistance.

Reason 2: Betting tipster services

The Network operator stated that it had been in regular correspondence with PhonepayPlus and subject to an investigation in 2010 in relation to the betting tipster services. It submitted that in 2010 no action was taken against it, despite the identical nature of the tipster services, which also operated on 070 numbers. It stated that it had been open with PhonepayPlus and sought its advice in relation to the proper operation of the services. The Network operator was critical of PhonepayPlus for not making its view that the tipster services were premium rate in nature known from the outset.

The Network operator asserted that PhonepayPlus accepted that the services were not premium rate services and that it was allowed to continue running them on 070 numbers. However, during informal representations the Network operator accepted that it did not have any evidence which explicitly showed that PhonepayPlus had said the services were not premium rate services. The Network operator asserted that had it known that the services were premium rate services it would have put them on a different number range immediately.

The Network operator added that consumers who used the tipster services paid a subscription on a monthly basis to be part of a members club, where the members are made aware of the costs to dial the services. Further, it added that the income made from the numbers was negligible and that it had received no consumer complaints. The Network operator asserted that the complaint received by PhonepayPlus was from a competitor and that there was no evidence of consumer harm.

In relation to due diligence, the Network operator stated that the due diligence it had conducted was sufficient in all the circumstances.

Reason 3: General and/or systemic failures

Save for the period when the staff member with responsibility for compliance left suddenly in March 2012, the Network operator denied that there had been any general or systemic due diligence failings. It reiterated that the failings in relation to Daniel Marshall were due to a rogue employee and that it had conducted sufficient checks into the background of the betting tipster clients.

3. The Tribunal considered the evidence, including the written and oral submissions made by the Network operator.

Reason 1: Daniel Marshall trading as Housing Help UK

The Tribunal noted that the Network operator accepted that the due diligence conducted before it contracted with Daniel Marshall was insufficient. The Tribunal was particularly concerned in relation to the discrepancy in the reasoning offered to the Tribunal that the failings had occurred as a result of a senior employee's sudden departure, when this was not the case as the contract was entered into a year prior to the employee leaving. However, the Tribunal could not uphold a breach of paragraph 3.3.1 on the technical basis that the contract was signed prior to the coming into force of the Code provision.

Reason 2: Betting tipster services

In relation to the betting tipster clients, the Tribunal noted that two of the clients (Mr A Esmaeli t/a Meydan Racing and Mr J B Hayes t/a Victory Racing) were contracted with after September 2011, when the Code came into force, and found that for the reasons advanced by the Executive, the due diligence conducted was technically insufficient for a premium rate service. However, the Tribunal noted that the reason for the failing was due to the Network operator's reasonable belief that the tipster services were not premium rate services. The Tribunal found that the Network operator's belief was reasonable as a result of its evidence, the distinction drawn between 070 numbers and premium rate services by the PhonepayPlus Finance team in relation to the levy in correspondence with the Network operator in 2010 and the clear distinction drawn by the Network operator between premium rate services and 070 numbers in its correspondence with the Executive in 2010, which did not appear to have been explicitly corrected by the Executive.

Reason 3: General and/or systemic failures

In addition, the Tribunal found that there were systematic failings in relation to due diligence. The Tribunal relied upon the Network operator's admission that there was a period in March 2012 when there was a lack of internal oversight of due diligence as a result of an employee's sudden departure. The Tribunal noted that had proper due diligence procedures and policies been in place, the departure of one employee (even from a relatively small company) should have had little effect.

Consequently, the Tribunal upheld a breach of paragraph 3.3.1 of the Code.

Decision: UPHELD

ALLEGED BREACH TWO

Paragraph 3.1.3(a)

"All...Network operators... providers must...assess the potential risk posed by any party with which they contract in respect of...the provision of premium rate services...and take and maintain reasonable continuing steps to control those risks."

1. The Executive asserted the Network operator had failed to assess the potential risk posed and maintain reasonable continuing steps to control the risks of the provision of the premium rate connection in relation to Daniel Marshall, four betting tipster services and generally.

The Executive relied upon the content of PhonepayPlus Guidance on risk assessment and control.

Reason 1: Daniel Marshall trading as Housing Help UK

The Executive noted at the outset that because there was a lack of information and documentation obtained prior to contracting with Mr Marshall, the Network operator did not “know” its client, and therefore would have found it very difficult to make an assessment of risk.

The Executive submitted that there was no evidence of any risk assessment and control processes in relation to the provision of the Service or that any continuing steps were put in place to control risks. The Executive relied upon the fact that when the Network operator was asked to detail the risk assessment and control processes conducted in relation to Daniel Marshall it provided:

- Rebate Customer Proposal form;
- The contract between the Network operator and Daniel Marshall;
- A client form;
- Confirmation of registration with PhonepayPlus;
- A print out of a Credit Safe report;
- Email correspondence dated between 29 July 2011 and 02 August 2011 exchanged between Mr Marshall and Ms Maria Jacobs, regarding Mr Marshall obtaining a 0800 number, and bank account details; and
- Company due diligence form.

The Executive asserted that the above documentation was insufficient to show that the Network operator had carried out a risk assessment on Daniel Marshall, and that adequate risk control had been implemented and carried out. In particular, the documents did not identify that a risk assessment was carried out (for example a risk rating was not attributed to Mr Marshall) or that any consideration was given to monitoring or other continuing steps.

In addition the Executive asserted that had proper processes been in place the Network operator would have been aware that Mr Marshall was not registered with PhonepayPlus under the current Code.

Reason 2: Betting tipster services

For the reasons set out in the preliminary finding, the Executive submitted that the betting tipster services were premium rate services.

The Executive noted that in response to the Executive’s requests to provide evidence of risk assessment for each betting tipster client the Network operator stated:

“With regard to risk assessment on the entire racing customer we firstly established that they were solvent businesses and undertook the standard due diligence processes. For all the racing customers our rationale followed the lines that if the customers ran the service in the way PhonepayPlus were already aware of due to the previous investigations, that, with the regulator having already checked these services, that if we were to ensure that the services were run in the same way then there should be no issue, because PhonepayPlus themselves had previously checked and authorised evidentially, the validity of those service types. All racing customers followed this format.”

The Executive submitted that this information did not satisfy the query made regarding risk assessment, and is insufficient as the information provided does not indicate what level of risk was assigned to each client. In addition, no further

evidence was provided in response to the Executive's specific request for evidence of the risk assessment steps conducted.

The Executive asserted that it is wholly inappropriate to group the betting tipster clients together when making a risk assessment. Risk assessment must be done on an individual basis, and must be current. The Executive added that there was no evidence that the Network operator held sufficient information about the service provided by each client to make an adequate risk assessment. In the absence of full information, the Executive asserted that the Network operator could not have known what the risks were and/or ensured that sufficient continuing steps were in place to control any risks.

Reason 3: General and/or systemic failures

Further, the Executive noted that the responses of the Network operator demonstrate that overall there was a lack of understanding and procedures in place for identifying risk and ensuring ongoing control. For example, the Network operator stated in correspondence with the Executive that they do not have a formal plan for ongoing risk assessment by client, as, "this not practical in a company with 12,000 SME [small to medium enterprise] customers".

In the absence of documentary evidence to the contrary and in light of correspondence with the Network operator, the Executive submitted that there were systemic failures in relation to risk assessment and control.

For the three reasons detailed above, the Executive submitted that a breach of paragraph 3.1.3(a) had occurred.

2. The Network operator accepted the breach in relation to Daniel Marshall but strongly denied a breach in relation to the betting tipster services or generally.

Reason 1: Daniel Marshall trading as Housing Help UK

The Network operator stated that in the case of Daniel Marshall it accepted that the actions taken by its former employee did not go far enough to identify the risks posed by the client. It added that its Commercial Director who was responsible for signing off premium rate contracts, who had 13 years in the premium rate industry, left suddenly on 31 March 2012. Further, it asserted that it did undertake some due diligence on the client and it questioned how likely it would be for any company to call the Service 20 times in order to understand the validity of the service in question, but admittedly it accepted that it was fooled into believing the Service was different to what it was.

Reason 2: Betting tipster services

In relation to the betting tipster services, the Network operator for the reasons set out in relation to the breach of paragraph 3.3.1, did not accept that it had breached the Code as it believed that the services were not premium rate services.

Reason 3: General and/or systemic failures

The Network operator denied that there were any systemic failings in relation to risk assessment and control. It outlined that it conducts risk assessment and, "is one of the few operators who have signed up to the Traffic Inflation Management system

with BT, we run regular checks on traffic, and we do try and ensure that premium rate customers are monitored in an effective manner.”

Further, the Network operator asserted that it was clear its processes were sufficient as, “for a company with excess of 12,000 customers that runs millions of minutes a month we have very, very small numbers of consumer complaints”.

3. The Tribunal considered the evidence, including the Network operator’s written and oral submissions in full and the Executive’s submissions. The Tribunal noted that the Network operator accepted that it had conducted an insufficient risk assessment in relation to Daniel Marshall. In addition, the Tribunal found that there was no evidence of any continuing steps to identify risks on an ongoing basis or control any risks identified (such as monitoring the service or reviewing promotional material). Further, given that the lack of risk assessment and control in relation to the provision and operation of the premium rate service provided by Daniel Marshall, the admissions with regard to the disruption caused by the departure of the Commercial Director and the limited evidence of formal risk assessment and control policies and procedures, the Tribunal concluded that there were systemic failings in the management of risk assessment and control. According, as a result of the failing in relation to Daniel Marshall and the systemic failings, the Tribunal upheld a breach of paragraph 3.1.3(a) of the Code.

The Tribunal did not uphold a breach of paragraph 3.1.3(a) of the Code in relation to the betting tipster services, due to its finding that the Network operator had reasonably inferred (for the reasons set out in relation to the breach of paragraph 3.3.1 of the Code) that the services were not premium rate services – therefore, on the narrow facts of this case, there was no requirement for risk assessment and control measures in the manner specified by the Code. The Tribunal warned other providers that this finding was based on the particular circumstances of the case and that it is the responsibility of the provider to comply with the Code, notwithstanding any advice it may receive from third parties.

Decision: UPHELD

ALLEGED BREACH THREE

Paragraph 3.1.3(b)

“All Network operators must assess the potential risks posed by any party with which they contract in respect of...the promotion, marketing and content of the premium rate services which they provide or facilitate...and take and maintain reasonable continuing steps to control those risks.”

1. The Executive submitted that the Network operator failed to assess the potential risks posed by the parties it contracted with in respect to the promotion, marketing and content of the premium rate services which they provide or facilitated, and to take and maintain reasonable continuing steps. This was on the basis that in relation to Daniel Marshall and the betting tipster services there was no evidence of the Network operator gathering sufficient details of the services that were operating and that the continuing steps that the Network operator referred to were insufficient to control risk. For example, the Network operator stated:

“I am not quite sure how we can supply evidence of this short of getting some form of switch logs. The numbers are routed directly to the mobile numbers of the individuals, and have a divert on busy application to voicemail. From time to time we do check the services, but generally if there is an issue someone will

make a complaint that we act upon. If the service is not run in the manner in which we expect to be we close the service. But saying that we have had proportionately fewer complaints about 070 than BBC have had in the last year about Blue Peter.”

The Executive noted the statement, “From time to time we do check the services”. The Executive asserted that this suggests that there is no regular system of monitoring or testing in place. The Executive asserted that it is not sufficient to simply rely on incoming complaints to measure compliance.

The Executive asserted that any ongoing steps taken by the Network operator were insufficient. The Executive concluded from the Network operator’s statements that very limited testing or monitoring was carried out, and it was simply reactive to any complaints that it received. The Executive asserted that, from its correspondence with the Network operator, it was clear that even the inadequate systems and software that were in place were not applied to the betting tipster clients.

The Executive submitted that the Network operator had failed to assess potential risks with respect to the promotion, marketing and content of its client’s services, and to take and maintain reasonable continuing steps to control risk, and accordingly there had been a breach of paragraph 3.1.3(b) of the Code.

2. The Network operator accepted the breach in relation to Daniel Marshall but strongly denied a breach in relation to the betting tipster services or generally. Generally, the Network operator relied on the response set out in relation to the breach of paragraph 3.1.3(a). In addition the Network operator added that the Daniel Marshall case was an isolated incident and that it would suggest that PhonepayPlus Guidance is best practice and that, “...a straw poll of network operators in the UK would find single digit percentages actually going to those lengths”. In relation to the betting tipster clients, the Network operator stated:

“On the racing customers we do always assess risk, but we do not go to the prescriptive lengths that the Executive refers to in the same way as we would for premium rate customers, as the Executive had previously ruled that the services were not premium rate.”

3. The Tribunal decided that the wording of paragraph 3.3.1(a) was sufficient to encompass the conduct alleged by the Executive in relation to the alleged breach of paragraph 3.3.1(b). Therefore, the Tribunal did not uphold a separate breach of paragraph 3.3.1(b).

Decision: NOT UPHELD

SANCTIONS

Initial Overall Assessment

The Tribunal’s initial assessment of the breaches of the Code was as follows:

Paragraph 3.3.1 – Due diligence

The initial assessment of paragraph 3.3.1 of the Code was **serious**. In determining the initial assessment for this breach of the Code the Tribunal applied the following criteria:

- The Network operator did not conduct due diligence before contracting to provide a premium rate service connection.
- The Network operator failed to develop and implement satisfactory due diligence processes for its clients, which had a detrimental impact on the investigation and enforcement of the Code.

Paragraph 3.1.3(a) – Risk assessment and control (provision of premium rate services)

The initial assessment of paragraph 3.1.3(a) of the Code was **serious**. In determining the initial assessment for this breach of the Code the Tribunal applied the following criterion:

- The Network operator failed to develop and implement satisfactory risk assessment and control processes for its clients, which had a detrimental impact on the investigation and enforcement of the Code.

The Tribunal's initial assessment was that, overall, the breaches taken together were **serious**.

Final Overall Assessment

The Tribunal took into consideration the following aggravating factors:

- The Network operator failed to fulfil its due diligence obligations for an extended period of time as evidence by the pattern of failure generally and in relation to the Daniel Marshall t/a Horizon Housing case.
- The Network operator failed to follow Guidance and a Compliance Update in relation to risk assessment and control.

The Tribunal took into consideration the following mitigating factors:

- The Tribunal found that the reason for the failings in relation to the betting tipster services was due, in the main, to the Network operator's reasonable belief that the tipster services were not premium rate services. The Tribunal found that this belief was reasonable as a result of the Network operator's evidence, the distinction drawn between 070 numbers and premium rate services by the PhonepayPlus Finance team in relation to the levy in correspondence with the Network operator in 2010 and the clear distinction drawn by the Network operator between premium rate services and 070 numbers in its correspondence with the Executive in 2010, which did not appear to have been explicitly corrected by the Executive.
- The Network operator asserted that it had upgraded its due diligence documentation and put in place risk assessment and control processes.

Due to the failings in risk assessment and control, generally and in relation to Daniel Marshall trading as Horizon Housing, and having taken into account the aggravating and mitigating factors, the Tribunal concluded that the seriousness of the case should be regarded overall as **serious**. In light of the Network operator's reasonable and honestly held, but incorrect, belief that the services were not premium rate services the Tribunal did not give any weight to failings in relation to the betting tipster services.

Sanctions Imposed

Having regard to all the circumstances of the case, the Tribunal decided to impose the following sanctions:

- A formal reprimand;
- A direction to remedy the risk assessment and control breach to the satisfaction of the Executive; and
- A fine of £12,000.

The Tribunal expects the Network operator to ensure its due diligence procedures are fully compliant with the Code and Guidance going forward.