

**MINUTES OF THE 417TH MEETING
PHONE-PAID SERVICES AUTHORITY LTD BOARD MEETING**

Tuesday 19th November 2019, 10.00am – 12.30pm

Phone-paid Services Authority Ltd,
25th floor, 40 Bank Street, London, E14 5NR

Board Members

David Edmonds - Chairman
Kevin Brown – Senior Independent Director
Meg Munn
Steve Ricketts
Mark Thomson – observing capacity
Joanne Prowse – CEO

Consumer Panel

Rhian Johns – Chair

Ofcom

Gaucho Rasmussen - Director of Investigations and Enforcement

Phone-paid Services Authority Executive

Peter Barker
Jonathan Levack
Ayo Omideyi
Sarah Scott (item 3.1)
Simon Towler (item 4.1 onwards)
Stephanie Ratcliffe (minutes)

1.0 STANDING ITEMS

1.1 Apologies and Introduction

The Chairman **WELCOMED** members and **INTRODUCED** Mark Thomson and Rhian Johns to the meeting. Apologies were noted from Ann Cook and Simon Towler.

1.2 Minutes of 416th Board Meeting held on 18th September 2019

The Board **APPROVED** the draft minutes of the meeting held on 18th September 2019.

1.2.1 Action Log and Matters Arising

Action Log

The Board **NOTED** all actions as closed.

Matters Arising

There were no matters arising.

1.2.2 Standing and other Declarations of Interest on agenda items

None

1.3 Chief Executive's Report

The Board **NOTED** the Chief Executive's update on activity and progress across the organisation, as outlined in the paper. The following points were highlighted:

- *Code 15 programme:* is underway under the project leadership of Gavin Daykin, who is on secondment from Ofcom. The Chair **THANKED** Gaucho Rasmussen for facilitating the secondment opportunity. The Board **NOTED** the programme's key milestones and timeline and that the Executive will engage closely with Ofcom, throughout the process, to ensure issues are managed effectively. Publication of the final statement is planned for April 2021.
- *Policy:*
 - Special conditions for subscription services came into force on 1st November.
 - A statement on ICSS Special conditions was published on 9th October and measures will come into effect on 20th December.
 - Consultation on consent to charge guidance closed on 11th October. A review of responses, received from the consultation, is underway and publication of the final statement is expected in January 2020.
 - Revised guidance on DDRAC and new guidance on refunds are in development. Consultation on both sets of guidance is likely to be within this financial year and Code 15 work will also pick up on developments in this area. Gaucho Rasmussen offered Ofcom's support in this area.

- *Ofcom and DCMS Engagement:* we are working closely with Ofcom on policy projects and the business plan 2020/21. For this period, DCMS engagement is mainly focusing on ICSS developments.
- *Consumer Engagement:* the consumer panel is operating well, with strong engagement between its members and the PSA. An annual report, including recommendation for the panel's continuation, is presented under item 2.2.
- *Industry Engagement:* the PSA met recently with the mobile network operators where they noted that with Special conditions for subscription services managing the consumer experience and principles-based flows in operation for the great majority of services, the operators had decided to decommission the PayforIT scheme rules. Each MNO is issuing its own requirements for carrier billing and all will have done so by the end of December. The existing lack of standardization was discussed, and the PSA will continue to monitor and report back on developments.
- *Research:* the provider, Analysys Mason, has been reappointed to undertake the Annual Market Review for this year. We will consider whether there is a need for extended data to support Code 15 developments.
- *Media:* this represents another successful period of engagement with recent appearances on You and Yours (Radio 4) and Rip off Britain (BBC1).
- *Organisational Development:* following organisational change at management level the leadership team is now supported by a more streamlined team. To help with their development, individual members of the management team will observe Board meetings on a rolling basis. The principle of staggered appointment will apply to the Code Adjudication Panel, as member terms of office expire in 2022. This will be supported by close liaison with its Chair, to ensure effective continuity of the panel.
- *Financial Reporting:*
 - Covered extensively at the Resources Committee.
- *Business Planning and Operational Reporting*
 - Appendix A, Business Plan status update - actual and planned activity is on track for delivery as forecast for 2019/20.
 - Appendix B, Operational Metrics – the Board **NOTED** the key data as at September 2019 (contact and complaint volumes, case workload, and market revenues and outpayments), as discussed in detail at the Resources Committee meeting.
- *Legal:* engagement with DCMS continues on aspects of the eCommerce Directive and 'County of Origin' principle in the event of a no-Brexit deal. We will update the Board on developments.
- *Enforcement:* case workload remains varied and complex. Discussions concerning current approach to enforcement, including level of resources, will take place under item 3.1.

2.0 ITEMS FOR APPROVAL/DECISION

2.1 Draft Business Plan and Budget 2020/21

The Executive presented the draft business plan and budget for 2020/21 to the Board. The proposed business plan and budget for 2020/21 is £4,042k with a proposed levy of 0.36%, representing a

neutral change in real terms over 2019/20, with real term savings having been delivered since 2015/16.

Having reviewed it in detail, the Resources Committee **RECOMMENDED** the business plan and budget 2020/21 to the Board, which was **APPROVED** with a suggested change for the executive summary to highlight anticipated changes in the market and our regulatory approach.

The Board **NOTED** the expected changes in funding arrangements from 2021/22 onwards.

(Action: P Barker)

The Board **NOTED** the plan will be presented to the ILP in December and that the consultation period will run from 16 December 2019 to 23 January 2020. Final budget approval will be sought from Ofcom in March 2020.

2.2 Consumer Panel

2.2a Annual Report

The Board **NOTED** the consumer panel report and that four meetings had been held throughout the course of the pilot year. The panel is working extremely well, meetings are constructive and effective, with regular feedback taking place between the panel and the PSA.

The Board **ENDORSED** the structure and effectiveness of the panel and its future plans to focus on thematic styled meeting discussions.

Gaicho Rasmussen offered to introduce Rhian Johns to Ofcom's consumer panel to share knowledge and explore other areas of insight.

(Action: R Johns /G Rasmussen/J Levack)

The Board **RECOMMENDED** the Executive:

- explore additional ways to deliver consumer education and engagement, including through partners;
- consider how the panel engages with industry.

(Action: J Levack)

Rhian Johns thanked the Executive for acting upon consumer issues swiftly and effectively, whilst providing excellent servicing of the panel.

2.2b Consumer Panel

The Board **NOTED** the paper setting out the recommendation to make the consumer panel permanent, further to the pilot period. The Board **NOTED** the benefit assessment of impact to date, progress against qualitative measures and proposed future priorities in helping develop Code 15 and further consumer advice and education.

The Board **AGREED** with the Executive's recommendation to make the panel permanent and **RECOMMENDED** that the Executive explores ways to enable the Panel to provide feedback to the PSA.

(Action: J Levack)

2.3 Annual Review of Office Holder Handbooks and the Governance Statement

The Board **NOTED** the annual review of office holder handbooks and governance statement had been recently undertaken and some revisions made to the handbooks and statement, to ensure these meet current requirements and remain fit for purpose.

The Board **APPROVED** the revisions, as set out in the paper.

3.0 ITEMS FOR DISCUSSION

3.1. Enforcement Overview

Sarah Scott presented an overview of the current approach to investigations, case management and enforcement.

The Board **NOTED** the enforcement strategy, allocation criteria and case prioritisation criteria that were in place, and that discussions on the current approach to managing enforcement cases and longer-term resource implications had already taken place at Committee level.

In discussing resource implications further, the Board considered the total number of cases under investigation and the amount currently unassigned and/or older than 12 months since the first consumer complaint was received. The Board **NOTED** that the Executive anticipated changes over the next six months in the way in which individual cases were investigated and presented, particularly with regard to differences between complex and more straightforward cases.

The Board **RECOMMENDED** the Executive:

- continued to consider whether additional resource would be necessary in resolving currently unassigned cases;
- provided an interim update at the next Resources Committee in February, ahead of a full review at the Board meeting in June.

(Action: S Scott)

3.2 Independent Lay Assessor – Annual Report

The Board **NOTED** the independent lay assessor's report from the period August 2018 to October 2019.

The Board **NOTED** there had been a number of enquiries and one dealt with formally as a complaint. The report concluded that the PSA manages concerns raised well, processes are sound, and issues are addressed effectively.

4.0 ITEMS FOR INFORMATION

4.1 Management Accounts Full Summary Report Period Ended 30th September 2019

The Board **NOTED** the management accounts summary report for the period ended 30th September 2019, and that the financial performance of the organisation had been reviewed in detail at the recent Resources Committee meeting.

Simon Towler joined the meeting.

4.2 Risk Register – high level summary

The Board **NOTED** the risk register as at November 2019, and that the register had been reviewed in detail at the Audit, Risk and Corporate Governance Committee meeting.

5.0 AOB

- 5.1** The Chair **CONGRATULATED** the CEO on her recent appointment as Non-Executive Director on the Board of the Charities Commission.
- 5.2** The Board **NOTED** this meeting represents Steve Rickett's last Board meeting before his terms of office expire at year end. On behalf of the Board and the PSA, the Chairman **THANKED** Steve for his valuable support and contribution over the years and **WISHED** Steve all the very best for the future.

End of Minutes

Date & location of next Board meeting:

Date: Thursday 19th March 2020

Time: 10.00am-1.00pm

Location: PSA offices, 25th Floor, 40 Bank Street, Canary Wharf, London, E14 5NR