

**MINUTES OF THE 416<sup>TH</sup> MEETING**

**PHONE-PAID SERVICES AUTHORITY LTD BOARD MEETING**

**Wednesday 18<sup>th</sup> September 2019  
11.00am – 12.55pm**

**PHONE-PAID SERVICES AUTHORITY LTD,  
25<sup>th</sup> FLOOR, 40 BANK STREET, LONDON E14 5NR**

**Board Members**

David Edmonds - Chairman

Kevin Brown – Senior Independent Director

Ann Cook

Meg Munn

Steve Ricketts

Joanne Prowse - CEO

**Ofcom**

Gaucht Rasmussen - Director of Investigations and Enforcement

**Phone-paid Services Authority Executive**

Peter Barker

Jonathan Levack (item 3.1)

Alex Littlemore (item 3.1)

Ayo Omideyi

Sarah Scott (observing)

Simon Towler

Stephanie Ratcliffe (minutes)

## 1.0 STANDING ITEMS

### 1.1 Apologies and Introduction

The Chairman **WELCOMED** members to the meeting and introduced Sarah Scott, Head of Investigations and Enforcement, who joins the meeting as an observer.

### 1.2 Minutes of 415<sup>th</sup> Board Meeting held on 17th June 2019

The Board **APPROVED** the draft minutes of the meeting held on 17<sup>th</sup> June 2019.

#### 1.2.1 Action Log and Matters Arising

##### Action Log

The Board **NOTED** that where actions on the log were not closed, these were either on the agenda, assigned to future meetings, or updates included under the CEO report.

David Edmonds thanked Gaucho Rasmussen for hosting a workshop held on 1<sup>st</sup> August between our respective teams, focusing on sharing learnings on enforcement, case management and prioritization mechanisms.

##### Matters Arising

There were none.

#### 1.2.2 Standing and other Declarations of Interest on agenda items

- Kevin Brown recorded his recent appointment on the Advisory Board of FundRock Partners Limited.
- Steve Ricketts recorded his recent appointment as Board Advisor to hugg Limited.

### 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:

- *Policy:*
  - The subscription services review consultation was published on 6<sup>th</sup> August and new sets of special conditions will come into effect on 1<sup>st</sup> November.
  - Consultation on revised guidance on Consent to Charge was published on 14<sup>th</sup> August and closes on 11<sup>th</sup> October.
  - Guidance for industry on the retention of data under the GDPR is due out this week.
  - A statement, following the consultation on changes to the regulatory framework for ICSS, will be published in September.
  - The Board **NOTED** that Joanna Cox, on behalf of aimm, had recently written to Jo Prowse, requesting a review of special conditions on subscription services, within 6 months of its implementation. The Board **AGREED** that this was not appropriate within the suggested time frame for the reasons set out in the Executive's written response to aimm. The Board also reiterated the option for industry to make a request for a

'carve out' of a defined service type with appropriate evidence and subject to consultation.

- *Ofcom and DCMS Engagement:* we are grateful for Gaucho Rasmussen's collaboration in hosting a workshop on enforcement and investigations for PSA staff at Ofcom. Budget discussions with Curtis Juman, Ofcom's finance director, are underway and we will be meeting with DCMS next week, despite the current overriding focus on Brexit.
  - *Consumer Engagement:* the consumer panel is operating well and contribution remains strong, its fourth meeting was held in September. An annual report on the panel's activity will be presented to the Board in November.
  - *Research:* the Annual Market Review was published on 20<sup>th</sup> August and findings will be discussed under item 3.1a. Research from Futuresight on consumer engagement of refunds was published on 29<sup>th</sup> August. This research will be underpinned by a review of our refunds policy, with revised guidance likely.
  - *Industry Engagement:* following the recently held operator billing workshop, the Executive met with some of the network operators to gauge interest on next steps to take. There is no appetite for an overhaul of the PayforIT scheme at this time and the PSA will continue to note industry developments in this area.
  - *Media:* approach and coverage is showing significant improvement.
  - *Organisational Development:* the EDI survey and subsequent training for staff produced excellent results. EDI training for officeholders is planned for November.
  - *Financial Reporting:*
    - The Director's Report and Financial Statements 2018/19 have been certified by the NAO and laid before Parliament.
    - PSA expenditure for 2019/20 is currently forecast to be on budget.
    - Total market revenues for Q1 are broadly similar to Q3 and Q4 of last year.
  - *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 July 2019 (contact and complaint volumes, case workload, and market revenues and outpayments) as discussed in detail at the Resources Committee meeting. Appendix B will be circulated to members post the meeting.
- (Action: S Ratcliffe)**
- *Enforcement:* case workload remains varied and complex. The Board **NOTED** the outcome of the Veoo Ltd case and that subsequently the Executive will be undertaking a lessons-learnt exercises and review. David Edmonds thanked the team.

## 2.0 ITEMS FOR APPROVAL/DECISION

- 2.1 There were no items for approval/decision.

### 3.0 ITEMS FOR DISCUSSION

#### 3.1. Annual Market Review Overview

Jonathan Levack presented an overview of the Annual Market Review and its key findings. For this year the review was carried out by the provider, Analysys Mason.

The Board **NOTED** the key findings from the research:

- The market grew in FY18/19, primarily through operator billing and PSMS, with areas of growth by service type including charity, games, entertainment, gambling, and TV and radio competitions;
- Mobile based services now account for over 80% of the market;
- There is a continued significant decline in voice services, most notably in Directory Enquiries and on 087 numbers;
- The market is expected to be flat for FY19/20 - the continued growth in operator billing and PSMS being broadly offset by the ongoing decline in voice services
- Over 50% of the adult population in the UK use a phone paid service;
- More consumers are using services, but consumer experience is still mixed.

The Executive advised findings will also form part of wider discussions at the annual strategy meeting. The Board **THANKED** the Executive for the insightful presentation and suggested consideration is given in future reports to additional demographic and usage data to help improve understanding of consumers of phone-paid services.

#### Refresher/Demonstration of Market Services

Alex Littermore presented an overview of the different types of services in the market, using monitoring journeys to illustrate both good and bad practices The Board **NOTED** the market issues raised.

The Chairman **THANKED** the Executive for the insightful presentation.

### 4.0 ITEMS FOR INFORMATION

#### 4.1 Management Accounts Full Summary Report Period Ended 31<sup>st</sup> July 2019

The Board **NOTED** the management accounts summary report for the period ended 31<sup>st</sup> July 2019 and that the financial performance of the organisation had been reviewed in detail at the recent Resources Committee meeting.

The Board **NOTED** ongoing funding discussions with the networks are taking place.

The Board **RECOMMENDED** that levy funding options for 2021/22 and 22/23 should be discussed during the coming months with major network funders. David Edmonds and Gaucho Rasmussen agreed it would be beneficial to have a wider discussion on funding mechanisms.

(Action: P Barker)

The Board **NOTED** the overview of the current debt collection arrangements in place, and that Moon Beaver, our debt recovery agents, continue to provide a valuable service and good value for money. Cases are only passed on to Moon Beaver for debt recovery action once all internal processes have been exhausted.

5.0 AOB

5.1 None

**End of Minutes**

**Date & location of next Board meeting:**

**Date:** Tuesday 19<sup>th</sup> November 2019

**Time:** 11.00am-2.00pm

**Location:** PSA offices, 25<sup>th</sup> Floor, 40 Bank Street, Canary Wharf, London, E14 5NR