

MINUTES OF THE 411th MEETING

PHONE-PAID SERVICES AUTHORITY LTD BOARD MEETING

Tuesday 26th June 2018

10.00am – 1.05pm

**PHONE-PAID SERVICES AUTHORITY LTD, 25th 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

Code Adjudication Panel

Mohammed Khamisa – Chair (item 5.1)

Ofcom

Lynn Parker – Director of Consumer Protection

Phone-paid Services Authority Executive

Peter Barker
Mark Collins (item 3.2)
Jonathan Levack (item 3.1)
Ayo Omideyi
Simon Towler
Stephanie Ratcliffe (minutes)

1.0 STANDING ITEMS

1.1 Apologies and Introduction

The Chairman **WELCOMED** members to the meeting. There were no apologies received.

1.2 Minutes of 410th Board Meeting held on 7th March 2018

The Board **APPROVED** the draft minutes of the meeting held on 7th March 2018.

1.2.1 Matters Arising and Action log

There were no matters arising.

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.

- AC537 – Board training on GDPR took place on 25th June 2018. An update confirming GDPR project closure will be brought to the Audit Committee in November.

(Action: A Omidayi)

- AC543 – cyber security procedures have been tightened and the Board is asked to inform the Executive when travelling abroad to ensure secure IT access is maintained.

1.2.2 Standing and other Declarations of Interest on agenda items

The Chairman declared his resignation from Barchester Healthcare as of 10th July 2018.

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 projects* include:
 - DQ/118 parallel consultations with Ofcom on new measures;
 - publication of the Nottingham University research on ICSS;
 - the consultation on special conditions for society lottery services has closed and a statement is due in July. The introduction of special conditions will be supported by an implementation workshop to support the smooth introduction of these new services.
 - A subscription services review is scheduled to launch in Quarter 2, with consultation expected by year end.
- *Legislation* – a further consideration of fine levels and sanctions more generally will take place, once the impact of other policy measures has been reviewed.
- *Refunds* – PSA is liaising with Ofcom on some consumer complaints received to both organisations covering a range of areas including the provision of refunds. Steve Ricketts offered to assist with the refunds project and consulting on guidance is likely to be in Q3/Q4.

- *GDPR* – progress towards full compliance was reported; the outstanding project deliverables and risk assessment were recently approved by the ARCG Committee. A Data Protection Officer is due to commence appointment in July.
- *Consumer engagement* – remains a high priority with current focus on the PSA's website overhaul and the consumer research element in the annual market review.
- *Industry engagement* – we continue to work with industry stakeholders to ensure engagement is as effective and productive as possible. Themed workshops and meetings are planned during the course of the financial year.
- *Organisational development* – focus for this year on diversity and equality. The Resources Committee recently considered gender pay gap data and a review of HR key metrics will take place annually.

The Board **NOTED** the reports on progress of the business plan and the operational dashboard. The operational dashboard provides key data, covering contact, complaint, case and market size. It will now form the standing data for the ILP and the Board and its committees as required.

2.0 ITEMS FOR APPROVAL/DECISION

2.1 Draft Director's Report and Financial Statements Year Ended 31.03.18

Kevin Brown **INFORMED** the Board that the financial statements and director's report, for year ended March 2017/18 underwent a detailed review at the ARCG Committee. The Board **NOTED** the feedback received from the NAO on the recent audit was very positive.

Kevin Brown **RECOMMENDED** the financial statements and director's report to the Board for approval, subject to a minor revision on page 2 to read 'the ILP *explored* the use of the AMR net promoter scores.'

The Board **APPROVED** the signing of PSA's director's report and financial statements, year ended 31.3.18, to take place on behalf of the Board, by the Chairman of PSA and Chair of the ARCG Committee.

(Action: D Edmonds, K Brown)

3.0 ITEMS FOR DISCUSSION

3.1 Consumer Strategy Biannual Report

The Executive presented an overview of progress made against delivery of the consumer strategy.

The Board **NOTED** the report on improved consumer engagement and accompanying annex illustrating engagement measures. The Executive confirmed that media and reputational management remains a high priority. PSA takes a proactive role in monitoring press interest/coverage, with senior level media training and regular meetings taking place with the comms team. The new website overhaul will also contribute towards improving consumer engagement by presenting content in a more easily discovered and comprehensible format.

The Board **CONSIDERED** additional ways to improve PSA awareness amongst consumers and **RECOMMENDED**, in light of limited resources, the Executive continues to:

- actively promote positive messaging and awareness;
- focus on the human interest and relevancy to consumers;
- consider local outreach via local sources (radio/tv/news outlets);
- ensure our messages are targeted at the right audiences;
- review progress at the next biannual report.

(Action: J Levack)

3.2 Project Horizon Findings

The Executive presented a regular update on areas of market and technical innovation, focusing this time on Domestic Internet of Things and Blockchain. They also noted that “Rich Communication Suite” text messaging was already in the market, and so would be monitored as it became more widespread over the next 18 months.

The Board **NOTED** the opportunities and risks, in particular the following:

- the likely low impact of Domestic Internet of Things devices within PSA’s remit, due to the current absence of SIMs from most devices;
- the potential for blockchain technology to assist with payment verification and proven ownership of digital goods going forward.

Whilst mindful of resource requirements, PSA will continue to keep abreast of and monitor developments to ensure PSA’s regulatory framework remains effective.

The Board **RECOMMENDED** the following:

- consider a presentation to the ILP on blockchain and digital goods;
(Action: LT/K Brown)
- approach GSMA with a view to presenting on RCS at the next Board/staff engagement event in November;
(Action: LT/A Cook)
- circulate a regular report on technological developments to the Board.
(Action: M Collins)

4.0 ITEMS FOR INFORMATION

4.1 Management Accounts Full Summary Report Period Ended 31st March 2018

The Board **NOTED** the management accounts summary report for the period ended 31st March 2018, which had been reviewed in detail at the recent Resources Committee meeting.

The Board **NOTED** the financial performance of the organisation for the 2018/19 financial year, as set out in the paper. Full year expenditure for 2017/18 is £70k below budget, though due to timing issues £41k of the underspend relates to project costs that will be spent in 2018/19.

4.2 Risk Register

The Executive presented a high-level summary of the risk register, as at June 2018. The Board **NOTED** the register underwent a detailed review at the recent ARCG

Committee where it was agreed that key risk indicator metrics would be added to the commentary.

4.3 Annual Evaluation of Board Work and Performance

The Board **NOTED** the summary of findings, following the recent self-evaluation undertaken by the Board, on its work and performance. The aim of the evaluation is to assist in improving and maintaining good standards of governance.

The Chairman **ADVISED** that feedback received on the evaluation confirms the Board is performing well and operates at a high standard; the size of the Board functions effectively and there is a good mix of member skills. The Board **ACKNOWLEDGED** potential risks of complacency and confirmed it would continue to challenge itself and the Executive.

Areas for improvement include continued proactive focus on consumer and stakeholder engagement and support of new entrants into the market earlier on in the process through the PSA's L1 engagement programme and planned new entrant workshops.

The Board was asked to consider and provide feedback off line, on ways to develop and improve office holder induction training.

4.4 Chair Succession Planning

The Senior Independent Director was pleased to confirm that, following a recommendation from the Board and formal approval by Ofcom, the Chairman will be reappointed for a further term of three years in office up until September 2021.

The Chairman **THANKED** the Board for their support and looked forward to working with them over the next 3 years in delivering the PSA vision and strategy.

5.0 AOB

5.1 CAP Chair Annual Report

Mohammed Khamisa, Chair of the CAP, provided an annual progress report on the Code Adjudication Panel. He confirmed the panel consists of a diverse cadre and high standard of technical panelists and is working extremely well. CAP member appraisals were recently undertaken and were of a very high standard, with no issues of concern to report upon.

Mohammed commended the training programmes delivered by the Executive for CAP members, as well as the very high standard of support received from the Executive. He confirmed Code 14 is working well and that, with support from the Investigations Oversight Panel, improvements have been significant over the past year.

The Board **NOTED** that the proposal to BEIS on a review of specific measures for fine levels did not make the Consumer Green Paper and **RECOMMENDED** the Executive continues to address this area as follows:

- consider pursuing the case for lobbying for an increase to the statutory fine levels with DCMS, once full understanding of the impact of other policy measures has been reviewed;
- consider additional means and approaches to take in the longer term to deter bad behaviour, alongside existing measures;
- liaise with the panel when pulling together evidence in support of an increase to the current fine level.

(Action: Leadership and Legal Team)

The Chairman and the Board **THANKED** Mohammed Khamisa for the annual CAP report

End of Minutes

Date & location of next Board meeting:

Date: Wednesday 12th September 2018

Time: 11.00am-1.00pm

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