

MINUTES OF THE 415th MEETING
PHONE-PAID SERVICES AUTHORITY LTD BOARD MEETING

Monday 17th June 2019

10.00am – 12.45pm

**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

Joanne Prowse - CEO

Code Adjudication Panel

Mohammed Khamisa – Chair (item 5.1)

Ofcom

GaUCHO Rasmussen - Director of Investigations and Enforcement

Phone-paid Services Authority Executive

Peter Barker

Emma Bailey (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. Introductions were made to GaUCHO Rasmussen, who joins as Ofcom observer. Apologies were noted from Ann Cook.

1.2 Minutes of 414th Board Meeting held on 12th March 2019

The Board **APPROVED** the draft minutes of the meeting held on 12th March 2019.

1.2.1 Action Log and 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.

The Executive advised action AC555 was closed in March 2019.

There were no matters arising.

1.2.2 Standing and other Declarations of Interest on agenda items

There were no standing or other declarations recorded.

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:*
 - Subscription services review – the consultation on draft proposals for special conditions closed in May and an update is provided under agenda item 3.1.
 - ICSS - consultation on proposals to extend ICSS special conditions closed on 10th June. Responses are being reviewed and will be fed back to the Board, prior to the publication of a statement expected at the end of July. The Executive continues to monitor this area and welcomes Gaucho Rasmussen's invitation to continue dialogue with Ofcom where needed.
 - Consent to Charge - consultation on revised and updated guidance is due for publication shortly, with new guidance expected to be in place by early autumn.
- *Ofcom and DCMS Engagement:* we are delighted to welcome Gaucho Rasmussen as our Ofcom Board observer, following Lynn Parker's departure. We look forward to engaging with Sarah Healey, the new permanent secretary at DCMS and will be attending an ALB Audit Chair's event on 25th June. We wish to thank Lindsey Fussell for her participation in the board recruitment selection process.
- *Consumer Engagement:* the consumer panel is operating well, its third meeting was held in June. We wish to thank Steve Ricketts for his valuable contribution to the meeting. An annual report on the panel's activity will be presented to the Board in November.
- *Industry Engagement:* extensive engagement continues; a programme of meetings has taken place to address the subscription services review and an operator billing roundtable workshop was held on 14th May (see agenda items 3.1 and 3.2).
- *Organisational Development:* the recent Board/staff engagement event was well received. PSA has been awarded the Investors in People accreditation 'silver' level award which, following the new framework in place, represents a significant achievement from the previous year.
- *Financial reporting:*
 - Financial Audit- the PSA received a clean audit from the National Audit Office. The Chair of the ARCG Committee will be recommending the

financial statements to the Board for approval under agenda item 2.1. The Board wish to formally thank the finance team for their professionalism during the audit.

- Bad debts –Gaucho Rasmussen advised that Ofcom would be happy to share their experiences/expertise on sanctioning and deterrent.
- *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 Dashboard – the Board **NOTED** the key data as at March 2019 (contact and complaint volumes, case workload, and market revenues and outpayments) as discussed in detail at the recent Resources Committee meeting. The Board commented that, if possible, it might be instructive to further analyse calls between those abandoned during the IVR and those abandoned while in the queue for the service information team.

(Action: P Barker)

- *Enforcement:* case workload is extensive and we continue to monitor resource requirements. The Board and Executive welcomed Gaucho Rasmussen’s proposal to meet with General Counsel and the Head of Investigations and Enforcement to share experiences and information on effective case prioritisation mechanisms.

(Action: A Omidoyi/S Scott)

- *Code 14 Process Audit* – Fieldfisher LLP’s yearly audit of enforcement and investigation processes for 2018/19 went very well. There were no issues of concern to report upon. The ARCG Committee recommended future audit work is undertaken internally, including as part of developing Code 15.
- *Legal and Enforcement* – a Tribunal decision on the recently held oral hearing is expected by the end of July. A further update on activity is provided under agenda item 5.1.

2.0 ITEMS FOR APPROVAL/DECISION

2.1 Draft Director’s Report and Financial Statements Year Ended 31.03.19

Kevin Brown **INFORMED** the Board that the Director’s Report and Financial Statements for the year ended 31 March 2019 underwent a detailed review at the ARCG Committee. Feedback received from the National Audit Office confirmed there were no issues of concern to report upon and the audit was clean and positive.

Kevin Brown **RECOMMENDED** the Director’s Report and Financial Statements to the Board for approval.

The Board **APPROVED** the signing of PSA’s Director’s Report and Financial Statements, year ended 31 March 2019, to take place on behalf of the Board, by the Chairman of PSA and Chair of the ARCG Committee.

(Action: D Edmonds/K Brown)

2.2. Revisions to the Delegation Scheme, Authority Levels and Committee Terms of Reference

The Board **NOTED** a review of the delegation scheme, its authority levels and sub

Committees terms of reference had recently undergone an annual review at the ARCG Committee meeting. At that meeting, the Committee had approved the procedural revisions to the scheme in order to reflect current practice.

Kevin Brown **RECOMMENDED** the revisions to the Board for approval. The Board **APPROVED** the proposed revisions to the authority levels and Committees terms of reference, as set out in the paper.

(Action: S Ratcliffe)

3.0 ITEMS FOR DISCUSSION

3.1. Subscription Services Review Update

The Board **NOTED** the update on the progress of the subscription services review since the consultation closed in May. The Executive received ca. 25 responses from industry, consumers, and organisations representing consumers, and these are now being analysed. A statement, setting out the final regulatory position, will be published in July, with implementation planned for later in the year.

The main areas of feedback on the proposals are on consent to charge, receipting and recurring donations. The Board **ACKNOWLEDGED** the feedback and **NOTED** proposals in general were consistent with other digital payment mechanisms and developments in the payments space and that it was important to have straightforward and consistent mechanisms in place, to prevent consumer harm.

The Board **NOTED** that the Executive is continuing its consideration of the responses received and its proposals, with a view to meeting the timetable for publication of the final statement.

A copy of the statement will be sent to the Board for information, prior to publication.

3.2 Operator Billing – development approach

The Board **NOTED** the report on the recently held operator billing workshop on 14th May. The aim of the workshop was to discuss the potential for healthy growth and innovation in operator billing, and the critical success factors for continued development.

Kevin Brown, the Chair of the workshop, advised the event was well attended by senior representatives of industry, including mobile network operators, aggregators, the Chair of the Consumer Panel and wider payments experts.

The Board **NOTED** that the event resulted in a clear appetite to work together to address opportunities for operator billing. Despite the initial lack of response from industry, following the workshop, the Board **RECOMMENDED** the Executive:

- facilitate discussions at a senior level with the MNOs;
- consider the formation of a standards advisory panel;
- invite contribution from GSMA;
- provide a progress update at the next meeting.

(Action: J Prowse/S Towler)

4.0 ITEMS FOR INFORMATION

4.1 Management Accounts Full Summary Report Period Ended 31st March 2019

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

4.2 Risk Register

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

4.3 Annual Review of Board Performance and Work

The Board **NOTED** the progress made on feedback received, following last year's evaluation and a summary of findings, following the recent evaluation undertaken by the Board, on its work and performance. The aim of the evaluation being to assist in improving and maintaining good standards of governance.

The Chairman **ADVISED** that feedback received on the evaluation confirms the Board continues to perform well. Despite its small size, the Board operates at a high standard, is highly engaged, focused and effective and members have a good mix of skills.

The Board **ACKNOWLEDGED** the potential risks of complacency and confirmed it would continue to challenge itself and the Executive. The main areas highlighted in the evaluation which require focus include consumer engagement, external market developments and challenges ahead, and these will be addressed throughout the year and in the strategic business planning.

With the departure of Steve Ricketts at year end, and the appointment of a new Non-Executive Director in January 2020, we will be reviewing the sub Committees membership structure to ensure the alignment of member skills is maintained.

The Executive confirmed the relationship between the Board and Executive is highly constructive.

5.0 AOB

5.1 Annual CAP Chair Report

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

Mohammed commended the high standard of support received from the Investigations Oversight Panel and the Executive. He confirmed Code 14 is working well and drew the Board's attention to the following points:

- the process of the timing for interim measure applications has been modified to ensure procedures to act urgently are not undermined, whilst sufficient evidence is provided to enable assessment;
- the existence of recent developments in case law whereby a duty of fairness is owed to third parties where imputations or adverse findings are made in respect of them.

The Executive advised Mohammed that PSA plan to undertake a review and assessment of the current Code with a view to developing a new Code 15 and intend to seek the panel's input so as to assist with achievement of greater effectiveness. On behalf of the panel, Mohammed confirmed the panel would be happy to engage with the Executive.

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

End of Minutes

Date & location of next Board meeting:

Date: Wednesday 18th September 2019

Time: 11.00am-1.00pm

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