

**NOTES OF THE ILP MEETING NO. 64<sup>th</sup> HELD ON  
TUESDAY 12<sup>th</sup> FEBRUARY 2019  
10.00am-12.25pm**

**The Phone-paid Services Authority Offices, 40 Bank Street, London, E14 5NR**

### **ILP Members**

Ann Cook – ITV and ILP Chair  
David Edmonds (PSA Chairman)  
Danny Barclay - Telefonica  
Kevin Butcher – BBC  
Joanna Cox - aimm  
Holly Fairweather – Channel 4  
Eric Feltin – Safari Mobile  
Peter Garside – EE  
Neil Johnson – aimm  
Hamish MacLeod - MobileUK  
Tony Maher – TUFF  
Steve Ricketts – PSA Board  
Ladi Sanusi - Three  
Jeremy Stafford Smith – Vodafone  
Mike Steel – BT Agilemedia  
Rob Weisz – Fonix

### **Phone-paid Services Authority**

Joanne Prowse (Chief Executive)  
Emma Bailey (left after item 3)  
Peter Barker  
Mark Collins  
Jonathan Levack  
Ayo Omideyi  
Simon Towler  
Stephanie Ratcliffe (minutes)

### **Jigsaw Consultancy**

Sarah McKee – Director

### **Apologies**

Michael Barford – The Number UK  
Cathy Gerosa - FCS  
Suzanne Gillies – Action 4  
Rickard Granberg – UKCTA  
Clark Johnson – Telefonica  
Mark Stannard – Boku Inc

## 1.0 WELCOME, INTRODUCTIONS

Ann Cook welcomed attendees to the meeting and apologies were noted. Ann commended the panel's well-rounded membership and effectiveness and noted that it would also benefit from charity representatives. Ann asked members to come forward with any charity representative recommendations to either Jo Prowse or herself.

**(Action: ILP Members)**

## 2.0 REVIEW ACTIONS

### a) Minutes and Matters arising from the minutes of the ILP meeting held on 30<sup>th</sup> October and 11<sup>th</sup> December 2018.

#### Minutes and Matters Arising

The ILP approved the minutes from the ILP meetings held on 30<sup>th</sup> October and 11<sup>th</sup> December 2018 as accurate records of the meetings.

### b) Actions

The ILP noted all actions from the meetings were closed.

## 3.0 Presentation Jigsaw Research

Sarah McKee, from the market research agency Jigsaw, presented findings from research, commissioned by PSA, on consumer expectations of phone- paid subscription services.

The research considered consumers expectations of subscription services at each stage of the journey - from discovering, to signing up, to using and finally exiting a service.

The ILP noted the key findings and areas of concern as follows:

- using your mobile bill to pay for a subscription service is a relatively new concept for consumers. Consumers do not generally associate phones with recurring payments and therefore payment by a mobile number can be confusing for consumers.
- Consumers would prefer that norms already established from other forms of mobile payments, were used.
- Consumer expectations are often influenced by the way in which a service is discovered. If interaction is unplanned, such as via a pop up or banner, a service can be considered spam and this can lead to confusion for consumers. Another aspect is that consumers felt that they can be led into signing up without their consent or knowledge.
- When subscribing to a service, consumers want greater transparency and clarity.
- Consumers expect it to be clear that a service is a paid service, with clear language and an additional 'confirmation step' or final check of confirmation after summary of purchase.

- On exiting a service, consumers want easy access to cancellation as well as confirmation that cancellation has occurred and that they will no longer be charged.

The research concluded that consumers expect any form of payment mechanism to be completely transparent. The research found that from a consumer perspective, with the emergent nature of mobile as a payment method, additional friction in the process, as well as consistency in approach and language used, would reduce consumer confusion. It would also be helpful if providers were able to adopt similar principles to make the subscription process more user-friendly.

The ILP discussed the 'ideal journey' from the consumer's point of view and the challenges providers face to adopt a common phone paid subscriptions language. The ILP sought clarification on the recommended stages of screen options namely in providing an explanation of the service in greater depth; the recommended 'subscribe now' button; and the different forms of payment method.

Ann thanked Sarah for the thought-provoking research findings and David Edmonds asked aimm to consider the feasibility of providing common rules of adoption across the value chain, which would enable an ideal journey for the consumer. Neil Johnson confirmed aimm's support for best practice and to give this area further thought.

The ILP noted a consultation document on draft regulatory proposals will be published in February and a roundtable is planned on 21 March. The PSA Executive welcomed industry responses to the consultation.

#### **4.0 FOCUS ON TOPIC - ICSS**

The ILP noted, that following Ofcom's consultation and statement in December, the scope of controlled premium rate services has, with effect from 16 January, been extended to include all ICSS, regardless of the number range used.

PSA published a compliance update in December which addressed the new requirements and will also be consulting on proposals to extend ICSS special conditions to all number ranges (currently these only apply to ICSS on 09 and 087 numbers). In light of the Nottingham University research carried out last year, a consultation is planned which will address revisions to the existing special conditions.

Tony Maher raised concerns around recording/transcription on some ICSS services and what more could be done to improve consumer awareness. The Executive advised that both the guidance and special conditions provide clear direction and that PSA will be arranging meetings with industry to discuss issues in greater depth. The Executive offered to meet TUFF as part of that programme of meetings.

**(Action: M Collins/S Towler/T Maher)**

#### **5.0 MARKET ISSUES**

##### **a) Complaints Data Analysis**

PSA presented the latest suite of operational data, which included analysis of contact

volumes, complaint volumes, case workload and the financial size of the market.

The ILP noted the data and the following points:

- PSA has recently clarified that consumers who have not previously been in contact with the merchant can still report issues (recorded as an assessed complaint), providing it is possible to identify the service in question. The likely impact of this will see a decrease in “complaints referred back to the value chain” and an increase in assessed complaints.
- Subscription services continue to account for virtually all assessed complaints.
- Around 10-15% of all issues reported in a month relate to 20-30 new services i.e. new cases.
- Enforcement case workload continues to be spread across a range of different service types.
- Q2 financial data shows continued growth in mobile revenues and outpayments, offsetting the ongoing decline in voice services

## b) Market Issues Report

PSA reported that it continues to monitor a wide range of issues in the delivery of phone-paid services in the market. In particular, PSA has a current focus on:

- due diligence responsibilities throughout the value chain, with PSA balancing policy work alongside our enforcement strategy. PSA expects to draw on the value chain for action and support;
- ensuring high-quality customer care is delivered. PSA expects that revised customer care guidance and implementation of the new Registration requirements will lead to improvements to quality of customer care.

## 6.0 ILP UPDATE

Ann asked the ILP for industry updates and to feedback on future topics to either herself or Jo.

The ILP noted the following updates:

- Jeremy Stafford-Smith advised that the second tranche of testing of Payfortit platforms, commissioned jointly by PSA and the MNOs, was almost concluded and a report will be received shortly. Jeremy will present at the next ILP meeting on the revisions in standards, which the MNOs will introduce as a result of the report’s recommendations, and on the progress which Payfortit “Accredited Payment Intermediaries” have made in meeting these revisions.  
**(Action: J Stafford Smith)**
- PSA will be consulting on revisions to their current guidance on Consent to Charge as a result of the report’s recommendations. An update will be provided at the next ILP meeting in April.  
**(Action: M Collins)**
- Lis Greenberg, from Ofcom, will be presenting on fixed line numbering at the next ILP meeting in April.

## 7.0 PHONE-PAID SERVICES AUTHORITY UPDATE

Highlights since the ILP meeting held on 30<sup>th</sup> October 2018

PSA reported on the following updates:

- We are very pleased to announce that Ann Cook has been re-appointed on the PSA Board for a second term.
- New DQ special conditions came into force on 4 February 2019.
- The Consent to Charge project's second round of testing for L1s was completed in January.
- PSA's regulatory remit has been expanded to include all ICSS, regardless of number range.
- Following the business plan meeting in December and published consultation, PSA received five responses, which were all broadly supportive. Next steps will be to seek approval from the Board and subsequently Ofcom. A final statement will be published in March.
- Annual Market Review - following a recent tender process, the newly appointed consultant to undertake this year's AMR will be Analysys Mason.
- The new service registration scheme is expected to go live in March. Industry workshops are planned prior to its implementation and there will be a 3-month implementation period for existing services to be populated with the new requirements.
- The newly formed and highly engaged consumer panel is operating well and focusing on reviewing and improving the consumer experience of phone paid services.

**Forthcoming events/publications:**

- A consultation on PSA's guidance on GDPR retention periods was published on 6 February.
- The subscriptions review consultation will be published in February, with a roundtable planned in March.
- An operator billing strategy seminar is proposed in May, which will address areas for growth.

## 8.0 AoB

a) The ILP raised the following points:

- **Brexit** - Danny Barclay asked what impacts Brexit deal or no deal may have on PSA. The Executive advised PSA is fully engaged with DCMS and continues to review all eventualities. Foreseeable impacts generally relate to the regulatory side of PSA's work, particularly in relation to the requirement to comply with the e-Commerce Directive which is founded on the 'country of origin' principle. The Government's guidance on how it intends to address this principle in the event of a no-deal is available on the Government website.
- **Aimm** - Joanna Cox informed the ILP that they will be holding two working groups in March as follows:
  - Security project on 5 March, which looks at how L1s and MNOs can work together to improve systems on services.
  - Internal Standardization and External Education (ISEE) on 7 March, which aims to support the standardization of excellent practise throughout the member base and external businesses in producing White papers.
- **Subscription services industry feedback:**

- Jeremy Stafford Smith advised that Vodafone continues to focus efforts on customer care, despite general issues of malware capabilities and auto subscription flows.
- Peter Garside advised EE has already implemented friction into subscription services and this has made a positive impact, with a visible decline in complaint figures.
- Ann Cook and Steve Ricketts offered to assist with any queries, following the consultation.

**b) Forthcoming meetings for 2019 will take place as follows:**

- Tuesday 16<sup>th</sup> April 2019: 10am-12.30pm
- Tuesday 16<sup>th</sup> July 2019: 10am-12.30pm
- Tuesday 22<sup>nd</sup> October 2019: 10am-12.30pm
- Tuesday 10<sup>th</sup> December 2019: 10am-11.30am (Business Plan)

**End of Minutes**

**ILP meetings are held at Phone-paid Services Authority Offices, 25<sup>th</sup> Floor, 40 Bank Street, E14 5NR**