

Operational Report

2017-2018 - Quarter 3

Based on data run on: 15 February 2018

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1.0 Annual summary

Contacts per month

	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
All complaints	2,406	1,591	1,260	1,066	1,232	1,177	1,179	1,202	1,413	1,692	1,436	1,124
Phone contacts	6,439	4,445	3,527	3,232	3,841	3,768	3,073	3,578	4,178	4,496	4,373	3,101
Web enquiries	18,358	13,562	13,783	11,507	13,037	11,829	11,009	11,025	10,209	11,870	13,693	10,684
Sum:	27,203	19,598	18,570	15,805	18,110	16,774	15,261	15,805	15,800	18,058	19,502	14,909

Complaints per month

	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Phone	1,389	951	770	613	715	592	753	693	823	960	830	594
Web	1,007	629	485	451	510	585	423	507	582	716	593	525
Other	10	11	5	2	7		3	2	8	15	12	5
Sum:	2,406	1,591	1,260	1,066	1,232	1,177	1,179	1,202	1,413	1,691	1,435	1,124

Cases open during month

	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Formal	36	37	40	45	47	54	58	64	63	65	49	47
Informal	211	225	153	180	188	154	153	133	142	163	69	152
Sum:	247	262	193	225	235	208	211	197	205	228	118	199

Assessed vs non-assessed

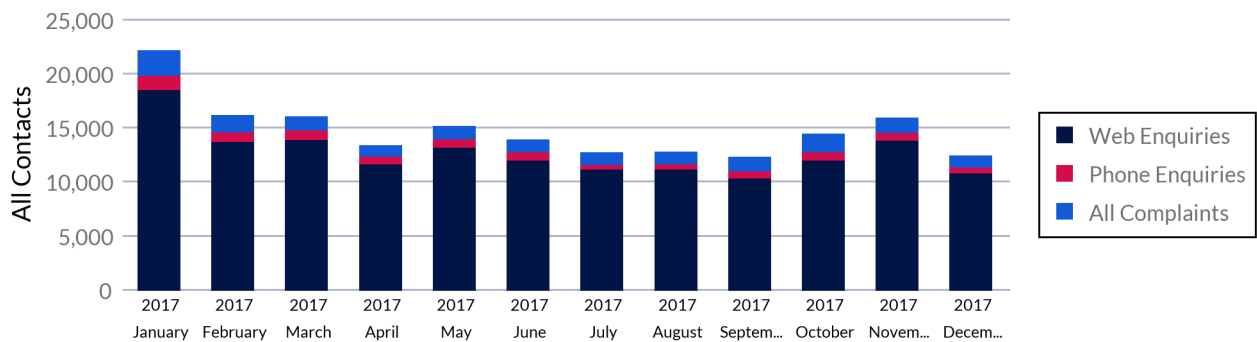
	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Assessed	1,177	742	418	462	627	692	571	558	681	915	750	591
Non-assessed	1,229	849	842	604	605	484	607	643	731	776	678	508
Pending						1	1	1	3	1	8	25
Sum:	2,406	1,591	1,260	1,066	1,232	1,177	1,179	1,202	1,415	1,692	1,436	1,124

Tribunals

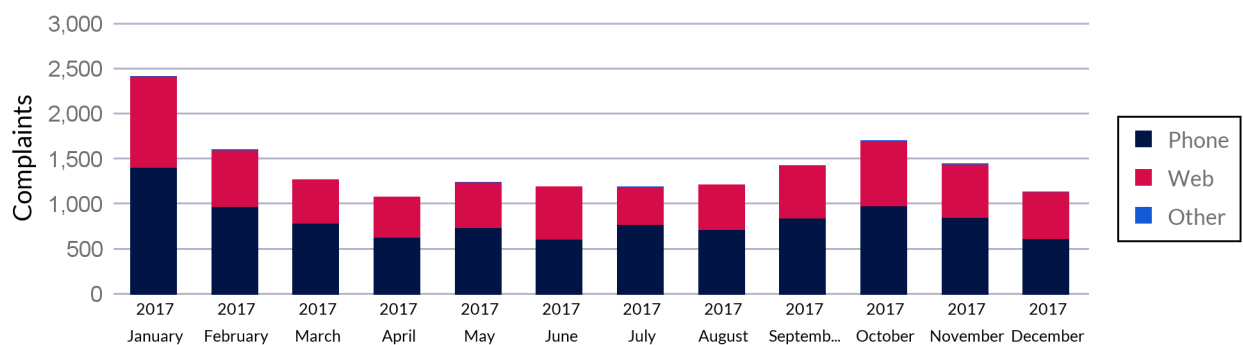
	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan
Tribunals		2		2	2	1	2		3	3	3	

1.0 Annual summary

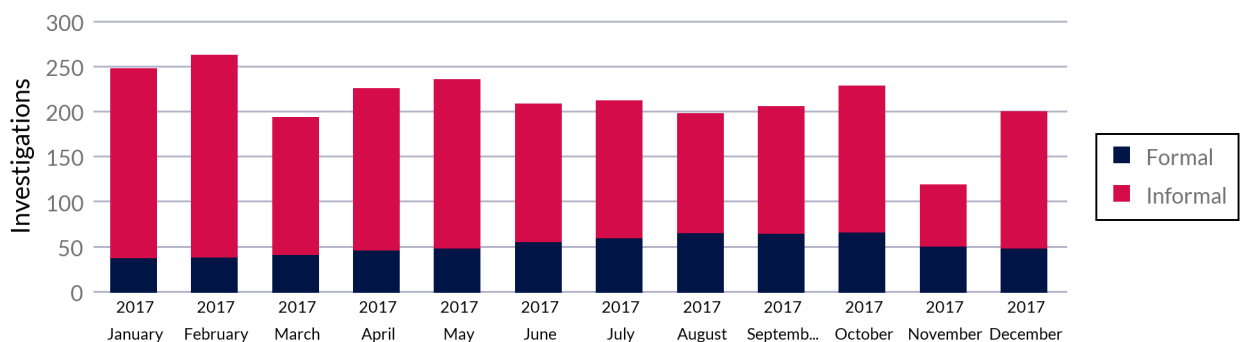
Contacts per month



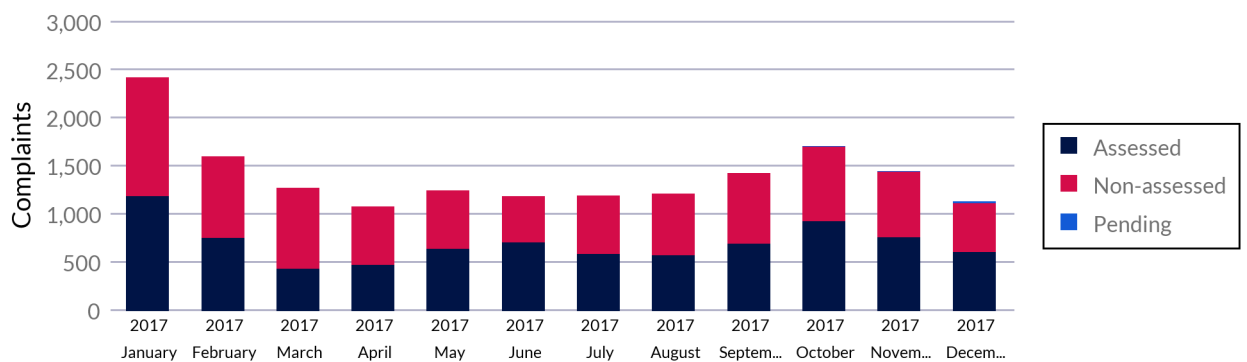
Complaints per month



Cases open during month



Actionable vs non-actionable



1.0 Annual summary

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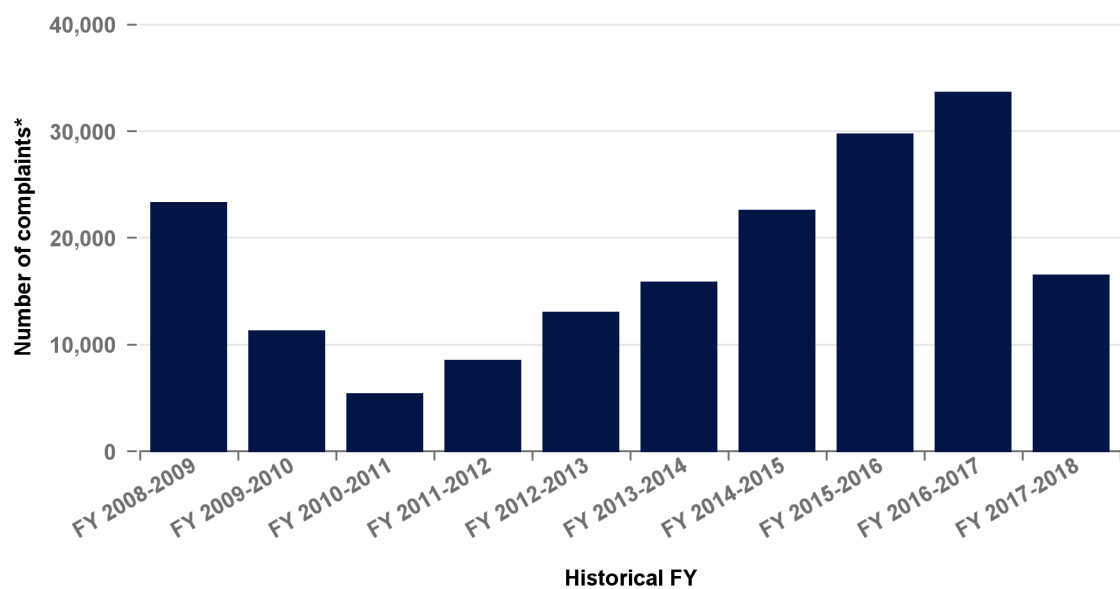
2.0 10-year complaints view

2.1 10-year complaints totals

Financial Year	Total complaints*
FY 2008-2009	23,278
FY 2009-2010	11,260
FY 2010-2011	5,376
FY 2011-2012	8,499
FY 2012-2013	13,021
FY 2013-2014	15,823
FY 2014-2015	22,567
FY 2015-2016	29,722
FY 2016-2017	33,610
FY 2017-2018	16,500

*Please note: the data for FY 2017-2018 is projected

2.2 10-year complaints volume



*Please note: the data for FY 2017-2018 is projected

2.0 10-year complaints view

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3.0 Contact management

Overview

We provide professional handling and assessment of all enquiries and complaints received, either through automated means (online and interactive voice response) or direct contact with consumers.

Our contact management is designed to identify non-compliance or compliance with our Code, through the collection of evidence from consumers, and to prepare the way for further investigation and enforcement where required. We do not seek to provide resolution of individual complaints (consumers are directed back to their network, or the provider of the service, and only to revert to us if they remain unsatisfied), but we will support individuals where appropriate and proportionate in the line of making further regulatory enquiries.

Our broad scope of operations is:

- We will have received over 470,000 contacts from consumers by the end of this current financial year, either online (including use of Number Checker) or by telephone;
- We deal with approximately 90% of these contacts through automated means (as well as Number Checker, we use interactive voice response on our phone systems);
- As of a rolling 12-month period to the end of Quarter 3:
 - we processed over 7,000 online complaints following use of Number Checker;
 - we responded to over 20,300 telephone calls;
 - after filtering of enquiries, roughly 82% of those telephone calls were complaints;
 - in total, we received just under 17,000 complaints.

Comments

Contacts have declined significantly since Quarter 3 2016/17. This decline coincides with new MNO rules introduced in November 2016, and the new Special Conditions we introduced in January 2017.

In comparison with the third quarter of 2016/17, the third quarter of 2017/18 showed:

- Total contacts are down by 58%;
- Complaints are down by 55%;

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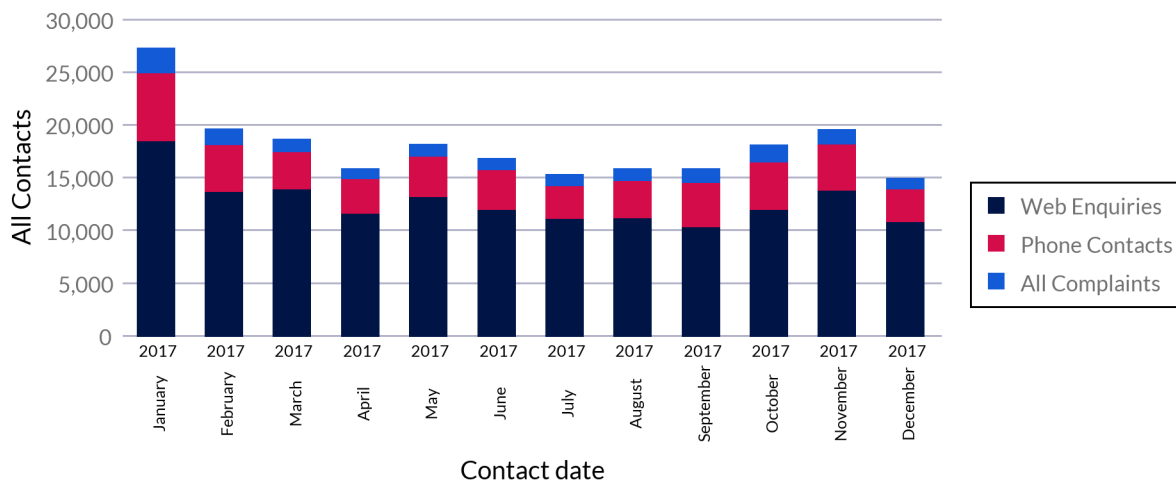
3.1 Total contacts

Overview

3.1.1 Contacts per month

	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
All complaints	2,406	1,591	1,260	1,066	1,232	1,177	1,179	1,202	1,413	1,692	1,436	1,124
Phone Contacts	6,439	4,445	3,527	3,232	3,841	3,768	3,073	3,578	4,178	4,496	4,373	3,101
Web Enquiries	18,358	13,562	13,783	11,507	13,037	11,829	11,009	11,025	10,209	11,870	13,693	10,684
Total	27,203	19,598	18,570	15,805	18,110	16,774	15,261	15,805	15,800	18,058	19,502	14,909

3.1.2 Contacts per month



Comments

Please note: starting in January 2016, the metric of Phone Contacts includes consumer enquiries which have been handled by our IVR system. Prior to January 2016, the metric of Phone Enquiries only includes consumers who spoke directly to the call centre, but did not result in a complaint. Therefore the totals for the Contacts per month and Contacts per quarter will not equal the Contacts per FY to date, in order to ensure like-for-like comparisons.

Definitions

Complaints: a consumer expression of discontent about a discernible, potential, controlled premium rate service (PRS)

Phone Contacts: consumer contacts by telephone that do not lead to a new complaint

Phone Enquiries: consumer contacts to the call centre not related to new complaints

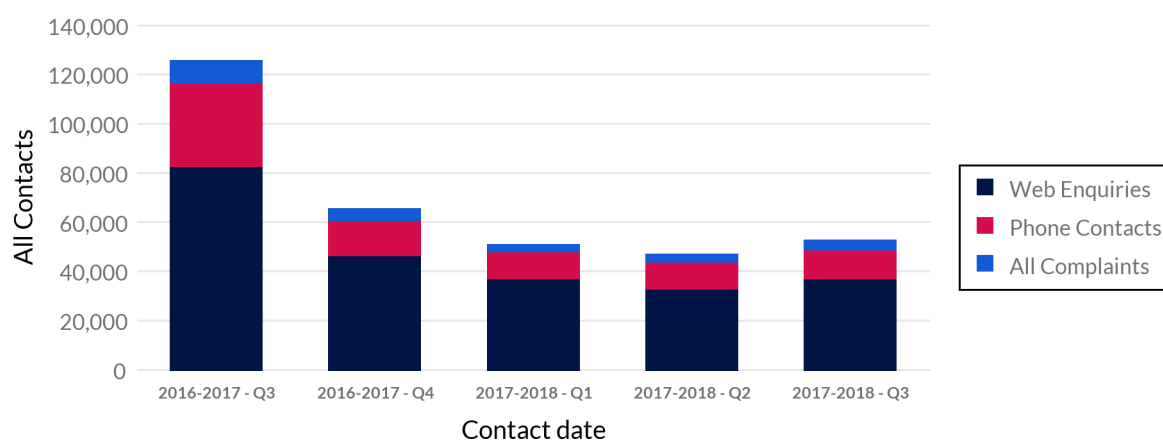
Web Enquiries: single use of a web-based form which returns provider information and contact details for a PRS number or shortcode, which does not lead to a complaint

Quarterly view

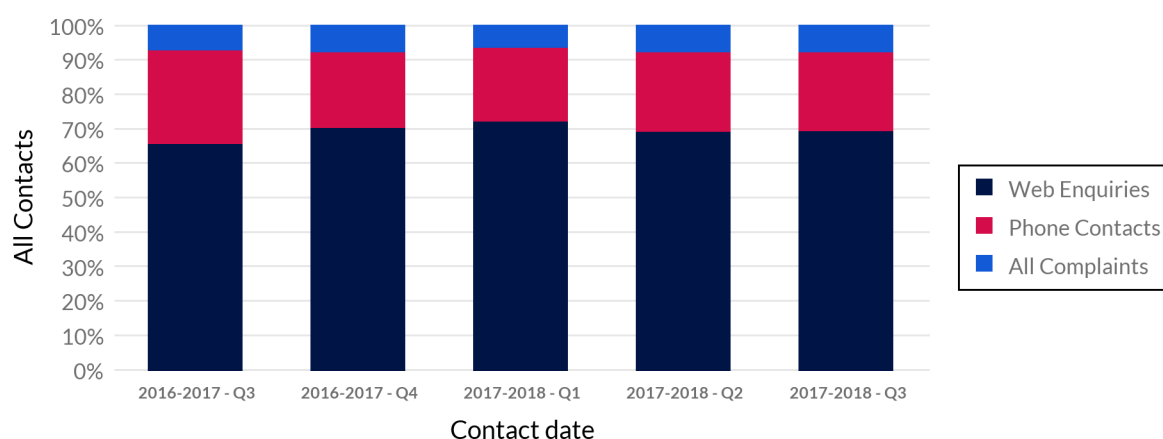
3.1.3 Contacts per quarter

	2016-2017 - Q3		2016-2017 - Q4		2017-2018 - Q1		2017-2018 - Q2		2017-2018 - Q3	
All complaints	9,476	7.6%	5,257	8.0%	3,475	6.9%	3,794	8.1%	4,252	8.1%
Phone Contacts	34,101	27.2%	14,411	22.0%	10,841	21.4%	10,829	23.1%	11,970	22.8%
Web Enquiries	81,920	65.3%	45,703	69.9%	36,373	71.8%	32,243	68.8%	36,247	69.1%
Total	125,497		65,371		50,689		46,866		52,469	

3.1.4 Contacts per quarter (volume)



3.1.5 Contacts per quarter (proportion)

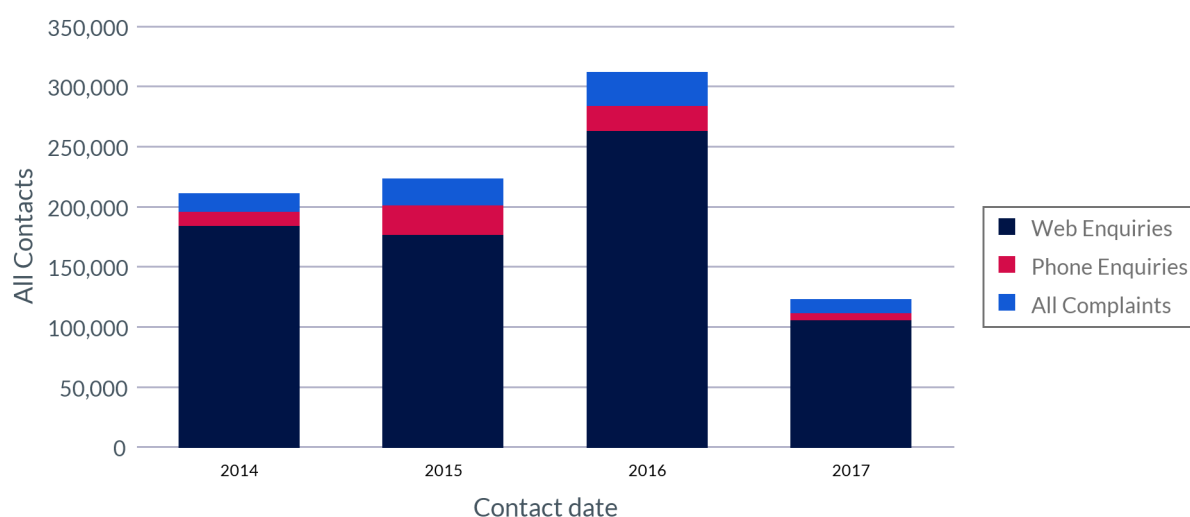


Annual view (Q1 - Q3 comparable)

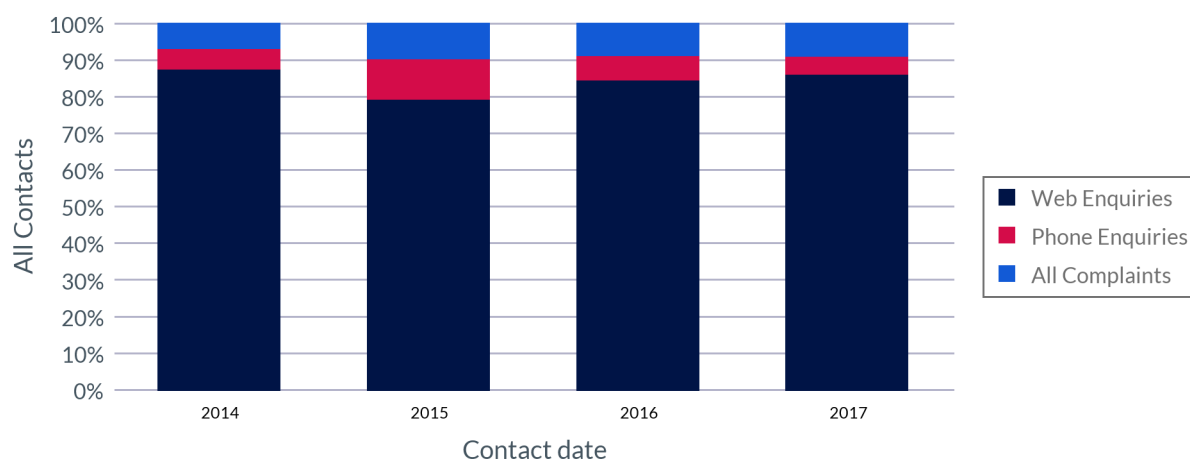
3.1.6 Contacts per Financial Year to date

	2014		2015		2016		2017	
All complaints	15,473	7.5%	22,507	10.3%	28,351	9.3%	11,521	9.4%
Phone Enquiries (w/o IVR)	11,727	5.7%	24,592	11.3%	20,774	6.8%	5,837	4.8%
Web Enquiries	183,392	88.7%	175,637	80.6%	262,396	86.4%	104,863	85.9%
Total	210,592		222,736		311,521		122,221	

3.1.7 Contacts per Financial Year to date (volume)



3.1.8 Contacts per Financial Year to date (proportional)



Comments

Please note that the figures on this page do not include IVR metrics, to ensure like-for-like comparisons.

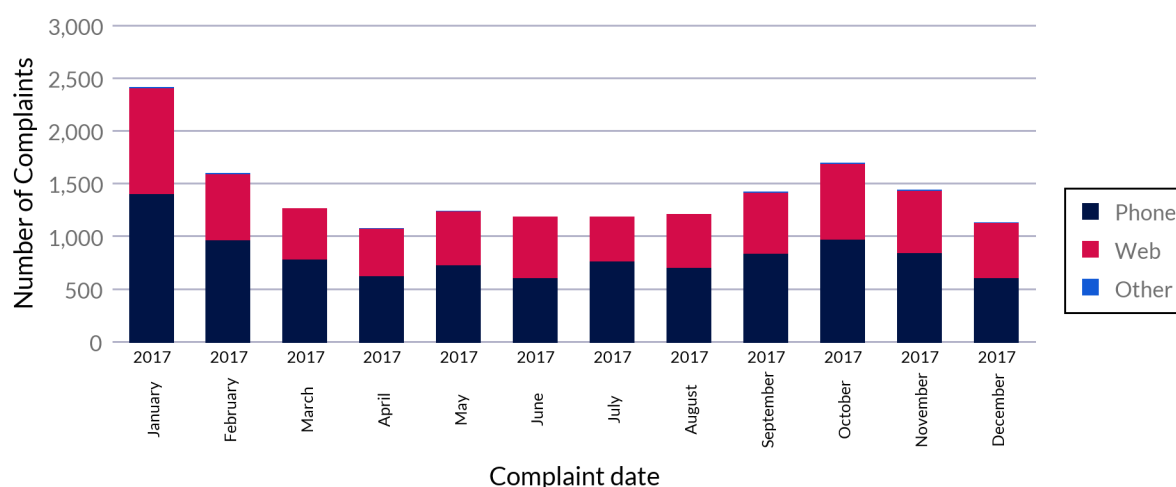
3.2 Total complaints

Overview

3.2.1 Complaints by origin per month

	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Phone	1,389	951	770	613	715	592	753	693	823	960	830	594
Web	1,007	629	485	451	510	585	423	507	582	716	593	525
Other	10	11	5	2	7		3	2	8	15	12	5
Sum:	2,406	1,591	1,260	1,066	1,232	1,177	1,179	1,202	1,413	1,691	1,435	1,124

3.2.2 Complaints by origin per month



Definitions

Complaint: a single incident of a consumer expression of dissatisfaction with a PRS, or a single monitoring exercise

Phone: complaints registered by speaking with a call centre operative

Web: complaints registered over the automated internet complaint form

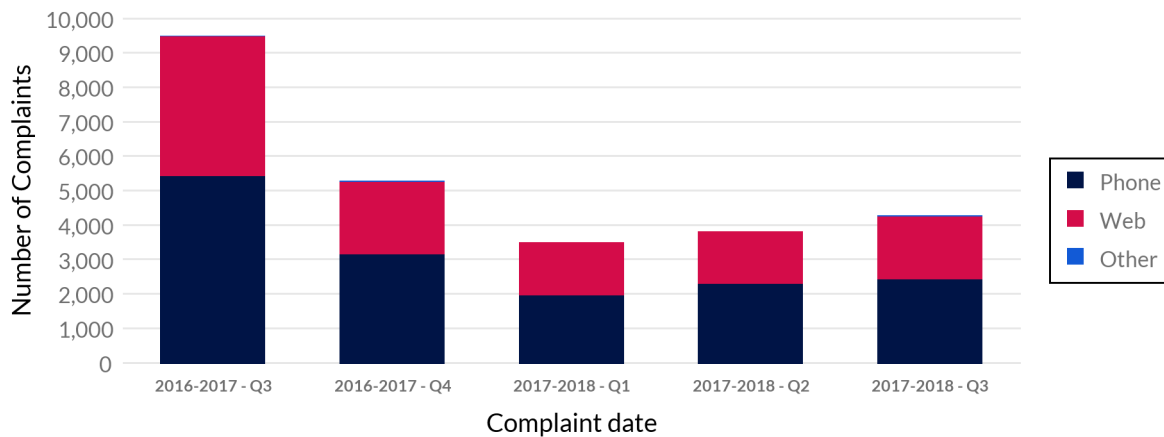
Other: includes complaints received by direct email, letter, internal monitoring and industry

Quarterly view

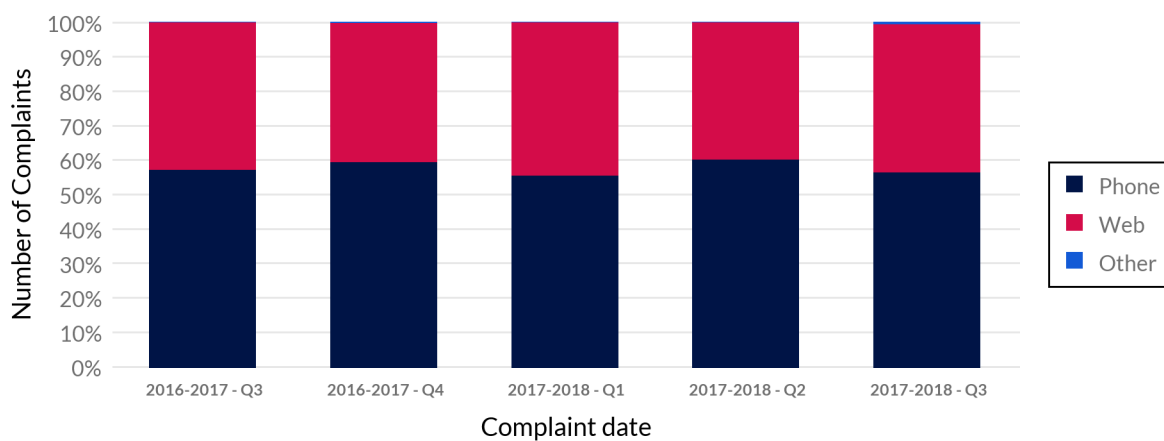
3.2.3 Complaints by origin per quarter

	2016-2017 - Q3		2016-2017 - Q4		2017-2018 - Q1		2017-2018 - Q2		2017-2018 - Q3	
Phone	5,396	56.9%	3,110	59.2%	1,920	55.3%	2,269	59.8%	2,384	56.1%
Web	4,047	42.7%	2,121	40.3%	1,546	44.5%	1,512	39.9%	1,834	43.2%
Other	33	0.3%	26	0.5%	9	0.3%	13	0.3%	32	0.8%
Sum:	9,476		5,257		3,475		3,794		4,250	

3.2.4 Complaints by origin per quarter (volume)



3.2.5 Complaints by origin per quarter (proportion)



Annual view (Q1 - Q3 comparable)

3.2.6 Complaints by origin per Financial Year to date

	2014		2015		2016		2017	
Phone	9,174	59.3%	13,838	61.5%	16,750	59.1%	6,573	57.1%
Web	6,111	39.5%	8,649	38.4%	11,449	40.4%	4,892	42.5%
Other	188	1.2%	20	0.1%	152	0.5%	54	0.5%
Sum:	15,473		22,507		28,351		11,519	

3.2.7 Complaints by origin per Financial Year to date (volume)



3.2.8 Complaints by origin per Financial Year to date (proportional)



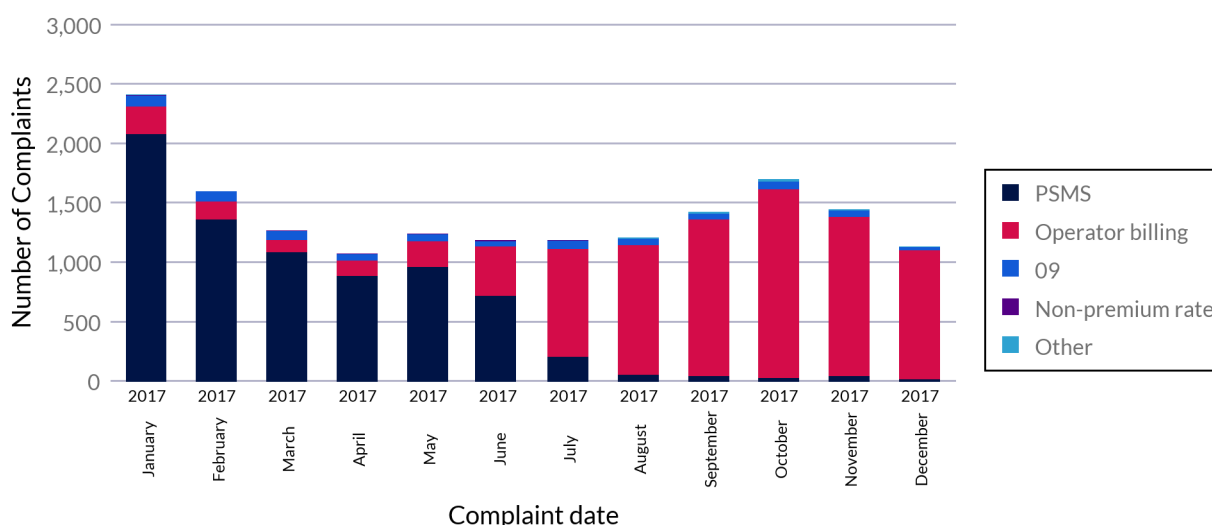
3.3 Complaints by payment mechanism

Overview

3.3.1 Complaints by payment mechanism per month

	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
PSMS	2,067	1,353	1,075	874	951	707	197	42	32	19	36	9
Operator billing	236	151	104	132	215	417	903	1,094	1,320	1,588	1,336	1,084
09	89	83	77	56	59	43	74	53	47	61	54	26
Non-premium rate	6	4	3	4	7	9	3					
Other	8		1			1	2	13	14	24	10	5
Sum:	2,406	1,591	1,260	1,066	1,232	1,177	1,179	1,202	1,413	1,692	1,436	1,124

3.3.2 Complaints by payment mechanism per month



Definitions

PSMS: premium short message services

Operator billing: a secure mobile payment service, includes payments via "Payfortit"

09: PR services operating in the Landline sector utilising Non-geographic numbers beginning with 09

087: PR services utilising the 087 number range. Prices range from aprox. 5p per minute to 15p per minute. Typical services include sales booking lines for hotels and cinemas.

Voice shortcode: PRS services utilising the mobile short numbering system which are designated to carrying voice traffic

DQ: directory enquiry services

Non-premium rate: includes legitimate use of 070, own portal services and 084 services

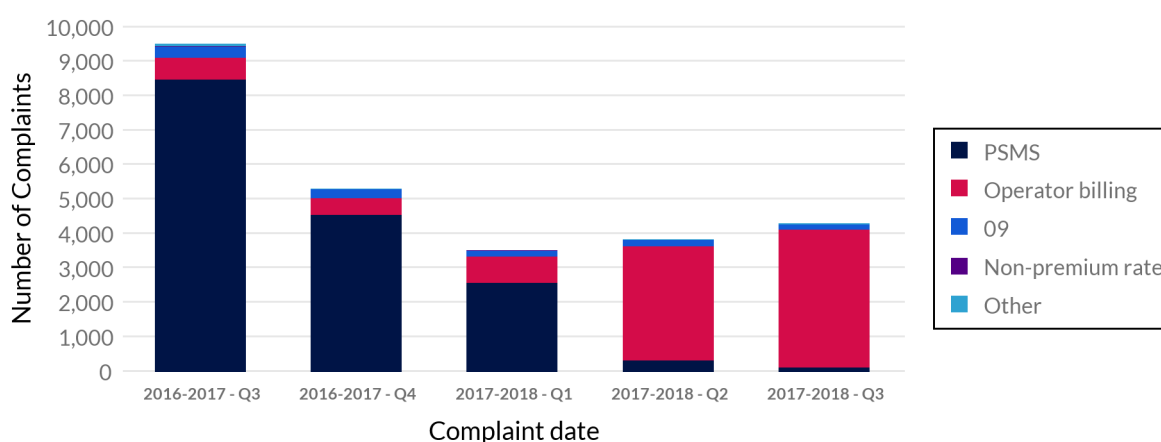
Other: includes illegitimate use of 070 and general complaints about PRS

Quarterly view

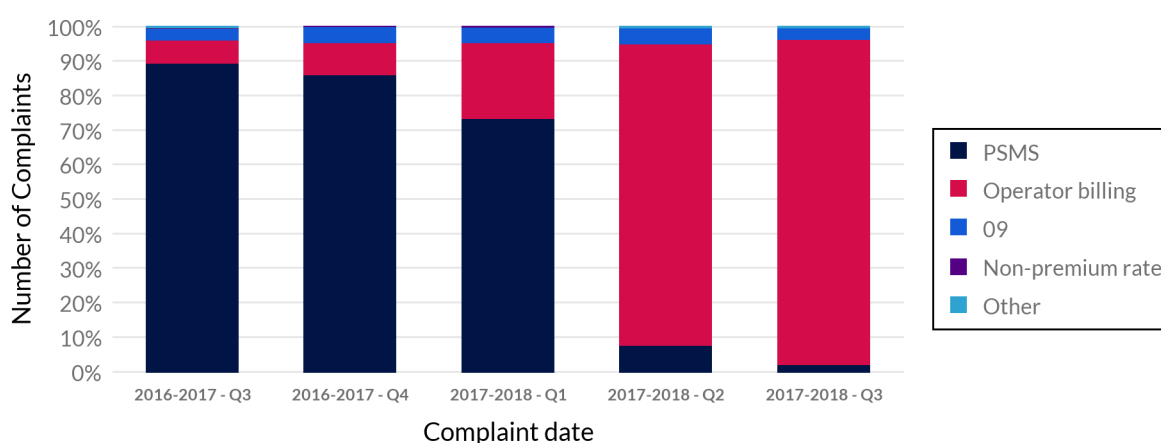
3.3.3 Complaints by payment mechanism per quarter

	2016-2017 - Q3		2016-2017 - Q4		2017-2018 - Q1		2017-2018 - Q2		2017-2018 - Q3	
PSMS	8,425	88.9%	4,495	85.5%	2,532	72.9%	271	7.1%	64	1.5%
Operator billing	630	6.6%	491	9.3%	764	22.0%	3,317	87.4%	4,008	94.3%
09	317	3.3%	249	4.7%	158	4.5%	174	4.6%	141	3.3%
Non-premium rate	22	0.2%	13	0.2%	20	0.6%	3	0.1%		
Other	82	0.9%	9	0.2%	1	0.0%	29	0.8%	39	0.9%
Sum:	9,476		5,257		3,475		3,794		4,252	

3.3.4 Complaints by payment mechanism per quarter (volume)



3.3.5 Complaints by payment mechanism per quarter (proportion)

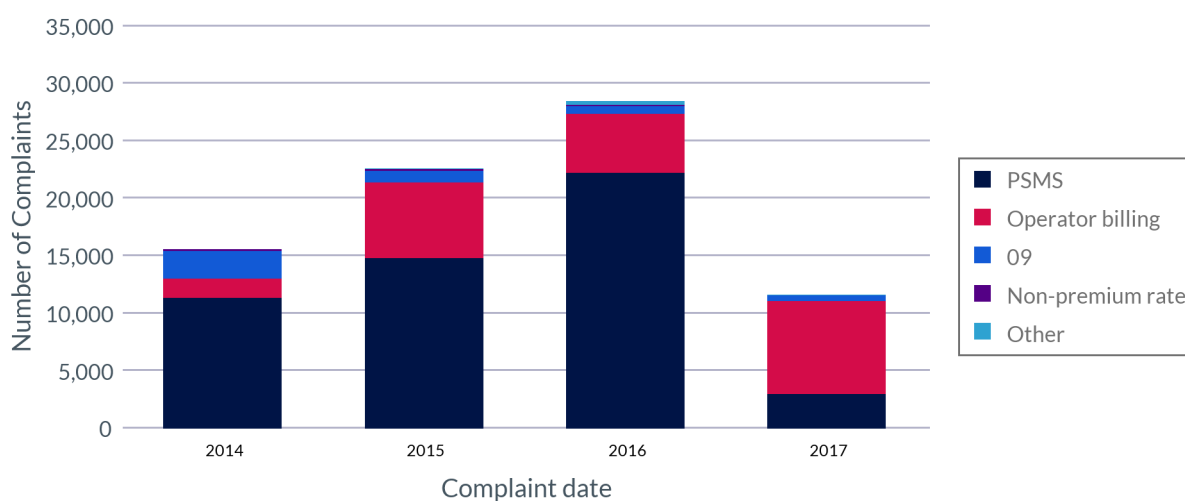


Annual view (Q1 - Q3 comparable)

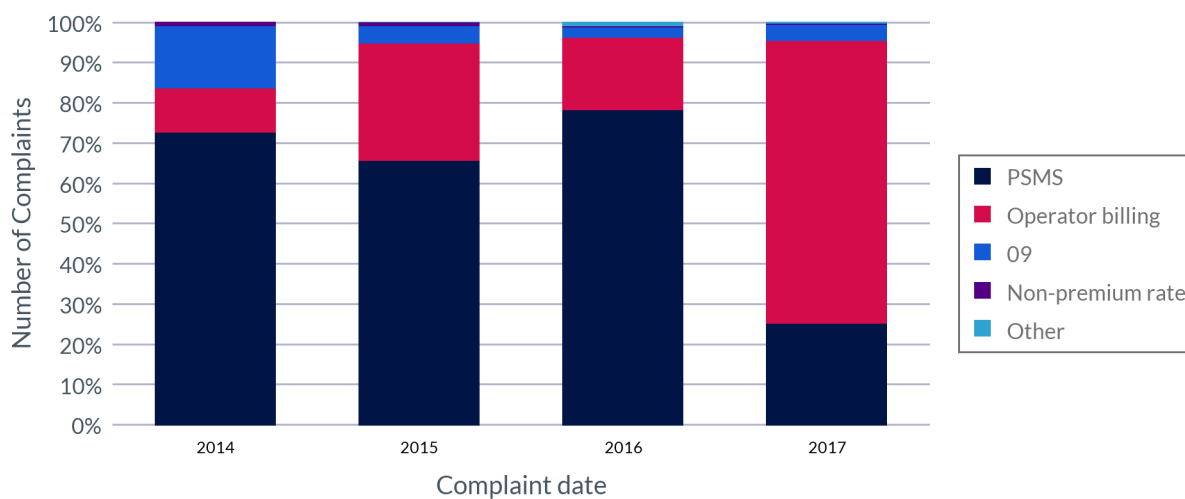
3.3.6 Complaints by payment mechanism per Financial Year to date

	2014		2015		2016		2017	
PSMS	11,197	72.4%	14,697	65.3%	22,081	77.9%	2,867	24.9%
Operator billing	1,696	11.0%	6,579	29.2%	5,139	18.1%	8,089	70.2%
09	2,384	15.4%	958	4.3%	681	2.4%	473	4.1%
Non-premium rate	181	1.2%	210	0.9%	101	0.4%	23	0.2%
Other	15	0.1%	63	0.3%	349	1.2%	69	0.6%
Sum:	15,473		22,507		28,351		11,521	

3.3.7 Complaints by payment mechanism per Financial Year to date (volume)



3.3.8 Complaints by payment mechanism per Financial Year to date (proportional)



4.0 Investigations and enforcement

Overview

We have an outcomes-based Code of Practice, under which we are committed to ensuring we thoroughly investigate cases fairly and enforce them proportionately.

With our Contact Management team efficiently processing complaint information and market intelligence, up to 600 separate cases are put forward each year for further consideration by the Investigations and Enforcement team. The scope of their activities includes:

- undertaking detailed further investigations to decide whether cases should be: closed; held under review; resolved informally (Track 1); or resolved formally (Track 2);
- engaging with service providers to allow them to understand the issues under consideration and respond within reasonable timescales;
- ensuring there is a clear and robust audit trail for all decisions taken;
- building complex and comprehensive legal arguments and evidence to bring any case before a Tribunal, balancing robustness with timeliness;
- dealing with all post-adjudicatory work, including breaches of sanctions and naming cases.

Comments

In March 2016, we closed 93 historic service review cases. In March 2017, we closed over 80 Initial Assessments from the preceding financial year.

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4.1 Total cases

Overview

4.1.1 Historical cases statuses by month

Month	Status	IA	EEA Ref	SR	IN	T1	T2	DDRAC	Pro'b	BoS	Appeal	Total
2016-12	Balance	130	13	24	0	8	24	1	2	3	0	205
2017-01	Opened	39	0	1	22	0	1	0	1	1	1	66
2017-01	Closed	21	0	0	1	2	0	0	0	0	0	24
2017-01	Changed	-1	-1	-2	0	1	3	0	0	0	0	0
2017-01	Balance	147	12	23	21	7	28	1	3	4	1	247
2017-02	Opened	24	0	0	0	0	0	0	0	1	0	25
2017-02	Closed	4	0	0	0	3	3	0	0	0	0	10
2017-02	Changed	-5	-2	0	0	4	3	0	0	0	0	0
2017-02	Balance	162	10	23	21	8	28	1	3	5	1	262
2017-03	Opened	24	0	0	1	1	0	0	0	0	0	26
2017-03	Closed	84	8	0	0	1	2	0	0	0	0	95
2017-03	Changed	-5	0	-1	1	0	5	0	0	0	0	0
2017-03	Balance	97	2	22	23	8	31	1	3	5	1	193
2017-04	Opened	32	0	0	0	0	5	0	0	0	3	40
2017-04	Closed	2	0	0	0	0	1	0	0	2	3	8
2017-04	Changed	-3	0	0	0	0	2	0	0	1	0	0
2017-04	Balance	124	2	22	23	8	37	1	3	4	1	225
2017-05	Opened	34	0	0	1	0	1	0	0	1	0	37
2017-05	Closed	23	0	0	0	3	0	0	0	0	1	27
2017-05	Changed	-11	0	0	7	4	0	0	0	0	0	0
2017-05	Balance	124	2	22	31	9	38	1	3	5	0	235
2017-06	Opened	20	0	0	1	0	0	0	0	0	0	21
2017-06	Closed	37	0	0	0	6	2	0	1	2	0	48
2017-06	Changed	-21	7	0	1	1	11	0	0	1	0	0
2017-06	Balance	86	9	22	33	4	47	1	2	4	0	208
2017-07	Opened	15	0	0	0	0	0	0	0	0	0	15
2017-07	Closed	3	5	0	0	4	0	0	0	0	0	12
2017-07	Changed	-4	0	0	-1	1	3	0	0	1	0	0

Investigations and enforcement

4.1 Total cases

Month	Status	IA	EEA Ref	SR	IN	T1	T2	DDRAC	Pro'b	BoS	Appeal	Total
2017-07	Balance	94	4	22	32	1	50	1	2	5	0	211
2017-08	Opened	15	0	0	0	0	0	0	0	0	0	15
2017-08	Closed	26	0	0	1	0	0	0	0	2	0	29
2017-08	Changed	-4	-4	0	0	0	8	0	0	0	0	0
2017-08	Balance	79	0	22	31	1	58	1	2	3	0	197
2017-09	Opened	27	0	0	0	0	0	0	0	0	1	28
2017-09	Closed	2	0	15	0	0	2	0	0	1	0	20
2017-09	Changed	-1	6	-7	0	0	2	0	0	0	0	0
2017-09	Balance	103	6	0	31	1	58	1	2	2	1	205
2017-10	Opened	29	0	0	0	0	0	0	0	0	0	29
2017-10	Closed	6	0	0	0	0	0	0	0	0	0	6
2017-10	Changed	-5	2	0	0	1	2	0	0	0	0	0
2017-10	Balance	121	8	0	31	2	60	1	2	2	1	228
2017-11	Opened	32	0	0	0	0	0	0	0	0	0	32
2017-11	Closed	24	0	0	31	2	12	0	2	1	0	72
2017-11	Changed	-4	1	0	0	4	-1	0	0	0	0	0
2017-11	Balance	125	9	0	0	4	47	1	0	1	1	118
2017-12	Opened	23	0	0	0	0	0	0	0	0	0	23
2017-12	Closed	12	0	0	0	0	0	0	0	0	0	12
2017-12	Changed	-3	0	0	0	5	-2	0	0	0	0	0
2017-12	Balance	133	9	0	0	9	45	1	0	1	1	199

Definitions

Case: a collection of evidence relating to a potential breach of the Code

Initial Assessment (IA): detailed service information being requested from the Level 1 or Level 2 providers as per paragraph 4.2.3 of the Code

EEA Referral (EEA Ref): a case relating to a provider based in the EU subject to the referral procedure

Service Review (SR): services subject to ongoing monitoring

Informal Notification (IN): an investigation resolved by the provider without the need for a Track 1 or Track 2

Track 1 (T1): enforcement action resulting in an agreed action plan to remedy the breach

Track 2 (T2): enforcement action resulting in a Tribunal decision

DDRAC: a type of track 2 case which focuses on the due diligence responsibilities of Level 1 providers or networks

Prohibition: a sanction under the Code resulting in an enforced period of prohibition from operating PRS

Breach of Sanctions (BoS): a case based on a breach of a sanction (such as non-payment of a fine) by a provider

Appeal: following a Tribunal decision the provider has requested a review or oral hearing

Overview

4.1.2 Investigations closed by enforcement action type per month

	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Formal	0	3	2	3	0	5	0	2	3	0	15	0
Informal	24	7	93	5	27	43	12	27	17	6	57	12
Total Closed	24	10	95	8	27	48	12	29	20	6	72	12

4.1.3 Investigations closed by enforcement action type per month



Comments

In March 2017, we closed over 80 Initial Assessments from the preceding financial year.

Definitions

Enforcement action: an investigation of a provider or service, either formal or informal, regarding potential breaches of the Code

Formal: a case of potentially serious breaches which may require a tribunal or legal action

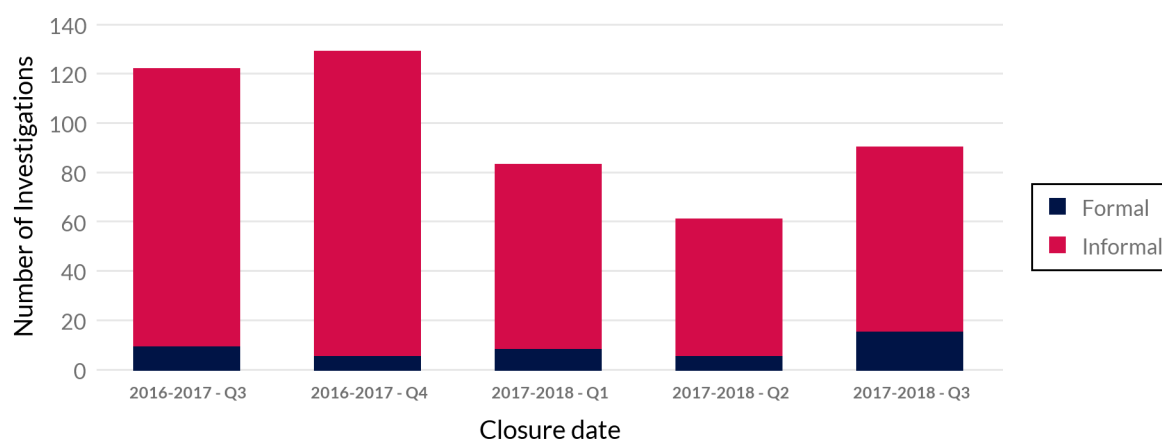
Informal: a case resolved without Tribunal or legal action, includes no further action, service review, informal notification and Track 1

Quarterly view

4.1.4 Investigations closed by enforcement action type per quarter

	2016-2017 - Q3		2016-2017 - Q4		2017-2018 - Q1		2017-2018 - Q2		2017-2018 - Q3	
Formal	9	7.4%	5	3.9%	8	9.6%	5	8.2%	15	16.7%
Informal	113	92.6%	124	96.1%	75	90.4%	56	91.8%	75	83.3%
Total closed	122		129		83		61		90	

4.1.5 Investigations closed by enforcement action type per quarter (volume)



4.1.6 Investigations closed by enforcement action type per quarter (proportion)

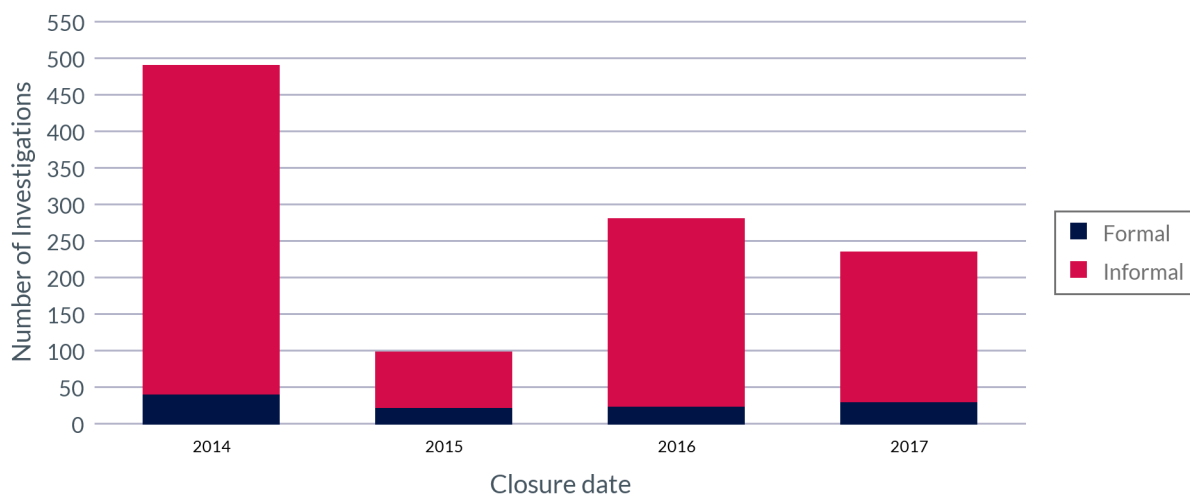


Annual view (Q1 - Q3 comparable)

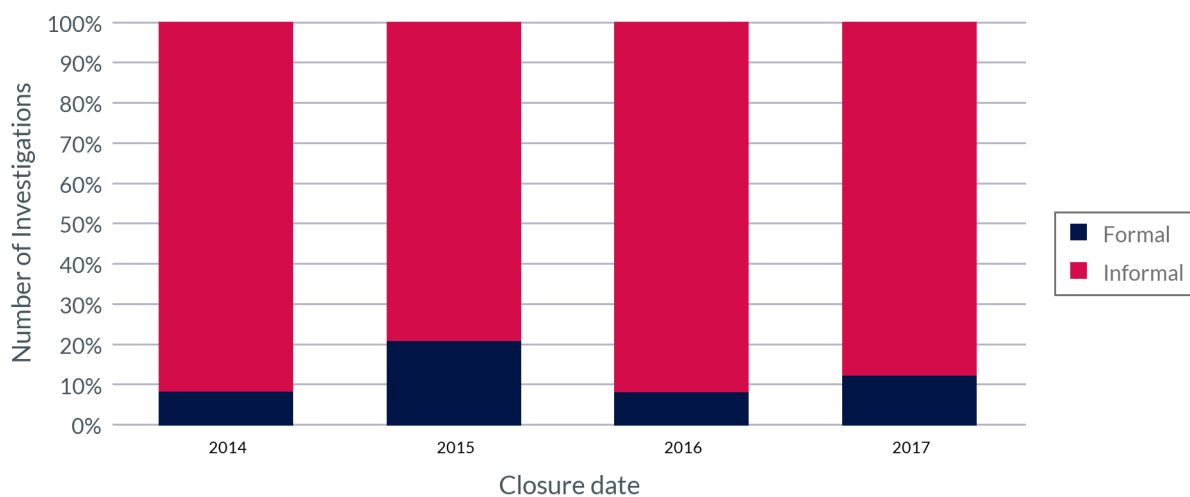
4.1.7 Investigations closed by enforcement action type per FY to date

	2014		2015		2016		2017	
Formal	39	8.0%	20	20.6%	22	7.9%	28	12.0%
Informal	450	92.0%	77	79.4%	258	92.1%	206	88.0%
Total closed:	489		97		280		234	

4.1.8 Investigations closed by enforcement action type per FY to date (volume)



4.1.9 Investigations closed by enforcement action type per FY to date (proportional)



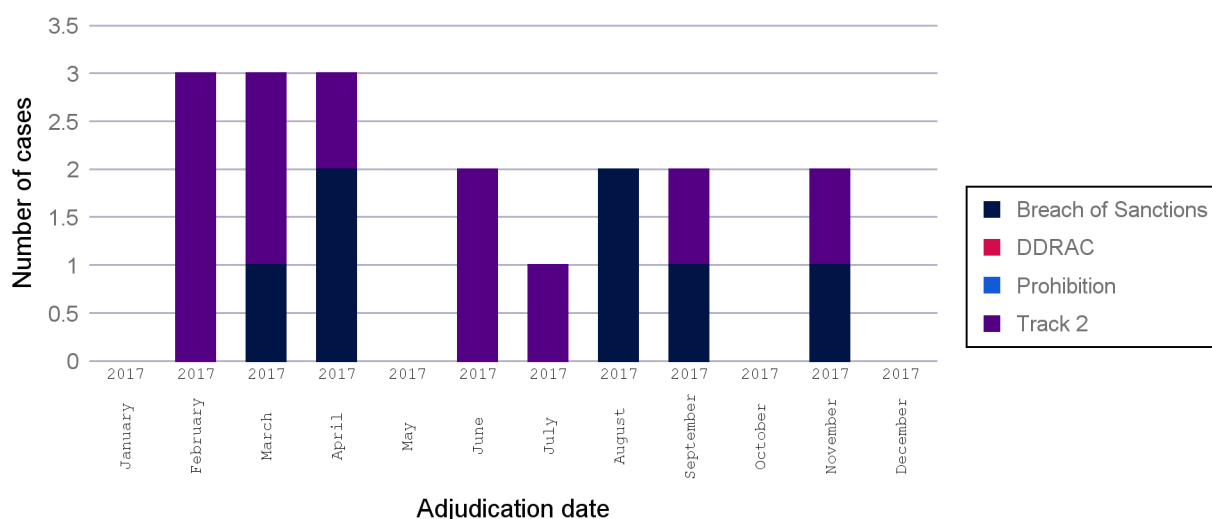
4.2 Tribunal information

Overview

4.2.1 Number of cases heard at Tribunal

	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Breach of Sanctions			1	2				2	1		1	
Track 2		3	2	1		2	1		1		1	
Sum:		3	3	3		2	1	2	2		2	

4.2.2 Number of cases heard at Tribunal per month



Definitions

Breach of sanctions: a case based on a breach of a sanction (such as non-payment of a fine) by a provider

By consent: a resolution agreed between the PSA board and the respondent, before or after a first instance decision, only available via the oral hearing route

DDRAC: a type of track 2 case which focuses on the due diligence responsibilities of Level 1 providers or networks

Oral hearing: a hearing where the provider makes oral representations in addition to written submissions

Prohibition: a sanction under the Code resulting in an enforced period of prohibition from operating PRS

Review: a tribunal decision that changes a first instance decision by a previous tribunal

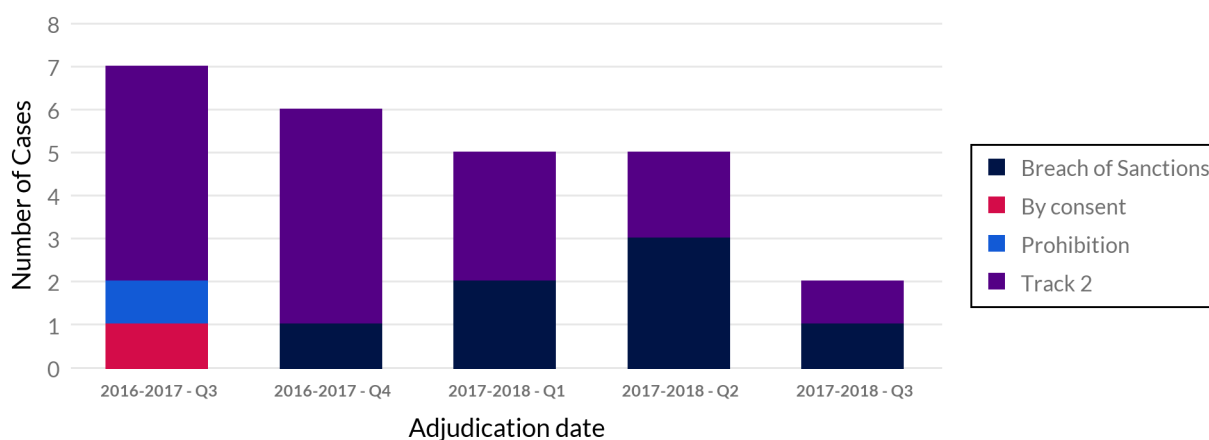
Track 2: enforcement action resulting in a Tribunal decision

Quarterly view

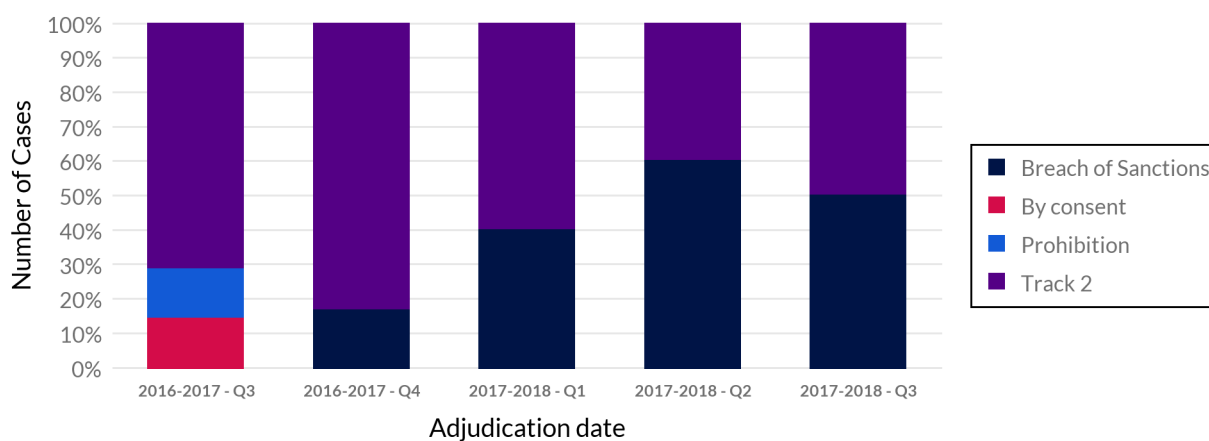
4.2.3 Number of cases heard at Tribunal per quarter

	2016-2017 - Q3		2016-2017 - Q4		2017-2018 - Q1		2017-2018 - Q2		2017-2018 - Q3	
Breach of Sanctions			1	16.7%	2	40.0%	3	60.0%	1	50.0%
By consent	1	14.3%								
Prohibition	1	14.3%								
Track 2	5	71.4%	5	83.3%	3	60.0%	2	40.0%	1	50.0%
Sum:	7		6		5		5		2	

4.2.4 Number of cases heard at Tribunal per quarter (volume)



4.2.5 Number of cases heard at Tribunal per quarter (proportion)

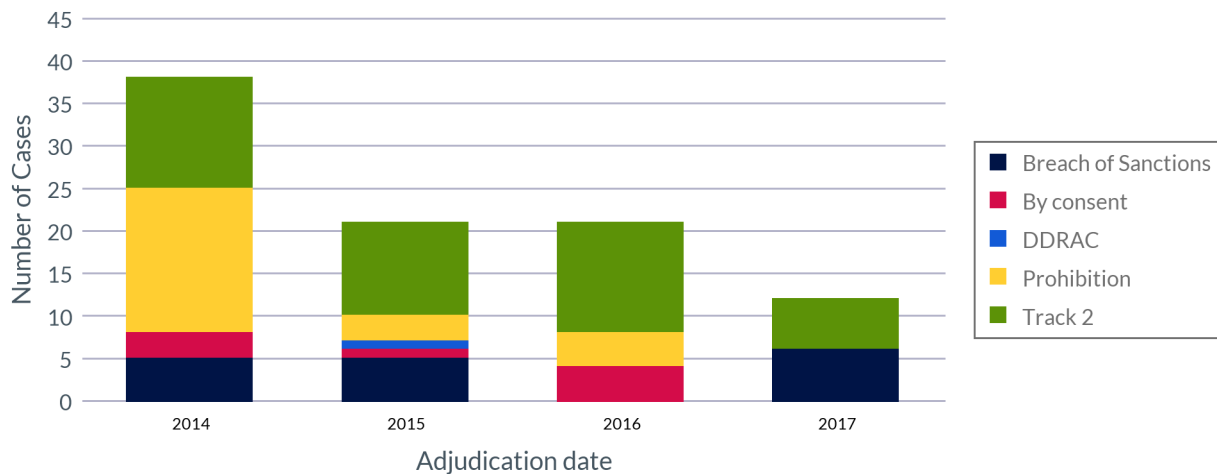


Annual view (Q1 - Q3 comparable)

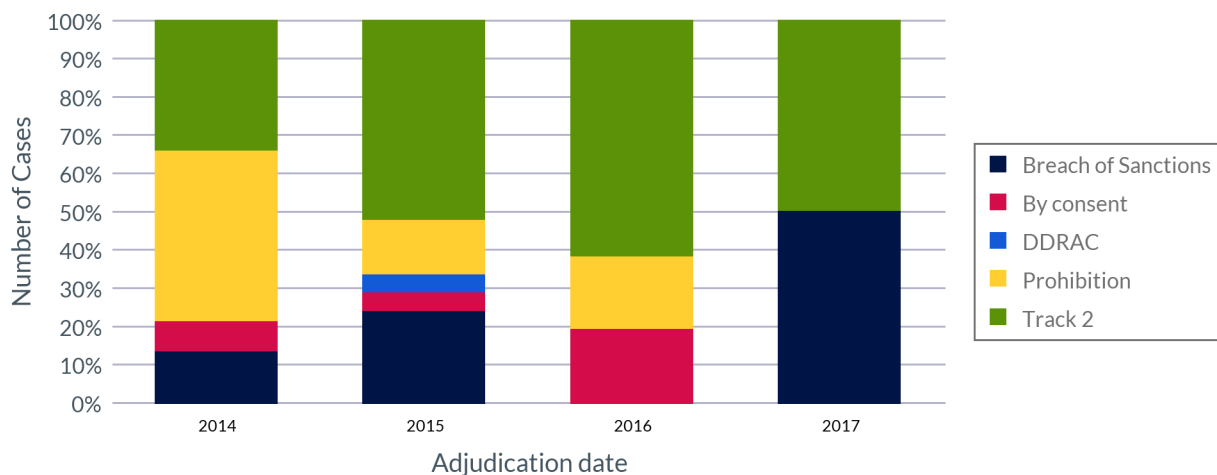
4.2.6 Number of cases heard at Tribunal per Financial Year to date

	2014		2015		2016		2017	
Breach of Sanctions	5	13.2%	5	23.8%			6	50.0%
By consent	3	7.9%	1	4.8%	4	19.0%		
DDRAC			1	4.8%				
Prohibition	17	44.7%	3	14.3%	4	19.0%		
Track 2	13	34.2%	11	52.4%	13	61.9%	6	50.0%
Sum:	38		21		21		12	

4.2.7 Number of cases heard at Tribunal per Financial year to date (volume)



4.2.8 Number of cases heard at Tribunal per Financial Year to date (proportional)



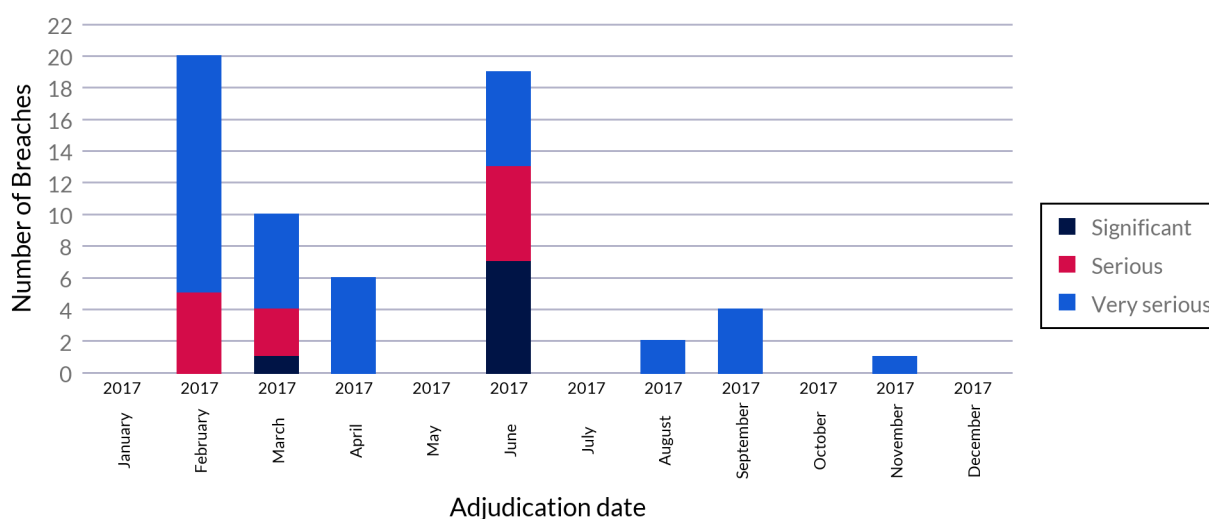
4.3 Track 2 breach severity

Overview

4.3.1 Upheld breaches by severity per month

	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
		Feb	Mar	Apr		Jun		Aug	Sep		Nov	
Significant			1			7						
Serious		5	3			6						
Very serious		15	6	6		6		2	4		1	
Total breaches:	0	20	10	6	0	19	0	2	4	0	1	0
Cases heard:		3	3	3		2	1	2	2		2	

4.3.2 Upheld breaches by severity per month



Comments

Prohibition cases do not involve a new breach of the Code and so the number of cases heard may be greater than the number of breaches.

Definitions

Minor: a rating applied to Tribunal decisions, the lowest level of harm on a scale of 1-5

Moderate: a rating applied to Tribunal decisions, the second lowest level of harm on a scale of 1-5

Significant: a rating applied to Tribunal decisions, the third lowest level of harm on a scale of 1-5

Serious: a rating applied to Tribunal decisions, the second highest level of harm on a scale of 1-5

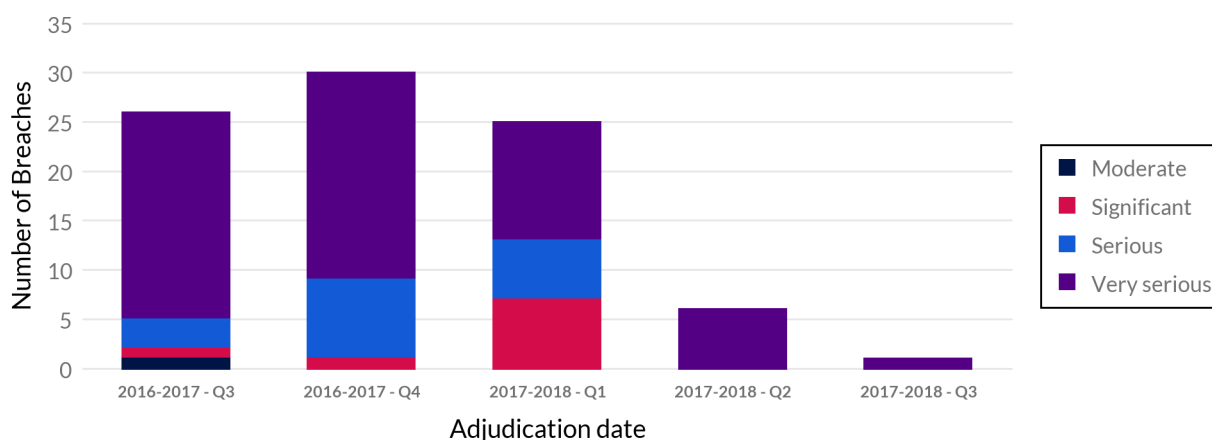
Very serious: a rating applied to Tribunal decisions, the highest level of harm on a scale of 1-5

Quarterly view

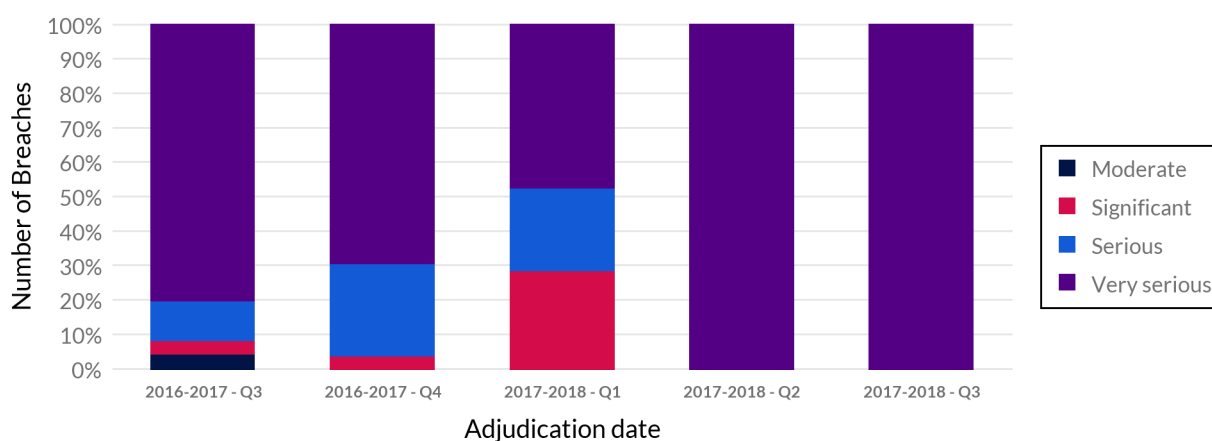
4.3.3 Upheld breaches by severity per quarter

	2016-2017 - Q3		2016-2017 - Q4		2017-2018 - Q1		2017-2018 - Q2		2017-2018 - Q3	
Moderate	1	3.8%								
Significant	1	3.8%	1	3.3%	7	28.0%				
Serious	3	11.5%	8	26.7%	6	24.0%				
Very serious	21	80.8%	21	70.0%	12	48.0%	6	100.0%	1	100.0%
Sum:	26		30		25		6		1	

4.3.4 Upheld breaches by severity per quarter (volume)



4.3.5 Upheld breaches by severity per quarter (proportion)

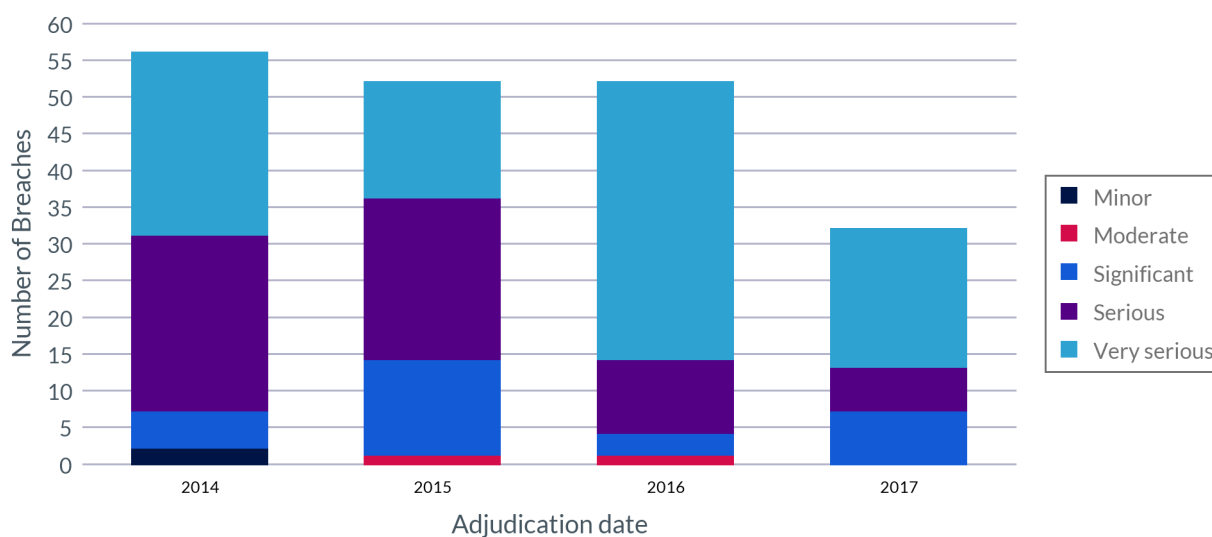


Annual view (Q1 - Q3 comparable)

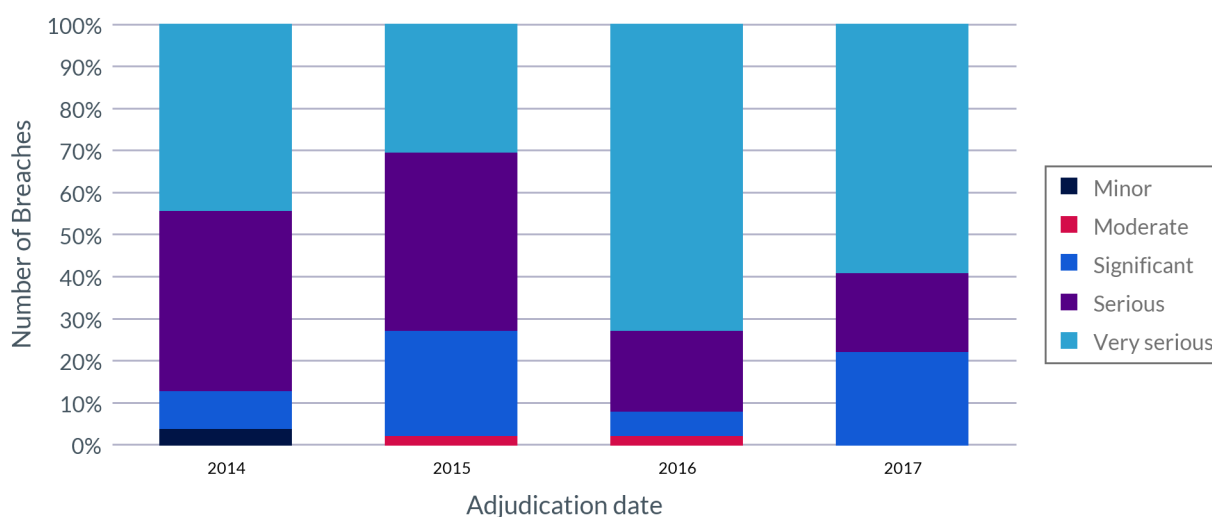
4.3.6 Upheld breaches by status per Financial Year to date

	2014		2015		2016		2017	
Minor	2	3.6%						
Moderate			1	1.9%	1	1.9%		
Significant	5	8.9%	13	25.0%	3	5.8%	7	21.9%
Serious	24	42.9%	22	42.3%	10	19.2%	6	18.8%
Very serious	25	44.6%	16	30.8%	38	73.1%	19	59.4%
Sum:	56		52		52		32	

4.3.7 Upheld breaches by severity per Financial Year to date (volume)



4.3.8 Upheld breaches by severity per Financial Year to date (proportional)



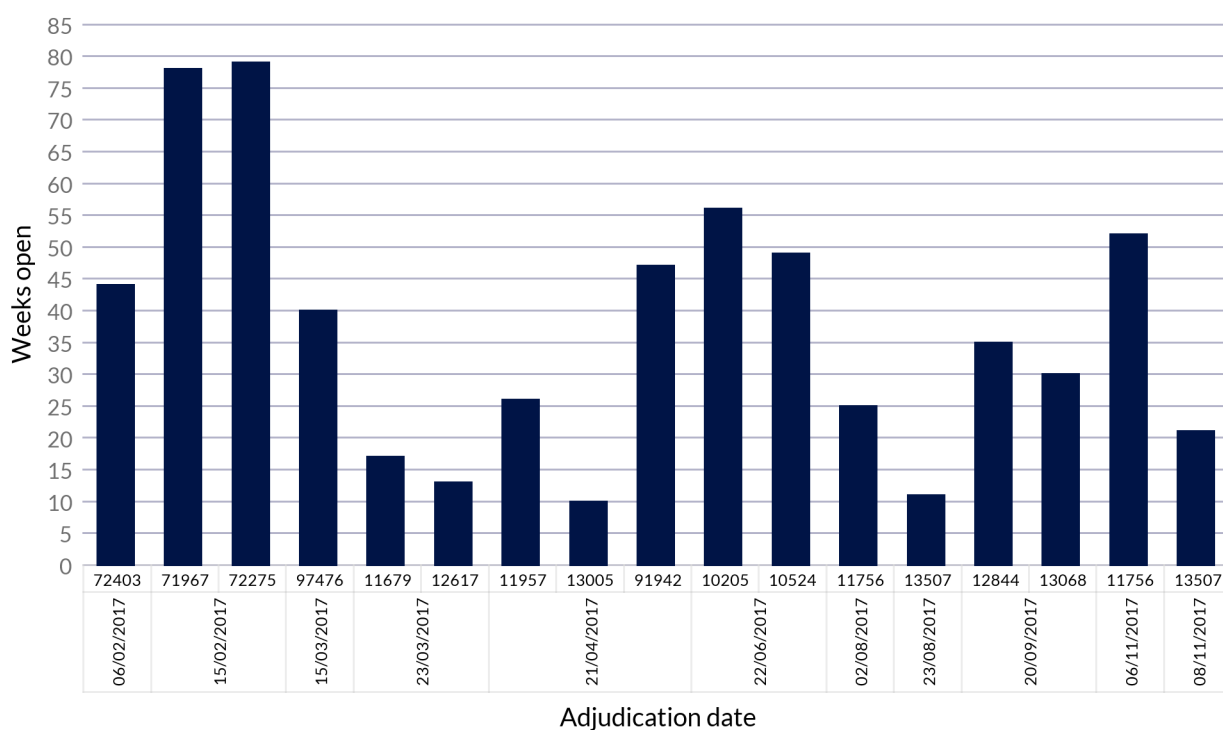
4.4 Track 2 duration

Overview

4.4.1 Average Track 2 duration per month (weeks)

2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
NA	67	23	28	NA	52	NA	18	33	NA	37	NA

4.4.2 Duration for each Track 2 case for the past year



Definitions

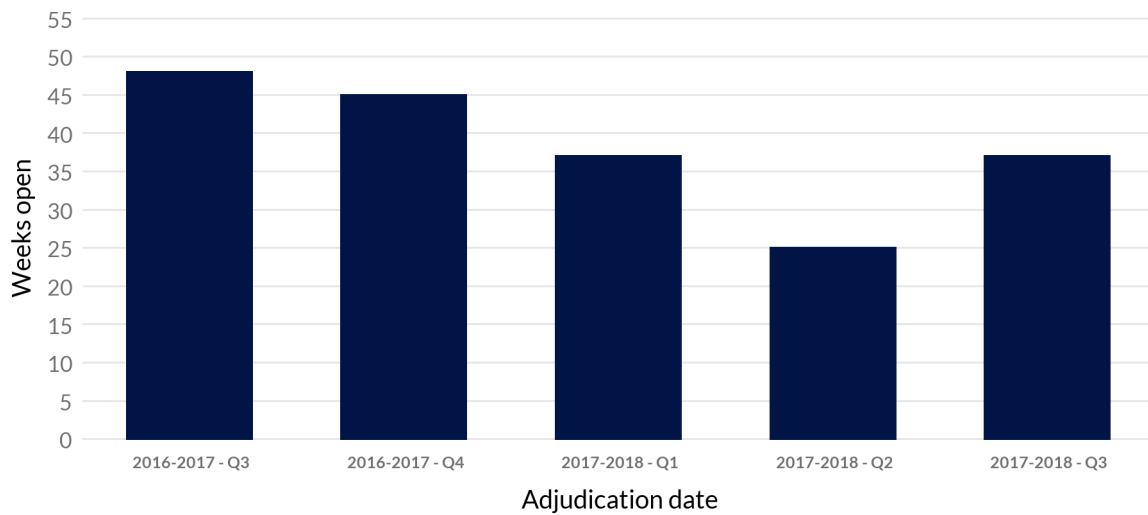
Adjudication date: the date of the decision made by the Code Adjudication Panel relating to potential breaches of the Code

Quarterly view

4.4.3 Average Track 2 duration per quarter (weeks)

2016-2017 - Q3	2016-2017 - Q4	2017-2018 - Q1	2017-2018 - Q2	2017-2018 - Q3
48	45	37	25	37

4.4.4 Average Track 2 duration per quarter (weeks)

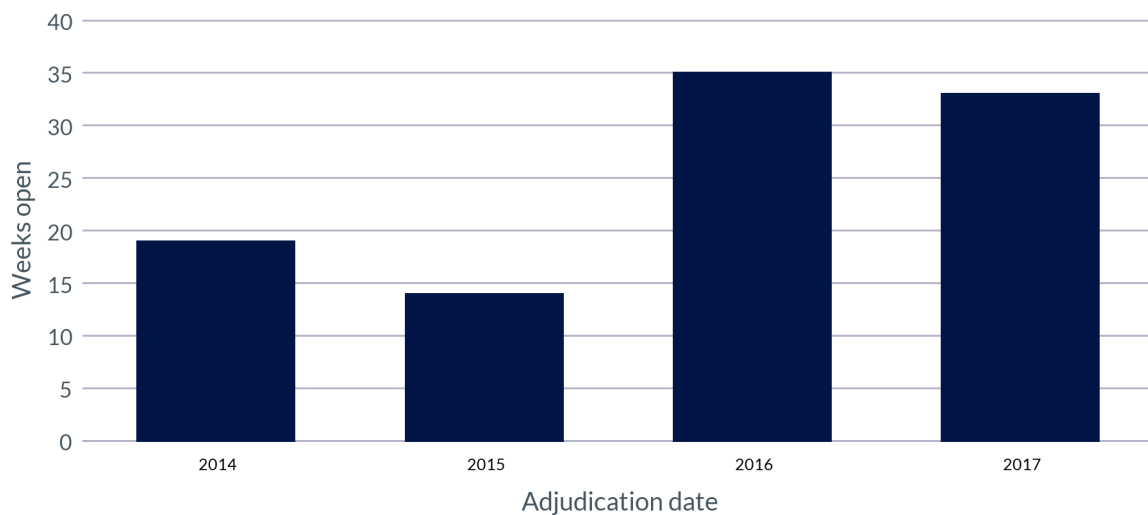


Annual view (Q1 - Q3 comparable)

4.4.5 Average Track 2 duration per FY to date (weeks)

2014	2015	2016	2017
19	14	35	33

4.4.6 Average Track 2 duration per FY to date (weeks)



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5.0 Industry support

Overview

In addition to our investigatory and enforcement work, our regulatory toolkit also includes identifying and applying policy solutions to issues arising more generally in the market. The scope of the industry support we are able to provide includes:

- Holding our Code of Practice and supporting procedures to constant review, and updating guidance around these as necessary.
- Responding to requests for compliance advice.
- Providing the facility for industry Due Diligence to be undertaken.
- Commissioning industry-wide research initiatives.
- Finding ways in which barriers to high compliance can be broken down. These include working with an expanded and enhanced Industry Liaison Panel; making effective use of its Rapid Response Team mechanism where required; and our detailed programme of one-to-one meetings and engagement with industry representative bodies, network operators and service providers.

Comments

Demand for compliance advice peaks when we launch a new Code of Practice. This occurred in both July 2015 and June 2016.

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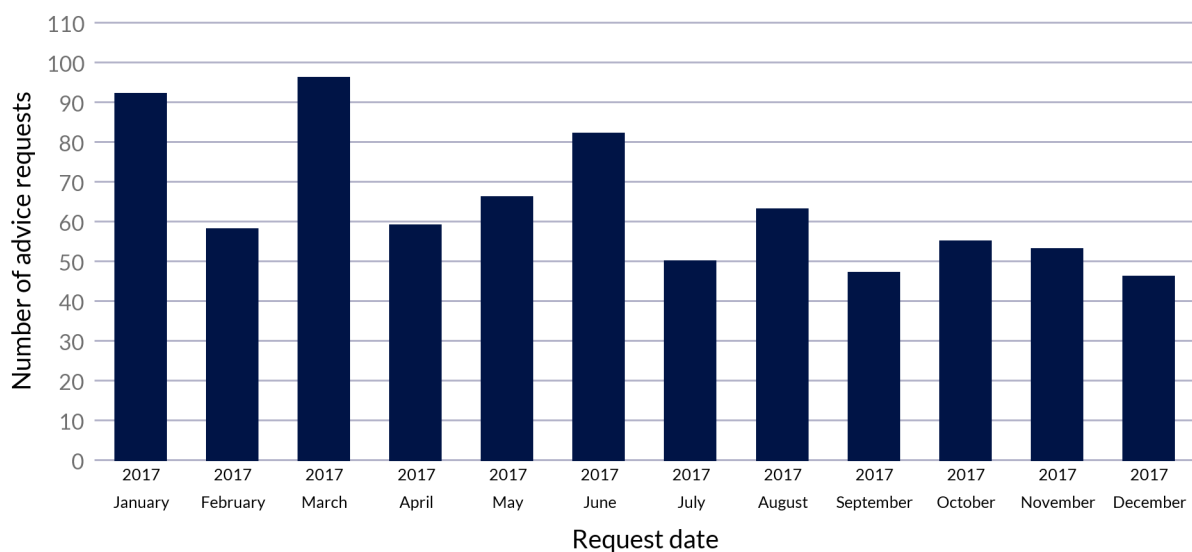
5.1 Compliance advice

Overview

5.1.1 Compliance advice given

	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Requests	92	58	96	59	66	82	50	63	47	55	53	46

5.1.2 Compliance advice given



Definitions

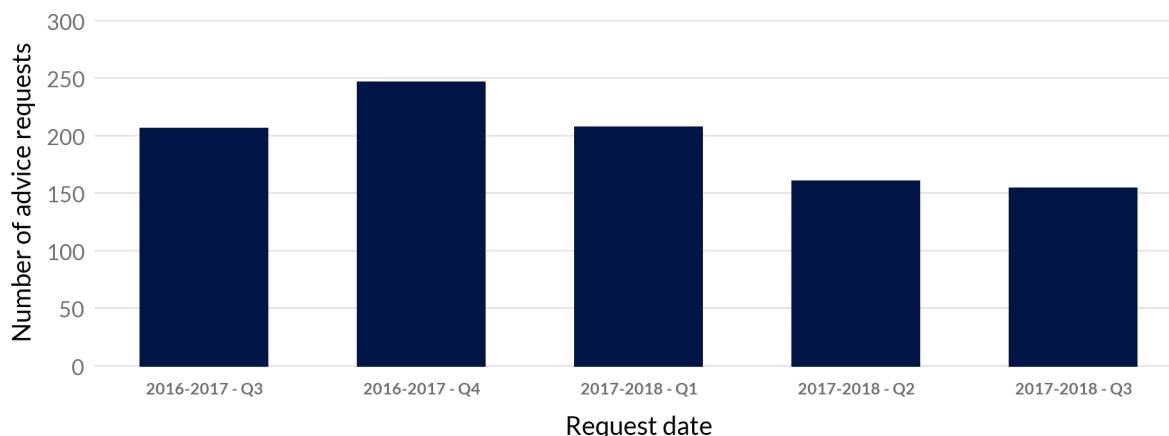
Compliance advice: a written piece of advice on how to operate PRS within the scope of the Code of Practice

Quarterly view

5.1.3 Compliance advice given

	2016-2017 - Q3	2016-2017 - Q4	2017-2018 - Q1	2017-2018 - Q2	2017-2018 - Q3
Requests	206	246	207	160	154

5.1.4 Compliance advice given

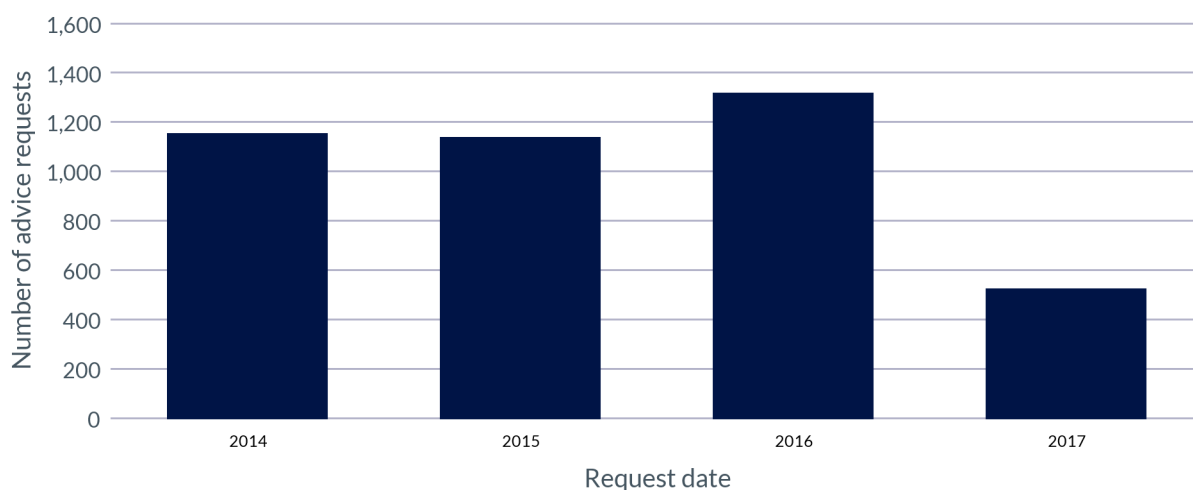


Annual view (Q1 - Q3 comparable)

5.1.5 Compliance advice given per FY to date

	2014	2015	2016	2017
Requests	1,152	1,136	1,315	521

5.1.6 Compliance advice given per FY to date



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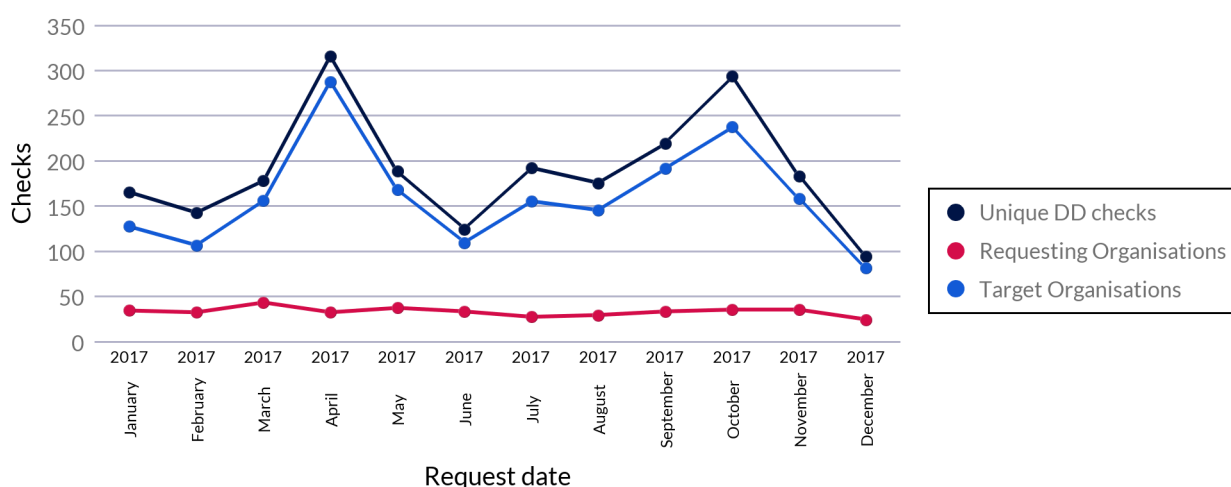
5.2 Due diligence

Overview

5.2.1 Number of due diligence requests per month

	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Unique checks	166	143	179	316	189	125	193	176	220	294	184	95
Requesting orgs	35	33	44	33	38	34	28	30	34	36	36	25
Target orgs	128	107	157	288	169	110	156	146	192	238	159	82

5.2.1 Number of due diligence requests per month



Definitions

Due diligence request: background checks that networks are required to carry out on potential providers

Unique checks: a unique incidence of a due diligence request between one target and one requesting organisation

Requesting organisations: the network or Level 1 provider carrying out the due diligence on a potential provider

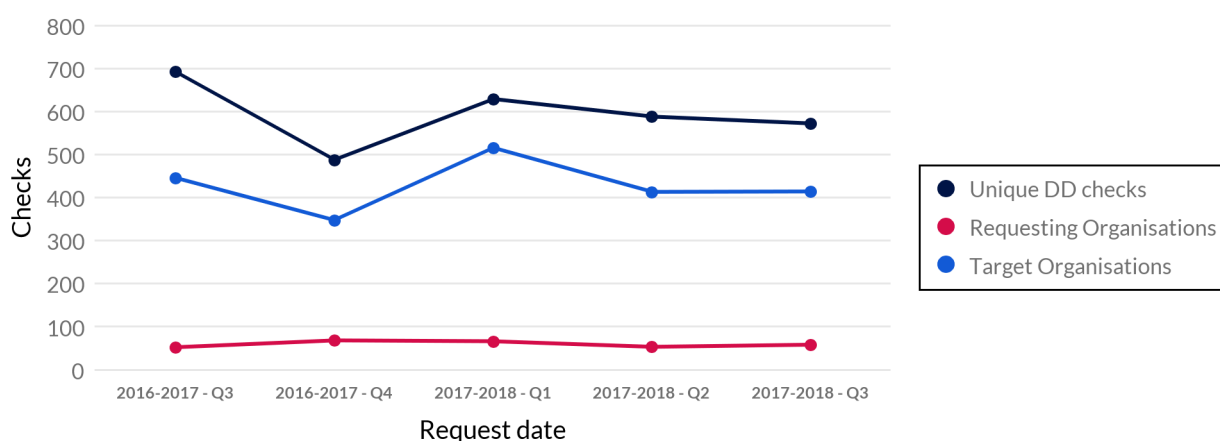
Target organisations: the potential provider being evaluated

Quarterly view

5.2.3 Number of due diligence requests per quarter

	2016-2017 - Q3	2016-2017 - Q4	2017-2018 - Q1	2017-2018 - Q2	2017-2018 - Q3
Unique checks	694	488	630	589	573
Requesting orgs	53	69	67	54	59
Target Orgs	447	348	517	414	415

5.2.4 Number of due diligence requests per quarter (volume)

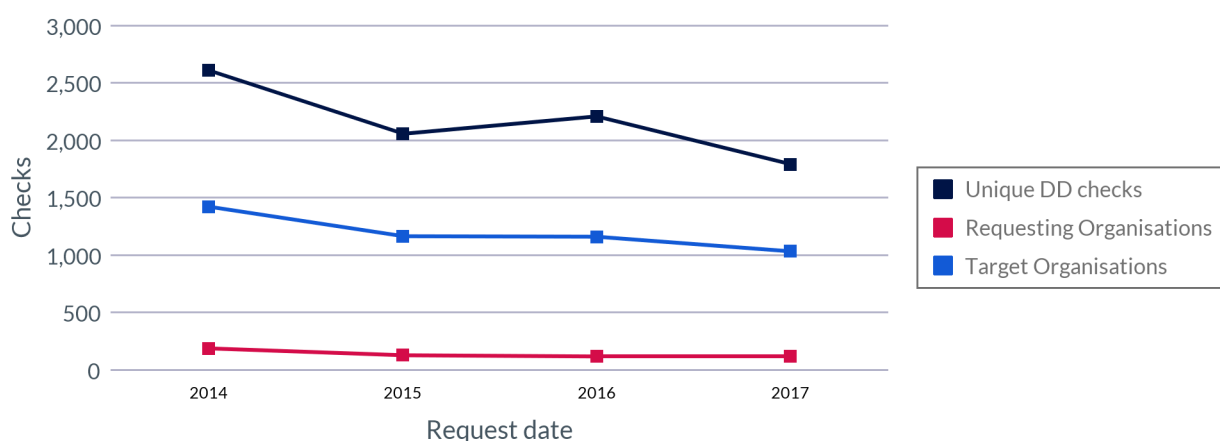


Annual view (Q1 - Q3) comparable)

5.2.5 Number of due diligence requests per FY to date

	2014	2015	2016	2017
Unique checks	2,612	2,058	2,211	1,792
Requesting orgs	189	129	119	119
Target Orgs	1,424	1,166	1,162	1,034

5.2.6 Number of due diligence requests per FY to date



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6.0 Market context

Overview

Through the nature of our operations and the data we collect, we are able to provide an authoritative overview of the PRS market:

- The financial size of the PRS market is measured initially through the revenues collected by network operators, and then through the outpayments they make to aggregators after retaining their share of the value chain. It is to the outpayments figure that the industry levy is applied.
- Compliance with our Code of Practice includes mandatory registration of services, although we provide financial exemptions for small businesses and charities. Through this, we are able to demonstrate the number of organisations engaged in the provision of PRS services.

Comments

Outpayment figures for Quarter 3 2017/18 have been updated for this report.

Compared to the previous quarter:

- Fixed has decreased by 4%
 - Comprised of: Landline down 2%, DQ down 16%, 087 up 4%
- Mobile has increased by 13%
 - Comprised of: PSMS up 19%, Voice Shortcode up 9%, Operator billing up 9%

Compared to the same quarter last year:

- Fixed has decreased by 13%
 - Comprised of: Landline down 11%, DQ down 26%, 087 down 1%
- Mobile has decreased by 11%
 - Comprised of: PSMS down 33%, Voice Shortcode up 5%, Operator billing up 11%

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6.1 Outpayments

Annual view

6.1.1 Outpayments by payment mechanism (Financial Year to date) *

	PSMS	Operator billing	DQ	Landline	087	Voice Shortcode	Total
FY 2017-2018	84,314,906	133,105,845	25,888,572	37,908,953	24,189,637	9,927,557	315,335,470
FY 2016-2017	176,079,370	150,433,555	44,364,843	52,750,424	34,693,967	13,242,773	471,564,932
FY 2015-2016	157,517,975	113,827,719	57,456,753	53,333,641	37,228,417	13,889,643	433,254,148
FY 2014-2015	159,208,322	72,407,015	75,311,151	72,807,041	47,773,800	16,082,943	443,590,272
FY 2013-2014	176,905,844	33,274,730	95,617,864	95,689,021	59,218,884		460,706,343
FY 2012-2013	212,884,919	27,704,566	107,022,378	127,863,110	62,439,519		537,914,492
FY 2011-2012	222,371,371	24,455,447	119,325,005	144,378,889	63,843,734		574,374,445

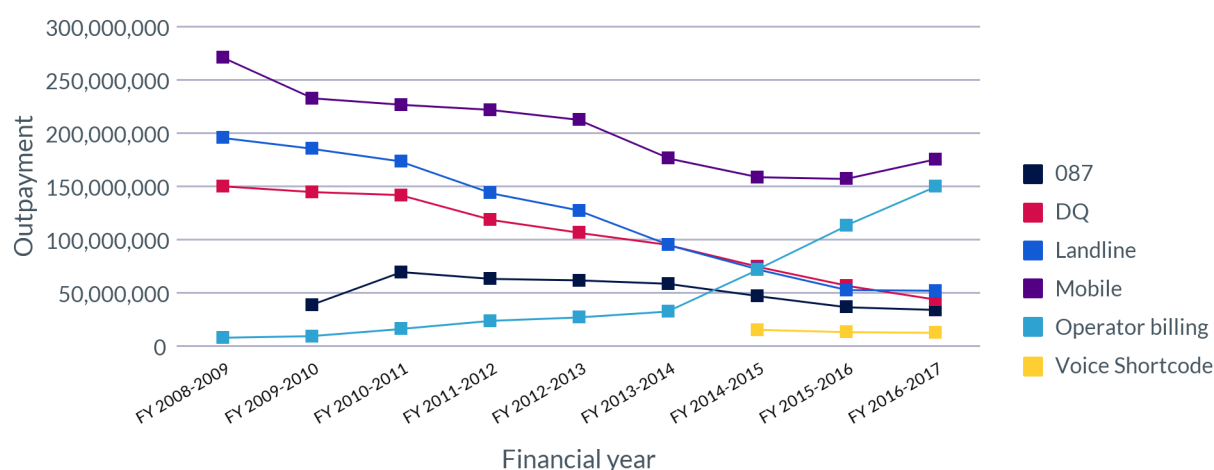
* up on previous financial year

down on previous financial year

6.1.2 Outpayments by payment mechanism (current section of FY only - Q1 - Q3)

	PSMS	Operator billing	DQ	Landline	087	Voice Shortcode	Total
FY 2017-2018	84,314,906	133,105,845	25,888,572	37,908,953	24,189,637	9,927,557	315,335,470
FY 2016-2017	142,556,106	111,053,308	34,258,400	40,445,844	26,283,620	10,232,475	364,829,754
FY 2015-2016	115,582,985	82,929,574	45,471,126	41,164,507	28,514,752	10,592,718	324,255,661
FY 2014-2015	121,930,115	49,825,847	59,191,560	57,252,653	37,314,059	12,385,498	337,899,732
FY 2013-2014	130,013,053	22,827,746	73,598,377	75,733,554	45,359,309		347,532,039
FY 2012-2013	161,743,986	18,248,857	80,599,387	99,220,179	47,231,142		407,043,551
FY 2011-2012	162,248,936	17,028,225	92,096,997	112,293,685	48,717,223		432,385,066

6.1.3 Outpayments by sector (complete years only)

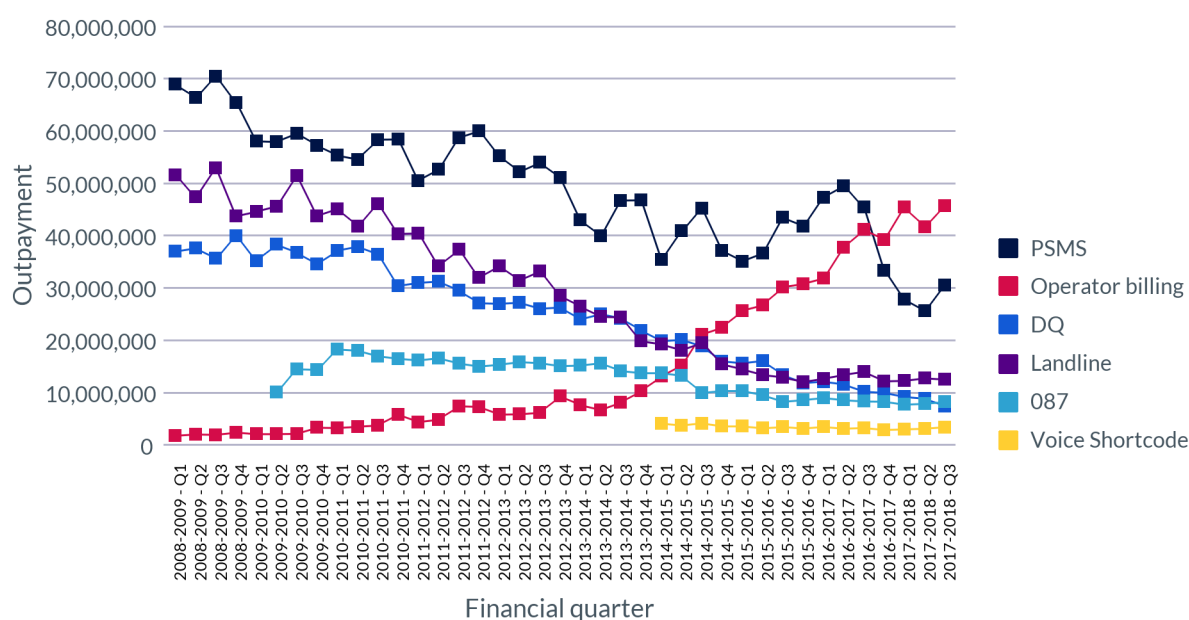


Quarterly view

6.1.4 Outpayments by sector by financial quarter

	PSMS	Operator billing	DQ	Landline	087	Voice Shortcode	Total
2017-2018 - Q3	30,632,338	45,761,317	7,583,299	12,640,100	8,335,620	3,553,280	108,505,954
2017-2018 - Q2	25,715,055	41,814,110	8,978,239	12,877,167	8,013,485	3,248,211	100,646,267
2017-2018 - Q1	27,967,513	45,530,418	9,327,035	12,391,686	7,840,532	3,126,065	106,183,249
2016-2017 - Q4	33,523,264	39,380,247	10,106,444	12,304,579	8,410,346	3,010,298	106,735,178
2016-2017 - Q3	45,512,140	41,260,312	10,309,824	14,127,975	8,461,348	3,393,013	123,064,613

6.1.5 Outpayments by sector by financial quarter



Definitions

PSMS: Premium short message services

Operator billing: a secure mobile payment service, includes payments via "Payfortit"

DQ: Directory enquiry services

Landline: a sector of PRS services utilising Non-Geographic number ranges, including 087, 084, 118, 09

087: PRS services utilising the 087 number range. Prices range from aprox. 5p per minute to 15p per minute. Typical services include sales booking lines for hotels and cinemas.

Voice shortcode: PRS services utilising the mobile short numbering system which are designated to carrying voice traffic

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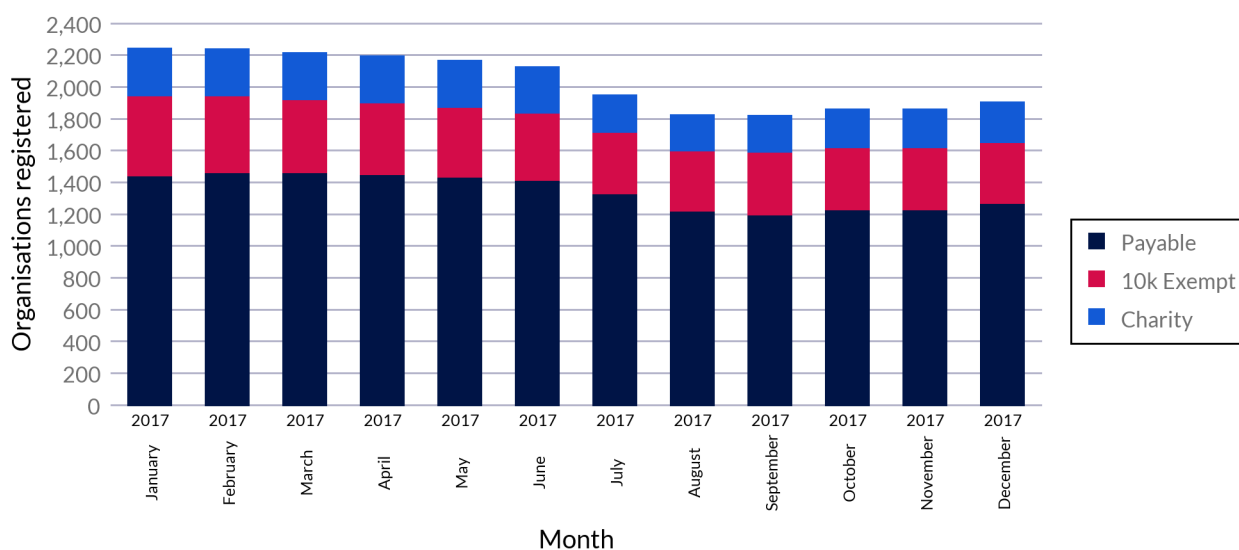
6.2 Registrations by type

Overview

6.2.1 Total registrations by payment status per month

	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Payable	1,433	1,452	1,452	1,442	1,426	1,405	1,321	1,209	1,185	1,217	1,217	1,259
10K exempt	503	485	460	449	436	421	385	379	396	392	392	382
Charity	305	300	299	303	303	297	241	234	237	250	250	262
Total	2,241	2,237	2,211	2,194	2,165	2,123	1,947	1,822	1,818	1,859	1,859	1,903

6.2.2 Total registrations by payment status per month



Definitions

10k exempt: an organisation whose revenues are less than £10k is not expected to pay a fee in their first year of operation

Charity: an organisation which is a registered charity is not expected to pay a fee

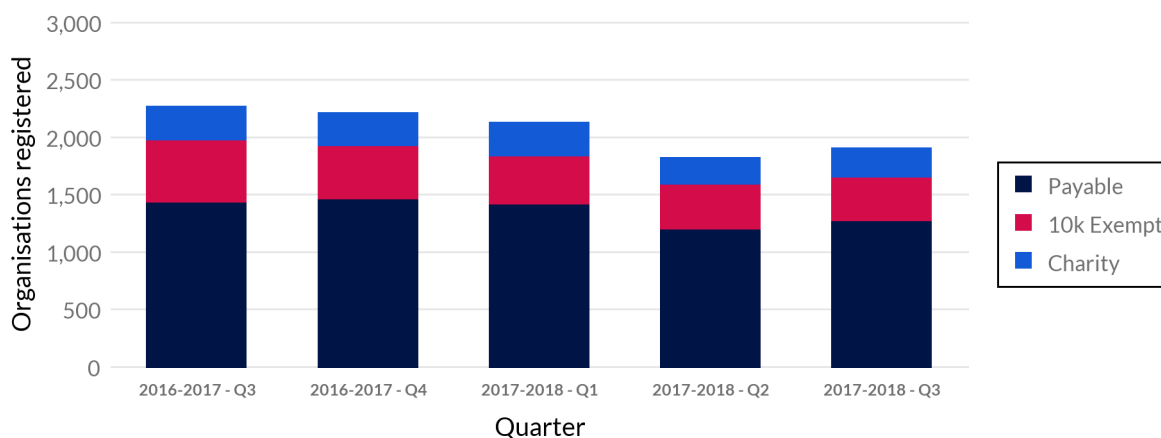
Payable: all other organisations are expected to pay a registration fee

Quarterly view

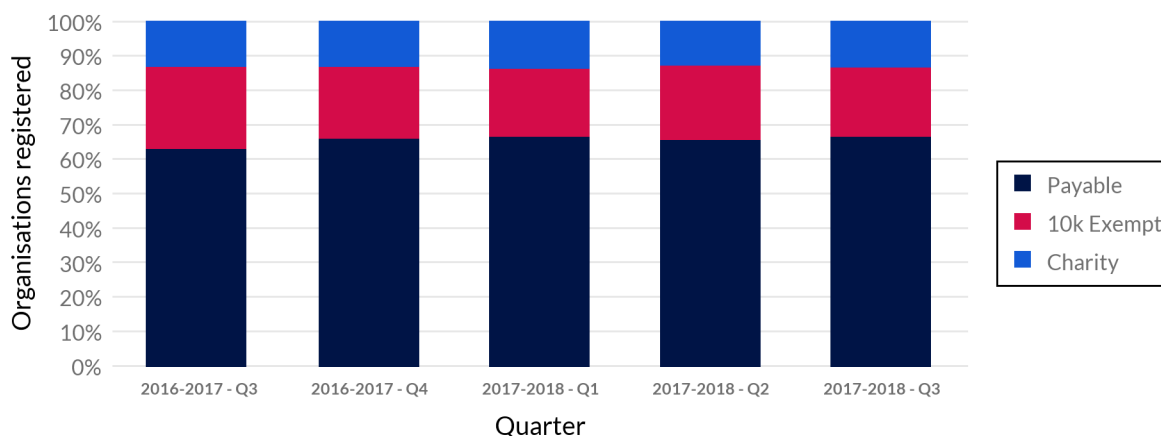
6.2.3 Total registrations by payment status per quarter

	2016-2017 - Q3		2016-2017 - Q4		2017-2018 - Q1		2017-2018 - Q2		2017-2018 - Q3	
Payable	1,420	62.7%	1,452	65.7%	1,405	66.2%	1,185	65.2%	1,259	66.2%
10K exempt	541	23.9%	460	20.8%	421	19.8%	396	21.8%	382	20.1%
Charity	305	13.5%	299	13.5%	297	14.0%	237	13.0%	262	13.8%
Total	2,266		2,211		2,123		1,818		1,903	

6.2.4 Total registrations by payment status per quarter (volume)



6.2.5 Total registrations by payment status per quarter (proportion)

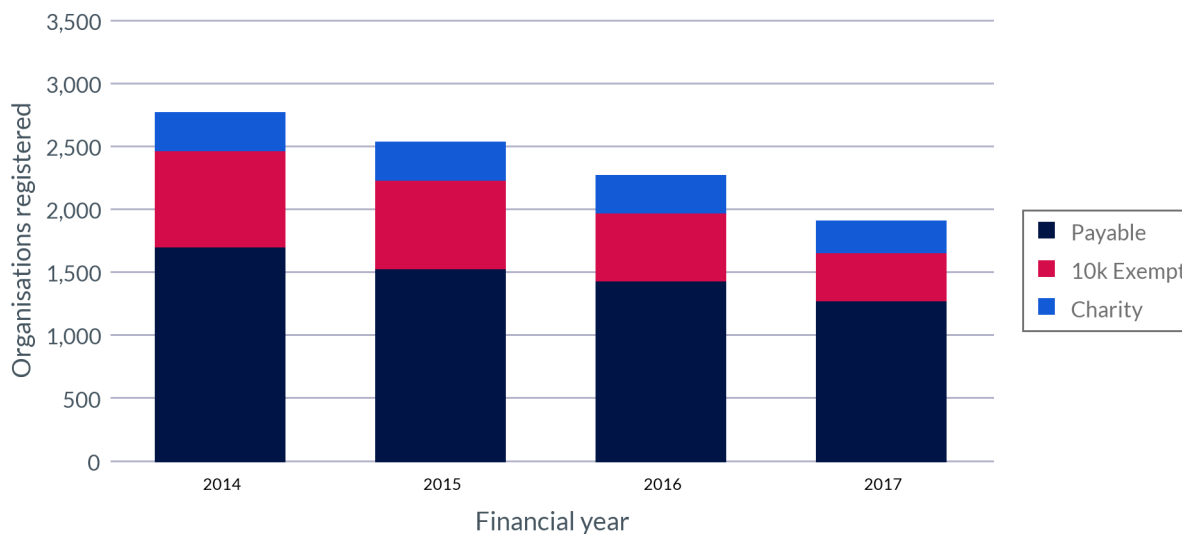


Annual view (Q1 - Q3 comparable)

6.2.6 Total registrations by payment status per FY to date

	2014		2015		2016		2017	
Payable	1,689	61.1%	1,518	60.1%	1,420	62.7%	1,259	66.2%
10K exempt	765	27.7%	700	27.7%	541	23.9%	382	20.1%
Charity	310	11.2%	309	12.2%	305	13.5%	262	13.8%
Total	2,764		2,527		2,266		1,903	

6.2.7 Total registrations by payment status per FY to date (volume)



6.2.8 Total registrations by payment status per FY to date (proportional)

