

**NOTES OF THE ILP MEETING NO. 65th HELD ON
TUESDAY 16th APRIL 2019
10.00am-12.00pm
The Phone-paid Services Authority Offices,
40 Bank Street, London, E14 5NR**

ILP Members

Ann Cook – ITV and ILP Chair
David Edmonds (PSA Chairman)
Lisle Alden – Sky (rep for UKCTA)
Danny Barclay - Telefonica
Michael Barford – The Number UK
Joanna Cox – aimm
Gavin Daykin - Ofcom
Holly Fairweather – Channel 4
Tony Maher – TUFF
Caroline Press – Three
Steve Ricketts – PSA Board
Neil Roberts – Vodafone
Jeremy Stafford Smith – Vodafone
Mike Steel – BT Agilemedia
Rob Weisz – Fonix
Imogen Willdigg – Cancer Research

Phone-paid Services Authority

Joanne Prowse (Chief Executive)
Peter Barker
Mark Collins
Jonathan Levack
Ayo Omideyi
Stephanie Ratcliffe (minutes)

Ofcom

Liz Greenberg – Head of Numbering

Apologies

Kevin Butcher – BBC
Eric Feltin – Safari Mobile
Peter Garside – EE
Cathy Gerosa - FCS
Suzanne Gillies – Action 4
Neil Johnson – aimm
Hamish MacLeod - MobileUK
Mark Stannard – Boku Inc
Simon Towler – PSA

1.0 WELCOME, INTRODUCTIONS

Ann Cook welcomed attendees to the meeting and introduced Imogen Willdigg from Cancer Research, who was attending the meeting on an introductory basis. Apologies were noted.

2.0 REVIEW ACTIONS

a) Minutes and Matters arising from the minutes of the ILP meeting held on 12th February 2019.

Minutes and Matters Arising

The ILP approved the minutes from the ILP meeting held on 12th February 2019 as an accurate record of the meeting.

b) Actions

The ILP noted all actions from the meeting were either closed or addressed on the current agenda.

3.0 Presentation Future of Telephone Numbers: Ofcom Consultation

Liz Greenberg presented on the future of telephone numbers and provided background information to the qualitative research, which had been carried out by Futuresight, on behalf of Ofcom. The research had been commissioned in order to gain an understanding of what consumers understand, expect and need from telephone numbers now and in the future. For the purposes of this presentation, specific focus was given to 084 and 087 numbers.

The ILP noted that the key findings from consumers in the research on non-geographic numbers amounted to low perceived value and trust, confusion and uncertainty of 087 and 084 numbers. This was largely due to poor association with specific services, poor understanding of chargeable and non-chargeable numbers and low awareness of provider's access charges. More consumer trust and acceptance were visible for 09 numbers, with known service providers.

Following Ofcom's publication of a policy statement in February, The future of fixed telephone services, which focused on a move from traditional Public Switched Telephone Network to Internet Protocol technology and the resulting implications, Ofcom published a series of linked consultations under the heading 'future regulation of phone numbers and calls' on 11th April.

The current consultation on the 'future of telephone numbers' addresses what people and businesses want and need from landline phone numbers, as well as the way in which calls are evolving, including the future role of 084 and 087 numbers as micropayment mechanisms.

The ILP noted Ofcom invites responses to the consultation by the closing date of 20th June, with further consultation on policy proposals likely to follow later in the year.

Ann Cook, on behalf of the ILP, thanked Liz for the insightful presentation. Liz welcomed responses to the consultation and confirmed she would be happy to be contacted directly with any queries.

Liz consented for the slides of the presentation to be circulated to members.

(Action: S Ratcliffe)

4.0 FOCUS ON TOPIC – Consent to Charge Project

Mark Collins and Jeremy Stafford Smith provided a summary presentation on the consent to charge project now that it was moving into implementation. Following ongoing consumer complaints about charges without consent, the PSA and MNOs had agreed to jointly fund bespoke PEN testing of all DCB payment platforms in the market. Copper Horse, the cyber security company which bid successfully to carry out the testing, used a bespoke methodology to identify vulnerabilities. The exploits which they found – both generally and in respect of individual platforms - had been categorised and rated according to the Open Web Security Application Project (OWASP), and Common Vulnerability Scoring System (CVSS), respectively.

Mark and Jeremy confirmed the level of engagement has been generally high. Phase 1 and 2 testing is now complete, and all discovered issues are now confirmed as fixed or will shortly be so. Changes to the MNOs Payforit security framework, in line with most of Copper Horse's recommendations, had been completed for 31st March. PSA will shortly consult on revisions to their existing Guidance on Consent to Charge which will generally align with the MNO changes, and will incorporate the relevant Copper Horse recommendations and apply them to all platforms, not just PFI.

Next steps will be for the MNOs to conduct an independent assessment of each aggregator and other payment platforms' compliance declarations. This will form part of an ongoing assessment, with each platform being required to accredit once a year to ensure they are still of a high standard.

The Chair of PSA thanked industry for their valuable input and was pleased to see how industry and the regulator had worked together on this project in such a positive and constructive way.

5.0 MARKET ISSUES

a) Complaints Data Analysis

PSA presented the latest suite of operational data to February 2019, 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:

- Total contacts – are estimated to be around 300,000 for the full 18/19 year, compared with 214,000 in 17/18, but that a higher proportion (average 95%) of this total is dealt with through automation (answered phone calls in 18/19 fell from 20,000 to 17,000).
- Total complaints – show an expected increase from the previous year, from

16,000 to 21,000.

- Total assessed complaints by service type – 90% of assessed complaints for the last three months were accounted for by five service types: internet-based information services (leisure and fitness); virtual gifts (alerts services); games; ringtones (device personalisation); and music/video.
- Total assessed complaints by payment frequency - subscription services continue to account for virtually all assessed complaints (96%).
- Cases and assessed complaints - around 10% of all issues reported in a month relate to new services i.e. new cases.
- Case workload – around 400 cases are expected to be worked on in 18/19, with around 130 of these being enforcement cases.
- Open cases - continues to be spread across a broad range of different service types.
- Outpayments by quarter - 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;
- alert services;
- delivery of high-quality customer service;
- ICSS.

6.0 ILP UPDATE

Ann asked the ILP for industry updates.

Joanna Cox advised that aimm members are focusing primarily on responding to PSA's consultation on subscription services.

There were no further updates, nor comments received from industry.

7.0 PHONE-PAID SERVICES AUTHORITY UPDATE

Highlights since the ILP meeting held on 12th February 2019

PSA reported on the following updates:

- The business plan and budget 2019/20 was published on 20th March.
- The consultation on subscription services regulatory proposals was published on 19th February.
- Following PSA's publication of an Addendum in April, the subscription services review consultation deadline date has been extended to 3rd May. An industry roundtable discussion on proposals took place on 21st March and a further roundtable discussion is planned for 18th April.
- The consultation on guidance on retention of data closed on 3rd April.
- An ICSS consultation on the extension of special conditions to cover the new scope of the PRS condition, is expected in April, whereupon the Executive will draw on previous research carried out by Nottingham University.
- A Registration scheme workshop is planned for in May, with a Notice of new

Registration requirements to be published soon afterwards.

Forthcoming priorities/events include:

- Consent to Charge guidance;
- DDRAC guidance update;
- Refunds – research is being conducted to create a better understanding of consumer experience and expectations around refunds;
- An operator billing strategy seminar is planned in May, which will look at ways to address areas for growth and opportunities.

8.0 AOB

a) Non-Executive Director Recruitment

Steve Ricketts advised the ILP that, following the expiry of his term of office as NED, he will be leaving PSA in December. Recruitment procedures are underway and an application pack is available on the website.

Steve Ricketts, David Edmonds and Ann Cook confirmed the Executive and Board would be happy to provide further information on the role offline and encouraged members to come forward with recommendations for a suitable candidate.

(Action: ILP Members)

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

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

End of Minutes

ILP meetings are held at Phone-paid Services Authority Offices, 25th Floor, 40 Bank Street, E14 5NR.