

**NOTES OF THE ILP MEETING NO. 60th HELD ON
TUESDAY 22nd MAY 2018
10.00am-1.10pm**

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

ILP Members

Ann Cook – ITV (Chair)
Andrew Ailwood - BBC
Michael Barford – The Number UK
Holly Fairweather – Channel 4
Eric Feltin – Safari Mobile
Rickard Granberg – UKCTA
Phil Jones – Ofcom
Clark Johnson – Telefonica
Neil Johnson – aimm
Nitin Khattar – The Number UK
Rory Maguire – aimm
Steve Ricketts – PSA Board
Jeremy Stafford Smith – Vodafone
Mark Stannard – Boku Inc
Rob Weisz – Fonix
Andy Weston - BT

External Speaker

David O’Byrne – IP Communications Director at GSMA

Phone-paid Services Authority

David Edmonds (PSA Chairman)
Joanne Prowse (Chief Executive)
Peter Barker
Mark Collins (item 7)
Jonathan Levack (item 3b)
Simon Towler
Stephanie Ratcliffe (minutes)

Apologies

Danny Barclay – Telefonica
Peter Garside – EE
Cathy Gerosa – FCS
Hamish MacLeod - MobileUK
Tony Maher – TUFF
Ladi Sanusi - Three
Mike Steel – BT Agilemedia
Ayo Omideyi - PSA

1.0 WELCOME, INTRODUCTIONS

Ann Cook welcomed attendees to the meeting and apologies were noted. The ILP noted that the agenda would be adjusted to accommodate David O'Byrne's late arrival from Ireland.

2.0 REVIEW ACTIONS

a) Minutes and Matters arising from the minutes of the ILP meeting held on 13th March 2018

Minutes and Matters Arising

The ILP approved the minutes from the ILP meeting held on 13th March, as an accurate record of that meeting.

b) Actions

The ILP noted one outstanding action as follows:

- 56.5c: an update on Project Horizon will be provided at the next ILP meeting in July.
(Action: M Collins)

3.0 FOCUS ON TOPICS:

a) UKCTA 'Fixed Line' Observations by Rickard Granberg

Rickard Granberg presented UKCTA's observations on fixed line PRS and advised focus remains on:

- Ofcom's NGCS 118 and 070 number review and forthcoming consultation.
- Review of Information, connection and signposting services (ICSS). The ILP noted TUFF's note on observations in this area and that it is receiving an increased number of enquiries concerning high cost 're-direction' services.
- PSD2 implementation – discussions around clarity and its approach to voice-based services continue with the FCA.
- Automatic compensation project – developments are positive. Ofcom has accepted the terms for self-regulation in fixed line and the introduction of a voluntary industry code, due to launch early 2019, will cover lay provision of service requirements to refund customers within 30 days.

Ann Cook thanked Rickard for his presentation.

b) Nottingham University Research: Consumer Behaviour and ICSS

Jonathan Levack presented on research undertaken by the Nottingham University into connection services and explained the objectives and methodology used to understand consumer engagement with these services.

Findings show that consumers tend to focus on the first search results, (whether accurate or not) are often influenced by a site's 'professional look' and use of logos and do not always read the disclaimers or small print. Participants self-declared 'tech savviness' also correlated with

their ability to correctly identify a third-party organisation. PSA will be reviewing the associated Special Conditions to ensure these continue to offer adequate consumer protection. It was noted there are issues in the market on both 087 and 084 number ranges. PSA is supporting Ofcom's current review as to whether 084 ICSS should fall within PSA's regulatory remit.

The research has been published and a social media campaign launched to raise consumer awareness on what to look out for when searching for contact details for well-known organisations.

Ann Cook thanked Jonathan for the presentation.

4.0 OPERATIONAL DASHBOARD AND MARKET ISSUES

a) Operational Dashboard

The ILP noted the presentation of contact, complaint and case data, incorporating:

- a 24-month analysis of total volume of contacts into PSA, incorporating complaints and enquiries;
- a ten-year overview of total complaints received by PSA;
- a 24-month analysis of total complaints; split between assessed complaints and those referred to the value chain;
- a 24-month analysis of total assessed complaints by service type;
- an analysis of PSA case work load worked on in 2017/18 and an analysis by service type of open cases as at 31st March 2018;
- a four-year analysis of mobile versus fixed line generated revenue and out payments;
- an eight-year analysis of mobile versus fixed line generated revenue and out payments against service type.

The ILP noted the data allowing for the following broad conclusions to be drawn:

- A large majority of contacts are enquiries, as opposed to complaints; these mainly relate to number checks.
- Total complaint figures have fallen in the last financial and are forecast to remain constant. Approximately 45-50% of complaints are initially referred back to the value chain.
- A fall in total assessed complaints is visible since 2016. Complaints however, have risen for games or apps charged to my bill, internet information-based services (including lifestyle content such as health and fitness), music or video content, and ringtones (which in this category includes device personalisation and security).
- PSA case work load demonstrates how around 80% of cases are dealt with informally, as opposed to via formal enforcement action.
- Analysis of revenue for fixed line versus mobile shows a steady and expected decline in fixed line. Growth is however visible in mobile.
- Outpayments for 2017/18 are £421million.

b) Market Issues Report

Peter Barker presented a market issues report for May 2018, covering:

- advertising in children's videos and applications;
- information, connection and signposting services;

- level 1 billing platforms;
- subscription services.

The ILP noted that PSA would be reviewing subscription services more broadly in Quarter 2.

Ann Cook thanked the Executive for the presentation. David Edmonds emphasised that the PSA Board and Executive's intentions remain to continue to support and encourage growth in the market.

5.0 ILP UPDATE

a) PSD2 Progress and Other Opportunities

Rob Weisz gave a general overview on the impacts of PSD2 on industry, since its implementation. Differing viewpoints exist around PSD2's requirements and implications and discussions continue with the FCA to seek clarity. However, despite contrasting views, PSD2 provides real opportunities to grow the market with new services emerging, such as e-ticketing.

Ann Cook thanked Rob for the overview.

b) Customer Billing Portal Update

Rory Maguire gave an overview of the consumer billing and management portal and presented a UKSmartphone mock up, as an example. The portal is aimed at providing a straightforward, consumer-friendly interface, which will be available to all consumers through any participating website. Expected availability is forecast for September 2018.

Ann Cook thanked Rory for the update and noted this meeting represents Rory's last meeting as he steps down from aimm. On behalf of the ILP, Ann thanked Rory for his contribution over the years as member of the ILP and wished him all the best for the future.

6.0 PHONE-PAID SERVICES AUTHORITY UPDATE

Highlights since the ILP meeting held on 13th March 2018

PSA reported the following updates:

- Q4 market data is in line with current forecast.
- Complaints are broadly stable per month, ca. 90% of complaints concern subscription services.
- *Consultations:*
 - The consultation on special conditions for society lottery services has now closed. Responses are being analysed and a statement will be published. An implementation seminar will take place before any proposals come into force.
 - The registration scheme consultation has been extended until 19 July, with workshops planned in June.

- A consultation on the GDPR retention periods of personal data will be published in the summer.
- A short technical consultation on the notice of specific charge and call durations is due to be published shortly.
- A consultation on a review of subscription services is planned for the autumn.
- *Guidance* on 'direct buy marketing' is being developed for consultation.
- A workshop on mitigating android malware attacks is planned.
- *Research* includes the Nottingham University research into consumer experience of ICSS, published on the PSA website; and the Annual Market Review, with publication expected in July/August.
- *Other priority work* includes PSA's website overhaul, piloting of a consumer panel, a broad review of subscription services, a refunds review, consent to charge research and implementation of the GDPR.
- *Forthcoming Events:*
 - Various workshops are planned in the summer around the registration scheme, refunds review and society lottery services.
 - The Industry Forum now takes place annually and will be held on 2nd October 2018. Additional workshop type events are planned throughout the year, which will create a more efficient use of the budget.

7.0 PRESENTATION on Rich Communication Services by David O'Byrne, GSMA

David O'Byrne presented on Rich Communication Services (RCS), a communication protocol aimed at replacing traditional SMS and MMS services, on a global scale. Whilst similar to other messaging applications, RCS extends the capabilities of SMS and MMS features and enables business messaging delivery through a richer and more engaging interaction with consumers, providing also phonebook polling (for service discovery) and transmit in-call multimedia.

The ILP noted that RCS technology has been launched with success in Japan, Europe and the USA, with networks following suit in the UK. A code of conduct for RCS will shortly be available on GSMA's website.

Ann Cook thanked David for the stimulating presentation. The ILP requested that slides from the presentation are circulated to members.

(Action: S Ratcliffe)

8.0 Action Summary & AoB

a) Review and agree topic for 10th July 2018 ILP Meeting

The Annual Market Review will feature as a topic for discussion. The ILP members were invited to come forward with further topic suggestions.

(Action: ILP Members)

Ann Cook thanked members for their presentations and attendance. David Edmonds also thanked all members for their engaging and thought-provoking contributions to the meeting.

End of Minutes

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

- Tuesday 10th July 2018: 10am to 12.30pm (followed by a networking lunch at 12.30pm to 1pm)
- Tuesday 30th October 2018: 10am to 12.30pm (followed by a networking lunch at 12.30pm to 1pm)
- Tuesday 11th December 2018 Business Plan Meeting only: 10am to 11.30am