

# Operational Report

2017-2018 - Quarter 1

**Internal use only**

Based on data run on: 02 October 2017

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# Annual summary

## Contacts per month

	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
All complaints	3,050	3,669	3,879	3,584	3,590	2,303	2,407	1,591	1,260	1,066	1,232	1,177
Phone contacts	13,309	14,931	15,821	15,545	11,254	7,302	6,439	4,445	3,527	3,232	3,841	3,768
Web enquiries	30,050	35,343	37,779	36,464	26,413	19,042	18,357	13,562	13,783	11,507	13,037	11,829
Total	46,409	53,943	57,479	55,593	41,257	28,647	27,203	19,598	18,570	15,805	18,110	16,774

## Complaints per month

	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Phone	1,895	2,292	2,273	1,937	2,156	1,303	1,389	951	770	613	715	592
Web	1,139	1,360	1,603	1,641	1,411	996	1,008	629	485	451	510	585
Other	15	15	3	3	19	4	9	8	5	1	6	
Total	3,049	3,667	3,879	3,581	3,586	2,303	2,406	1,588	1,260	1,065	1,231	1,177

## Cases open during month

	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Formal	27	26	26	24	28	30	36	37	40	46	48	55
Informal	150	155	173	171	169	175	211	225	153	180	188	154
Total	177	181	199	195	197	205	247	262	193	226	236	209

## Actionable vs non-actionable

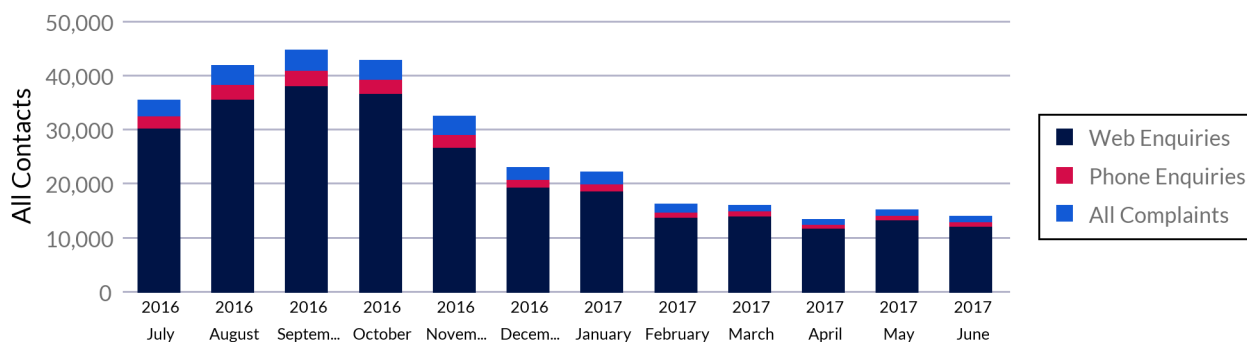
	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actionable	846	1,309	1,601	1,732	1,848	1,185	1,134	735	402	448	613	656
Non-actionable	2,203	2,360	2,278	1,852	1,742	1,117	1,267	852	839	603	600	483
Pending	1					1	6	4	19	15	19	38
Total:	3,050	3,669	3,879	3,584	3,590	2,303	2,407	1,591	1,260	1,066	1,232	1,177

## Tribunals

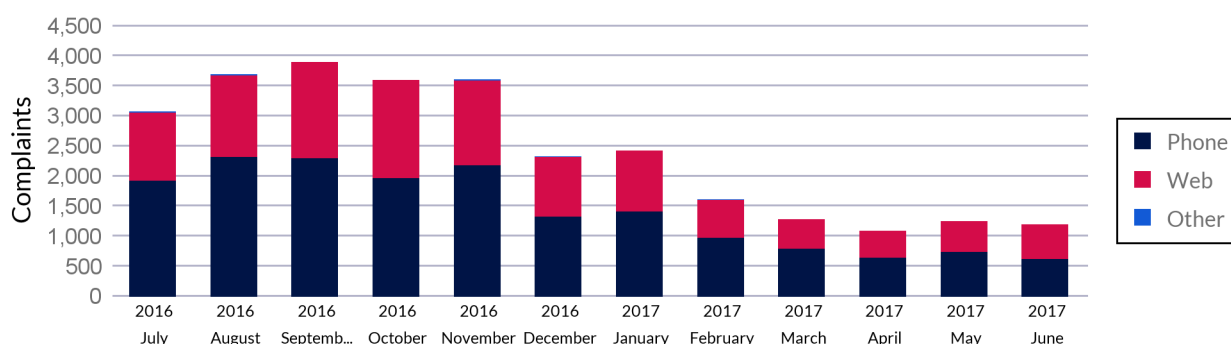
	2017	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016	2016
	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul
Tribunals	2		1	3	3		3	1	3	3	1	3

# Annual summary

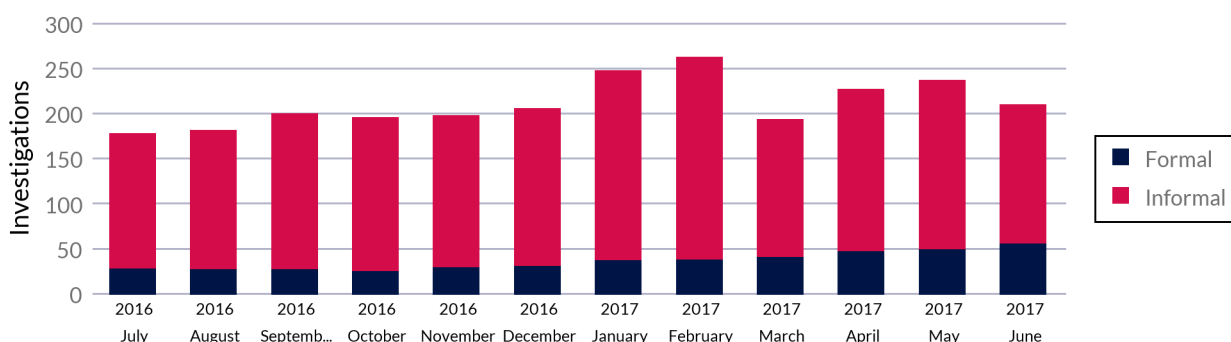
## Contacts per month



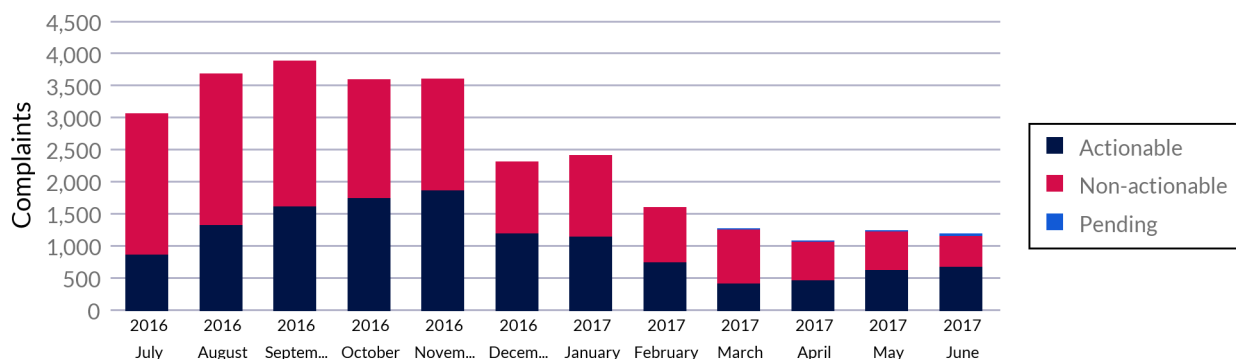
## Complaints per month



## Cases open during month



## Actionable vs non-actionable



## Annual summary

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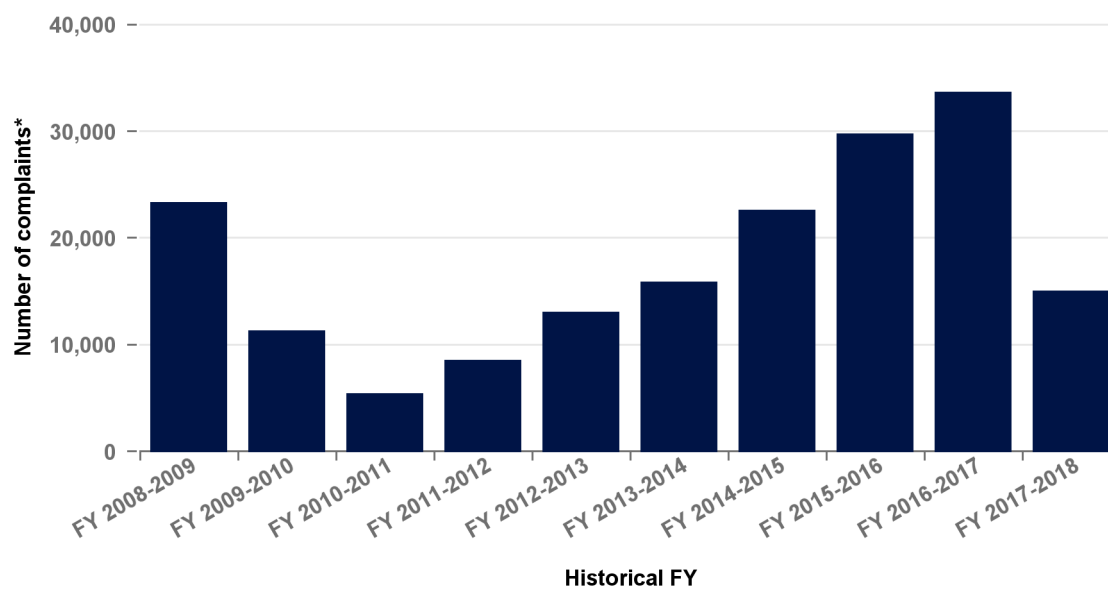
## 2.0 10-year complaints view

### 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	15,000

\*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 enquires and complaints received, either through automated means (on-line 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:

- Last Financial year, we received over 470,000 contacts from consumers, either online (including use of Number Checker) and 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 1:
  - we processed 11,800 online complaints following use of Number Checker;
  - we responded to over 30,400 telephone calls;
  - after filtering of enquires, roughly 52% of those telephone calls were complaints;
  - in total, we received over 28,800 complaints.

### Comments

Contacts have declined significantly in the last two quarters. 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 first quarter of 2016/17, the first quarter of 2017/18 showed:

- Total contacts are down by 58%,
- Complaints are down by 58%
- Online non-broadcast competitions and adult services are no longer the primary service categories related to complaints

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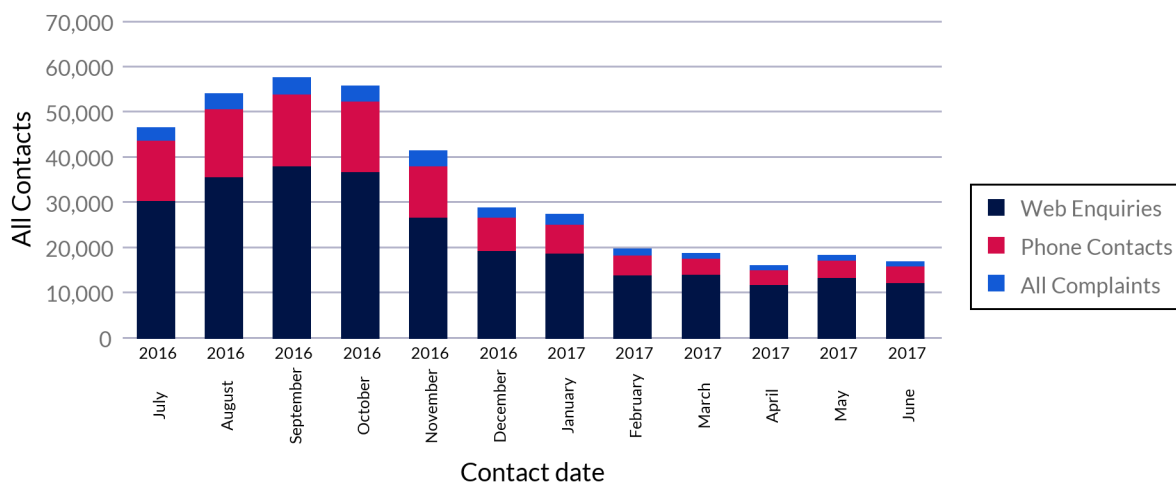
### 3.1 Total contacts

### Overview

#### 3.1.1 Contacts per month

	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
All complaints	3,050	3,669	3,879	3,584	3,590	2,303	2,407	1,591	1,260	1,066	1,232	1,177
Phone Contacts	13,309	14,931	15,821	15,545	11,254	7,302	6,439	4,445	3,527	3,232	3,841	3,768
Web Enquiries	30,050	35,343	37,779	36,464	26,413	19,042	18,357	13,562	13,783	11,507	13,037	11,829
Total	46,409	53,943	57,479	55,593	41,257	28,647	27,203	19,598	18,570	15,805	18,110	16,774

#### 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

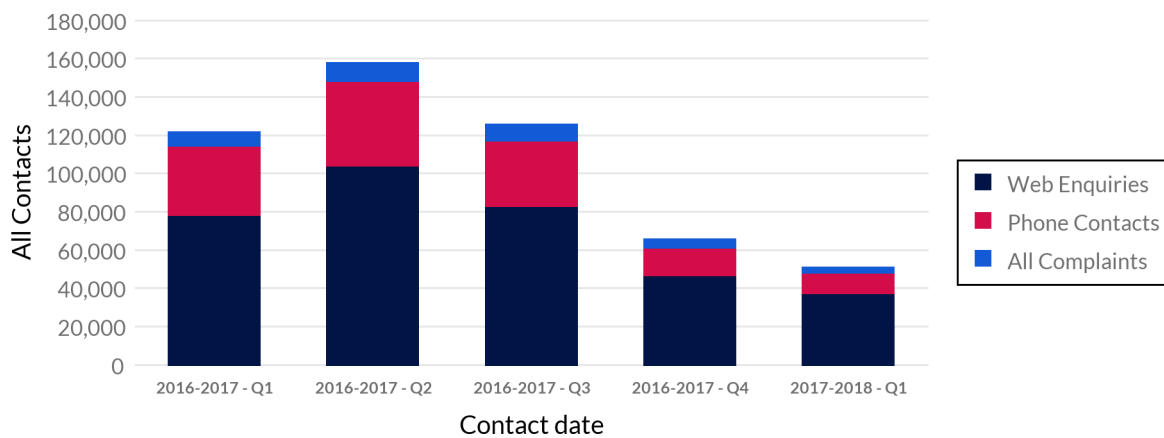
**Web Enquiries:** single use of a web-based form which returns provider information and contact details for a PRS number or shortcode, which does not lead to a complaint

### Quarterly view

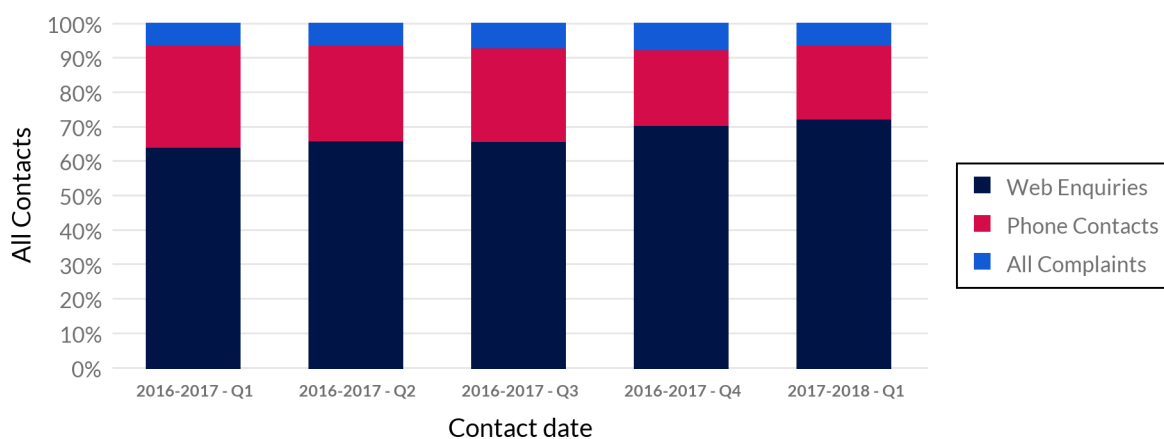
#### 3.1.3 Contacts per quarter

	2016-2017 - Q1		2016-2017 - Q2		2016-2017 - Q3		2016-2017 - Q4		2017-2018 - Q1	
All complaints	8,277	6.8%	10,598	6.7%	9,477	7.6%	5,258	8.0%	3,475	6.9%
Phone Contacts	36,054	29.6%	44,061	27.9%	34,101	27.2%	14,411	22.0%	10,841	21.4%
Web Enquiries	77,304	63.6%	103,172	65.4%	81,919	65.3%	45,702	69.9%	36,373	71.8%
Total	121,635		157,831		125,497		65,371		50,689	

#### 3.1.4 Contacts per quarter (volume)



#### 3.1.5 Contacts per quarter (proportion)

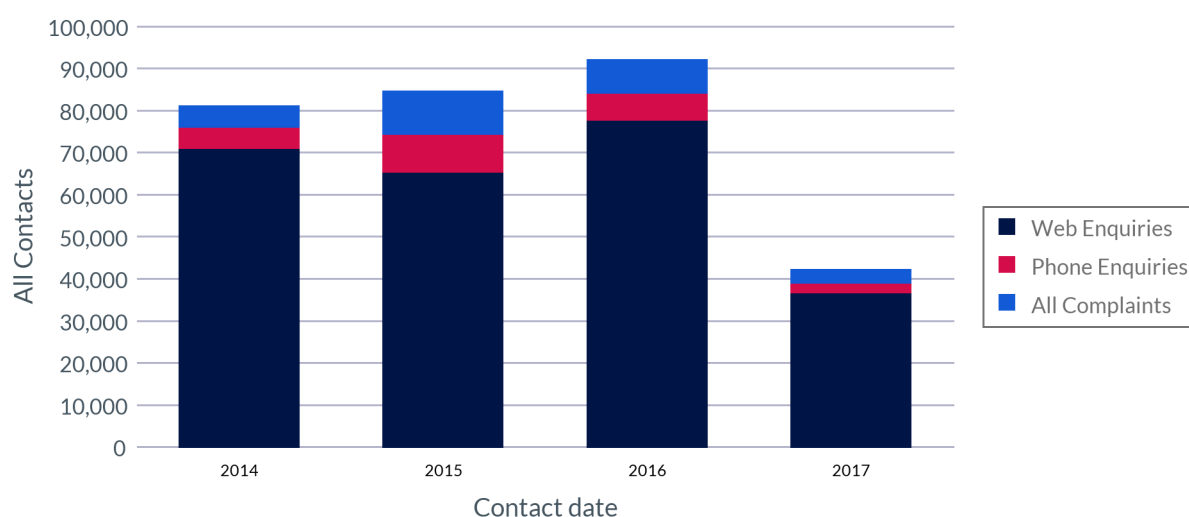


### Annual view (Q1 comparable)

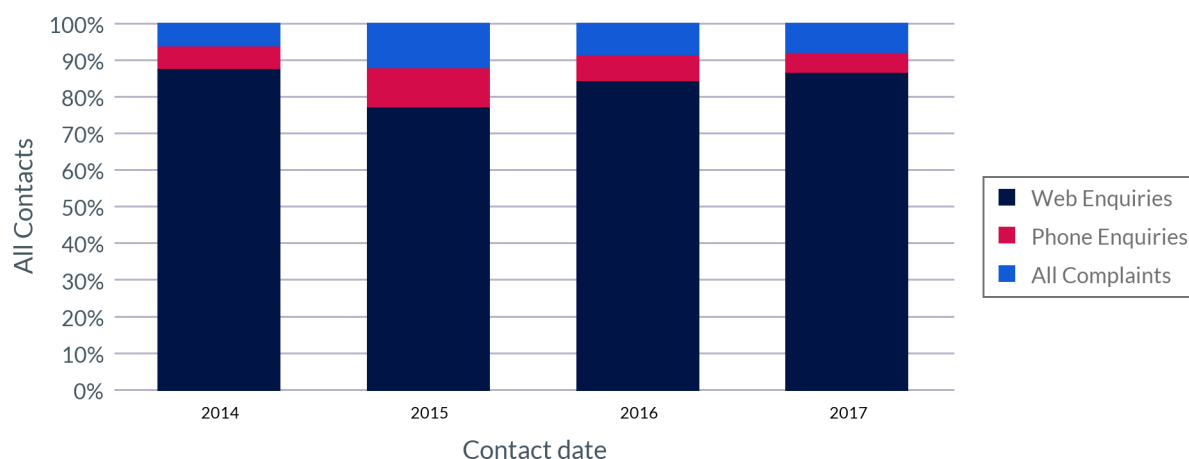
#### 3.1.6 Contacts per Financial Year to date

	2014		2015		2016		2017	
All complaints	5,316	6.7%	10,595	12.9%	8,277	9.3%	3,475	8.3%
Phone Enquiries (w/o IVR)	5,003	6.3%	8,966	10.9%	6,430	7.2%	2,284	5.4%
Web Enquiries	70,695	88.5%	64,985	79.2%	77,304	86.5%	36,373	86.5%
Total	81,014		84,546		92,011		42,132	

#### 3.1.7 Contacts per Financial Year to date (volume)



#### 3.1.8 Contacts per Financial Year to date (proportional)



### Comments

We implemented CAPTCHA on our web enquiry form in 2014. Please note that the figures on this page do not include IVR metrics, to ensure like for like comparisons.

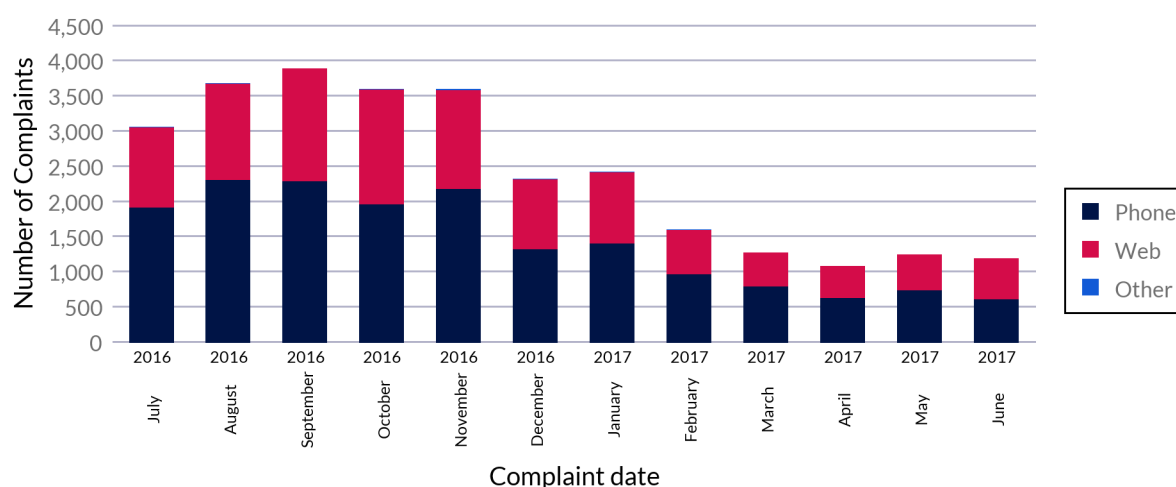
### 3.2 Total complaints

### Overview

#### 3.2.1 Complaints by origin per month

	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Phone	1,895	2,292	2,273	1,937	2,156	1,303	1,389	951	770	613	715	592
Web	1,139	1,360	1,603	1,641	1,411	996	1,008	629	485	451	510	585
Other	15	15	3	3	19	4	9	8	5	1	6	0
Sum:	3,049	3,667	3,879	3,581	3,586	2,303	2,406	1,588	1,260	1,065	1,231	1,177

#### 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

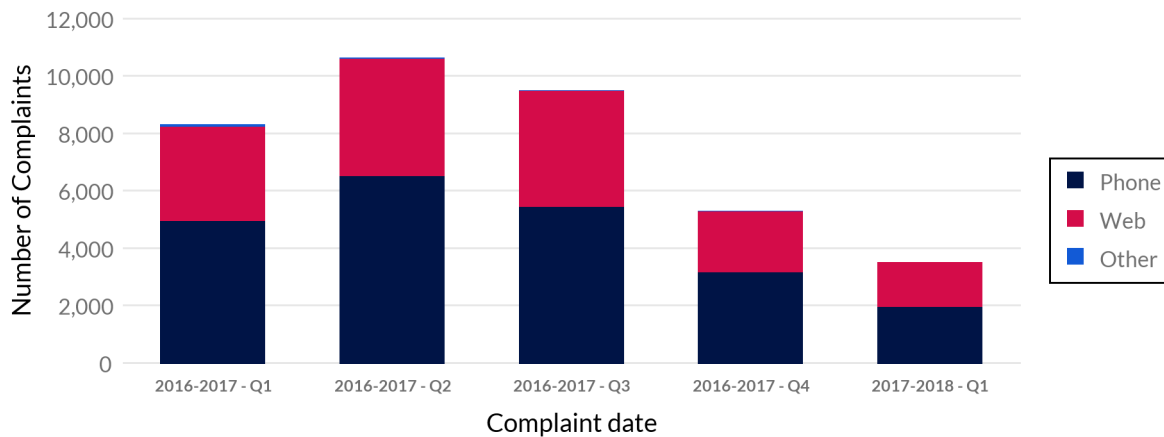


### Quarterly view

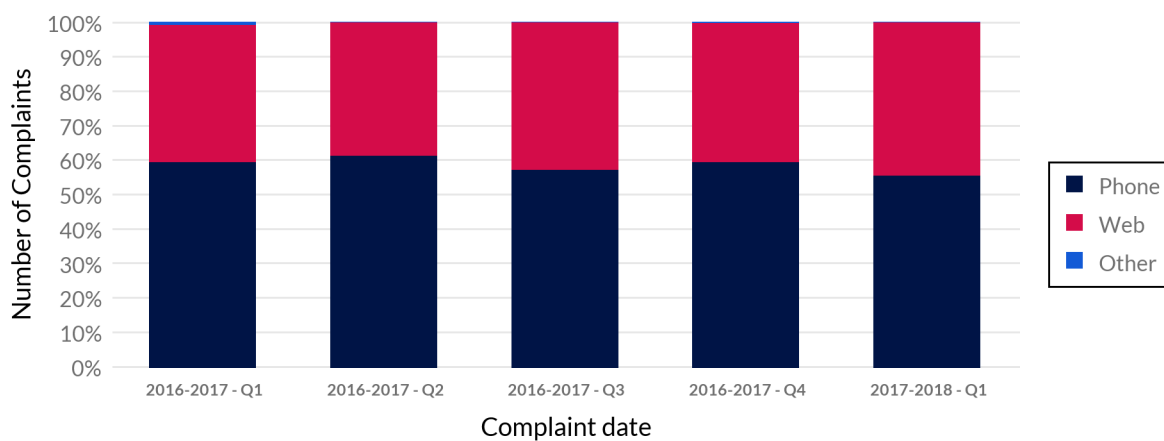
#### 3.2.3 Complaints by origin per quarter

	2016-2017 - Q1		2016-2017 - Q2		2016-2017 - Q3		2016-2017 - Q4		2017-2018 - Q1	
Phone	4,894	59.1%	6,460	61.0%	5,396	57.0%	3,110	59.2%	1,920	55.3%
Web	3,300	39.9%	4,102	38.7%	4,048	42.7%	2,122	40.4%	1,546	44.5%
Other	81	1.0%	33	0.3%	26	0.3%	22	0.4%	7	0.2%
Sum:	8,275		10,595		9,470		5,254		3,473	

#### 3.2.4 Complaints by origin per quarter (volume)



#### 3.2.5 Complaints by origin per quarter (proportion)

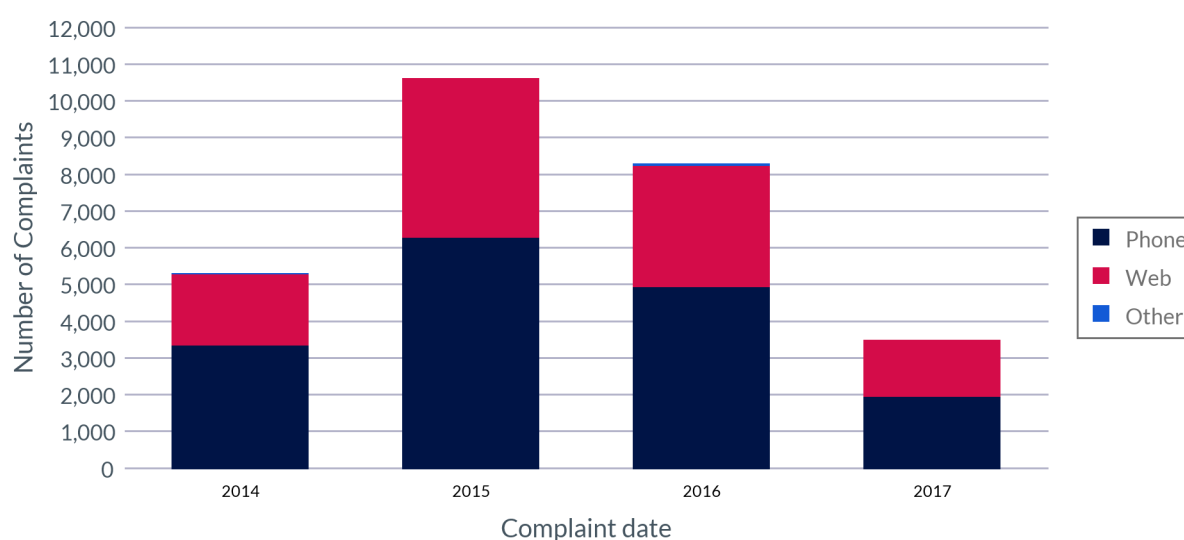


### Annual view (Q1 comparable)

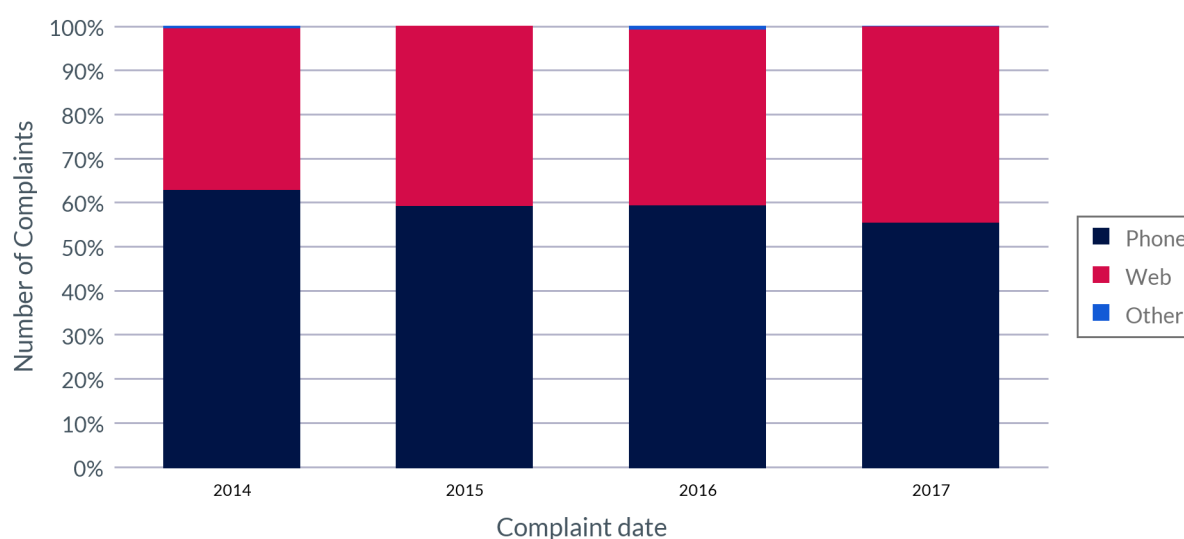
#### 3.2.6 Complaints by origin per Financial Year to date

	2014		2015		2016		2017	
Phone	3,310	62.7%	6,249	59.0%	4,894	59.1%	1,920	55.3%
Web	1,938	36.7%	4,341	41.0%	3,300	39.9%	1,546	44.5%
Other	32	0.6%	2	0.0%	81	1.0%	7	0.2%
Sum:	5,280		10,592		8,275		3,473	

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



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



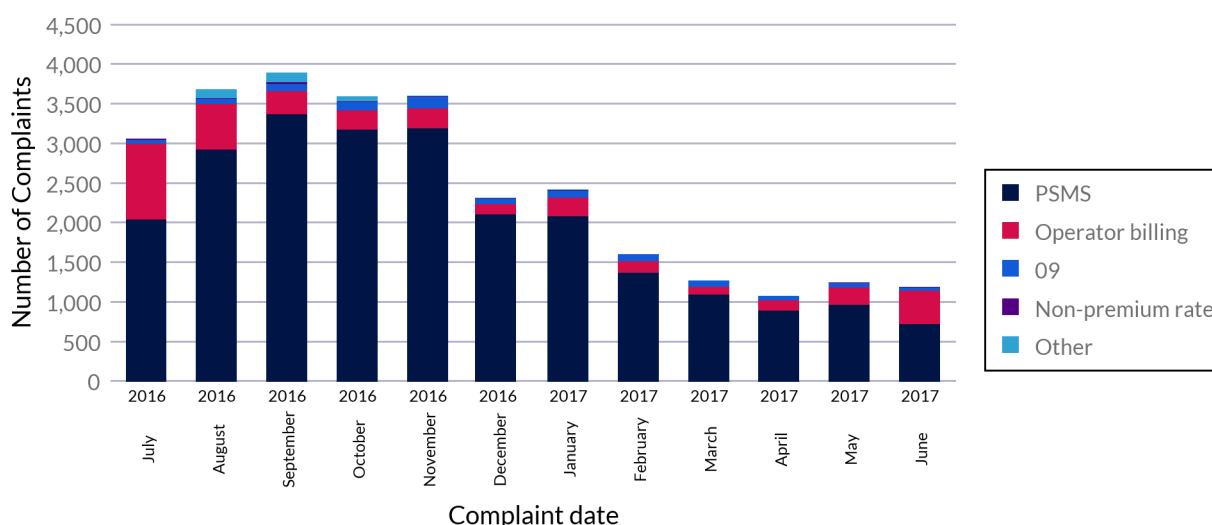
### 3.3 Complaints by payment mechanism

### Overview

#### 3.3.1 Complaints by payment mechanism per month

	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
PSMS	2,027	2,911	3,357	3,160	3,177	2,089	2,067	1,353	1,075	874	951	707
Operator billing	952	572	285	245	254	131	237	151	104	132	215	417
09	53	66	96	106	142	69	89	83	77	56	59	43
Non-premium rate	15	10	18	8	10	4	6	4	3	4	7	9
Other	3	110	123	65	7	10	8		1			1
Sum:	3,050	3,669	3,879	3,584	3,590	2,303	2,407	1,591	1,260	1,066	1,232	1,177

#### 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 approx. 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

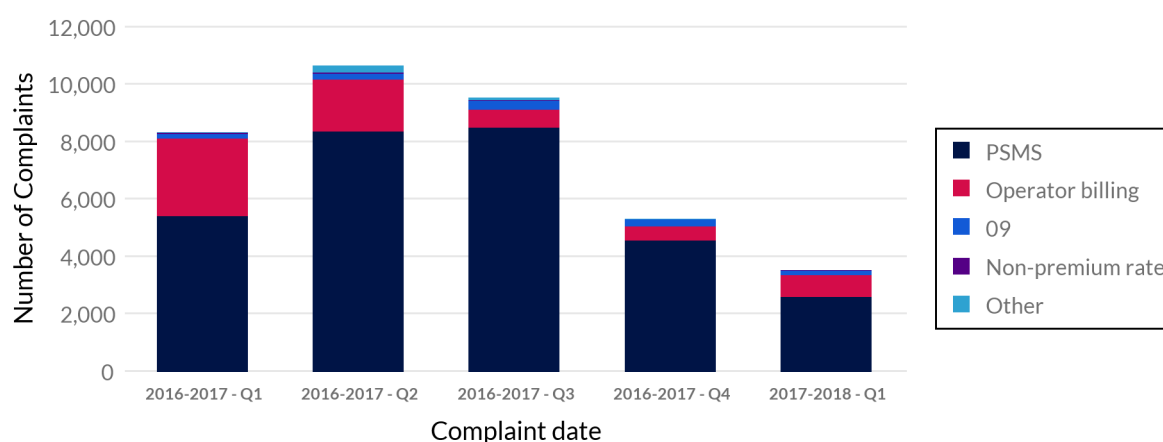
**Other:** includes illigitmate use of 070 and general complaints about PRS

## Quarterly view

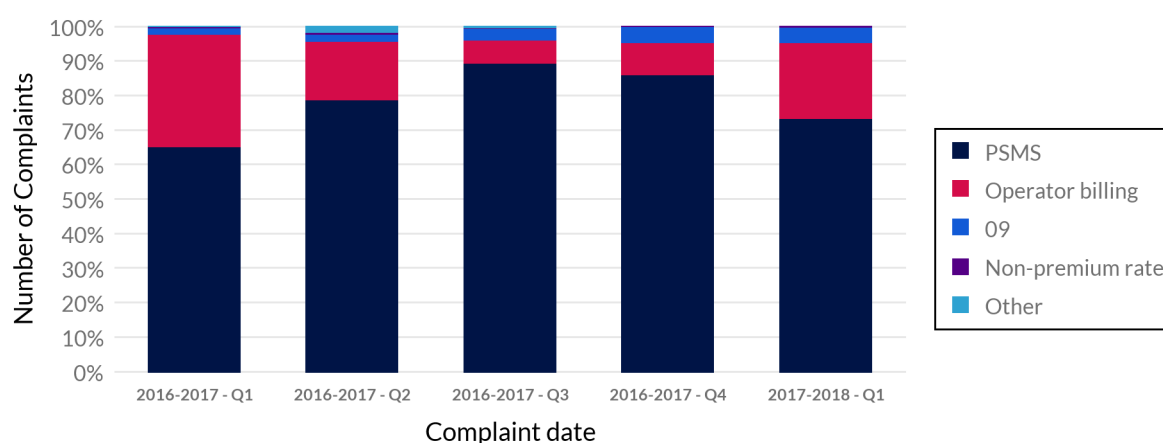
## 3.3.3 Complaints by payment mechanism per quarter

	2016-2017 - Q1		2016-2017 - Q2		2016-2017 - Q3		2016-2017 - Q4		2017-2018 - Q1	
PSMS	5,361	64.8%	8,295	78.3%	8,426	88.9%	4,495	85.5%	2,532	72.9%
Operator billing	2,700	32.6%	1,809	17.1%	630	6.6%	492	9.4%	764	22.0%
09	149	1.8%	215	2.0%	317	3.3%	249	4.7%	158	4.5%
Non-premium rate	36	0.4%	43	0.4%	22	0.2%	13	0.2%	20	0.6%
Other	31	0.4%	236	2.2%	82	0.9%	9	0.2%	1	0.0%
Sum:	8,277		10,598		9,477		5,258		3,475	

## 3.3.4 Complaints by payment mechanism per quarter (volume)



## 3.3.5 Complaints by payment mechanism per quarter (proportion)

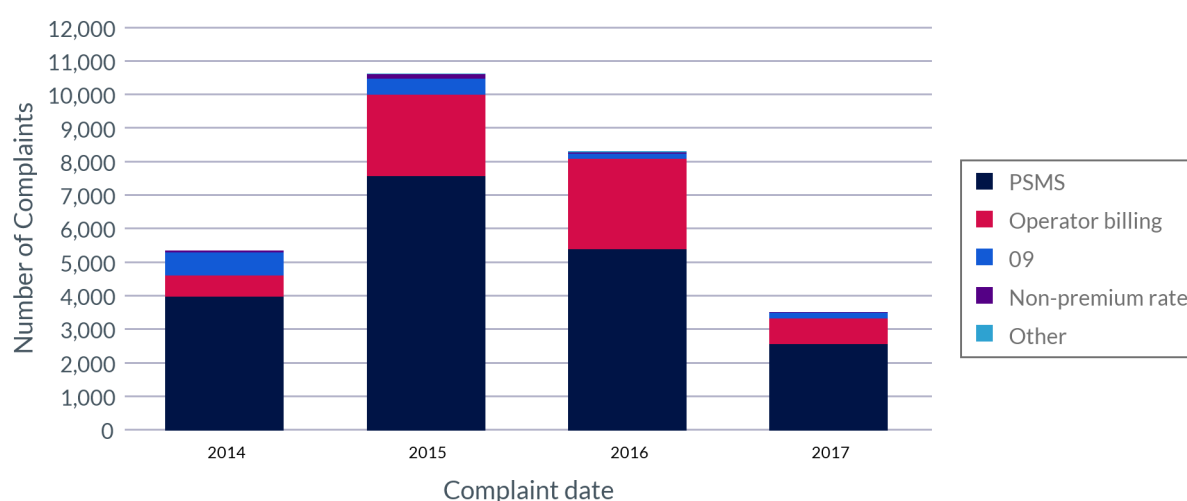


### Annual view (Q1 comparable)

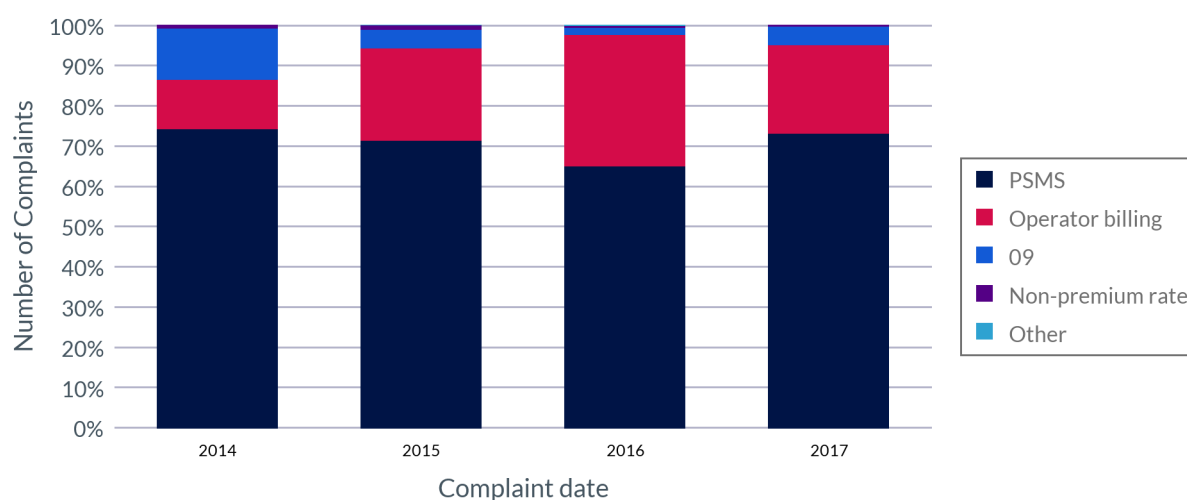
#### 3.3.6 Complaints by payment mechanism per Financial Year to date

	2014		2015		2016		2017	
PSMS	3,934	74.0%	7,527	71.0%	5,361	64.8%	2,532	72.9%
Operator billing	646	12.2%	2,438	23.0%	2,700	32.6%	764	22.0%
09	684	12.9%	482	4.5%	149	1.8%	158	4.5%
Non-premium rate	50	0.9%	122	1.2%	36	0.4%	20	0.6%
Other	2	0.0%	26	0.2%	31	0.4%	1	0.0%
Sum:	5,316		10,595		8,277		3,475	

#### 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.

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#### 4.1 Total cases

## Overview

## 4.1.1 Cases historical status by month

Month	Status	IA	EEA Ref	SR	IN	T1	T2	DDRAC	Pro'b	BoS	Appeal	Total
2016-06	Balance	90	10	21	0	3	23	0	3	0	3	153
2016-07	Opened	27	0	2	0	0	0	0	0	0	0	29
2016-07	Closed	1	1	0	0	0	1	0	1	0	0	4
2016-07	Changed	-6	1	0	0	1	3	0	0	0	0	-1
2016-07	Balance	110	10	23	0	4	25	0	2	0	3	177
2016-08	Opened	33	0	14	0	0	0	1	0	0	2	50
2016-08	Closed	40	0	2	0	0	1	0	1	0	1	45
2016-08	Changed	0	-1	0	0	0	0	0	0	0	0	-1
2016-08	Balance	103	9	35	0	4	24	1	1	0	4	181
2016-09	Opened	25	0	1	0	0	0	0	0	0	0	26
2016-09	Closed	4	0	0	0	1	2	0	0	0	0	7
2016-09	Changed	-2	-4	0	0	3	2	0	0	0	0	-1
2016-09	Balance	122	5	36	0	6	24	1	1	0	4	199
2016-10	Opened	39	0	3	0	0	1	0	0	1	0	47
2016-10	Closed	23	0	23	0	0	4	0	1	0	0	51
2016-10	Changed	-3	1	0	0	2	0	0	1	0	-1	0
2016-10	Balance	135	9	16	0	8	21	1	1	1	3	195
2016-11	Opened	28	1	7	0	0	0	0	0	0	0	36
2016-11	Closed	27	1	0	0	2	1	0	0	0	3	34
2016-11	Changed	-12	6	0	0	1	5	0	0	0	0	0
2016-11	Balance	124	15	23	0	7	25	1	1	1	0	197
2016-12	Opened	41	0	1	0	0	1	0	1	1	0	45
2016-12	Closed	34	0	0	0	0	3	0	0	0	0	37
2016-12	Changed	-1	-2	0	0	1	1	0	0	1	0	0
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

## Investigations and enforcement

### 4.1 Total cases

Month	Status	IA	EEA Ref	SR	IN	T1	T2	DDRAC	Pro'b	BoS	Appeal	Total
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	1	3	7
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	5	1	226
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	6	0	236
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	5	0	209

### 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

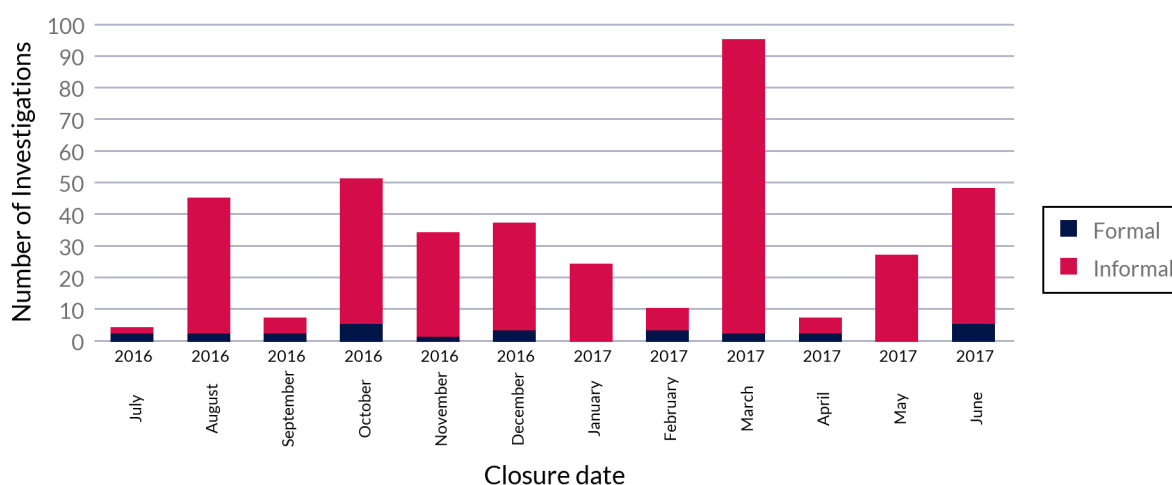
**Appeal:** following a tribunal decision the provider has requested a review or oral hearing

## Overview

## 4.1.2 Investigations closed by enforcement action type per month

	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Formal	2	2	2	5	1	3	0	3	2	2	0	5
Informal	2	43	5	46	33	34	24	7	93	5	27	43
Total Closed	4	45	7	51	34	37	24	10	95	7	27	48

## 4.1.3 Investigations closed by enforcement action type per month



## Comments

In March 2017 we closed 93 historic service review cases.

## 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

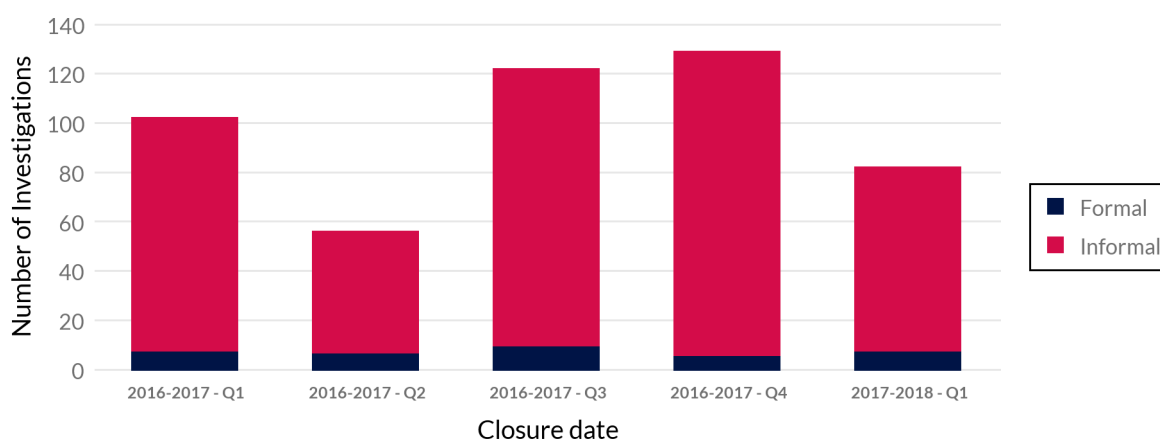
**Informal:** a case resolved without tribunal or legal action, includes no further action, service review, informal notification and Track 1

### Quarterly view

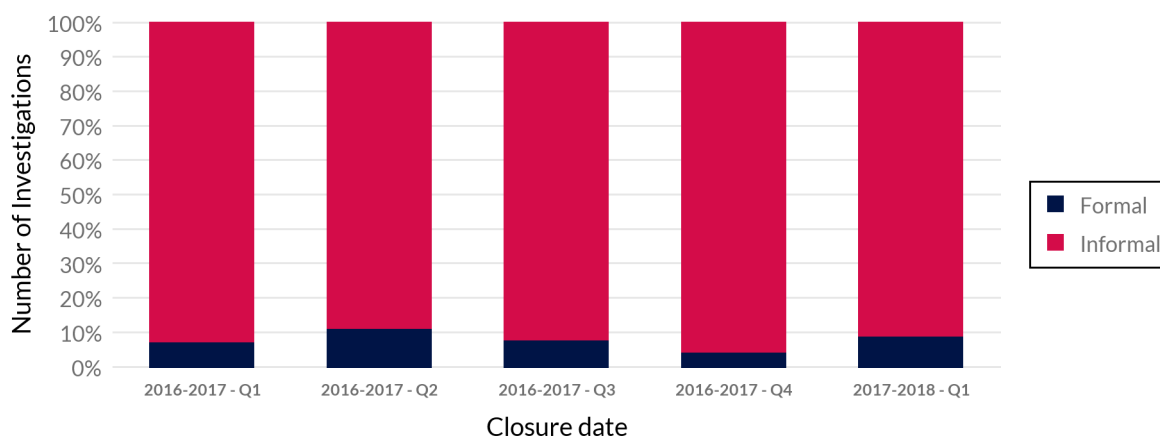
#### 4.1.4 Investigations closed by enforcement action type per quarter

	2016-2017 - Q1		2016-2017 - Q2		2016-2017 - Q3		2016-2017 - Q4		2017-2018 - Q1	
Formal	7	6.9%	6	10.7%	9	7.4%	5	3.9%	7	8.5%
Informal	95	93.1%	50	89.3%	113	92.6%	124	96.1%	75	91.5%
Total closed	102		56		122		129		82	

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



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

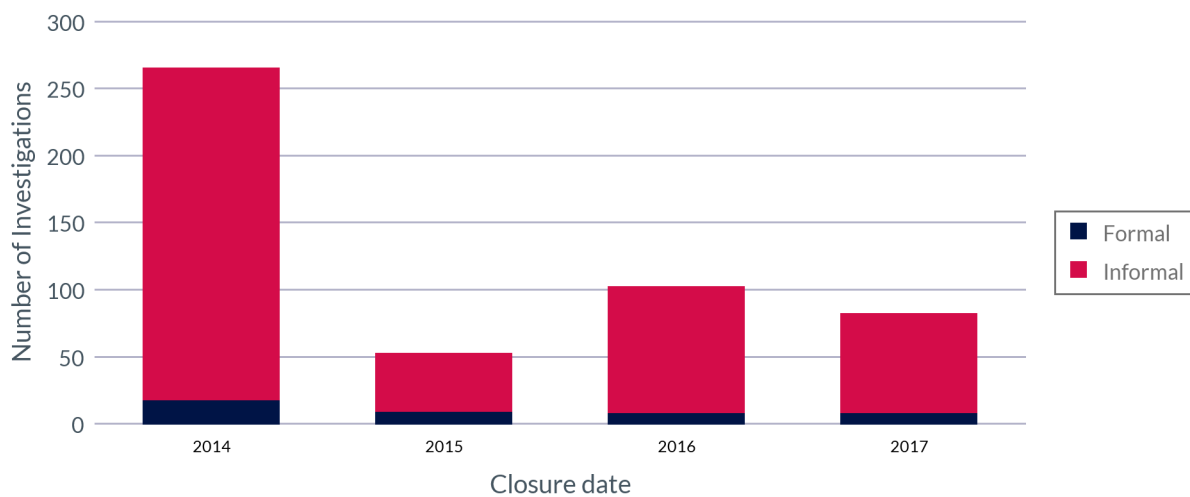


### Annual view (Q1 comparable)

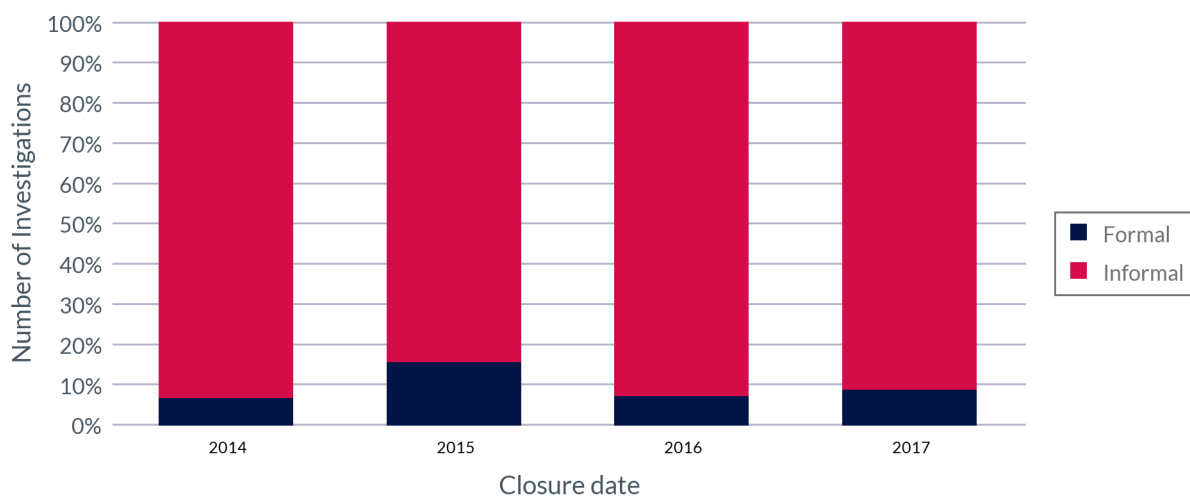
#### 4.1.7 Investigations closed by enforcement action type per FY to date

	2014		2015		2016		2017	
Formal	17	6.4%	8	15.4%	7	6.9%	7	8.5%
Informal	248	93.6%	44	84.6%	95	93.1%	75	91.5%
Total closed:	265		52		102		82	

#### 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)



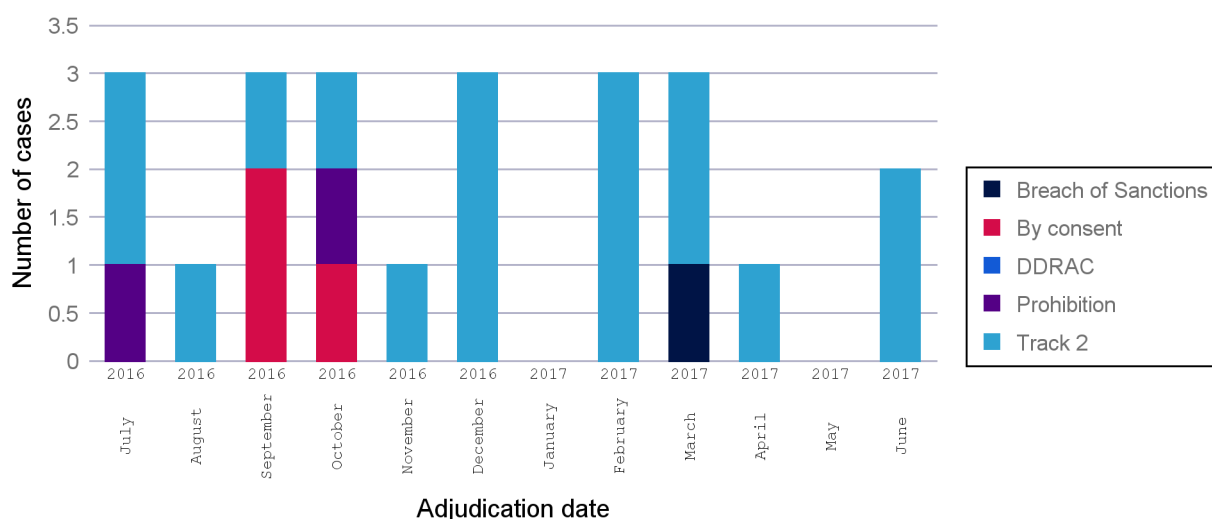
## **4.2 Tribunal information**

## Overview

## 4.2.1 Number of cases heard at tribunal

	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Breach of Sanctions									1			
By consent			2	1								
Prohibition	1			1								
Track 2	2	1	1	1	1	3		3	2	1		2
Sum:	3	1	3	3	1	3		3	3	1		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

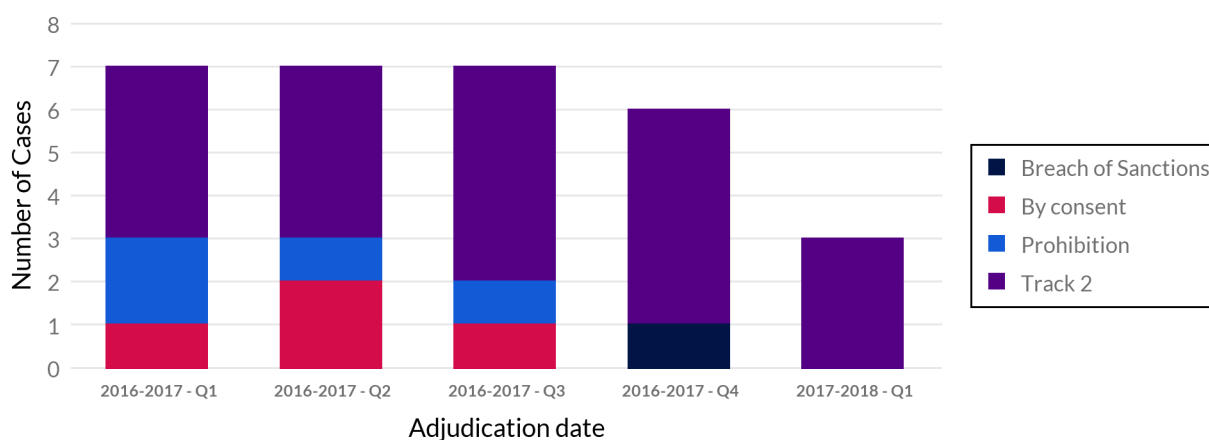


## Quarterly view

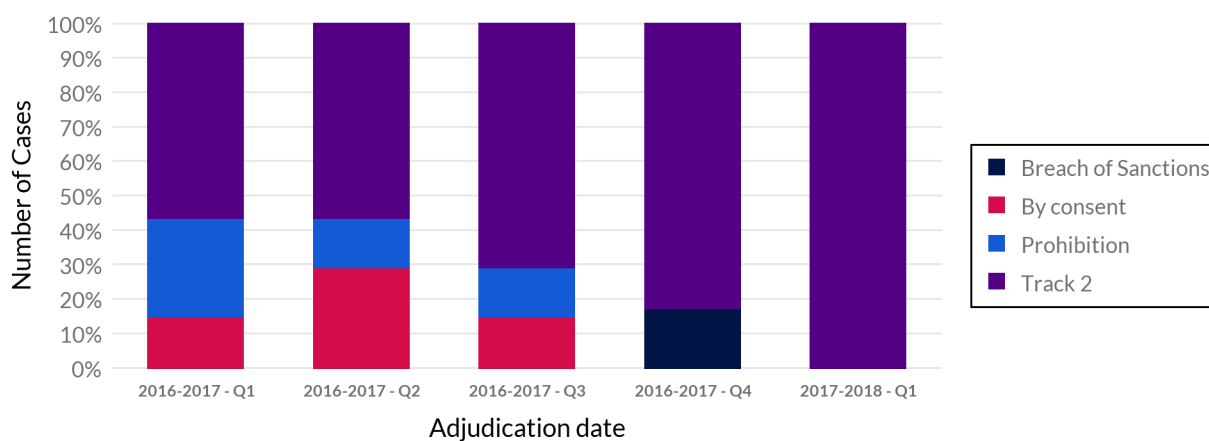
## 4.2.3 Number of cases heard at tribunal per quarter

	2016-2017 - Q1		2016-2017 - Q2		2016-2017 - Q3		2016-2017 - Q4		2017-2018 - Q1	
<b>Breach of Sanctions</b>							1	16.7%		
<b>By consent</b>	1	14.3%	2	28.6%	1	14.3%				
<b>Prohibition</b>	2	28.6%	1	14.3%	1	14.3%				
<b>Track 2</b>	4	57.1%	4	57.1%	5	71.4%	5	83.3%	3	100.0%
<b>Sum:</b>	7		7		7		6		3	

## 4.2.4 Number of cases heard at tribunal per quarter (volume)



## 4.2.5 Number of cases heard at tribunal per quarter (proportion)

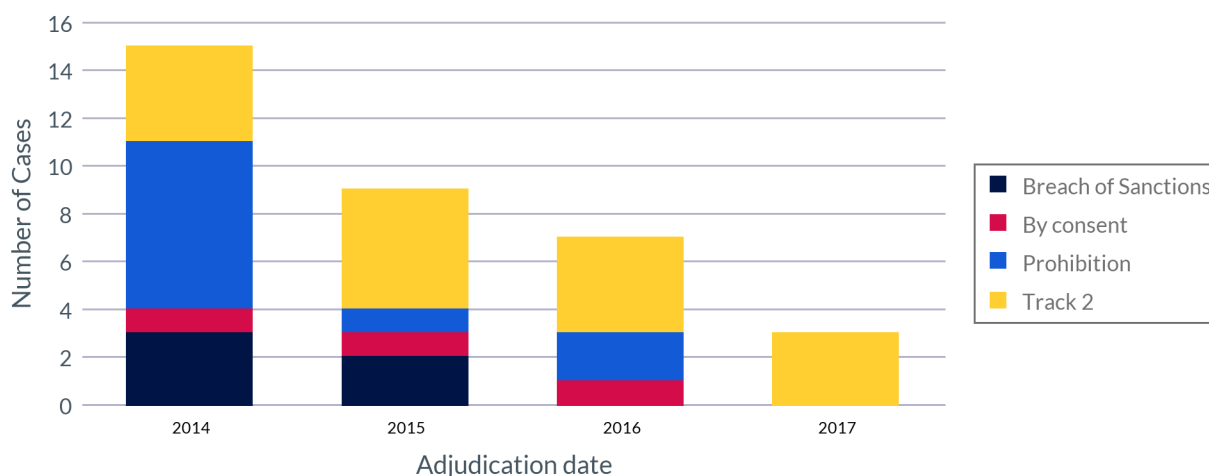


## Annual view (Q1 comparable)

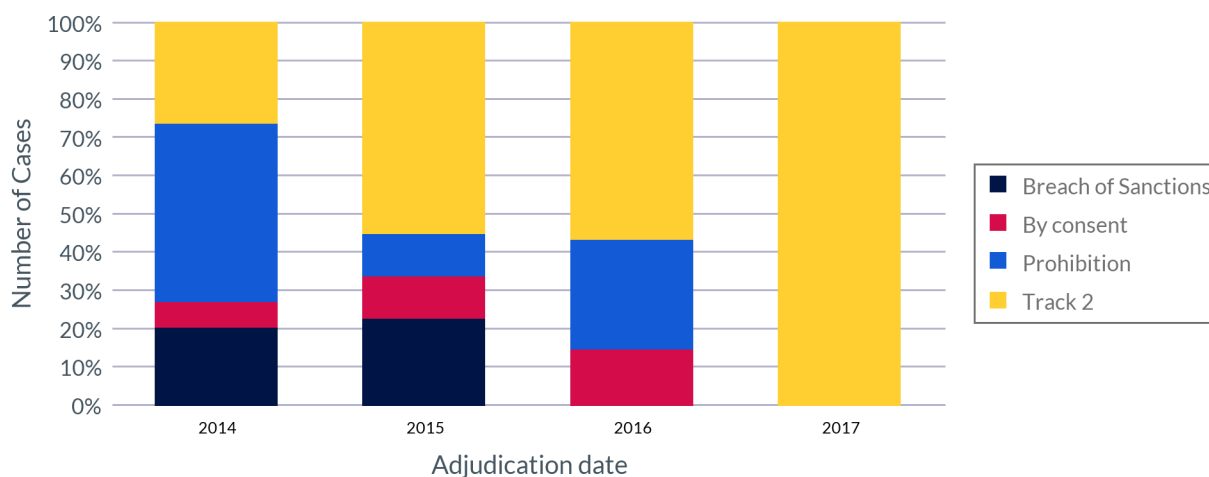
## 4.2.6 Number of cases heard at tribunal per Financial Year to date

	2014		2015		2016		2017	
Breach of Sanctions	3	20.0%	2	22.2%				
By consent	1	6.7%	1	11.1%	1	14.3%		
Prohibition	7	46.7%	1	11.1%	2	28.6%		
Track 2	4	26.7%	5	55.6%	4	57.1%	3	100.0%
Sum:	15		9		7		3	

## 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)



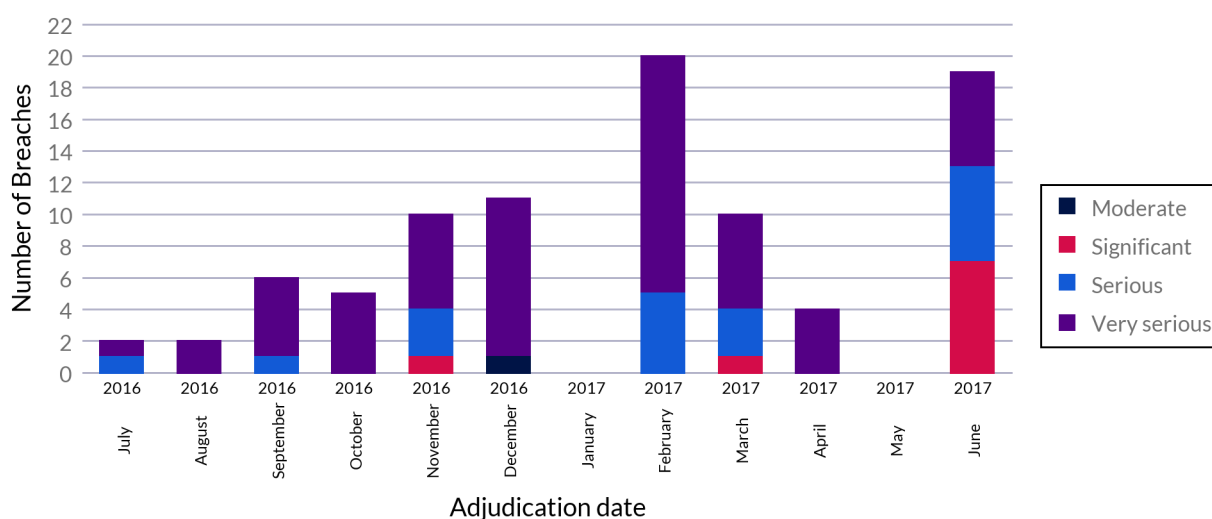
### 4.3 Track 2 breach severity

## Overview

## 4.3.1 Upheld breaches by severity per month

	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
	Jul	Aug	Sep	Oct	Nov	Dec		Feb	Mar	Apr		Jun
Moderate						1						
Significant					1				1			7
Serious	1		1		3			5	3			6
Very serious	1	2	5	5	6	10		15	6	4		6
Total breaches:	2	2	6	5	10	11	0	20	10	4	0	19
Cases heard:	3	1	3	3	1	3		3	3	1		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

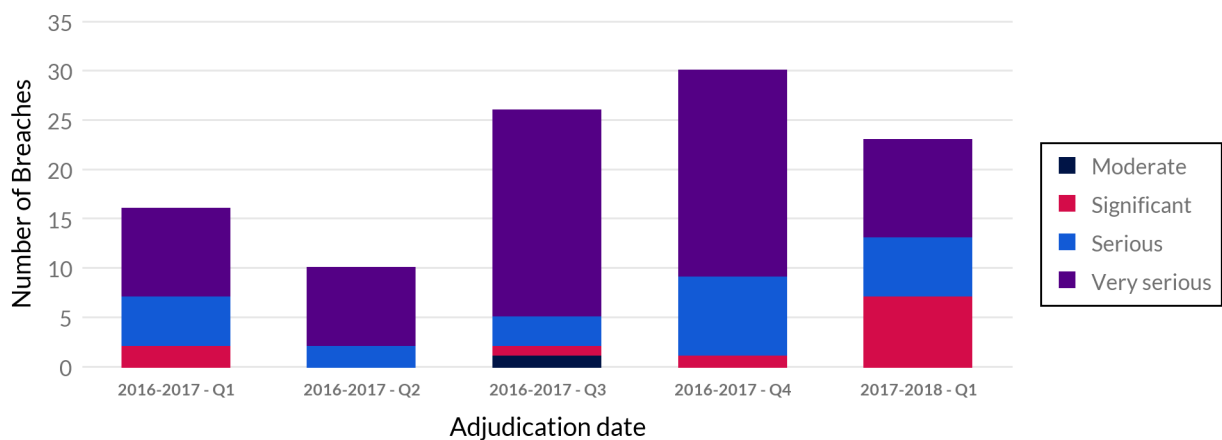
**Very serious:** a rating applied to tribunal decisions, the highest level of harm on a scale of 1-5

## Quarterly view

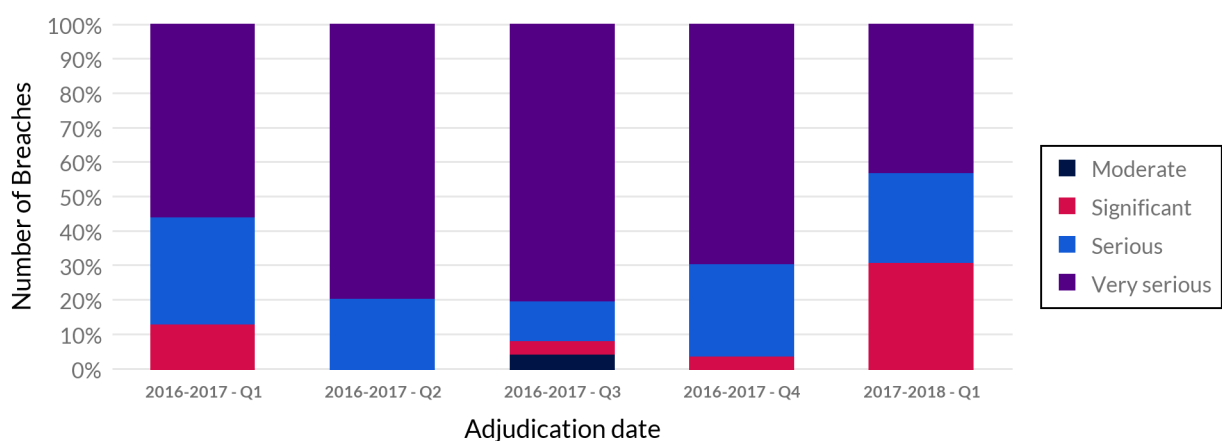
## 4.3.3 Upheld breaches by severity per quarter

	2016-2017 - Q1		2016-2017 - Q2		2016-2017 - Q3		2016-2017 - Q4		2017-2018 - Q1	
Moderate					1	3.8%				
Significant	2	12.5%			1	3.8%	1	3.3%	7	30.4%
Serious	5	31.3%	2	20.0%	3	11.5%	8	26.7%	6	26.1%
Very serious	9	56.3%	8	80.0%	21	80.8%	21	70.0%	10	43.5%
Sum:	16		10		26		30		23	

## 4.3.4 Upheld breaches by severity per quarter (volume)



## 4.3.5 Upheld breaches by severity per quarter (proportion)

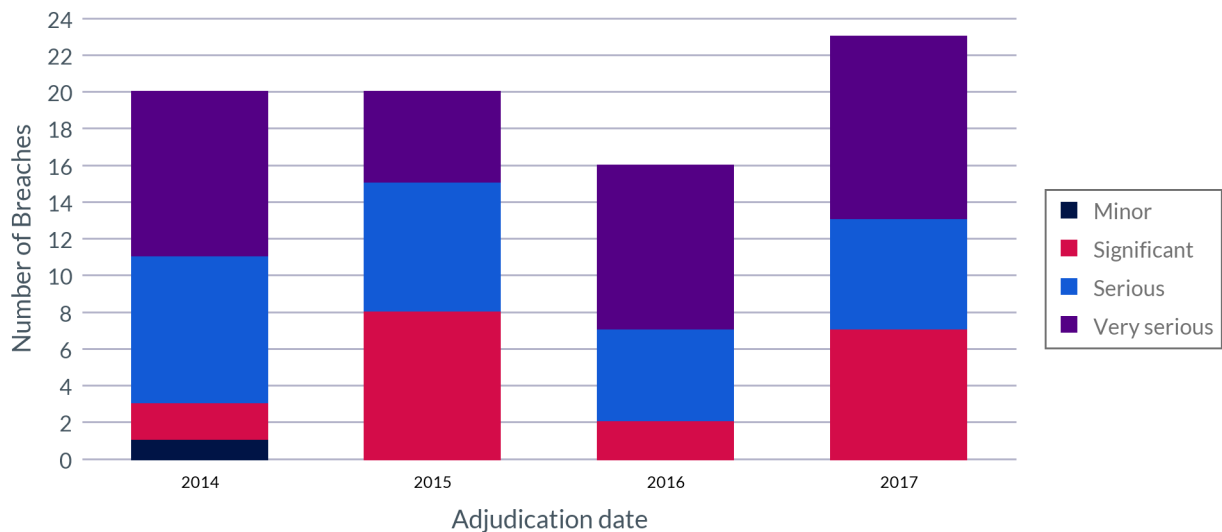


### Annual view (Q1 comparable)

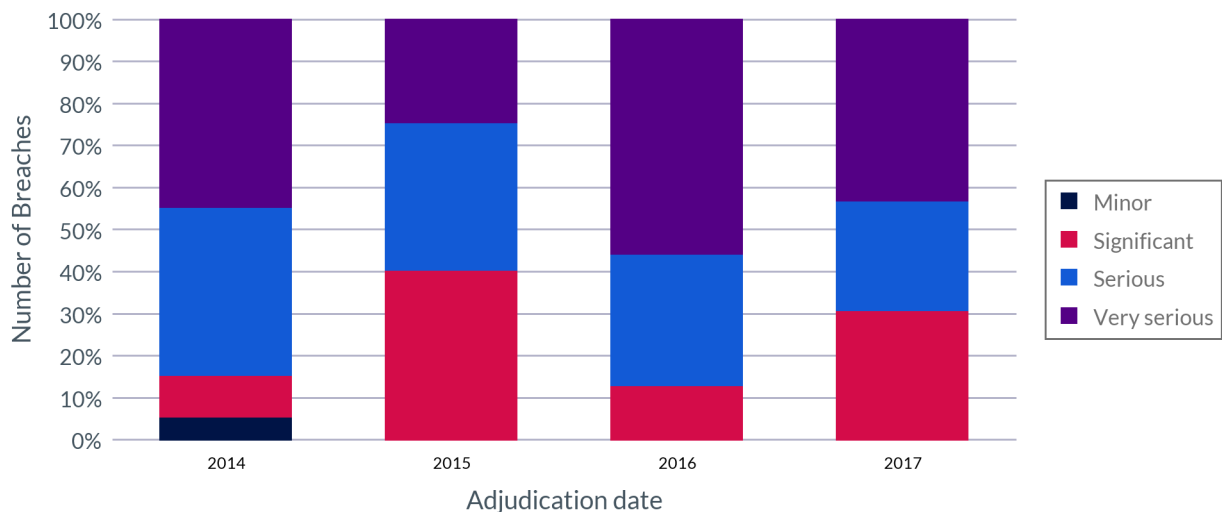
#### 4.3.6 Upheld breaches by status per Financial Year to date

	2014		2015		2016		2017	
Minor	1	5.0%						
Significant	2	10.0%	8	40.0%	2	12.5%	7	30.4%
Serious	8	40.0%	7	35.0%	5	31.3%	6	26.1%
Very serious	9	45.0%	5	25.0%	9	56.3%	10	43.5%
Sum:	20		20		16		23	

#### 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)



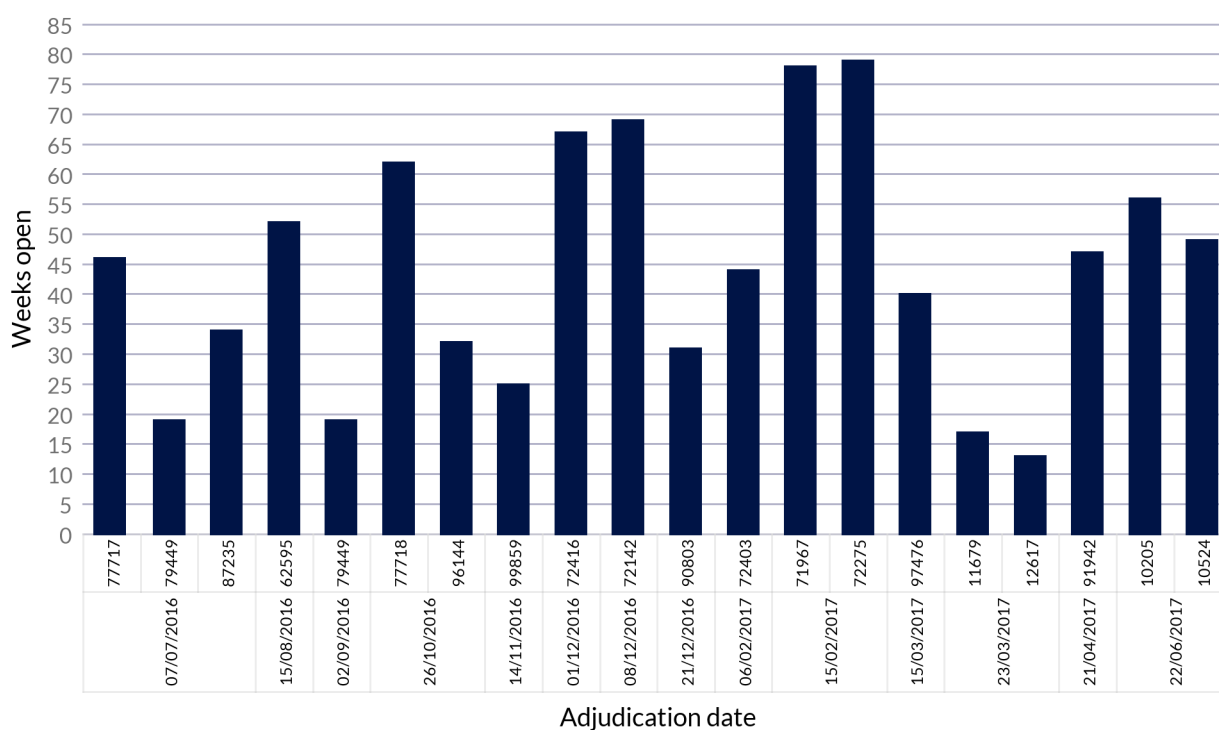
### 4.4 Track 2 duration

## Overview

## 4.4.1 Average Track 2 duration per month (weeks)

2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
33	52	19	47	25	56	NA	67	23	47	NA	52

## 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

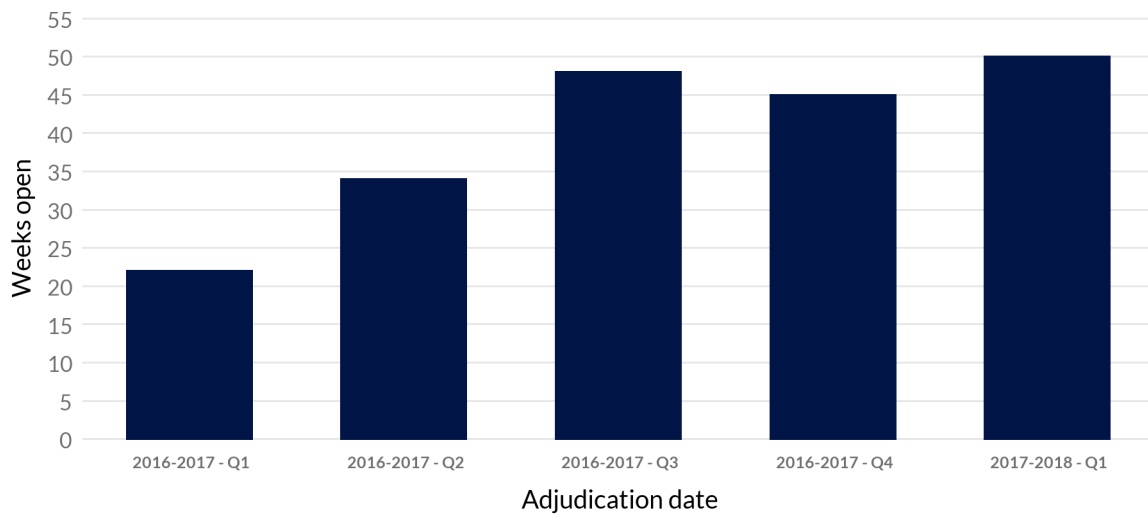


## Quarterly view

## 4.4.3 Average Track 2 duration per quarter (weeks)

2016-2017 - Q1	2016-2017 - Q2	2016-2017 - Q3	2016-2017 - Q4	2017-2018 - Q1
22	34	48	45	50

## 4.4.4 Average Track 2 duration per quarter (weeks)

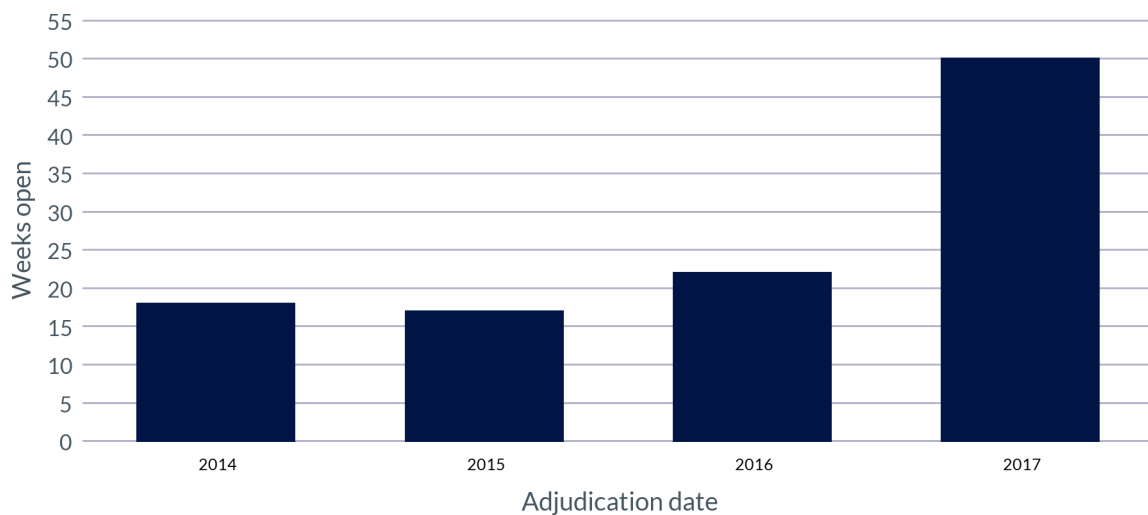


## Annual view (Q1 comparable)

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

2014	2015	2016	2017
18	17	22	50

## 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.

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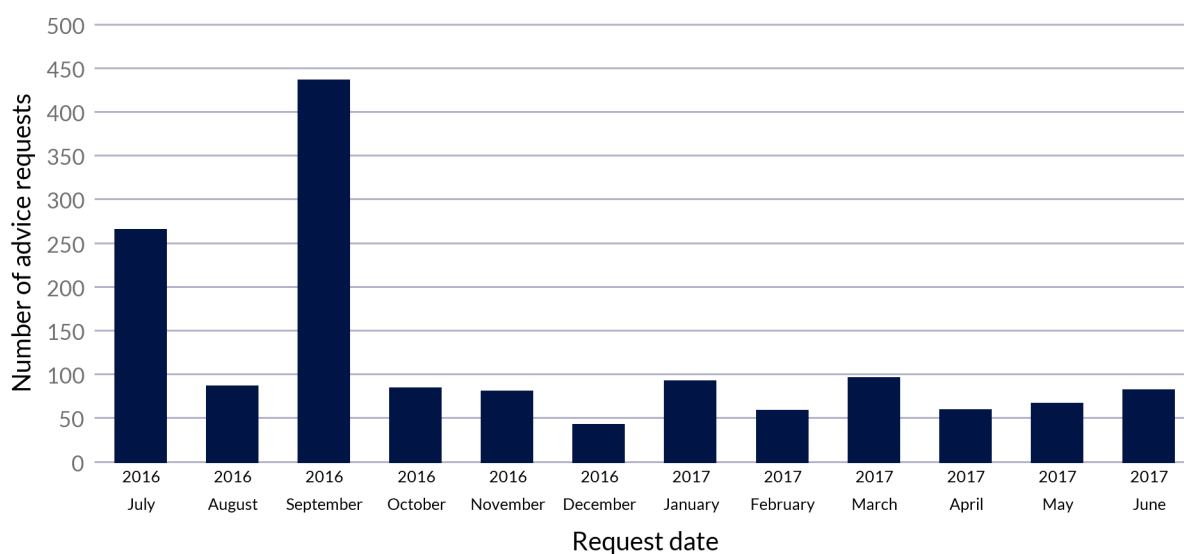
## **5.1 Compliance advice**

### Overview

#### 5.1.1 Compliance advice given

	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Requests	265	86	436	84	80	42	92	58	96	59	66	82

#### 5.1.2 Compliance advice given



### Definitions

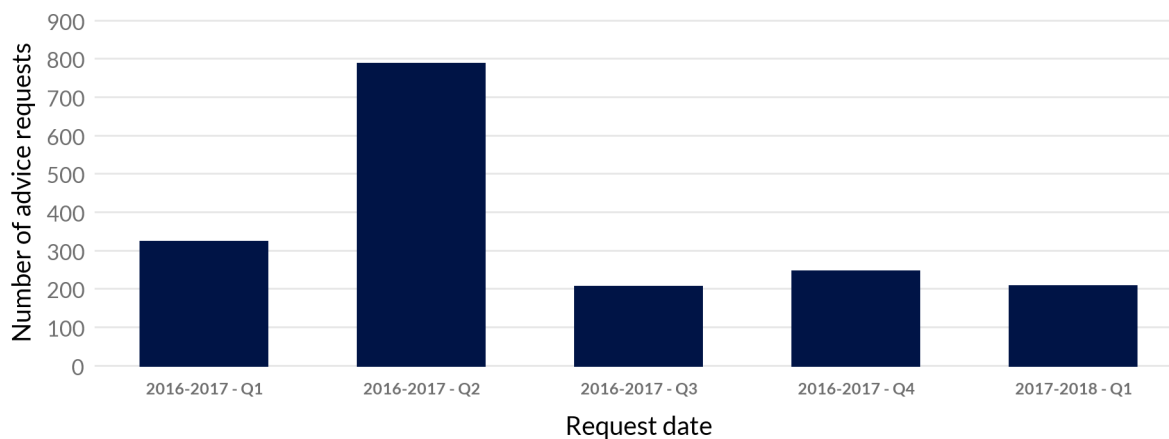
**Compliance advice:** a written piece of advice on how to operate PRS within the scope of the Code of Practice

### Quarterly view

#### 5.1.3 Compliance advice given

	2016-2017 - Q1	2016-2017 - Q2	2016-2017 - Q3	2016-2017 - Q4	2017-2018 - Q1
Requests	322	787	206	246	207

#### 5.1.4 Compliance advice given

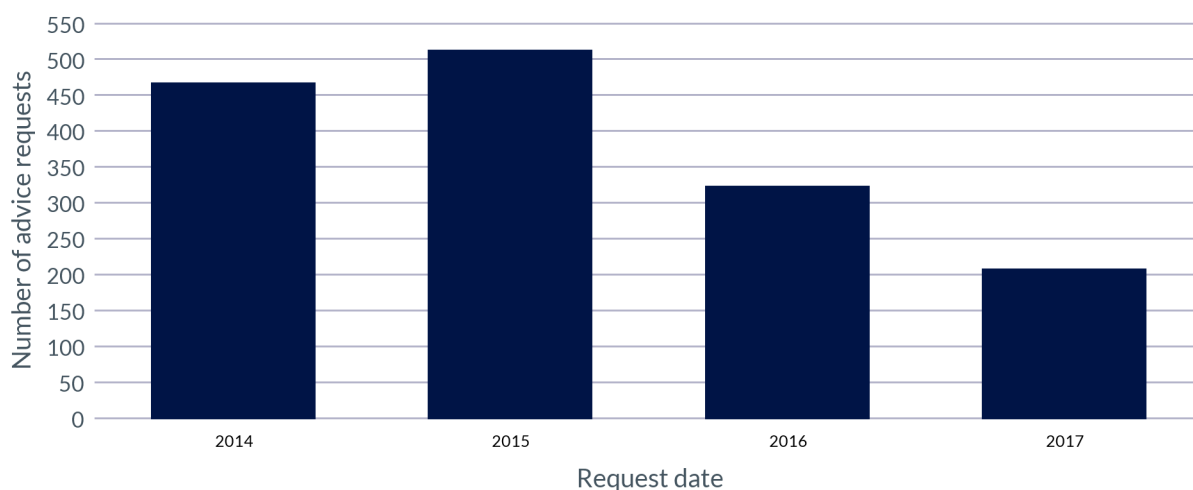


### Annual view (Q1 comparable)

#### 5.1.5 Compliance advice given per FY to date

	2014	2015	2016	2017
Requests	466	512	322	207

#### 5.1.6 Compliance advice given per FY to date



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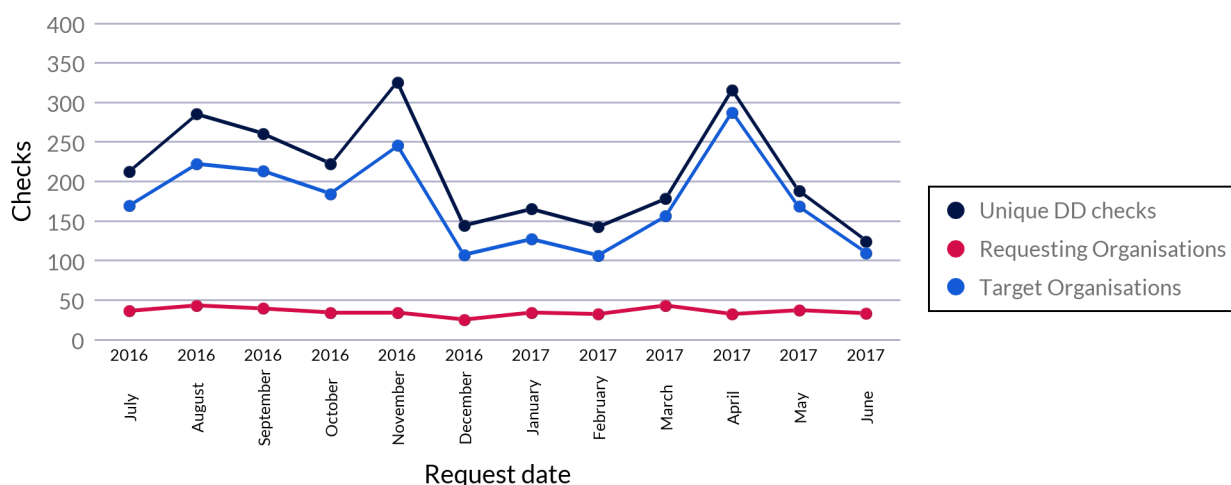
## 5.2 Due diligence

### Overview

#### 5.2.1 Number of due diligence requests per month

	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Unique checks	213	286	261	223	326	145	166	143	179	316	189	125
Requesting orgs	37	44	40	35	35	26	35	33	44	33	38	34
Target orgs	170	223	214	185	246	108	128	107	157	288	169	110

#### 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

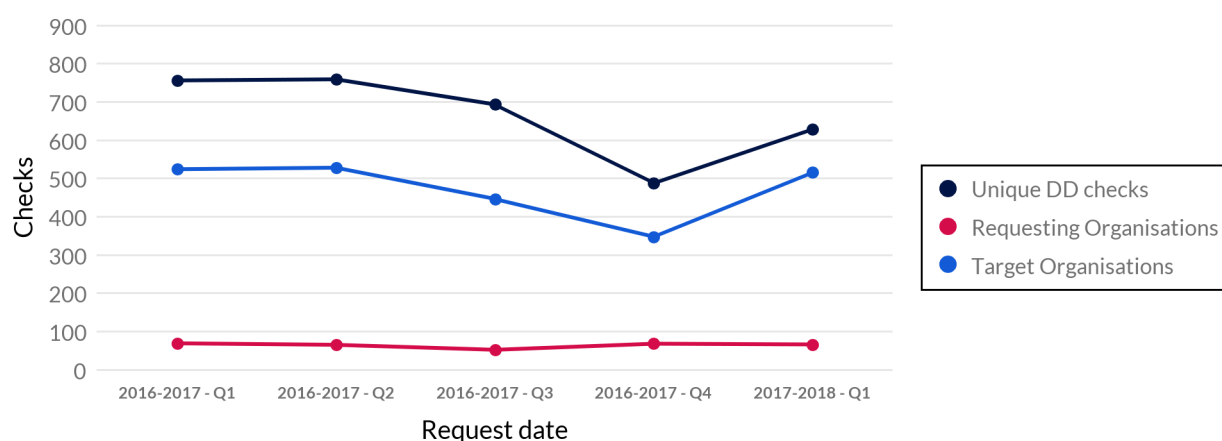
**Target organisations:** the potential provider being evaluated

## Quarterly view

### 5.2.3 Number of due diligence requests per quarter

	2016-2017 - Q1	2016-2017 - Q2	2016-2017 - Q3	2016-2017 - Q4	2017-2018 - Q1
Unique checks	757	760	694	488	630
Requesting orgs	70	66	53	69	67
Target Orgs	525	529	447	348	517

### 5.2.4 Number of due diligence requests per quarter (volume)

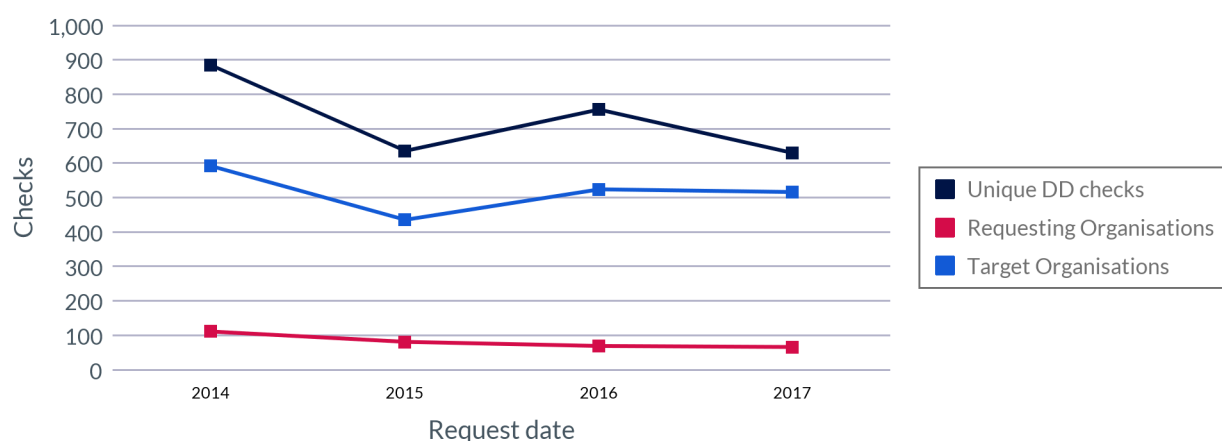


## Annual view (Q1 comparable)

### 5.2.5 Number of due diligence requests per FY to date

	2014	2015	2016	2017
Unique checks	886	636	757	630
Requesting orgs	112	82	70	67
Target Orgs	593	436	525	517

### 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 1 2017/18 have been updated for this report.

Compared to the previous quarter:

- Fixed has decreased by 4%
  - Comprised of: Landline up 1%, DQ down 8%, 087 down 7%
- Mobile has increased by 1%
  - Comprised of: PSMS down 17%, Voice Shortcode up 4%, Operator billing up 16%

Compared to the same quarter last year:

- Fixed has declined by 13%
  - Comprised of: Landline down 3%, DQ down 24%, 087 down 14%
- Mobile has decreased by 8%
  - Comprised of: PSMS down 41%, Voice Shortcode down 13%, Operator billing up 42%

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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	27,967,513	45,530,418	9,327,035	12,391,686	7,840,532	3,126,065	106,183,249
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

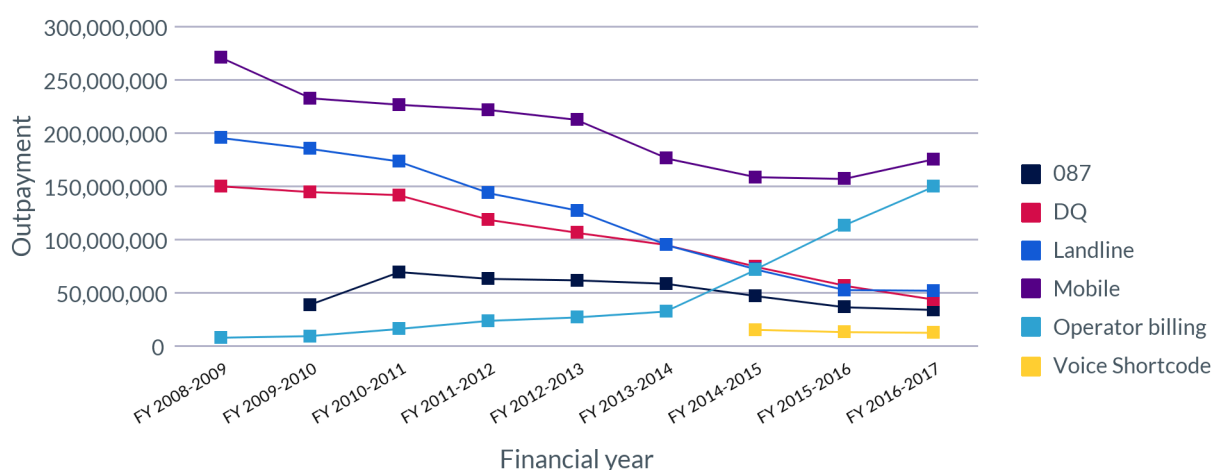
\* up on previous financial year

down on previous financial year

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

	PSMS	Operator billing	DQ	Landline	087	Voice Shortcode	Total
FY 2017-2018	27,967,513	45,530,418	9,327,035	12,391,686	7,840,532	3,126,065	106,183,249
FY 2016-2017	47,407,835	31,976,066	12,227,944	12,783,961	9,124,114	3,585,211	117,105,131
FY 2015-2016	35,216,442	25,798,209	15,758,779	14,591,245	10,459,049	3,698,358	105,522,080
FY 2014-2015	35,593,309	13,224,919	19,970,783	19,376,757	13,856,016	4,217,788	106,239,572
FY 2013-2014	43,111,214	7,767,383	24,119,064	26,580,682	15,320,771		116,899,114
FY 2012-2013	55,373,109	5,943,270	27,118,903	34,340,762	15,477,872		138,253,916
FY 2011-2012	50,623,678	4,501,230	31,113,889	40,551,649	16,296,526		143,086,972

### 6.1.3 Outpayments by sector (complete years only)



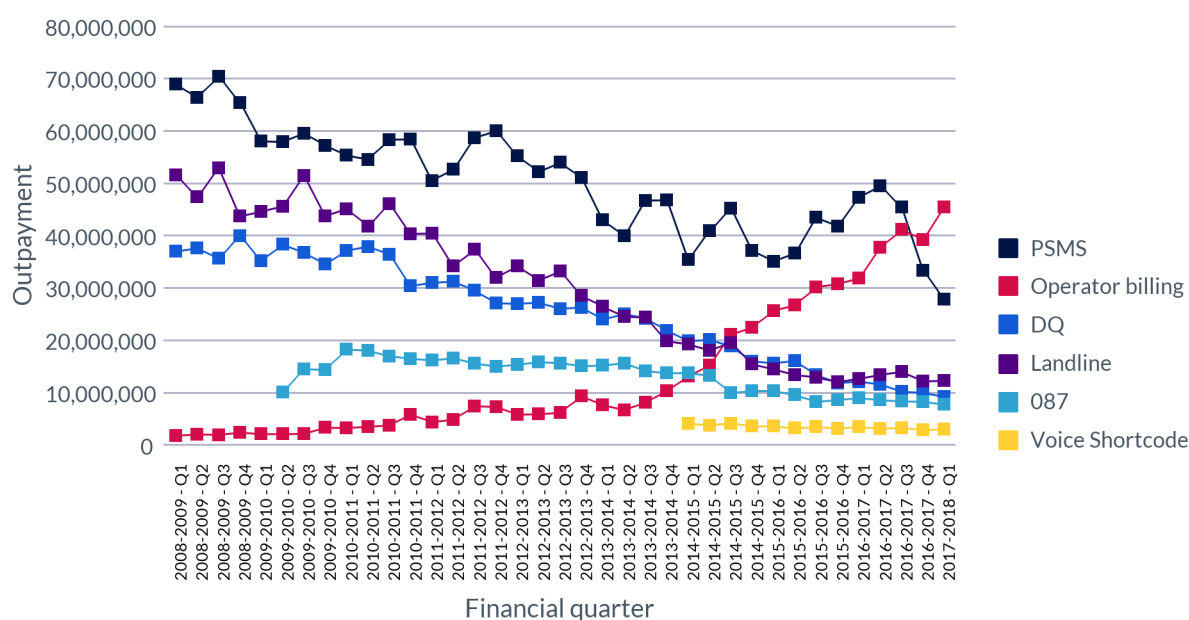


## Quarterly view

## 6.1.4 Outpayments by sector by financial quarter

	PSMS	Operator billing	DQ	Landline	087	Voice Shortcode	Total
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
2016-2017 - Q2	49,636,131	37,816,930	11,720,632	13,533,908	8,698,159	3,254,251	124,660,010
2016-2017 - Q1	47,407,835	31,976,066	12,227,944	12,783,961	9,124,114	3,585,211	117,105,131
2015-2016 - Q4	41,934,990	30,898,145	11,985,627	12,169,134	8,713,665	3,296,926	108,998,487

## 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 "Payforit"

**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 approx. 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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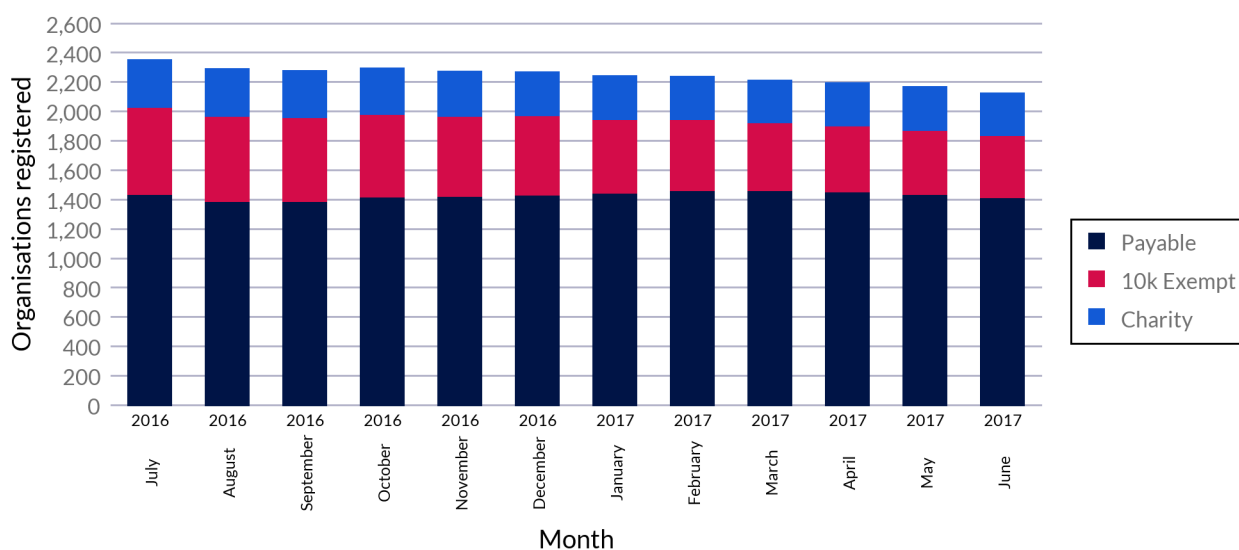
## 6.2 Registrations by type

### Overview

#### 6.2.1 Total registrations by payment status per month

	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Payable	1,425	1,379	1,379	1,406	1,412	1,420	1,433	1,452	1,452	1,442	1,426	1,405
10K exempt	592	579	571	564	545	541	503	485	460	449	436	421
Charity	334	329	324	324	315	305	305	300	299	303	303	297
Total	2,351	2,287	2,274	2,294	2,272	2,266	2,241	2,237	2,211	2,194	2,165	2,123

#### 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

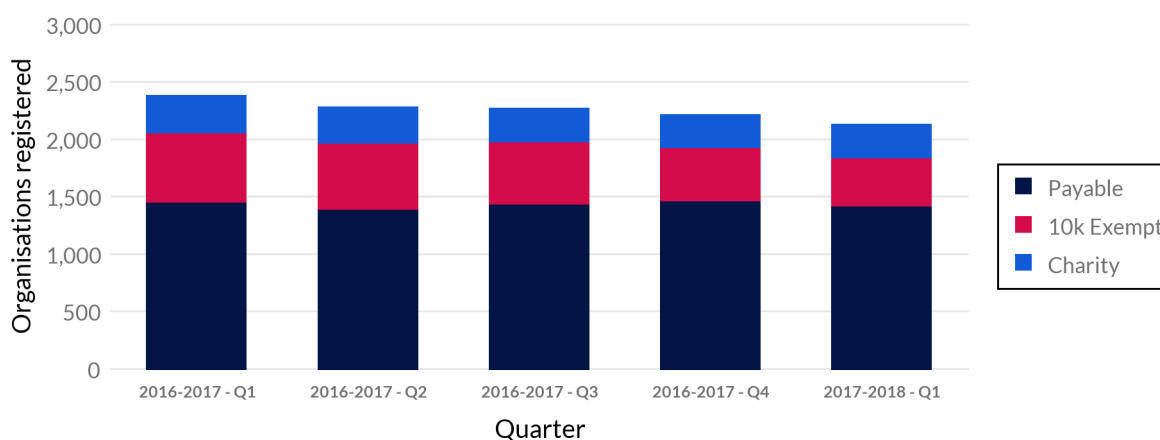
**Payable:** all other organisations are expected to pay a registration fee

### Quarterly view

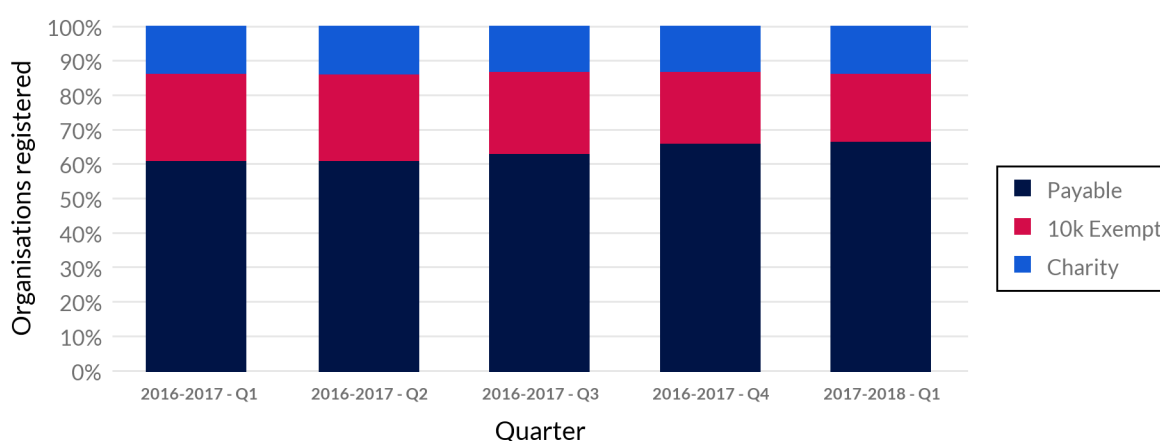
#### 6.2.3 Total registrations by payment status per quarter

	2016-2017 - Q1		2016-2017 - Q2		2016-2017 - Q3		2016-2017 - Q4		2017-2018 - Q1	
<b>Payable</b>	1,440	60.6%	1,379	60.6%	1,420	62.7%	1,452	65.7%	1,405	66.2%
<b>10K exempt</b>	601	25.3%	571	25.1%	541	23.9%	460	20.8%	421	19.8%
<b>Charity</b>	335	14.1%	324	14.2%	305	13.5%	299	13.5%	297	14.0%
<b>Total</b>	2,376		2,274		2,266		2,211		2,123	

#### 6.2.4 Total registrations by payment status per quarter (volume)



#### 6.2.5 Total registrations by payment status per quarter (proportion)

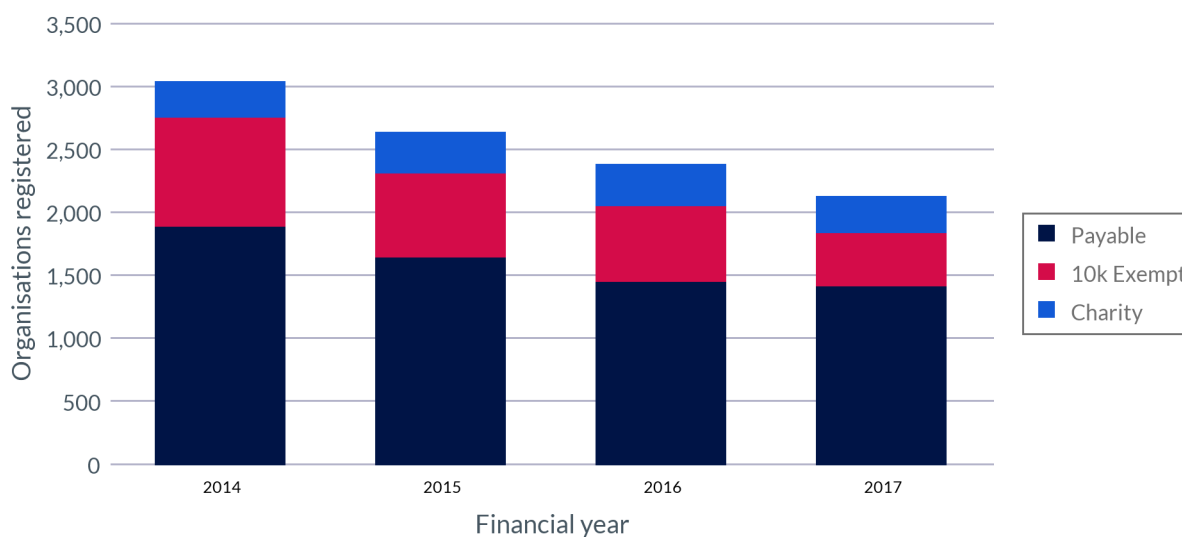


### Annual view (Q1 comparable)

#### 6.2.6 Total registrations by payment status per FY to date

	2014		2015		2016		2017	
<b>Payable</b>	1,877	61.9%	1,634	62.1%	1,440	60.6%	1,405	66.2%
<b>10K exempt</b>	868	28.6%	664	25.2%	601	25.3%	421	19.8%
<b>Charity</b>	289	9.5%	334	12.7%	335	14.1%	297	14.0%
<b>Total</b>	3,034		2,632		2,376		2,123	

#### 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)

