

Online Adult Services

Notice of Special conditions

This Notice is being issued to inform all providers involved, or intending to be involved, in the provision of online adult premium rate services (PRS) that Special conditions apply. Level 2 providers are required to comply with <u>the Phone-paid Services Authority Code of Practice</u>, and the Special conditions set out below, which are imposed under paragraph 3.11.1 of the Code.

Under paragraph 3.11.3 of the Code, "a breach of any special condition in respect of a high-risk service imposed under paragraph 3.11.1 shall be a breach of the Code".

Online adult PRS are defined as follows:

Premium rate sexual entertainment services, whether provided on single or subscription fee structures, which are accessed online, including but not limited to relevant live streaming services that are paid for via the consumers phone account.

'Sexual entertainment service' has the meaning set out in the Condition issued by Ofcom under section 120 of the Communications Act 2003 effective from time to time¹.

'Online' refers to those products or services consumed on personal computers or mobile devices (such as smartphones, tablets, etc.) and are provided or accessed directly through an internet gateway. If the consumer is given the choice to consume the digital products or services online or to download them for off-line use, the service must still comply with these Special conditions.

Special conditions

Imposed under Annex 2, Paragraphs 1.1(f) and (g):

(f) steps to be taken to ensure that a high risk service is not used by or promoted in such a way as to make it particularly attractive to persons under the age of 18 years old or younger;(g) the denying of access by users under the age of 18 years old to a high risk service or by all users where the relevant handset is not verified as being owned by someone aged 18 years old or over.

- **ONLA1** Promotions for online adult PRS must not appear in media targeted at persons under the age of 18.
- **ONLA2** Promotions for online adult PRS must be in context with the publication or other media in which they appear. Services should be in context with the advertising

¹ The definition set out in the current PRS Condition is: "Sexual Entertainment Service" means an entertainment service of a clearly sexual nature, or any service for which the associated promotional material is of a clearly sexual nature, or indicates directly, or implies, that the service is of a sexual nature

material promoting them. The content of a service should not be contrary to the reasonable expectations of those responding to the promotion.

- **ONLA3** That online adult PRS are promoted clearly as being adult services, and not for under-18s.
- **ONLA4** That services are not promoted in places where they are likely to be particularly attractive to children, or which are easily accessible to them.
- **ONLA5** All providers of services must take steps to verify the age of consumers before they can access the service itself. This includes, but is not necessarily limited to, use of an age verification question and age verification filters to prevent access to users who may be under 18.

Imposed under Annex 2, Paragraph 1.1(k), and (n):

(k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high risk service (including as to receipts);(n) requirements for caller agreement before a high risk service proceeds before the caller is charged.

Promotional material

- **ONLA6** PRS providers must ensure it is made unambiguously clear to the consumer what the service is and who is providing it. This may include providing the consumer with the name of the service as registered with the PSA.
- **ONLA7** Payment options, where relevant, should clearly indicate that selecting payment through the phone account will place charges on the user's phone account (mobile or otherwise).

Imposed under Annex 2, paragraph (n) requirements for caller agreement before a high risk service proceeds before the caller is charged and paragraph 1.1(b) requirements as to the mechanisms and processes used to deliver services to, and to enable exit from services by, consumers:

Point of purchase

- **ONLA8** The point of purchase must be separated from service promotion and interaction, in a clear and effective way, to allow the consumer to consider their purchase. PRS providers must ensure it is made unambiguously clear to the consumer as to when they are viewing promotional material and when they have entered a purchasing environment.
- **ONLA9** At the point of purchase, PRS providers must ensure that:
 - (a) the point of purchase is clearly signposted by it being made distinctive from other aspects of the service (such as by design and colour scheme) and take all reasonable steps to ensure that distinction is made clear, avoiding any confusion between service promotion and the point of purchase
 - (b) the consumer explicitly acknowledges that the purchase implies an obligation to pay

- (c) the consumer is made aware, in a clear and prominent manner and directly before the consumer commits to a purchase, of the cost of the service, and the frequency of charges
- (d) it is clear that the PRS charge(s) will be added to the consumer's phone account.

Consent to charge

ONLA10 Prior to delivering the PRS charge, including the initial charge of a subscription service, providers are required to ensure that the consumer provides 'double opt-in' consent to charge. To fulfil this requirement, the provider must ensure that the consumer provides two positive, recorded and auditable responses, following clear presentation of the costs and name of the premium rate service to the consumer.

PRS providers must ensure that the first consumer consent to be charged is established via one of the following means of consumer interaction:

- (a) use of a password-controlled account, the password being selected and controlled by the consumer². The account information areas must not auto-populate or self-generate and must require the consumer to enter at least two details such as:
 - i. their verified email address; and/or
 - ii. a username that they have selected and control; and/or
 - iii. their name.
- (b) use of a secure PIN loop system, which must be initiated and confirmed by the Level 1 provider³ through interaction with the consumer. The secure PIN must:
 - i. comprise no less than four truly random integers
 - ii. be entered by the consumer and must not auto-populate or selfgenerate
 - iii. expire if after three attempts the consumer has not entered the PIN correctly

- there is use of a password-controlled app store account that the consumer has created
- an existing third party verified account, via an eID authentication protocol (such as Facebook Connect), is used within a purchasing environment. The webpage enabling use of the verified account must be hosted by the Level 1 provider or Network operator.

² For clarity, ONLA10(a) will be fulfilled where;

³ This function may be undertaken by an independent third party on behalf of the Level 1 provider. Where a Network operator contracts directly with a Level 2 provider (i.e. there is no Level 1 provider involved in the provision of the service), the function may be undertaken by the Network operator.

- iv. expire within fifteen minutes of the PIN being received to the consumer's handset.
- (c) use of a secure on-screen PIN which must be initiated and controlled by the Level 1 provider or Network operator. The secure on-screen PIN must:
 - i. not be displayed in a form that is easily readable by a client machine, (for example it should be presented as an image rather than in HTML text)
 - ii. comprise no less than four truly random integers
 - iii. be entered by the consumer (and must not auto populate or selfgenerate)
 - iv. expire if after three attempts the consumer has not entered the PIN correctly
 - v. expire within fifteen minutes of the PIN being displayed to the consumer.
- (d) use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s) of consent to be charged.
- **ONLA11** PRS providers must ensure that the second consumer consent to be charged is established via one of the following means of consumer interaction:
 - (a) use of a confirmation button to confirm the purchase
 - (b) use of biometric technology, such as fingerprint or facial recognition
 - (c) use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s) of consent to be charged.

Imposed under Annex 2, paragraph (k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high-risk service (including as to receipts)

Receipts

- **ONLA12** Following the PRS provider obtaining 'double opt-in' consent to charge from the consumer (ONLA10 and ONLA11) the PRS provider must ensure that the consumer is sent a confirmation message or receipt, at no additional cost to the consumer, which sets out:
 - (a) the name of the service
 - (b) confirmation that the service is a subscription (if applicable)

- (c) the charge and frequency of charging
- (d) where there is no defined billing period, the basis on which the frequency of interaction and charging is established (if a subscription)
- (e) the contact details of the Level 2 provider
- (f) instructions on how to exit the service.
- ONLA13 For the first 90 days from the date the consumer is subscribed to the service, or for every one-off charge where the consumer is not subscribed, a receipt must be sent to the consumer promptly after each charge, in either SMS or email format. The receipt must set out:
 - (a) the full name of the service
 - (b) confirmation that the service is a subscription
 - (c) the charge frequency of charging (or how this can and will arise, if applicable)
 - (d) the contact details of the Level 2 provider
 - (e) instructions on how to exit the service.
- ONLA14 Where the service is a subscription, once the consumer has been subscribed to the service for 90 days, the consumer may be provided with the ability to select the frequency with which they receive receipts with the minimum requirement being one receipt every three months. The ability to select the frequency of receipting must be wholly controlled by the consumer. Receipts must be sent to the consumer at the frequency set by the consumer. Where no frequency is set, receipts must be sent promptly after each purchase.

Imposed under Annex 2, paragraph 1.1(b) requirements as to the mechanisms and processes used to deliver services to, and to enable exit from services by, consumers:

Method of exit

ONLA15 PRS providers must ensure that effective opt-out processes are established.

Imposed under Annex 2, Paragraph 1.1(m) and (x):

(m) the provision of defined information to the Phone-paid Services Authority and the intervals at which it is to be given and the manner to which it is provided; [and]

(x) providers of higher risk services to notify the Phone-paid Services Authority at commencement of such services and provide any related information required by the Phone-paid Services Authority within a specified time period.

Notification requirements

ONLA16 PRS providers operating these services are to notify the PSA within 48 hours of launching the service, if not done so before. On notification, PRS providers must provide information relating to:

(a) brand identification

(b) PRS numbers used for the service, including the dedicated number chosen for STOP and STOP ALL requests

(c) customer care services details

(d) identity of all Level 1 providers involved in the provision of the PRS, including those managing the method of exit.