

PPP: Guidance and new Special Conditions associated with the
13th edition of the Code of Practice
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Introduction

The [Federation of Communication Services](#) is the largest UK trade association for the professional communication services sector. Our 400 members and associates deliver voice and data functionality and services to business and public sector users by means of copper, fibre and radio transmission infrastructures. We are pleased to have the opportunity of responding to the PPP Consultation on documentation to support the 13th Code of Practice.

Overview

The FCS welcomes the continuing move towards flexibility in the way that the Code imposed, allowing for changes to guidance and special conditions without a full Code consultation.

It is interesting to see how there have always been certain categories of service that have required different or tighter regulation over the years, which have been dealt with in different ways over time: special sections within the Code, removal from the Code and prior permission requirements; guidance and now, special conditions. The potential harms and the remedies remain essentially the same, however they are couched.

As we only have comments in a few specific areas, we have not listed and answered all the questions.

General Guidance Note – Promoting Premium Rate Services

The table of proposed pricing wording in the guidance note appears to be wrong in every instance when compared with the Ofcom statement of recommended pricing first issued in its statement on NGCS in December 2103, and most recently in its Statement on use of non-geographic numbers in TV programmes, issued on 27 April, viz:

“Calls cost [i.e. service charge] per minute plus your phone company’s access charge”

We would suggest that PPP amends the 6 examples to reflect this, ensuring the full wording “plus your phone company’s access charge” rather than *plus ‘Access Charge’* is advised, and references to “network extras” removed. We note that Ofcom has given a special dispensation to broadcasters to use “network access charge” instead of “phone company’s access charge”.

There is no information for SPs about the Ofcom NGCS changes. Perhaps under paragraph 3.5 it may help to give a description of the access charge/service charge split, so that CPs can understand better which part of the pricing message they are responsible for. A link to UK Calling would be beneficial.

General Guidance Note – Lower cost services

Whilst we note that this guidance has been in existence for some time, we feel that it needs clarification in the light of the NGCS changes. Our understanding is that only controlled PRS (CPRS) are required to comply with the Code, lower rate PRS can follow the Code on a voluntary basis. This is not made clear in the guidance note.

Under the revised CPRS definition (also published in the Dec 2013 statement), Ofcom states that a controlled premium rate service means:

“the service is obtained through a PRS Number and the Service Charge for the call by means of which the service is obtained is a rate which exceeds 5.833 pence per minute or 5.833 pence per call, exclusive of value added tax”

As the definition of a PRS Number is “non-geographic number starting 087, 090, 091 or 118” it means that anything from 7ppm (incl of VAT) to 13ppm on all 087 ranges will be captured as CPRS and therefore the guidance should surely state that lower cost PRS are charged up to and including 6ppm, rather than 10ppm as stated in the note.

It is also not clear in the guidance that all 087 ranges are included; that is, 0870 charged up to 6ppm will be covered, not just those three prefixes listed. As 0870 is a prefix that will fall for the first time into PPP’s regulatory sphere following the NGCS changes, we feel that this needs to be specifically highlighted to SPs (and, indeed, any changed requirements for calls charged at between 7ppm and 13ppm on 0870).

Special Conditions – Higher Premium Rate Services

We have three general comments in this area. Firstly, whilst we appreciate the concerns about the rapidity with which high bills can be run up on problematic services, we hope that the number of special conditions imposed will not stifle innovation in new services; there is potentially a large market here which has been restricted for many years by the current maximum costs. Legitimate growth in this area would help reverse the current downward trend in PRS revenues and new, innovative services should be encouraged.

Secondly, we have some concerns about the feasibility of a free of charge call cost warning as this is something that has, of course, been considered many times before, by PPP and Ofcom, and always rejected on technical grounds. It failed spectacularly when Ofcom imposed it on 070. However, if it can be achieved it can only be beneficial.

Our final comment on this area arises from a suggestion that was put forward at the recent PPP Forum, namely that broadcasters who operate HRPRS should be offered a lighter touch version of the special conditions. We would argue against this, it must be an all or nothing approach in this area with no special dispensations for certain operators within the HRPRS arena.

Conclusion

The FCS noted the general sense at the recent Forum that PPP was starting to work more collaboratively with the industry. We hope that the introduction of the updated Guidance and Special Conditions will assist this move, allowing new companies and services to operate legitimately in the market without fear of inappropriately targeted regulation.