

Minutes

73rd ILP Meeting

Tuesday 2 March 2021, 10.00-12.00

Via Microsoft Teams

Attendees:

Chair: Ann Cook - ITV

ILP Members

Kevin Butcher – BBC

Joanna Cox – aimm

Holly Fairweather – Channel 4

Murray Findlay - Telefonica

Peter Garside – EE

Rickard Granberg – UKCTA

Karl Jayasingha – Three

Neil Johnson – aimm

Laurance Laroche – Three

Tony Maher – TUFF

Paul Miller – Three

Jeremy Stafford-Smith – Vodafone

Mark Stannard – Boku

Rob Weisz – Fonix

Phone-paid Services Authority

David Edmonds (PSA Chairman)

Peter Barker

Gavin Daykin

Barbara Limon

Alex Littlemore

Joanne Prowse (Chief Executive)

Sarah Louise Prouse

Simon Towler

Emma Hurt (minutes)

Guests

Liz Greenberg – Ofcom

Nathan Francis – Ofcom

Neil Kirithan – Analysis Mason

Hugues-Antoine Lacour – Analysis Mason

Paul Reville – Ofcom

Ian Strawthorne - Ofcom

Apologies

Suzanne Gillies – Action 4

Hamish MacLeod – Mobile UK

Rosaleen Hubbard – Towerhouse

Joel Stern – Global Radio (new member)

Sukhi Kooner – BT Agile Media

Imogen Willdigg – Cancer Research UK

1.	Introduction and apologies
	Ann Cook welcomed members to the 73 rd ILP and the first meeting of 2021. Apologies were noted as above.
2.	Review of actions
	<p>Previous meeting actions were covered as follows:</p> <ul style="list-style-type: none"> • Responses to the Business Plan and Budget have been received. • The PSA provided an update on the publication and sharing of data, noting that there are legal issues that need to be considered before PSA can share data. Peter informed the group that he aimed for this work to be completed by the end of March/early April. <p>The minutes were approved.</p>
3.	Update on ILP membership
	<p>Ann informed the group the membership of the ILP is reviewed on a regular basis. Recent changes to the membership include:</p> <ul style="list-style-type: none"> • Ladi Sanusi and Caroline Press have moved on – Three will confirm who their new representative will be. • Murray Findlay confirmed he will be the Telefonica contact having taken over from Danny Barclay. • Mike Barford has left the ILP. • Eric Feltin has left the ILP. • Joel Stern, Global Radio has joined the ILP.
4.	The market impact of Covid-19 one year on
	<p>The PSA presented a brief economic overview based on public data, including statistics from ONS and Bank of England, covering the impact on the UK economy resultant from the covid crisis.</p> <ul style="list-style-type: none"> • UK GDP fell by almost 10% in 2020. • Business investment, employment and vacancies were all sharply down, unemployment up. • Ofcom data on telecoms operator revenues shows long-term and slow decline of fixed line and mobile service revenue.

- Counter to long-term trend there was a considerable rise in voice calls in Q2 2020.
- A key concern during the first lockdown was the affordability of communications services for many households.
- There was a massive increase in streaming and internet use. Video calling has doubled since the start of the pandemic.
- Phone paid services revenue did not experience a sharp fall as other sectors did during Q2. Revenues increased slightly in Q1 and then bounced back from the Q2 drop in Q3.

To help shape and inform this area of the agenda, a set of questions were circulated to the ILP prior to the meeting for members to consider and respond to.

The ILP mentioned the following:

- All of the industry had found the year difficult but, as digital organisations, had been able to go virtual.
- Charities had struggled overall with the loss of fundraising opportunities including physical events. PSA had seen an increase in charity revenue via phone-payment as charities looked for alternative fundraising routes.
- The fraud landscape is much the same as pre-pandemic with some use of the pandemic to create uncertainty in the minds of consumers.
- Media and broadcasting revenue in the sector had been resilient – but in the context of larger companies needing to make cuts, even successful parts of the industry have had to share in the wider economic pain.
- The actions of networks to maintain connectivity – including using specific data packages – was noted as a success.

Hugues-Antoine Lacour updated the group on the progress of the Annual Market Review (AMR). Hugues-Antoine is progressing interviews with providers and operators and these will continue over the next few months. He thanked all those who had contributed so far, and he will be presenting to the group later this year.

ACTION: PSA to invite Analysys Mason to the September meeting to present AMR findings as usual. Members who wish to contribute to the AMR should contact Hugues-Antoine directly or via the PSA.

5.	Focus on Topic
	<p>Code 15 development update</p> <p>The PSA provided an update on progress made since the last ILP meeting. The first draft of the Code has been sent to Ofcom to commence its statutory review of the draft Code under tests set out in the Communications Act 2003.</p> <ul style="list-style-type: none"> • The ILP noted the following: Ofcom and PSA will begin concurrent and independent consultations in early April, subject to Ofcom’s review. Key elements

of the new Code include: moving to standards; focus on prevention of harm not cure; a simpler Code; and enabling smarter enforcement.

- New standards build on Code 14 outcomes. The vulnerability standard is new.
- The PSA consultation will include proposals on enhanced registration, more stringent DDRAC requirements and new supervisory activities.
- The structure of the Code has been streamlined to make it simpler to comply with.
- The main changes that will be consulted on from an enforcement perspective will be:
 - A new approach to engagement and enforcement
 - An enhanced settlement process
 - Strengthening the existing interim measures regime
 - A more efficient adjudicative regime
 - Strengthening the test for prohibiting individuals
 - Strengthening and expanding our information gathering powers.

Next steps:

The consultation document is planned to be issued in early April. This will include an extensive programme of stakeholder engagement, including industry and consumer forums and the regular discussions at the ILP, to ensure understanding and to help support this important phase of the Code review programme.

The ILP welcomed proposals for a swifter, more efficient enforcement process and asked if there would be timescales attached to investigations to decrease the time taken. The PSA

noted that timings can be explored during the consultation process.

Future of numbering project (Liz Greenberg, Nathan Francis, and Paul Reville, Ofcom)

Liz and her colleagues thanked the group for the opportunity to discuss the future of numbering project along with an update from Ofcom on their ex-post review of the non-geographic numbering (NGCS) project and how this fit into the broader NGCS work. This follows on from Ofcom's simplifying NGCS decision in 2013.

Ex post review

The objective of the ex-post review is to evaluate the effectiveness of Ofcom's decisions made from the NGCS review, back in 2015, including changes to 08, 09 and 118 numbers. This is intended to feed into Ofcom's ongoing review of the future of telephone numbers and inform on future consultations and policy making. The aim is to publish a consultation on this in late April.

The ILP noted:

Non geographical work

- This project covers all of telephone numbering, in the context of the transition to IP numbering where numbers are not tethered to specific location.
- A second consultation on numbering is planned to open end March/early April to help understand what consumers want from numbering. Despite a campaign in

2015 to raise consumer confidence, there is a negative association and general avoidance of use of 08 numbers.

Unbundled tariffs

- This project is looking at the introduction of unbundled tariffs. The aim is to draw general lessons for Ofcom for future policy making with a view to publishing findings in April. There is an ongoing strategic review of numbering, a wider evolution of voice services towards IP and protecting consumers from harm.
- 084 and 087 number ranges see a low level of trust, confusion around charging from consumers, a lack of engagement and avoidance of using the numbers. The 2019 Call for Input and consultation responses from industry indicated significant change in the extent of use of these number ranges and the types of services delivered on them. Businesses see a use for these ranges – especially in business-to-business use.
- Consumer concerns that remain include bill shock.

Publication of the second consultation is planned for April. Ofcom is interested in hearing from panel members.

ACTION: ILP members to contact Ofcom for further discussion or to input into consultations.

6. Market Issues

Metrics

PSA provided the usual update on contacts, complaints, cases, and market revenues.

- Overall, there has been a downward trend in complaints with monthly assessed complaints running at 10% of the level of 12 months ago.
- Complaints about subscription services are now less than half the total complaints received.
- Complaints about ICSS are now the largest share of assessed complaints.
- Enforcement activity: ICSS cases, and a range of digital services are taking up most of the investigation team focus.
- Market revenues: a full year of statistics may be available for the May ILP meeting depending on how quickly returns come into PSA.

Market issues

PSA updated the meeting on current issues in the market.

The ILP noted:

- There has been a reduction in the intensity of issues with fewer non-compliant services in the market.
- Consent to charge issues included
 - Large scale charging events pointing to underlying issues in L1 and L2 systems

<ul style="list-style-type: none"> ○ Cost per acquisition and affiliate marketing ○ Some re-emergence of android malware ● Voice service concerns – ICSS – emergence of services that can bypass IVRs by using dial tone technology (DTMF) sitting under a “Click to call” button.

7. PSA update
<p>The PSA informed the ILP that the Business Plan and Budget 2021-22 statement will be published in March, followed by the Code 15 consultation in early April. An Industry Forum (online) is planned for April/May date tbc.</p>

8. Industry items
<ul style="list-style-type: none"> ● aimm informed the ILP of the recent launch of its consumer information website (www.phonecharges.org). aimm also raised the Business Plan and Budget for 2021-22 noting that they wished to highlight key concerns from their members which had been raised in their consultation response. ● Research from aimm highlighted alternative regulatory models operating successfully in other countries at significantly lower cost which aimm asked should be given consideration. <p>The PSA confirmed that it was undertaking consideration of all responses to the Business Plan and Budget consultation. Submissions are carefully assessed, scrutinised through the approval process and consideration will be set out in full in the final statement which is due for publication later in March.</p> <p>The PSA noted that over a five-year period the PSA budget has been reduced by over 20% in real terms, while overall market revenues had increased. PSA estimated that effective regulatory measures had taken non-compliant revenue out of the market (revenue that should not have been taken from consumers) leading to a significant drop in the number of complaints from consumers.</p>

9. Any other business
No further business was discussed.

The next meeting will be held on **Tuesday 18 May 2021**

Action log

Actions carried forward from previous meetings	Status	Notes
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Actions from March 2021 ILP meeting		
PSA to invite Analysys Mason to the September meeting. Members who wish to contribute to the AMR should contact Hugues-Antoine directly or via the PSA.	Open	
ILP members to contact Ofcom for further discussion or to input into Future of Numbering consultations.	Ongoing	