

# Minutes

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## 74<sup>th</sup> ILP Meeting

Tuesday 18 May 2021, 10.00-12.00

Via Microsoft Teams

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### Attendees:

**Chair:** David Edmonds, Chairman PSA

### ILP Members

James Barnett – Three

Kevin Butcher – BBC

Joanna Cox – aimm

Holly Fairweather – Channel 4

Peter Garside – EE

Rickard Granberg – UKCTA

Karl Jayasingha – Three

Sukhi Kooner – BT Agile Media

Laurance Laroche – Three

Tony Maher – TUFF

Paul Miller – Three

Neil Roberts – Vodafone

Jeremy Stafford-Smith – Vodafone

Mark Stannard – Boku

Joel Stern – Global Radio

Rob Weisz – Fonix

### Phone-paid Services Authority

Peter Barker

Gavin Daykin

Jonathan Levack

Barbara Limon

Alex Littlemore

Ayo Omideyi

Joanne Prowse (Chief Executive)

Simon Towler

Emma Hurt (minutes)

### Guests

Ian Strawthorne - Ofcom

### Apologies

Ann Cook – ITV

Murray Findlay - Telefonica

Suzanne Gillies – Action 4

Hamish MacLeod – Mobile UK

Rosaleen Hubbard – Towerhouse

Imogen Willdigg – Cancer.org.uk

<b>1.</b>	<b>Introduction and apologies</b>
	<p>In the absence of Ann Cook, David Edmonds chaired the meeting and welcomed members to the 74<sup>th</sup> ILP. Apologies were noted as above.</p>
<b>2.</b>	<b>Review of actions</b>
	<p>Previous meeting actions were covered and updated as follows:</p> <ul style="list-style-type: none"> <li>• Analysys Mason will be invited to attend the ILP meeting in September.</li> <li>• ILP members to contact Ofcom(<a href="mailto:elizabeth.greenberg@ofcom.org.uk">elizabeth.greenberg@ofcom.org.uk</a>) for further discussion or to input into Future of Numbering consultations.</li> </ul> <p>The minutes were approved.</p>
<b>3.</b>	<b>Industry Forum feedback</b>
	<p>The PSA provided headlines from the Industry Forum held on 28 April.</p> <p>The forum welcomed over 80 participants, and over 40 questions were answered. The forum was held online, and a series of webinars with industry and consumers are scheduled over the next few weeks to provide further dialogue as part of the consultation on Code 15.</p> <p>Members discussed the pros and cons of online events, which are overall seen as convenient and a useful way to maintain engagement until physical events can be resumed. Members miss the networking opportunities in person meetings provide.</p>
<b>4.</b>	<b>Focus on Topic</b>
	<p><b>Code 15 update</b></p> <p>The PSA provided an overview on the progress of Code 15. The market is widely different since the last strategic review of the Code. The way consumers engage is fundamentally different and the marketplace has changed and more mature.</p> <p>The PSA’s objectives for Code 15 are that it should be fit for purpose for today’s market, introduce standards and focus on prevention of harm. It will be simpler and easier to comply with as well as having an effective enforcement model in place alongside improved cooperation and proactive engagement bringing a quicker resolution of issues. It will look to provide certainty and stability across the value chain, including networks, intermediaries and merchants.</p> <p>The Code proposes introducing enhanced DDRAC standards to ensure DDRAC responsibilities are taken seriously. Supervision will be targeted rather than a blanket</p>

approach. Code 15 is seen as being genuinely transformative for the good of the sector – both consumers and industry alike.

Draft guidance to support the Code will be published for consultation in the autumn following on from publication of the final statement and in advance of implementation.

### **Next steps**

A series of webinars will be taking place over the coming weeks and 1 to 1 meeting with industry are welcomed.

The consultation closes 5 July and Ofcom have published their consultation in parallel, to close on 11 June.

The PSA aims to publish the finalised Code and Statement in the autumn.

### **ILP Feedback**

aimm has held three workshops, feedback from which will help shape their response, Areas of concern raised at the workshops were raised and the Executive responded as follows:

**Sequencing of the consultation and guidance:** aimm members would have preferred to see guidance alongside the draft Code consultation. The Executive confirmed the guidance is there to support industry comply with the Code and is secondary to the Code. Providers should not be in anyway hindered in being able to provide a meaningful response to the proposals set out in the Code 15 consultation. This is not a new approach and previous Codes and guidance have been consulted in the same sequence.

**Enforcement has been perceived as slow in past:** Industry would like to see PSA introduce targets for completing enforcement cases. The Executive noted enforcement must follow due process and this necessarily takes time. Supporting procedures to the Code which will include expectations on timeliness will be produced following publication of the final statement and in advance of implementation.

**12-month re-opt-in for subscription services is opposed by many in the industry:** The Executive noted that the proposal addressed specific harm in the phone-paid services market which is intrinsically linked to a recurring payment and consumer detriment caused by consumer inertia. The proposal is not intended to hamper consumers that are happily using and enjoying a service opting in again. This is a consultation proposal –the PSA would welcome responses from industry setting out impacts, including evidence, and/or alternatives that meet consumer expectations.

The Executive added that it looked to reflect the standards of other regulators. The government (Department of Business – BEIS) is developing proposals that will apply to all subscriptions – online and offline and the PSA approach is aligned to that being

proposed by BEIS. The ILP suggested that industry would prefer to wait for generally applicable regulation so that phone-payment was not disadvantaged with respect to other payment mechanisms.

The PSA encouraged ILP members to respond to the Code consultation noting that all responses will be fully and carefully considered.

**ACTION: ILP members who would like to attend 1 to 1 meeting to contact the Executive either via the compliance email address – [compliance@psauthority.org.uk](mailto:compliance@psauthority.org.uk) or via stakeholder managers where applicable.**

## 5. Market Issues

### Year-End metrics

The PSA provided an update on contacts, complaints, cases, and market revenue. Key statistics noted:

- The number of complaints received is down by 61% compared to last year. In 2019/20 there were 13,900 complaints compared to 5,400 received in 2020/21. This number is the lowest number of complaints in 10-11 years.
- The last 24 months show a continued downward trend in complaint volumes.

This outcome is a success story for industry.

- Subscription services during 2020-21 account for 39% of assessed complaints compared to 88% in 2019-20.
- ICSS is a growing area of concern in volume of complaints.
- The only other area where complaints have gone up, predominantly in Q4, was sexual entertainment (including glamour).

The Executive continue to discuss concerns related to ICSS with DCMS and Ofcom and to understand if and what further action may be required.

The Executive gave an overview on enforcement activity in 2020-21.

- 249 cases were worked on during the year
- 127 formal investigations
- 13 track 1 | 97 track 2
- 17 adjudications
- 18 cases were brought to tribunal

- 11 cases were referred to other regulators/law enforcement
- 49 formal investigations were open at end of year.

### **Market revenues**

Total revenues have fallen, down 3% to £628.3m in 2020/21 (from £646.0m in 2019/20). Excluding charity revenues, the market was down 7% to £562.7m (from £605.9m in 2019/20) – with declines across the board in each area of the market.

ILP members noted that while there is a slight decline in revenue, the quality of that revenue is at its highest (in terms of the services it represents) and there is room for growth with good revenue.

### **Market Issues**

The Executive reported seeing evidence of increased due diligence controls improving in market.

While there has been a big increase in [parcel scams](#) as reported in media, this was a problem affecting much more than phone-paid services.

Ongoing issues with non-compliant advertising on the Tik-Tok platform were reported.

## **6. PSA update**

The PSA informed the ILP that the Business Plan and Budget 2021-22 statement has been published. The slides from the industry forum have been published on the PSA website. The continuing development of the Code remains the PSA's main priority and to assist the consultation process ILP members are encouraged to attend the industry [webinars](#)

## **7. Industry Items**

No items were raised by industry

## **8. Any other business**

Members expressed a preference for the next meeting to be held in person, with the option to join via Teams. A physical meeting will be dependent on what covid restrictions are in place.

The next meeting will be held on **Tuesday 14 September 2021**

### **Action log**

<b>Actions carried forward from previous meetings</b>	<b>Status</b>	<b>Notes</b>
Analysys Mason will be invited to attend the ILP meeting in September to present the findings of the 2020-21 Annual Market Review	<b>Open</b>	
ILP members to contact Ofcom( <a href="mailto:elizabeth.greenberg@ofcom.org.uk">elizabeth.greenberg@ofcom.org.uk</a> ) for further discussion or to input into Future of Numbering consultations.	<b>Ongoing</b>	
<b>Actions from May 2021 ILP meeting</b>		
ILP members who would like to attend 1 to 1 meeting on Code 15 to contact PSA via <a href="mailto:compliance@psauthority.org.uk">compliance@psauthority.org.uk</a>	<b>Ongoing</b>	<u>Added by TUFF - for ILP members only on behalf of their communities</u>