**Minutes**

**79th ILP Meeting**

**Tuesday 27 September 2022, 10.00-12.00**

**Phone-paid Services Authority, 40 Bank Street, London, E14 5NR/Microsoft Teams**

**Attendees:**

**Chair:** David Edmonds (Chair PSA)

**ILP Members**

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| Ana-Rosa Broster – Virgin Media  | Neil Johnson – aimm  |
| Kevin Butcher – BBC | Laurence Laroche -Three |
| Joanna Cox – aimm  | Jeremy Stafford-Smith – Vodafone  |
| Holly Fairweather – Channel 4 | Joel Stern – Global Radio |
| Murray Findlay – Telefonica  | Mark Stannard - Boku |
| Peter Garside – EE | Michael Sheriff - BT |
| Suzanne Gillies – Action 4 |  |
| Rickard Granberg – UKCTA |  |

**Phone-paid Services Authority**

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| Jonathan Levack | Joanne Prowse (Chief Executive) |
| Alex Littlemore | Simon Towler  |
| Ayo Omideyi | Emma Hurt (minutes) |

**Guests**

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| Hugues-Antoine Lacour – Analysys Mason  | Neil Kiritharan – Analysis Mason  |

**Apologies**

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| Jennie Avery -EE | Paul Miller – Three  |
| Peter Barker - PSA | Neil Roberts – Vodafone |
| James Barnett – Three  | Rob Weisz – Fonix  |
| Hamish MacLeod – Mobile UK |  Imogen Willdigg – Cancer.org.uk  |

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| **1.** | **Introduction and apologies** |
|  | David Edmonds welcomed members to the 79th ILP meeting  |

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| **2.** | **Review of actions**  |
|  | The actions from the last meeting have been completed and the minutes were approved.  |

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| **3.** | **Focus on topic**  |
|  | **3.1 Annual Market Review** Analysys Mason presented the findings from the Annual Market Review (AMR), giving an overview of the market trends market in 2021 /22. In keeping with previous years, the findings are based on insights obtained through:* an in-depth survey of 5000 users of phone-paid services.
* Interviews with industry stakeholders/service providers
* Undertaking an extensive market modelling exercise forecasting future spend on phone-paid services.

Headline findings: * UK consumers spent £588.7m on premium rate services last year, a £39.9m (6.3%) decrease on the year before.
* TV and Radio Engagement continues to be the largest sector, followed by Games and then Entertainment.
* Analysys Mason predict the market to be stable over the next three years with industry reporting no significant new initiatives or services that would drive growth in that timeframe.
* Growth in some service types is offset by continuing decline in voice services in common with wider trends in telecoms.
* The number of consumers using services has increased overall, but with usage skewed towards a younger demographic.
* The key driver for paying by phone remains convenience.
* The consumer experience is improving, with fewer poor and harmful services in the market. Many legacy PMS subscription services have been removed.

The average Net Promoter Score (NPS) has risen marginally from -27 to -26. The ILP were reminded that NPS is a difficult metric, as a score of 6 and below is gauged as negative and only ratings of 9 or 10 generating a positive score. Whilst the NPS provides an interesting insight, it is not a consumer satisfaction survey or a happiness measure. Measuring the likelihood to recommend a service to others doesn’t measure whether the consumer is happy with the service or not. **Code 15 update** The Executive reported on progress of Code 15 since June 2022. Complaints to PSA and to industry remain very low.Q1 revenues are broadly similar to last year but slightly higher than the AMR predicted but within the margin of error.Supervision meetings have started which have been useful and viewed as a constructive and cooperative approach with industry.The Thematic Review on Information, Connection and Signposting Services (ICSS) has been launched, utilizing one of the new regulatory powers available under Code 15. The response from providers to date has been broadly positive, with most providers having submitted the required information. The information and data being gathered will enable a better understanding of the consumer experience and detriment suffered. Under Code 15, PSA is committed to publishing a summary of the findings. |

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| **4.** | **Market Issues**  |
|  | **4.1 Operational Metrics**The Executive provided an update on market issues, noting that the key metrics were showing the same consistent pattern of low contact and complaint volumes. Total complaints:2019/20 = 13,9002020/21 = 5,4002021/22 = 2,0002022/23 estimate = 1,600Since 2015/16, complaints have been reduced by 94% (from 33,600).The key issue in the market remains ICSS. Between 2019/20 ICSS amounted to 5% of assessed complaints. Between 2022/23 it is estimated ICSS will amount to 40% of assessed complaints Enforcement activity * 47 cases open at the end of July
* 26 new cases being evaluated
* 4 Track 1 cases carried forward from Code 14 + 2 new Code 15 engagement cases
* 12 Track 2 cases carried forward from Code 14 (including 5 DDRAC cases)
* 3 naming cases
* 1 formal case with completed settlements/adjudications – total fine £0.3m
* Current bad debt being chased = £9.8m across 23 adjudicated providers, earliest debt from 2016/17

The ILP asked if Code 15 has had a positive impact which can be evidence through complaint figures.The Executive confirmed, since April 2022, four cases have been opened, all of which are engagement cases in comparison to 14 formal cases last financial year. **4.2 Market Issues** As presented at previous meetings, the continuing issue in the market remains ICSS, concentrated around parcel delivery services, DVLA and HMRC. Engagement with search engine providers such as Google has proved to be productive.  |

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| **5.** | **PSA Update**  |
|  | **5.1 Industry Forum** An update was provided to the group by the Chief Executive with key points as follows:An Industry Forum is scheduled for 10 October. The main topics for discussion will include the AMR, Code 15 implementation, and PSA transfer into Ofcom **Post meeting note:** the Industry Forum has been postponed. **5.2 Future of Regulation** The Executive provided an update on the transfer and timeline of activity. The ILP will continue up to the point of transfer. |

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| **6.** | **Industry items**  |
|  | No further industry items were raised for discussion. |

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| **7.** | **Any other business**  |
|  | No further business was discussed.  |

The next meeting will be held on: Wednesday 14 December 2022

**Action log**

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| **Actions from the meeting** | **Status** | **Notes** |
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