

PSA Refunds Review

Pre-consultation discussion workshop

3rd October 2019

Agenda

1. Brief overview of the research into consumer expectations and experiences of seeking refunds in the phone-paid services market
 2. Outline of initial PSA policy thinking on refunds
 3. Questions and discussion
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Futuresight Research on Refunds – key findings

- Research sought to understand consumer expectations and experiences of refunds in the phone-paid services market
 - Qualitative research, supported by a quantitative survey of both phone-paid services users and non-phone-paid services users (for comparison and context)
 - Good news
 - Experiences of seeking a refund in the market can be good and comparable to other experiences
 - Often the case with well-known brands
 - Refund seekers have confidence, high-expectations and good record of success
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Futuresight Research on Refunds – key findings

- Bad news
 - Consumer experience in this market can be poor
 - When a charge is unknown and unexpected, experience and expectations can be very poor
 - Refunds for unknown subscriptions are particularly difficult for consumers – consumers don't know who to go to, have difficulty contacting merchants and have a sense of diffused responsibility or going round in circles
 - As a result, overall levels of satisfaction, trust and loyalty, are significantly higher among non-phone paid refund seekers than phone-paid
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Refunds – Market Capability

- Mobile networks offer the capability to “reverse” transactions, or to “recredit” an amount to consumer bills – difference doesn’t matter to consumers
 - CLI withholds currently make “reversing” transactions impractical for Voice networks, but they can recredit consumers
 - Aggregators and merchants offer a range of different refunds – cheques, bank transfers, PayPal, SMS “collection” refunds – but few offer all of these methods
 - Refunds can be subcontracted to specialist platforms which are capable of offering all of the above
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PSA's policy thinking

Consumer engagement to request a refund

- Principle - consumers should not have to make multiple enquiries or requests
 - Clarity about who to contact and how – e.g. phone, email, message via account
 - Information obtained from consumers in one contact – consumers shouldn't have to repeat enquiries or resupply details unless absolutely necessary
 - Providers should have the necessary data to prove issues like delivery, consent, and receipting based on the information the consumer has supplied
 - Any consideration, whether a consumer gets a refund or not, should be quick, and clearly communicated to the consumer
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PSA's policy thinking (2)

Choice around a refund

- Principle - consumers should get a refund as easily as the method they used to pay, and as much choice as possible about the method by which that refund is delivered
 - Unless refund is offered by original method of payment – i.e. recredit to phone bill – consumers should be given a choice of refund method:
 - Cheque, bank transfer, Paypal, SMS “collection” refunds
 - Where it's proven that a charge was without informed consent, consumers should be offered a “full” choice of refund options – even if recredit is available

- “Claimed” refunds – e.g. cheques, SMS “collections” shouldn't be time limited

Questions to discuss

1. Do you have any other information or evidence that provides insight into consumers' preferences and behaviour in relation to refunds ?
 2. Is there anything else PSA should know about market capability?
 3. What are your views on our principles and initial thinking?
 4. Any other comments or questions?
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