

MINUTES OF THE 21st MEETING

PHONE-PAID SERVICES AUTHORITY CONSUMER PANEL

Thursday 7 September 2023, 11.00-13.00

Phone-paid Services Authority, Riverside House,
2A Southwark Bridge Road, London, SE1 9HA/Microsoft Teams

Attendees:

Chair: Rhian Johns

Consumer Panel members

Louise Baxter
Patrick Bligh-Cheesman
Paul Eaves
Nicola Wilson

Phone-paid Services Authority

Simon Chong
Jonathan Levack
Sarah-Louise Prouse
Simon Towler

Minutes: Emma Hurt

Apologies:

1. Introduction

1.1 Introduction and apologies

Rhian welcomed members to the Consumer Panel meeting. No apologies were received.

1.2 Previous meeting minutes and action log

The previous meeting's minutes were accepted as an accurate record of the meeting. Matters arising were picked up during the meeting.

1.3 Executive update

The Executive provided an update. The key highlights are:

There has been a slight increase in total numbers, albeit nothing significant. Consumer complaints now average 175 complaints a month. There has been a shift in complaints, with ICSS becoming less prominent and alert services now generating the most complaints. Alert services are generally operated on a subscription basis by a group of providers. These have to abide by multi-factor authentication rules. There are open enforcement cases against some of these providers.

Total contacts (made up of complaints and enquiries, including number checks) remain at around 10,000/month in FY22/23.

- **Total complaints** from consumers are averaging around 175/month in this financial year, which is slightly higher than last year.
- **Complaint levels** have now fallen by more than 90% from peak. We received 1,912 complaints last FY, down from 2,025 the year before.
- **ICSS complaints** have decreased again to around 21 per month this financial year compared to 39 per month last financial year.

The complaint data is consistent with other market indicators.

1.4 Panel update

There was no update from the panel.

2. Theme

2.1 Annual Market Review

The Executive provided the Panel with an update on the Annual Market Review and the key findings:

- UK consumers spent £593.7 million on services last year compared to £588.7 the year before. Two thirds of spend was in just three service categories. TV and radio, Games and Entertainment. TV and Radio continue to be the largest sector.
- The market grew by 0.9% in FY22/23
- The revenue share services grew 3.5%. The market had a reasonable year and performed better than forecast (previous forecast was £577m).
- Charities experienced a decline in revenue, with spend falling by nearly £15m. This is largely due to fewer telethons in the year and declining viewer numbers as TV viewing habits change.
- PSMS revenue fell by 6.7% affected by period of national mourning following the death of Queen Elizabeth, when no competitions were ran.
- 4.3% growth expected this year, and the market is forecast to grow 2.8% per year. over the next three years
- The overall Net Promotor Score remains static at -26.
- Major market trends continue with convenience being a key driver for pay by phone services.

ACTION: the Executive to check with AM if can differentiate between PAYG and contract billing from a vulnerable consumer link.

3. Policy

3.1 ICSS

The Executive provided an update on ICSS

ICSS remains an organisational priority. Since the last meeting we have:

- Published the statement on Code changes on July 24th following Ofcom approval providers are required to come into compliance with the new rules by 18th September. Minimal changes have been made to the initial proposals.
- ICSS will have to:
 - Cap calls at £40 to stop very high bills for individual calls – this is in line with our measures for other service types.
 - Require a positive opt-in for onward connection – this will give better information to consumers allowing them to make informed choice. Require positive opt-in required for PSMS – reduce detriment associated with PSMS sent as part of the ICSS.
- The market will continue to be monitored the market post-implementation to assess consumer engagement with ICSS and the effect of the Code changes.
- Transparency and fairness guidance has been updated to reflect the upcoming Code changes.
- Ofcom have indicated that they are minded to include the requirement for any IVR message to be free to the consumer in the Statutory Instrument consultation.

Analysys Mason expect ICSS revenues to fall by 13% this financial year (half of which covers our current rules) largely as a result of the changes and 09 revenues to continue to fall in subsequent years. A fixed-line network operator reported to us that they expect 09 revenues to “decline drastically”.

ACTION: The Executive to circulate the presentation.

3.2 Future of regulation

The Executive provided an update on the transfer process

The draft SI has been received

A more comprehensive update will be given at the next meeting.

4. Any other business

No further business was discussed

PROTECTED

Date of the next meeting: Wednesday 13 December 2023

Action log

Actions from the September meeting	Status	Notes
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The Executive to check with AM if can differentiate between PAYG and contract billing from a vulnerable consumer link.		
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