

## **Comments:**

I have a number of comments which I consider to be relevant, but do not fit into any of the questions.

The impression that I get is that the level of compliance with existing regulation is very low, including for basically legitimate services. There are also a significant number of fraudulent services whose operators obviously have decided to ignore regulatory requirements.

Therefore minor changes in regulation are unlikely to have any significant effect in reducing consumer harm. I consider that a change in the regulatory approach is needed. Some options that could be considered are:

- More regulation of network operators (who I consider more likely to comply than Service Providers and Information Providers) so they withdraw facilities which facilitate fraudulent services and/or apply commercial pressure on SPs and IPs.

- More effective enforcement . At the minimum enforcement action should be taken against a higher proportion of non-compliant services, but also consideration should be given to actively auditing SPs. Where applicable, e.g. for fraudulent services, the possibility of bringing criminal charges should be considered.

- Proactive warnings to companies responsible for apparently non-compliant services. The aim of this would be to improve the compliance of basically legitimate services without the need for more formal action.

There are some possible regulatory changes which are not specific to PRS but could reduce consumer harm related to PRS.

- Improve the requirements on network operators to publish their full tariffs ? so they are available easily to consumers and not just regulators.

- Restrict or prohibit services allowing falsification of caller ID ? this would prevent missed call scams.

At present shortcodes used for PRS are indistinguishable from those used for other services; these should be made clearly identifiable.

## **Question 4.1: Do you agree with our analysis of the characteristics of the PRS supply side and the possible concerns related to these characteristics?:**

I consider that an important issue has been disregarded.

In the case of voice services the immediate trigger for the imposition of a charge is an action by the consumer ? making a call ? and at least in principle it is possible for the consumer to determine the using information available from their network operator.

For text services the trigger for the imposition of charges is typically from the IP/SP (although there should have been previous action on the part of the consumer enabling this).

In the case of reverse billed and subscription services this is obviously the case, however I understand it may also occur for MO text services, particularly where the cost depends on the content of the message.

I think that these differences result in a much higher risk of consumer harm from text services and in particular facilitate certain types of fraudulent service which would not be possible otherwise.

## **Question 4.2: Do you agree with our analysis of the demand characteristics of PRS? Do you think there are additional characteristics which are not included in our analysis?:**

**Question 4.3: Do you agree with our assessment of the potential consumer harm in a situation where PRS regulation is ineffective?:**

**Question 4.4: Do you agree with our assessment of the potential and actual consumer harm in respect of PRS?:**

**Question 5.1: Do you agree with the application of the characteristics to the services?:**

**Question 5.2: Do you agree with our assessment of potential harm for each of the services?:**

**Question 5.3: Do you agree with our assessment of alternative means of protection for the new services in our analysis?:**

**Question 5.4: Do you agree with our analysis of the appropriateness of self-regulatory initiatives in the context of PRS?:**

**Question 5.5: Do you consider self-regulatory initiatives could be implemented for (certain) PRS? If so, please set out for which services, and what such an initiative would look like.:**

**Question 6.1: Do you consider there is a consumer benefit requiring all OCPs to offer the same retail price to a PRS number?:**

In principle I agree, however I understand there would be practical problems.

**Question 6.2: If you do believe there is a consumer benefit, do you have suggestions as to how this option could be implemented?:**

**Question 6.3: Do you consider this option could have any negative side-effects? If so, which ones?:**

The cost may rise to the highest of all existing OCPs.

**Question 6.4: Do you consider PCAs would improve price transparency in the PRS market?:**

Yes

**Question 6.5: Do you consider Ofcom should carry out such a study? If so, which aspects should such a study cover?:**

**Question 6.6: Do you consider including BT's tariff and a maximum tariff for the PRS in PRS advertisements would improve price transparency in the PRS market?:**

Yes but in a modified form ? see 6.8

**Question 6.7: Do you consider the name of the OCP with the highest tariff should be included? :**

Yes

**Question 6.8: Do you consider there are any additional implications linked to this option, apart from the ones we have set out above?:**

I have in the past seen advertised tariffs targeted at international calls which charged calls to all premium rate numbers at the same high per minute rate. It is also plausible that there may be tariffs (either now or in the future) under which punitive rates may be charged (e.g. if the customer has not met call volume targets).

It is likely that the highest charge applicable for any particular premium rate number is would be on such a tariff and quoting it may be equally misleading as only quoting the BT rate.

My proposal would be for a list of major operators to be maintained (by either Ofcom or PhonePayPlus) and the highest rate for any ordinary tariff by an operator on that list quoted. I would expect there to be 10-15 operators on the list. This would also simplify the task of service providers and information providers of finding out the highest charge to quote.

**Question 6.9: Could you provide us with an estimate of cost information regarding the collection and updating of tariff information (for SPs and OCPs)? Do you believe there are there any other costs involved under this option?:**

**Question 6.10: Do you agree with our proposal to expand the PhonepayPlus number checker? :**

Yes

**Question 6.11: Which criteria should be used regarding numbers to be included in the number checker (e.g. revenues, complaints over the last X weeks etc)? :**

**Question 6.12: What information should be included per number in the number checker?:**

**Question 6.13: Do you agree PhonepayPlus should carry out an analysis into the benefits of requiring SP/IPs to adopt a formal complaints procedure?:**

Yes

**Question 6.14: Do you consider that in light of developments in the PRS market, IPs should be targeted as a point of regulation, in addition to SPs or on their own? If so, what kind of rules should be applied to IPs and/or SPs?:**

**Question 6.15: Do you consider there are other options for a registration scheme / reputational database which have not been included in these studies?:**

**Question 6.16: Which is your preferred option, and what are the reasons for this?:**

**Question 6.17: Do you agree with our analysis that PhonepayPlus should run a registration scheme / reputational database?:**

**Question 6.18: Do you agree with the options identified regarding call barring facilities? :**

I would strongly consider that barring should be available for reverse charged SMS and any other services where charges are triggered by a party other than the consumer.