

Elizabeth Gannon
Competition Group
Ofcom
Riverside House
2A Southwark Bridge Road
London SE1 9HA

27th June 2012

Ref: Consultation - Simplifying Non-geographic Numbers detailed proposals on the unbundled tariff and Freephone

Dear Ms Gannon,

As the UK based trade organisation representing the commercial interests of member companies involved in the interactive media and entertainment industry, AIME welcomes the opportunity to respond to this next phase of the consultation into the simplification of non-geographic call pricing.

Given the broad range of businesses who are members of AIME, we believe that it is appropriate for individual members to respond to the consultation on the vast majority of proposals. There are some areas where there is general consensus and we express the broad AIME view below.

Recent industry research suggests that, despite the inherent popularity of premium rate content there is still a significant portion of the UK population that is reluctant to use premium rate services due to trust issues in the main. It is important that we work towards improving this situation and encourage more consumers to use premium rate services on a regular basis.

AIME promotes and abides by the philosophy that consumers who are accurately and openly informed of the nature, content and cost of participation in an interactive service experience are perfectly placed to exercise their freedom of choice and thereby enjoy the most effective form of consumer protection.

AIME supports the appropriate reduction in the level of regulation that provides incentives for Service Providers and others to invest in new services and also provides sufficient information and protection for consumers. We also support Ofcom's inclusion of Service Provider benefits in the objectives of the review. AIME also supports the move towards consistent regulation at an appropriate level for all participants in the premium services industry.

AIME agrees with Ofcom's view that PhonepayPlus regulation has effectively contributed to a safer environment for consumers.

AIME supports Ofcom's option to use the ASA approach to regulate the promotion of pricing information and service management for remaining 08xx services and not to include them in the PhonepayPlus regulatory regime. The completely different nature

of 08xx services from 09xx services - mainly as support to other non telephony businesses rather than profit driving businesses in their own right - and the lower potential for consumer harm due to much lower tariffs make them poor bedfellows with 09xx services there. The option of an industry Code of Practice is much more appropriate.

AIME does not agree with the proposed restriction on the number of PRS Service Charge price points. The current level of price flexibility allows Service Providers to decide on appropriate pricing for their services and to cope with changes such as in the rate of VAT. In a world where Ofcom wants to encourage investment in new service provision, and where we do not know what services may be developed in the next few years, imposing a restrictive set of available price points runs counter to Ofcom's stated objective. AIME also notes that the suggested ranges for 087x and 09xx Service Charge pricing does not include pricing options for existing popular and safe services such as voting on Strictly Come Dancing.

AIME welcomes Ofcom's stated intention to review the upper limit of PRS charging, but does not agree that nothing can be done in this field before the full implementation of a new NTS regulatory regime. AIME has provided information and industry data to Ofcom on this and is happy to continue cooperation with Ofcom to bring about an earlier improvement in this area with appropriate protection for consumers and operators.

Given the involvement on many AIME members in the promotion and operation of Charity Services, we would point out that a range of VAT free PRS tariffs could stimulate voice based services that could emulate the £40 million charity income achieved by the mobile 07 short code services to the benefit of all.

In terms of the implementation of changes from the current NTS regime, we would support this being in place as swiftly as is practical to avoid unnecessary confusion of consumers and costs to industry.

We assure you that, as ever, our comments are made constructively and with the intent of achieving an effective, fair and proportional regulatory regime for Premium Interactive Media and Entertainment services in the UK.

If any clarification to our response is required or if we can be of any further assistance please contact me on + 44 7710 762029 or davidashman@aimelink.org.

Yours sincerely,

David Ashman
Director of Industry Affairs