

The future regulation of phone-paid services

Consultation on changes to General Conditions C2.11 and C2.12

Consultation

Published 25 October 2024

Closing date for responses: 25 November 2024

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1. Overview

- 1.1 Phone-paid services, also known as premium rate services ("PRS"), are currently regulated by the Phone-paid Services Authority ("the PSA"). Our statement on the future regulation of PRS, published on 25 October 2024, sets out our decision to transfer the PSA's day-to-day regulatory responsibility of the PRS market to Ofcom.¹
- 1.2 As set out in our statement, on 1 February 2025 the PSA's Code of Practice (Code 15) which currently regulates the PRS market will be replaced by a set of new requirements on providers of PRS contained in an order ("the PRS Order").
- 1.3 The current General Conditions of Entitlement ("the GCs") contain several references to the PSA and its Code of Practice that will no longer be appropriate after the 1 February 2025 once the PSA ceases to be the regulator for PRS.
- 1.4 In this consultation we set out our proposals to modify the GCs to remove references to the PSA and its Code of Practice so that the GCs are aligned with the future regulatory framework for PRS.

What we are proposing – in brief

We propose that from 1 February 2025 General Conditions C2.11 and C2.12 be modified to remove references to the PSA and PSA's Code of Conduct and replaced with references to Ofcom and the PRS Order.

Our proposed modifications will ensure providers give consumers specific information upon request about premium rate services. Specifically, providers would have to give consumer information about:

- how they can obtain information about PRS numbers found on their bills, including the location of any number-checker facilities;
- providers' role in dealing with complaints about non-compliance with the PRS Order;
 and
- Ofcom's role and remit as the regulator of PRS in dealing with complaints and how to make complaints to Ofcom about PRS.

We consider that the effect our proposed changes will be that consumers will continue to receive information equivalent to information they currently receive. Where such information currently relates to the PSA and its regulatory functions, the information will relate to Ofcom and its regulatory functions in relation to PRS from 1 February 2025.

1.5 The closing date for responses is 25 November 2024.

¹ Ofcom, The future regulation of phone-paid services - Statement on Ofcom's Order under s122 of the Communications Act 2003 and changes to the Premium Rate Services Condition, 25 October 2024

2. Background and legal framework

Transfer of responsibility for PRS from the PSA to Ofcom

- 2.1 People can access a range of interactive services via their landline and mobile phones, computers and digital TVs. Where these services are charged for via the customer's telephone bill, they are known as phone-paid services. Examples include charity donations by text, music streaming, TV and radio competitions, directory enquiries, voting on TV talent shows and in-app purchases. These services are also commonly referred to as premium rate services ("PRS").
- 2.2 On 1 February 2025, Ofcom will assume day-to-day responsibility as regulator and sole enforcer of PRS regulation, taking over responsibility from the PSA. Our statement published on 25 October 2024 'The future regulation of phone-paid services Statement on Ofcom's Order under s122 of the Communications Act 2003 and changes to the Premium Rate Services Condition' (the "PRS Statement") sets out our final assessment and decisions on how we intend to transfer PRS regulation from the PSA to Ofcom.
- 2.3 As set out in the PRS Statement, on 1 February 2025 Ofcom will:
 - a) withdraw approval of the PSA's Code of Practice (Code 15) which currently regulates the PRS market; and
 - b) assume day-to-day regulatory responsibility for PRS under the terms of the order ("the PRS Order") made under s122 of the Communications Act 2003 ("the Act") which contains a new set of requirements on providers of PRS. ²

References to the PSA in the General Conditions

- The current General Conditions of Entitlement³ ("the GCs") contain several references to the PSA in General Condition C2.11 and C2.12. When the PSA ceases to be the regulator of PRS on 1 February 2025, references to the PSA in the GCs will no longer be appropriate.
- 2.5 General Condition C2 aims, in general, to ensure the availability of adequate, up-to-date, comparable information for consumers on the prices, tariffs, terms and conditions of communications services.
- 2.6 GC C2.11 and C2.12, in particular, aim to ensure providers give consumers specific information upon request about premium rate services. This includes information in relation to:

² We will also make consequential amendments to the PRS Condition set under Section 120 which will require every PRS provider (as defined in the PRS Order) to comply with the PRS Order.

³ Ofcom, <u>General Conditions of Entitlement - Unofficial Consolidated Version</u> (Version with effect from: 1 October 2024)

- a) requests for number checks via the PSA's number-checker facility on its website ("Service Checker")
- b) formal complaints, including in relation to non-compliance with the PSA's Code of Practice and the role and remit of the PSA in dealing with complaints.

Purpose of this consultation

- 2.7 Given the PSA will cease to be the regulator for PRS on the 1 February 2025, this consultation seeks to address the references to the PSA in General Conditions C2.11 and C2.12 from that date.
- 2.8 It sets out our proposals to modify the GCs to reflect the transfer of regulatory functions as Ofcom assumes responsibility for PRS regulation as set out in the PRS Statement.

Legal framework

2.9 We set out below our powers and duties that are relevant to the proposals set out in this consultation.

General duties

- 2.10 When formulating the proposals in this consultation we have had regard to our general duties including our principal duty under section 3(1) of the Act to further the interests of citizens in relation to communication matters; and consumers in relevant markets, where appropriate by promoting competition.⁴
- 2.11 In performing our duties, we are required to have regard to the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed, as well as any other principles appearing to us to represent best regulatory practice (section 3(3) of the Act).
- 2.12 Section 3(4) of the Act provides that we must have regard, in performing our duties, to a number of matters, as they appear to us to be relevant in the circumstances, including: the desirability of promoting competition in relevant markets; the desirability of encouraging investment and innovation in relevant markets; the needs of persons with disabilities, of the elderly and of those on low incomes; the desirability of preventing crime and disorder; the opinions of consumers in relevant markets and of members of the public generally; the different interests of persons in the different parts of the United Kingdom, of the different ethnic communities within the United Kingdom and of persons living in rural and urban areas.
- 2.13 In addition, section 3(5) of the Act requires that, when performing our duty to further the interests of consumers, we must have regard, in particular, to the interests of those consumers in respect of choice, price, quality of service and value for money.

UK Government's Statement of Strategic Priorities

⁴ Consumer' is defined in section 405(5) of the Act and includes people acting in their personal capacity or for the purposes of, or in connection with, a business.

- 2.14 As required by section 2B(2)(a) of the Act, we have also had regard to the UK Government's Statement of Strategic Priorities for telecommunications, management of radio spectrum and postal services ("SSP"). The SSP sets out that the Government's strategic priorities for current and future telecoms consumers include to:
 - a) tackle harmful industry practices and improve the support available to vulnerable consumers, who can pay more than others.
 - address the difficulties that customers experience in navigating the communications market by giving them the right data, information, and support to boost their engagement.
- 2.15 The SSP also states that Ofcom should continue to take all opportunities to improve the consumer experience in the telecoms sector, particularly for vulnerable consumers, including those with disabilities.

Powers and duties in relation to general conditions

- 2.16 Section 45 of the Act says that we may set general conditions which contain provisions authorised or required by one or more of sections 51, 52, 57, 58 or 64. Section 46 of the Act makes clear that such conditions may apply generally either (a) to every person providing an electronic communications network or electronic communications service; or (b) to every person providing such a network or service of a particular description specified in the condition.
- 2.17 Under section 51(1)(a), we may set general conditions making such provisions as we consider appropriate for the purpose of protecting the interests of end-users of public electronic communications services. Section 51(2) sets out a non-exhaustive list of the types of general conditions that we may set in pursuance of this purpose. This includes section 51(2)(d), which gives Ofcom the power to set conditions which require the provision, free of charge, of specified information, or information of a specified kind, to end-users.
- 2.18 Section 47(2) of the Act governs the circumstances in which we can set or modify a general condition. It states that such a condition can be set or modified where it is not such as to discriminate unduly against particular persons or against a particular description of persons, proportionate to what the condition or modification is intended to achieve, and transparent in relation to what it is intended to achieve.⁵
- 2.19 Section 4(2) of the Act requires Ofcom to act in accordance with six requirements described when carrying out certain functions, including those in relation to setting or modifying general conditions as set out above. These requirements include a) to promote competition in the provision of electronic communications services; b) to promote the interests of all members of the public in the United Kingdom; and c) to promote connectivity and access to very high-capacity networks by members of the public and businesses in the United Kingdom.

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⁵ Section 47(3) states that the setting of a general condition is not subject to the test of being objectively justifiable, although we consider this in any case. See Section 4.

3. Proposed changes to General Conditions C2.11 and C2.12

- 3.1 In this section we first set out our proposed overall approach to the amendments to the GCs. We then set out our specific proposals in relation to the two areas where the GC C2.11 and GC C2.12 refer to the PSA in requiring providers to give information to consumers:
 - a) requests for number checks via the PSA's number-checker facility on its website ("Service Checker")
 - b) formal complaints, including in relation to non-compliance with the PSA's Code of Practice and the role and remit of the PSA in dealing with complaints.

Proposed approach

The need to amend the General Conditions

- 3.2 On 1 February 2025, the PSA will cease to be the regulator of PRS. From that date onwards, references to the PSA in GC C2 placing requirements on providers to give information about, and in relation to, the PSA will no longer be appropriate.
- 3.3 The GCs define the PSA as follows:

'Phone-paid Services Authority' means the UK regulator with responsibility for content, goods and services charged to a phone bill

- 3.4 From the 1 February 2025 Ofcom will be the UK regulator with responsibility for content, goods and services charged to a phone bill. Consequently, from 1 February 2025 the requirement to give information about, and in relation to, the PSA could be read as requirement to give information about, and in relation to, Ofcom.
- 3.5 However, without amendment, the GCs would still directly name the PSA and make references to facilities on the PSA's website. This could lead to confusion amongst providers as to their obligations under the GCs and would mean the GCs would contain an unnecessarily complex reference to Ofcom as the regulator for PRS.
- 3.6 For these reasons we consider it necessary to amend the GCs to remove references to the PSA and bring the GCs into alignment with the regulatory framework that will be in place from 1 February 2025.
- 3.7 We think that any amendments to the GCs should ensure consumers are provided with information largely equivalent to information that they are currently provided. The current GCs information requirements in relation to the PSA appear to be working well and we do not have evidence of problems with these rules. Therefore, we consider a targeted series of amendments that address solely changing the references to the PSA is appropriate. This would also align with our general approach to the transfer of regulatory functions in

general, which has been to largely retain the consumer protection measures that have evolved over a number of years.⁶

Policy Objectives

- 3.8 Given the discussion above and the need to amend the GCs, our objectives in modifying the GCs are to:
 - a) remove references to the PSA to ensure providers have clarity as to their obligations under the GCs from 1 February 2025; and
 - b) ensure consumers will be provided with information after 1 February 2025 largely equivalent to information that they are currently provided.

Service Checker

How the PSA currently operates

- 3.9 The PSA currently operates, and makes available on its website, a number-checker facility called the 'Service Checker'. 7
- 3.10 The PSA Service Checker plays an important role in ensuring that consumers are provided with relevant information about the PRS. The current service checker, which is populated with up-to-date information provided directly by PRS providers, enables anyone to enter a PRS number onto the PSA website and receive information about that number, such as an appropriate telephone number to call with an enquiry (a customer service phone number).
- 3.11 We will retain a similar functionality as part of our regulation of PRS and consumers will be able to obtain relevant information about the PRS from Ofcom's website.⁸

The current GCs

- 3.12 GC C2.11(b)(i) requires providers to provide information upon request and free of charge about their role in relation to enquiries about CPRS and number checks via the number-checker facilities provided by the PSA on its website.
- 3.13 The requirement applies to providers of Public Electronic Communications Networks and/or Public Electronic Communications Services.

Our proposals

- 3.14 We propose that GC C2.11(b)(i) will continue to require providers to give information about their role in relation to general enquires, but that the references to number checks and the PSA's website are removed from GC C2.11.
- 3.15 We propose to add a requirement to GC C2.12 that providers, in giving information in accordance with GC C2.11, must provide information about how consumers can obtain information about PRS numbers found on their bills, including the location of any number-

⁶ See 13.6 of the PRS Statement

⁷ See the <u>Service Checker</u> on the PSA's website

⁸ See paragraph 13.91 of the PRS Statement

checker facilities. We propose that bills and PRS numbers will be defined in the same way there are in the rest of C2.12.

- 3.16 At this stage, it is not clear what form Ofcom's number checker facility will take, where it will be located and what changes may be made to its form and location in the future. It is also possible other organisations may develop such facilities. Therefore, our proposal seeks to ensure that providers give consumers relevant and up to date information about how they can go about finding information on the numbers that are on their bills. This would include directing consumers to number-checking facilities wherever they are available.
- 3.17 We consider that our proposal will, in effect, ensure consumers are provided with information equivalent to information that they are currently provided. We consider the proposed requirement would ensure consumers are aware of the ability to access up-to-date information on PRS where that is possible.
- 3.18 We consider these proposed changes will have minimal impact on regulated providers and consumers. Consumers will receive similar information to that they receive at present. Providers will be required to give information of similar nature and form to that which they currently give. We consider the key difference for both consumers and providers compared to the now, would be the location of any number checker facility referred to.
- 3.19 The proposed changes to C2.11(b)(i) are highlighted below. The text shown in strikethrough will be deleted.

C2.11

In relation to **Controlled Premium Rate Services ('CPRS')**, **Regulated Providers** shall provide on request and free of charge the following information and advice to **Consumers**, **Microenterprise** or **Small Enterprise Customers** or **Not-For-Profit Customers**:

[...]

- (b) information about the role of **Regulated Providers** in relation to:
- (i) general CPRS enquiries and requests for number checks via the number-checker facilities provided by the Phone-paid Services Authority on its website; 11-and

[...]

- 11 See the website of the Phone-paid Services Authority
- 3.20 The proposed change to C2.12 is highlighted below. The text underlined will be added.

C2.12

In providing information and advice in accordance with **Condition** C2.11, **Regulated Providers** shall provide:

[...]

- (i) <u>information about how **Consumers** can obtain information about **CPRS** numbers found on their **Bills**, including the location of any number-checker facilities.</u>
- 3.21 The relevant definitions from the CGs, which will remain unchanged are:

'Bill' means the information issued, or made available, by a Communications Provider to an End-User about the charges levied and due for payment or the debits and credits applied to an End-User's account;

'Controlled Premium Rate Service' or 'CPRS' has the meaning set out in the condition 26 issued by Ofcom under section 120 of the Act;

Complaints

How the PSA currently operates

- 3.22 The PSA currently regulates the PRS market via a Code of Practice (Code 15). The Code of Practice sets out the standards and requirements providers of PRS are required to comply with as well as the institutional powers of the PSA. As noted above in paragraphs 2.1-2.3, on 1 February 2025, subject to parliamentary process, the PSA's Code of Practice will be replaced with Ofcom's own set of regulatory rules contained in the PRS Order.
- 3.23 In addition, as part of its remit, the PSA handles consumer complaints about PRS. The PSA takes complaints from consumers about PRS via its website, helpline or in writing and uses these to inform its activities in regulating the market.
- 3.24 We have a well-established process for dealing with complaints made to us about our other regulated sectors. We are currently working on updating our dedicated webpage for making consumer complaints by reference to the PRS sector. We expect PRS complaints to be dealt with in the same way, including complaints in writing, online (through an online form) or by phone.⁹

The current GCs

- 3.25 GC C2.11(b)(ii) requires providers to provide information upon request and free of charge about their role in handling formal complaints about abuses of service content, non-compliance with the PSA's code of practice and other alleged unlawful operation of services and numbers.
- 3.26 GC C2.12(e) requires providers, in giving information in accordance with GC C2.11, to provide information on the role and remit of the PSA in dealing with complaints and how to make a formal complaint to the PSA via the website, helpline or in writing.
- 3.27 Both GC C2.11(b)(ii) and GC C2.12(e) apply to providers of Public Electronic Communications Networks and/or Public Electronic Communications Services.

Our proposals

3.28 We propose to retain the principle that providers be required to provide information free of charge about their role in handling complaints about non-compliance with regulatory and other legal obligations and abuses of service content. However, we propose to replace the reference in GC C2.11(b)(ii) to that information being in relation to dealing with complaints about non-compliance with the PSA's code of practice, to being in relation to dealing with complaints about non-compliance with any Order made by Ofcom under Section 122 of the

⁹ See paragraph 10.82 of the PRS Statement

Act. This order will be the PRS Order as described in the PRS Statement (unless and until any new order is made).

- 3.29 We also propose to retain the principle that providers are required to give information about the role and remit of the regulator of PRS in dealing with complaints and how to make complaints to the regulator of PRS. However, given that Ofcom will be the PRS regulator, we propose to replace references in GC C2.12(e) to the PSA with references to Ofcom's role in relation to PRS. We do not consider the specific details of the means of making a complaint to Ofcom needs to be specified in the GCs given that providers are required to explain how to make a complaint to Ofcom. Therefore, we do not propose to specify this information in the same way the current GC C2.12(e) specifies the means of making a complaint to the PSA. As noted above, we expect PRS complaints to be dealt with in the same way as present, including complaints in writing, online (through an online form) or by phone.
- 3.30 We consider our proposed changes ensure consumers will be given information equivalent to information they are currently provided in regards to the role and remit of the regulator for PRS and how to make a complaint about potential non-compliance with regulatory obligations. This information will simply be in relation to Ofcom as the regulator for PRS, instead of the PSA and in relation to the PRS Order instead of the PSA's Code of Practice.
- 3.31 We consider these proposed changes will have minimal impact on consumers and regulated providers because as noted above, we are simply replacing references to the PSA with references to Ofcom and references to the PSA's code of practice with reference to the PRS Order. Whilst Ofcom is a different organisation with a broader remit than the PSA and may handle complaints differently, we do not consider this represents a change in the volume or type of information providers need to give consumers.
- The proposed changes to C2.11(b)(ii) are highlighted below. The text shown in strikethrough will be deleted and the text underlined will be added.

C2.11

In relation to **Controlled Premium Rate Services ('CPRS')**, **Regulated Providers** shall provide on request and free of charge the following information and advice to **Consumers**, **Microenterprise or Small Enterprise Customers** or **Not-For-Profit Customers**:

- [...]
- (b) information about the role of **Regulated Providers** in relation to:
- [...]
- (ii) dealing with formal complaints about abuses of service content, noncompliance with any order made by Ofcom under Section 122 of the Act-the Phone-paid Services Authority's code of practice and other alleged unlawful operation of services and numbers.
- 3.33 The proposed changes to C2.12(e) are highlighted below. The text shown in strikethrough will be deleted and the text underlined will be added.

In providing information and advice in accordance with **Condition** C2.11, **Regulated Providers** shall provide:

[...]

(e) information about Ofcom's the role and remit of the Phone-paid Services

Authority in dealing with complaints in relation to CPRS and how to go about making a formal complaint to Ofcom the Phone-paid Services Authority via the website, helpline or in writing;

[...]

Definitions

3.34 We propose to remove the definition of 'Phone-paid Services Authority', noted in paragraph 3.3 above, from the GCs. This definition will no longer be needed given our proposals discussed above.

Proposed implementation date

3.35 We propose these changes will come into effect on 1 February 2025. This will align the changes to the GCs with the transfer of responsibility from the PSA to Ofcom, the withdrawing of approval for Code 15 and the coming into force of the PRS Order.

Consultation questions

- 1. Do you agree that the GCs need amending and with our objective in making those amendments?
- 2. Do you agree with the proposed modifications of General Conditions C2.11 and C2.12 and with our proposal to remove the definition of 'Phone-paid Services Authority' from the GCs?

4. Provisional conclusions

Assessment of impact of proposals

- 4.1 Section 7 of the Communications Act requires us to carry out and publish an assessment of the likely impact of implementing a proposal which would be likely to have a significant impact on businesses or the general public, or when there is a major change in Ofcom's activities.
- 4.2 More generally, impact assessments form part of good policy making and we therefore expect to carry them out in relation to a large majority of our proposals. We use impact assessments to help us understand and assess the potential impact of our policy decisions before we make them. They also help us explain the policy decisions we have decided to take and why we consider those decisions best fulfil our applicable duties and objectives in the least intrusive way. Our impact assessment guidance sets out our general approach to how we assess and present the impact of our proposed decisions.
- 4.3 The relevant duties in relation to the proposal on which we are consulting are set out in paragraphs 2.10-2.19 above. We expect our proposals to have minimal impact on consumers or providers. We consider that, under our proposals, consumers will continue to be given information similar to the information they currently receive from providers. This information would simply be in reference to Ofcom as the regulator of PRS instead of the PSA. Providers would continue to be required to provide information to consumers of a similar nature and in the same way they currently do.
- There may be some costs for providers in implementing our proposed amendments, such as training customer service agents. However, we do not consider that our proposals would give rise to costs that would be disproportionate to the policy objectives. We consider that the decision to transfer responsibility for PRS from the PSA to Ofcom, as confirmed in the PRS Statement, has made it necessary to remove references to the PSA in the GCs. We consider that the proposed amendments are appropriate and necessary in order to achieve our objective of removing references to the PSA from the GCs to ensure clarity to providers as to their obligations under the GCs from 1 February 2025.
- 4.5 In addition, our proposals seek to make the minimum changes necessary whilst ensuring consumers will be provided with information largely equivalent to information that they are currently provided. We do not consider there are any aspects of our proposal that are not necessary to achieve our objectives.
- 4.6 We consider that our proposals will benefit consumers by ensuring they are given free information from providers in relation to looking up numbers to find more information about the services they have been charged for as well as how to make complaints to Ofcom about PRS.

Equality impact assessment

4.7 We have given careful consideration to whether our proposals will have a particular impact on persons sharing protected characteristics (broadly including race, age, disability, sex, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil

- partnership and religion or belief in the UK and also dependents and political opinion in Northern Ireland), and in particular whether they may discriminate against such persons or impact on equality of opportunity or good relations. This assessment helps us comply with our duties under the Equality Act 2010 and the Northern Ireland Act 1998.¹⁰
- 4.8 When thinking about equality we think more broadly than persons that share protected characteristics identified in equalities legislation and think about potential impacts on various groups of persons (see paragraph 4.7 of our impact assessment guidance).
- 4.9 In particular, section 3(4) of the Communications Act also requires us to have regard to the needs and interests of specific groups of persons when performing our duties, as appear to us to be relevant in the circumstances. These include:
 - a) the vulnerability of children and of others whose circumstances appear to us to put them in need of special protection;
 - b) the needs of persons with disabilities, older persons and persons on low incomes; and
 - c) the different interests of persons in the different parts of the UK, of the different ethnic communities within the UK and of persons living in rural and in urban areas.
- 4.10 We examine the potential impact our policy is likely to have on people, depending on their personal circumstances. This also assists us in making sure that we are meeting our principal duty of furthering the interests of citizens and consumers, regardless of their background and identity.
- 4.11 We do not consider that our proposals will affect any specific groups of persons (including persons that share protected characteristics under the 2010 Act or the 1998 Act) differently to the general population.
- 4.12 As noted above in paragraph 4.3-4.5, we expect our proposals to have minimal impact on consumers in general. Under our proposals, we think that consumers will continue to be given information similar to the information they currently receive from providers. Given that we consider our proposals do not represent a significant change from the consumer's perspective, we also consider the changes we are proposing would not impact any one group of people differently to any other.

Welsh language impact assessment

- 4.13 The Welsh Language (Wales) Measure 2011 made the Welsh language an officially recognised language in Wales. This legislation also led to the establishment of the office of the Welsh Language Commissioner who regulates and monitors our work. Ofcom is required to take Welsh language considerations into account when formulating, reviewing or revising policies which are relevant to Wales (including proposals which are not targeted at Wales specifically but are of interest across the UK).
- 4.14 Where the Welsh Language Standards are engaged, we consider the potential impact of a policy proposal on (i) opportunities for persons to use the Welsh language; and (ii) treating the Welsh language no less favourably than the English language. We also consider how a proposal could be formulated so as to have, or increase, a positive impact, or not to have adverse effects or to decrease any adverse effects.

¹⁰ Further detail is set out in section 149 of the Equality Act 2010 and section 75 of the Northern Ireland Act 1998.

4.15 As noted above, we think that, under our proposals, consumers will continue to be given information similar to the information they currently receive from providers. Therefore, we consider that there will be no impact from our proposals on the opportunities for people to use the Welsh language. Neither do we think our proposal will lead to the Welsh language being treated less favourably than the English language. To the extent the people can use the Welsh language at present in their interactions with providers, they will continue to be able to do so under our proposals.

Legal tests

- 4.16 We consider that the modifications we are proposing to make to GC C2.11 and GC C2.12 meet the test for setting or modifying conditions set out in section 47(2) of the Act in that they are:
 - a) not unduly discriminatory because they will apply to all providers of Public Electronic Communications Networks and/or Public Electronic Communications Services and will benefit all consumers equally.
 - b) **proportionate** in that they go no further than is necessary to achieve our objectives of: removing references to the PSA to ensure providers have clarity as to their obligations under the GCs from 1 February 2025; and, ensuring consumers will, in the future, be provided with information largely equivalent to information that they are currently provided. Whilst there may be some costs for providers associated with implementing our proposals, we have sought to minimise these costs by proposing the minimum changes necessary to the GCs whilst ensuring consumers have access to information largely equivalent to that they are currently provided with. We consider our proposals achieve this by ensuring the requirement on providers is to continue to provide information to consumers of a similar nature and in the same way they currently do.
 - c) **transparent**, as the reasons for and effect of the changes that we are proposing to make are explained in this document.
- 4.17 While not a requirement of the Act in the context of a General Condition, we nonetheless also consider that the changes we have decided to make are objectively justifiable because they will ensure providers have clarity as to their obligations under the GCs from 1 February 2025, when the PSA ceases to have responsibility for PRS, and will ensure consumers will be provided with information after 1 February 2025 largely equivalent to information that they are currently provided.
- 4.18 We also consider that our decisions are consistent with our general duties set out in section 3 of the Act and the six requirements in section 4 of the Act. In particular, we consider that the introduction of the proposed GCs is in line with our obligation to ensure that our regulatory activities are proportionate and targeted only at cases in which action is needed (section 3(3) of the Act). As noted above, we have sought to minimise implementation costs for industry with a view to ensuring that our proposed intervention is proportionate by seeking to make the minimum changes necessary to the GCs whilst ensuring consumers have access to information largely equivalent to that they are currently provided with. In formulating and finalising our proposals, we have also had regard to the Statement of Strategic Priorities.

Consultation questions

- 3. Do you agree with our assessment of the potential impact of our proposal?
- 4. Do you agree with our assessment of the potential impact on specific groups of persons?
- 5. Do you agree with our assessment of the potential impact of our proposal on the Welsh language?

A1. Notification of proposed modifications to General Condition C2 and General Conditions definitions

Notification of Ofcom's proposals to amend General Condition C2 and General Conditions definitions under sections 48(1) and 48A(3) of the Communications Act 2003

- A1.1 Ofcom, in accordance with sections 48(1) and 48A(3) of the Act, hereby, makes the following proposal for modifying General Condition C2 and the General Conditions definitions.
- A1.2 The proposed modifications are set out in the Schedule to this Notification.
- A1.3 Ofcom's reasons for making the proposal and the effect of each proposal are set out in the accompanying consultation document.
- A1.4 Of com considers that the proposal complies with the requirements of sections 45 to 49C of the Act, insofar as they are applicable.
- A1.5 In making these proposals, Ofcom has considered and acted in accordance with its general duties under section 3 of the Act and the six requirements set out in section 4 of the Act.

 Ofcom has also had regard to the Statement of Strategic Priorities in making the proposal referred to in this Notification.
- A1.6 Representations may be made to Ofcom about the proposal set out in this Notification by 25 November 2024 at 5pm.
- A1.7 If implemented, the proposed modifications shall enter into force on 1 February 2025.
- A1.8 A copy of this Notification and the accompanying consultation document has been sent to the Secretary of State in accordance with section 48C(1) of the Act.
- A1.9 In this Notification:
 - a) 'the Act' means the Communications Act 2003;
 - b) 'General Conditions of Entitlement' or 'General Conditions' means the general conditions set under section 45 of the Act by Ofcom on 19 September 2017, as amended from time to time;
 - c) 'Ofcom' means the Office of Communications;
 - d) 'Statement of Strategic Priorities' means the Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services designated by the Secretary of State for Digital, Culture, Media and Sport for the purposes of section 2A of the Communications Act 2003 on 29 October 2019.

- A1.10 Words or expressions shall have the meaning assigned to them in this Notification, and otherwise any word or expression shall have the same meaning as it has in the Act.
- A1.11 For the purposes of interpreting this Notification: (i) headings and titles shall be disregarded; and (ii) the Interpretation Act 1978 shall apply as if this Notification were an Act of Parliament.
- A1.12 The Schedules to this Notification shall form part of this Notification.

Signed by Marina Gibbs

M. Cibbs

Director Policy - Networks & Communications Group

A person authorised by Ofcom under paragraph 18 of the Schedule to the Office of Communications Act 2002

25 October 2024

Schedule: Proposed modifications to the General Conditions of Entitlement C2 and the General Conditions definitions

A1.13 The modifications that Ofcom proposes to make to General Condition C2 and the General Conditions definitions are shown below as against the current version of the General Condition. The text shown in strikethrough will be deleted and the text underlined will be added.

General Condition C2

C2.11

In relation to **Controlled Premium Rate Services ('CPRS')**, **Regulated Providers** shall provide on request and free of charge the following information and advice to **Consumers**, **Microenterprise or Small Enterprise Customers** or **Not-For-Profit Customers**:

- (a) information about the **CPRS** mechanisms in the UK market, such as operator billing, premium rate **Short Message Service** (PSMS) payments, **Service Charges** for **CPRS** numbers, and voice shortcode charges, and how they are applied to the **Customer's** phone bill; and
- (b) information about the role of **Regulated Providers** in relation to:
- (i) general **CPRS** enquiries and requests for number checks via the number-checker facilities provided by the **Phone-paid Services Authority** on its website; 11 and
- (ii) dealing with formal complaints about abuses of service content, noncompliance with any order made by Ofcom under Section 122 of the Act-the Phone-paid Services Authority's code of practice and other alleged unlawful operation of services and numbers.

C2.12

In providing information and advice in accordance with **Condition** C2.11, **Regulated Providers** shall provide:

- (a) basic information about how CPRS work including whether the service(s) in question were routed to service providers hosted on the Regulated Provider's own network or on the network of a different Communications Provider, together with a basic explanation of how revenue sharing with service providers operates;
- information about the tariffs that apply on their network for calls to any CPRS number range, including, where appropriate, the Regulated Provider's Access Charge;

- (c) contact details of individual service providers or the **Communications Providers** which host them, and where that information is available12;
- service providers' customer service contact details where Consumers can obtain further information about services provided on the CPRS numbers found on their Bills;
- (e) information about Ofcom's the role and remit of the Phone-paid Services

 Authority in dealing with complaints in relation to CPRS and how to go about making a formal complaint to Ofcom the Phone-paid Services Authority via the website, helpline or in writing;
- (f) information on the role of Alternative Dispute Resolution Schemes in resolving disputes concerning CPRS;
- information about how Consumers can bar access from their telephone to all
 or specific CPRS number ranges for reasons of cost and/or content; and
- (h) information on any other options available to **Consumers** for seeking refunds in cases of abuse or scams involving **CPRS**; and
- (i) <u>information about how **Consumers** can obtain information about **CPRS** numbers found on their **Bills**, including the location of any number-checker facilities.</u>

11-See the website of the Phone-paid Services Authority

12 For example, the information may be available via the Phone-Paid Services Authority's website.

Definitions

'Phone-paid Services Authority' means the UK regulator with responsibility for content, goods and services charged to a phone bill

A2. Responding to this consultation

How to respond

- A2.1 Of com would like to receive views and comments on the issues raised in this document, by 5pm on 25 November 2024.
- A2.2 You can download a response form from <u>the website</u>. You can return this by email or post to the address provided in the response form.
- A2.3 If your response is a large file, or has supporting charts, tables or other data, please email it to prsregulation@ofcom.org.uk, as an attachment in Microsoft Word format, together with the cover sheet. This email address is for this consultation only and will not be valid after 25 November 2024.
- A2.4 Responses may alternatively be posted to the address below, marked with the title of the consultation:

PRS Consultation Team Ofcom Riverside House 2A Southwark Bridge Road London SE1 9HA

- A2.5 We welcome responses in formats other than print, for example an audio recording or a British Sign Language video. To respond in BSL:
 - > send us a recording of you signing your response. This should be no longer than 5 minutes. Suitable file formats are DVDs, wmv or QuickTime files; or
 - > upload a video of you signing your response directly to YouTube (or another hosting site) and send us the link.
- A2.6 We will publish a transcript of any audio or video responses we receive (unless your response is confidential)
- A2.7 We do not need a paper copy of your response as well as an electronic version. We will acknowledge receipt of a response submitted to us by email.
- A2.8 You do not have to answer all the questions in the consultation if you do not have a view; a short response on just one point is fine. We also welcome joint responses.
- A2.9 It would be helpful if your response could include direct answers to the questions asked in the consultation document. The questions are listed at Annex 5. It would also help if you could explain why you hold your views, and what you think the effect of Ofcom's proposals would be.
- A2.10 If you want to discuss the issues and questions raised in this consultation, please contact by email to prsregulation@ofcom.org.uk.

Confidentiality

- A2.11 Consultations are more effective if we publish the responses before the consultation period closes. This can help people and organisations with limited resources or familiarity with the issues to respond in a more informed way. So, in the interests of transparency and good regulatory practice, and because we believe it is important that everyone who is interested in an issue can see other respondents' views, we usually publish responses on the Ofcom website at regular intervals during and after the consultation period.
- A2.12 If you think your response should be kept confidential, please specify which part(s) this applies to and explain why. Please send any confidential sections as a separate annex. If you want your name, address, other contact details or job title to remain confidential, please provide them only in the cover sheet, so that we don't have to edit your response.
- A2.13 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and try to respect it. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.
- A2.14 To fulfil our pre-disclosure duty, we may share a copy of your response with the relevant government department before we publish it on our website.
- A2.15 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's intellectual property rights are explained further in our Terms of Use.

Next steps

- A2.16 Following this consultation period, Ofcom plans to publish a statement in early 2025.
- A2.17 If you wish, you can register to receive mail updates alerting you to new Ofcom publications.

Ofcom's consultation processes

- A2.18 Of com aims to make responding to a consultation as easy as possible. For more information, please see our consultation principles in Annex 3.
- A2.19 If you have any comments or suggestions on how we manage our consultations, please email us at consult@ofcom.org.uk. We particularly welcome ideas on how Ofcom could more effectively seek the views of groups or individuals, such as small businesses and residential consumers, who are less likely to give their opinions through a formal consultation.
- A2.20 If you would like to discuss these issues, or Ofcom's consultation processes more generally, please contact the corporation secretary:

Corporation Secretary
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

Email: corporationsecretary@ofcom.org.uk

A3. Ofcom's consultation principles

Ofcom has seven principles that it follows for every public written consultation:

Before the consultation

A3.1 Wherever possible, we will hold informal talks with people and organisations before announcing a big consultation, to find out whether we are thinking along the right lines. If we do not have enough time to do this, we will hold an open meeting to explain our proposals, shortly after announcing the consultation.

During the consultation

- A3.2 We will be clear about whom we are consulting, why, on what questions and for how long.
- A3.3 We will make the consultation document as short and simple as possible, with an overview of no more than two pages. We will try to make it as easy as possible for people to give us a written response.
- A3.4 We will consult for up to ten weeks, depending on the potential impact of our proposals.
- A3.5 A person within Ofcom will be in charge of making sure we follow our own guidelines and aim to reach the largest possible number of people and organisations who may be interested in the outcome of our decisions. Ofcom's Consultation Champion is the main person to contact if you have views on the way we run our consultations.
- A3.6 If we are not able to follow any of these seven principles, we will explain why.

After the consultation

A3.7 We think it is important that everyone who is interested in an issue can see other people's views, so we usually publish the responses on our website at regular intervals during and after the consultation period. After the consultation we will make our decisions and publish a statement explaining what we are going to do, and why, showing how respondents' views helped to shape these decisions.

A4. Consultation coversheet

Basic details
Consultation title:
To (Ofcom contact):
Name of respondent:
Representing (self or organisation/s):
Address (if not received by email):
Confidentiality
Please tick below what part of your response you consider is confidential, giving your reasons why
> Nothing
$>$ Name/contact details/job title \square
> Whole response
> Organisation
> Part of the response
If you selected 'Part of the response', please specify which parts:
If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?
Yes □ No □
Declaration
I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.
Ofcom aims to publish responses at regular intervals during and after the consultation period. If you response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.
Name Signed (if hard copy)

A5. Consultation questions

- A5.1 The full list of consultation questions is set out below:
- 1. Do you agree that the GCs need amending and with our objective in making those amendments?
- 2. Do you agree with the proposed modifications of General Conditions C2.11 and C2.12 and with our proposal to remove the definition of 'Phone-paid Services Authority' from the GCs?
- 3. Do you agree with our assessment of the potential impact of our proposal?
- 4. Do you agree with our assessment of the potential impact on specific groups of persons?
- 5. Do you agree with our assessment of the potential impact of our proposal on the Welsh language?