

Final report for Ofcom

Annual market review for phone-paid services 2024–2025

September 2025



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1. Foreword from Ofcom

Phone-paid or premium rate services (PRS) are any services that are charged for via a consumer’s phone bill or pre-pay mobile credit. These include services such as access to music and video streaming platforms, charity donations by text, voting on TV talent shows, broadcast competitions, directory enquiries and app store purchases including in-app content such as add-ons for games.

On 1 February 2025, Ofcom assumed responsibility for the day-to-day regulation of phone-paid services, taking over from the Phone-paid Services Authority (PSA). This change followed the change in the law introduced in the PRS Order.¹

This Annual Market Review report has been produced for Ofcom by Analysys Mason, and continues the series of annual market insight reports previously published by the PSA.² We are committed to ensuring that our regulatory decisions are informed by high-quality evidence. Reports such as this help us understand market trends, consumer behaviour, and emerging issues in the PRS sector.

Ofcom is reviewing how it will continue to report on the PRS sector and would welcome feedback on this publication to help inform its decisions. Please send any comments to MID@ofcom.org.uk.

¹ <https://www.legislation.gov.uk/ukSI/2024/1046/contents/made>

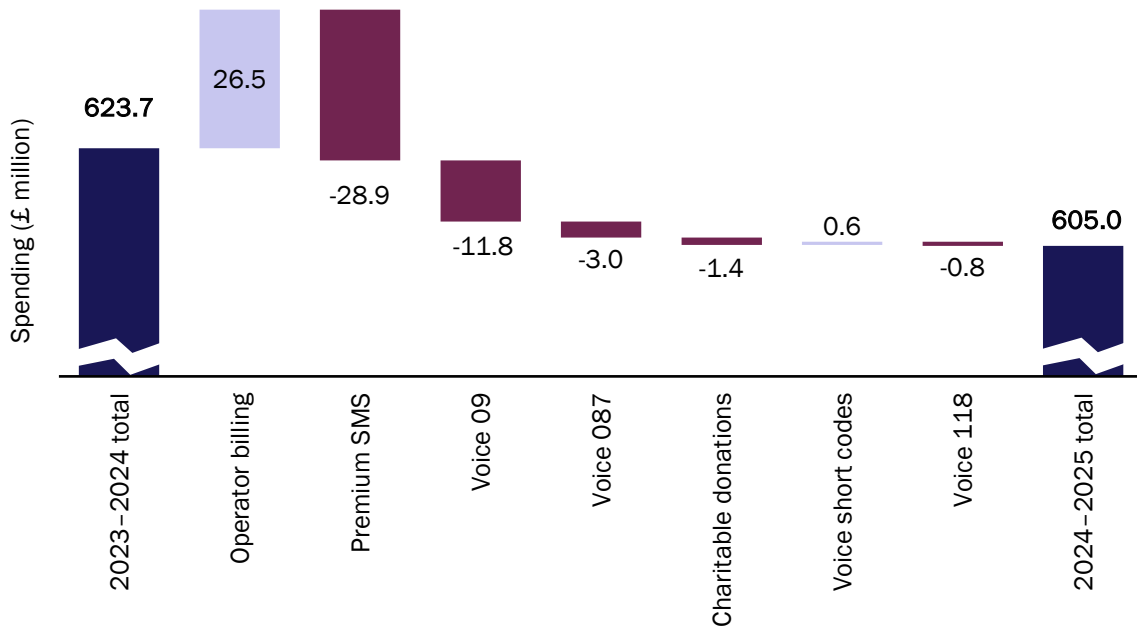
² <https://webarchive.nationalarchives.gov.uk/ukgwa/20250129141523/https://psauthority.org.uk/Research-and-Consultations/Research-Articles>

2. Executive summary

This report presents the annual market review of the UK phone-paid services sector for the period 2024–2025, produced by Analysys Mason on behalf of Ofcom. It covers an overview of the market size from 1 April 2024 to 31 March 2025, examines key market drivers, provides a short-term forecast for 2025–2026, and a medium-term outlook for consumer spending through to 2027–2028. The findings are based on a survey of 8970 consumers in the UK, conducted by Analysys Mason between March and April 2025, which explored their usage of phone-paid services over the previous 12 months. Additionally, the report incorporates insights from 18 key stakeholders across the UK phone-paid services value chain, gathered through a combination of in-depth interviews and written responses to a structured questionnaire. These inputs have informed both the analysis and the development of a quantitative market demand model.

UK consumers spent £605.0 million on phone-paid services in 2024–2025, marking a 3.0% decline from £623.7 million in 2023–2024. While revenue from operator billing rose significantly to £364.8 million (+7.8% year on year), premium SMS fell to £165.8 million (–14.8% year on year), and charitable donations declined to £34.8 million (–4.0% year on year). Voice channels – including voice 09, voice 087 and voice 118 – also continued to decline, though more spending was reported through voice short codes than last year³.

Figure 2.1: Change in end-user spending (excluding VAT) between 2023–2024 and 2024–2025, by spending channel, UK⁴



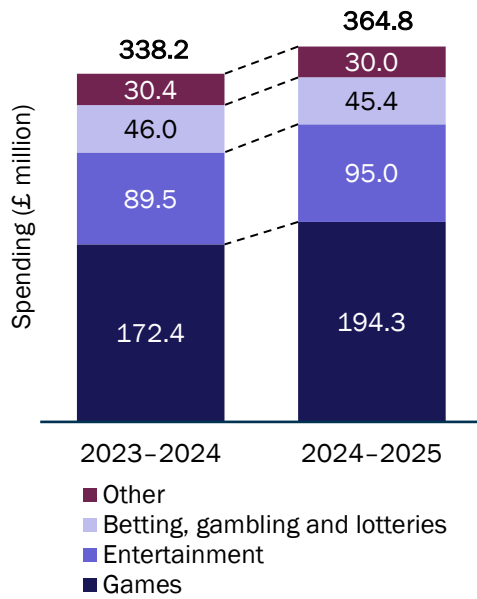
³ The unanticipated increase in voice short code revenue in 2024-25 was due to a large provider submitting more accurate data than previously, leading to a step change in its reported revenue for voice short codes during the year. Therefore the reported increase does not necessarily indicate growth in spending for voice short codes between 2023–2024 and 2024–2025.

⁴ Note that the numbers in the figures in this report are rounded, so totals may not appear to be equal to the sum of the market segments. This chart shows the total spending in 2023–2024 on the left-most bar and the total spending in 2024–2025 on the right-most bar. Bars in between show the growth (in light purple) or decline (in dark red) by spending channel.

The main trends within these spending channels are as follows:

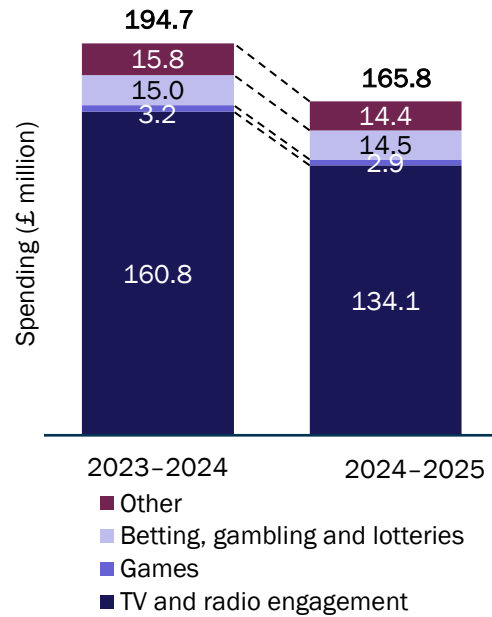
- Consumer spending via **operator billing** continues to grow, with app store purchases and entertainment subscriptions as driving factors for this channel. Relative to last year, a greater proportion of growth is organic in nature; fewer customers are adopting operator billing for the first time. New operator billing agreements between Apple and mobile network operators in previous years (Three, in 2021–2022, and Vodafone, in 2022–2023) expanded access to operator billing as a payment option for a wider customer base, but the incremental effect of these partnerships has been decreasing as fewer new customers are adopting operator billing for the first time. The other driving factor is entertainment, where the continued popularity of streaming services has provided an opportunity for the operator billing channel to grow.
- Spending via **premium SMS** decreased this year, reversing the trend from the previous year. This decline is attributed to some one-off factors that affected the consumer spending on TV and radio engagement. ITV’s Saturday Night Takeaway was indefinitely paused in April 2024, and Easter-related broadcast competitions occurred in March 2024 and April 2025, meaning the spending on these competitions was not captured in FY2024–2025. Additionally, larger prizes introduced by online alternatives to TV and radio competitions (such as Omaze, Raffle House and BOTB (Best of the Best) have further shifted the customer base away from phone-paid payment methods.

Figure 2.2: End-user spending (excluding VAT) via operator billing, by service category, UK, 2023–2024 and 2024–2025⁵



Source: Analysys Mason and Ofcom

Figure 2.3: End-user spending (excluding VAT) via premium SMS, by service category, UK, 2023–2024 and 2024–2025⁶



Source: Analysys Mason and Ofcom

- **Charitable donations** decreased this year, due to the biennial airing schedule of Stand Up to Cancer, which did not run in 2024–2025. Children in Need performed significantly better in 2024–2025, generating £39.2 million of donations on the night (across all payment methods, including non-phone paid channels) compared to £33.5 million the previous year. Non-telethon donations increased slightly this year, specifically due to an increase in recurring donations. This may be related to a slight increase in disposable income as the cost-of-living crisis begins to ease for some segments of the UK population.
- Spending on **voice 09**-based services decreased in 2024–2025, continuing the trend from previous years. This decline is attributed to the announced shutdown by the end of 2025 of BT’s Recorded Information Distribution Equipment (RIDE) platform, which facilitated voting and TV competition entries over voice channels, and an increase in the access charge of voice 09 services. The trailing effects of the regulation passed by the Phone-paid Services Authority (PSA) in 2023 on information, connections and/or signposting services (ICSS) is also responsible for the decline of voice 09 user spending.
- Spending on voice-based services using the **087 and 118** numbering ranges declined as consumers continued to migrate to free or online alternatives. Some of these voice services were affected by the announced closure of BT RIDE as well. The decline for ICSS following regulatory changes also affected spending through voice 087, which also carries some of these services.

⁵ ‘Other’ includes the remaining eight service categories: competitions and quizzes; device personalisation and security; digital payments; information, news and education; lifestyle; personal and relationship services; sexual entertainment; and TV and radio engagement. No single category in ‘Other’ is estimated to have generated 10% or more of the total channel revenue.

⁶ ‘Other’ includes the remaining eight service categories: competitions and quizzes; device personalisation and security; digital payments; entertainment; information, news and education; lifestyle; personal and relationship services; and sexual entertainment. No single category in ‘Other’ is estimated to have generated 5% or more of the total channel revenue.

- Reported spend on **voice short codes** increased in 2024–25, in contrast to the previous trend, and the performance of other voice-based payment channels. This increase does not necessarily represent a change in consumer behaviour and is instead linked to a large provider submitting more accurate data in 2024–2025.

Figure 2.4: Change in end-user spending (excluding VAT) between 2024–2025 and 2025–2026e (estimated), by spending channel, UK⁷



Source: Analysys Mason and Ofcom

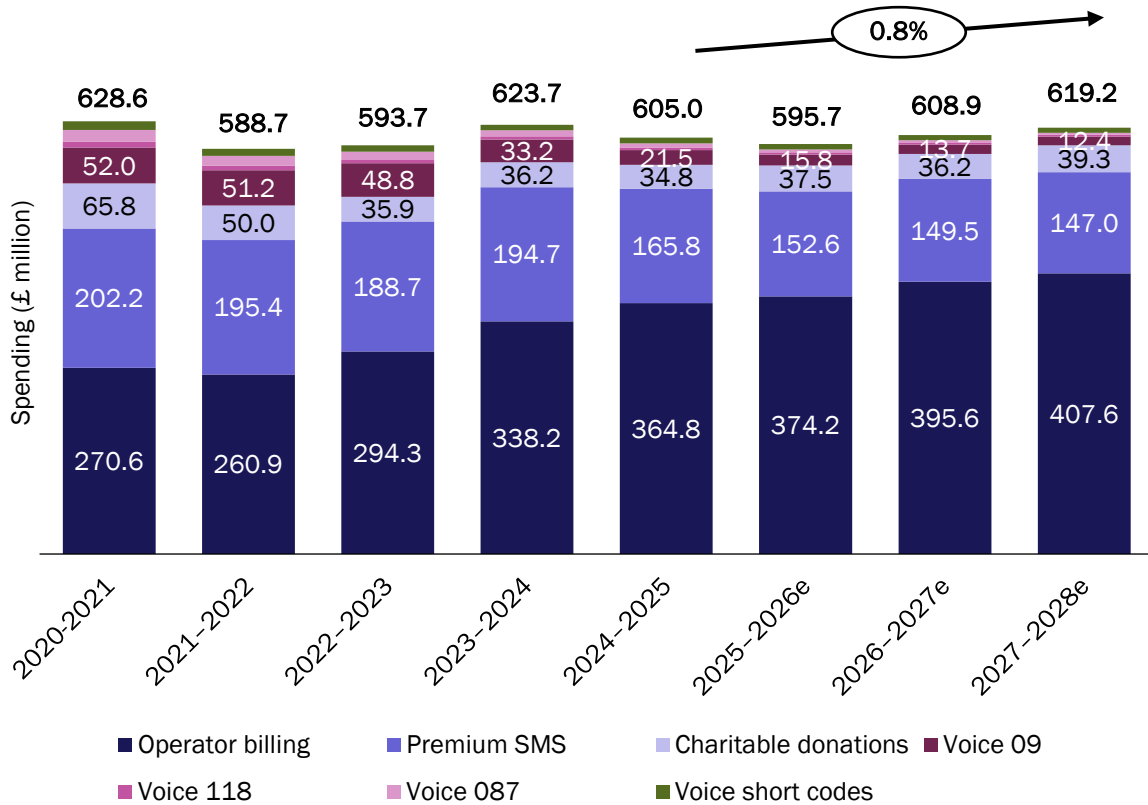
Our forecast for 2025–2026, shown in Figure 2.4, is a continuation of overall decline, with many of the same long-term trends as observed in 2024–2025, resulting in a 1.5% decrease of total end-user spending to £595.7 million.

- Consumer spending on **operator billing** is expected to increase by 2.6% year on year in 2025–2026. Similar to previous years, the growth in 2025–2026 is expected to come primarily from games downloaded from app stores, in-game credit and entertainment streaming services. An ongoing development which increases uncertainty in this segment is the impact of third-party payment options. Google updated business terms for Google Play in the UK in March 2025, allowing developers to link to external payment systems. As a result of this change, developers are now able to direct customers to purchase options outside Google Play and accept payments using third-party payment options. Apple has implemented similar changes in the EU region but not in the UK. This has the potential to impact customer payments through operator billing, as developers and customers may opt for alternative, third-party payment options if it provides them a more suitable option to pay. In our interviews with industry players, some speculated that most customers would not switch from existing payment methods.

⁷ This chart shows the total spending in 2024–2025 on the left-most bar and total forecast spending in 2025–2026 on the right-most bar. Bars in between show growth (in light purple) or decline (in dark red) by spending channel.

- **Premium SMS** spending is expected to decline by 8.0% year on year, primarily attributed to users of broadcast competitions transitioning to online platforms (both from broadcasters and alternatives). However, the price points for broadcast competition entries have been rising in recent years, which is likely to counterbalance the impact of declining revenue from TV and radio engagement to a limited extent.
- **Charitable donations** are expected to increase by 8.0% year on year, primarily as a result of the biennial airing schedule of the Stand Up To Cancer telethon, which will run in 2025–2026. Based on the trends observed in the past few years, charitable donations through telethons are becoming increasingly uncertain as they depend on a number of factors (such as specific content, or the celebrities hosting these events). Children in Need had a popular telethon that ran in 2024–2025, leading to a spike in donations, and it is likely to run similar content again next year. As the UK economy gradually recovers from the cost-of-living crisis, charities have observed an increasing amount of recurring payments in 2024–2025, which is likely to continue in 2025–2026.
- Spending on voice 09 is expected to decrease by 26.2% in 2025–2026, as a result of the closure of BT's RIDE platform during the year and the trailing effects of increased voice 09 access charges and ICSS regulation passed by the PSA in 2023.
- Voice short code-based spending is expected to decline, after an unanticipated increase in 2024–2025 which was due to a large provider submitting more accurate data than previously, leading to a step change in its reported voice short codes revenue for the year. Therefore, the spending is expected to follow the declining trend of voice short codes in the long-term.
- All other voice-based services (voice 087 and voice 118) are expected to continue to decline. Users continue to migrate to more cost-effective or user-friendly alternatives (for example, online platforms). Declines in spending are expected to be similar, but slightly smaller in scale, to those observed in 2024–2025; many services are increasingly made up of core bases of users who are less likely to switch to alternatives.

Figure 2.5: End-user spending (excluding VAT) by spending channel, UK, 2020–2021 to 2027–2028e (estimated)



Source: Analysys Mason and Ofcom

The phone-paid services market is projected to grow at a compound annual growth rate (CAGR) of 0.8% between 2024–2025 and 2027–2028, reaching £619.2 million in user spending by the end of the forecast period (shown in Figure 2.5). Of this, £579.9 million is expected to represent non-charity industry revenue. Growth is likely to be primarily driven by operator billing and charitable donations. Operator billing is expected to benefit from the launch of new games, while charitable donations are forecast to grow as consumers gradually recover from the cost-of-living crisis, supporting a rise in recurring contributions. In contrast, spending across all other payment channels is expected to decline. Premium SMS is forecast to decrease at a CAGR of –3.9% over the same period, reflecting the ongoing migration of users to online platforms. As in previous years, spending on voice services is also expected to continue its long-term decline, as these legacy services consolidate around a shrinking core user base.

This year’s survey of 8970 UK consumers found that around 56% of respondents aged 16 and over used phone-paid services in 2024–2025. This is a slightly lower incidence rate than reported in the 2023–2024 annual market review, though it is worth noting that this year’s sample is slightly over-represented in the 61+ age group, which is likely to have had an impact (as this age group has an average of 41% penetration in our survey). As in previous years, key drivers of use were convenience, affordability and impulse purchasing. Around 26% of users reported issues, consistent with last year. The most common problems were difficulty with access or use, misleading advertising and pricing concerns. The services with the highest levels of reported problems remained unchanged: sexual entertainment, connection services, and personal and relationship services.

A significant positive change observed this year was the increase in the Net Promoter Score (NPS), from –24 in 2023–2024 to –8 in 2024–2025. NPS measures how likely customers are to recommend a product or service to

others, and is calculated by subtracting the percentage of detractors (scores between 1 and 6 when asked likelihood to recommend on a 10 point scale) from the percentage of promoters (scores of 9 or 10). As such, the increased score indicates that survey respondents are more likely to recommend phone-paid services this year,

Three services had a positive NPS this year: entertainment (+12 in 2024–2025 compared to –1 last year), charitable donations (+4 in 2024–2025 compared to –10 last year) and lifestyle (+2 in 2024–2025 compared to –17 last year). Contextual factors may have played a part in this shift. Previously, the introduction of the survey listed Phone Paid Services Authority as the organisation for which the survey is being conducted. This has been updated this year to reflect Ofcom as the body in charge instead of the PSA, which may have had an impact on the answers respondents' gave. Another possible explanation is an improvement in mood in survey respondents, potentially due to a relative easing of cost-of-living concerns, the timing of when the survey was conducted (March and April, as opposed to within March in previous years), or simply due to exceptionally good weather experienced by the UK this year.

3. Introduction

This report is the annual market review of the phone-paid services market for 2024–2025,⁸ prepared by Analysys Mason on behalf of Ofcom.⁹ Phone-paid services are any services charged for via a customer’s telephone bill, and include charity donations by text, music streaming, broadcast competitions, directory enquiries, voting on TV talent shows, and in-app purchases.¹⁰ It provides an overview of the size of the phone-paid services market in the UK for the period between 1 April 2024 and 31 March 2025, a discussion of the key market drivers, an outlook for the market over 2025–2026 and a forecast of consumer spending up to 2027–2028. The report aims to provide insights on the current and future development of the market for existing and prospective industry participants.

This market review is underpinned by primary research, desktop research and quantitative modelling of the market.

- **We ran a consumer survey of a nationally online representative sample of 8970 participants aged 16 and over, of whom 5041 were phone-paid service users.**¹¹ This survey captured information from individuals aged 16 and over regarding their use of phone-paid services (for example, types of services used, spending channels, frequency of use and spending levels). The survey also helped to identify the key underlying factors affecting usage and overall satisfaction (such as preferences, issues with phone-paid services and trust levels).
- **We conducted in-depth qualitative interviews with (or received written responses from) executives in senior positions across 18 organisations** (referred to in this report as ‘industry participants’) in the phone-paid services industry across the value chain, including mobile operators, fixed network operators, intermediaries and merchants.
- **We used information from the consumer survey and interviews to validate our understanding of the main market developments** over the past 12 months in order to provide evidence for our modelling assumptions and to produce a clear picture of the current state and size of the market in 2025–2026 and its outlook up to 2027–2028. We also critically assessed our own market review from last year: we determined the reasons for specific discrepancies compared with expectations from our previous market modelling. More detail on our modelling methodology can be found in Annex B of this report.

The rest of this report is structured follows:

- Section 4 gives an overview of the size of the phone-paid services market in 2024–2025, split by spending channel and by service category.

⁸ 2024–2025 refers to the 2024–2025 financial year, running from 1 April 2024 to 31 March 2025 (also referred to as ‘the past 12 months’ in the text). The 2025–2026 financial year should be understood as the period running from 1 April 2025 to 31 March 2026 (also referred to as ‘the next 12 months’ in the text). The same terminology applies to 2026–2027 and 2027–2028.

⁹ As of 1 February 2025, Ofcom has formally adopted responsibility for the day-to-day regulation of phone-paid services, which were previously regulated by the Phone-paid Services Authority (PSA).

¹⁰ A full taxonomy of phone-paid services can be found in Annex A.

¹¹ Field work for the consumer survey was conducted online by market research company Cint between March and April 2025.

- Section 5 provides an analysis of the key factors that have influenced the growth of the market over the past 12 months.
- Section 6 discusses the potential outlook for the market in 2025–2026.
- Section 7 comments on our expectations regarding the evolution of the market up to 2027–2028.
- Section 8 examines the typical profile of users of phone-paid services in more detail and highlights the key issues affecting their service usage.

The report includes two annexes containing supplementary material:

- Annex A contains a taxonomy of the phone-paid services analysed in this market review, as well as additional market data, arranged by service category and service type.
- Annex B provides further details on our market sizing methodology.

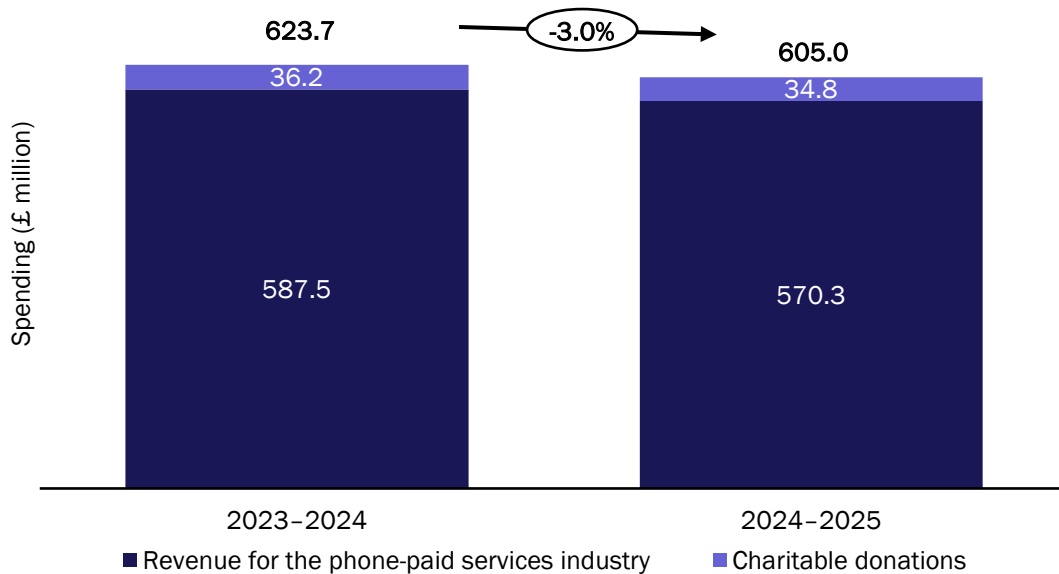
4. Size of the phone-paid services market in 2024–2025

UK consumers spent £605.0 million on phone-paid services in 2024–2025, marking a 3.0% decline from £623.7 million in 2023–2024. While revenue from operator billing rose significantly to £364.8 million (+7.8% year on year), premium SMS fell to £165.8 million (–14.8% year on year), and charitable donations declined to £34.8 million (–4.0% year on year). Voice channels including voice 09, voice 087 and voice 118 continued to decline, though voice short codes saw an unexpected increase in reported revenue year on year which was due to a large provider submitting more accurate data and does not necessarily represent a change in consumer behaviour.

4.1 Overall market size

Consumer spending on phone-paid services (excluding VAT) in the UK declined in 2024–2025, reversing the trend from the previous year. In 2024–2025, consumer spending amounted to £605.0 million, declining by 3.0% year on year from £623.7 million in 2023–2024. Charitable donations (passed in full to charities, with no industry share retained) amounted to £34.8 million this year, representing a 4.0% decline year on year and accounting for 5.7% of total consumer spending (a similar proportion to last year). The remaining £570.3 million (94.3% of the total spending) came from (non-charity) phone-paid service revenue, in decline by 3.3% year on year.

Figure 4.1: End-user spending (excluding VAT) on phone-paid services, UK, 2023–2024 and 2024–2025



Subsections 3.2 and 3.3 describe the differences in end-user spending by payment channel and service category at a high level. Section 4 provides additional detail, covering the drivers of change within each spending channel.

4.2 Spending by channel

A breakdown of consumer spending on phone-paid services by payment channel is shown in Figure 4.2. Operator billing accounts for the largest share of consumer spending on phone-paid services, with £364.8 million of user spending, representing 60.3% of the total spending (up from 54.2% last year). Premium SMS accounted for the second-largest share of the total spending, with £165.8 million of user spending, representing 27.4% of the total user spending (down from 31.2% last year).

Figure 4.2: End-user spending (excluding VAT), by spending channel, UK, 2024–2025

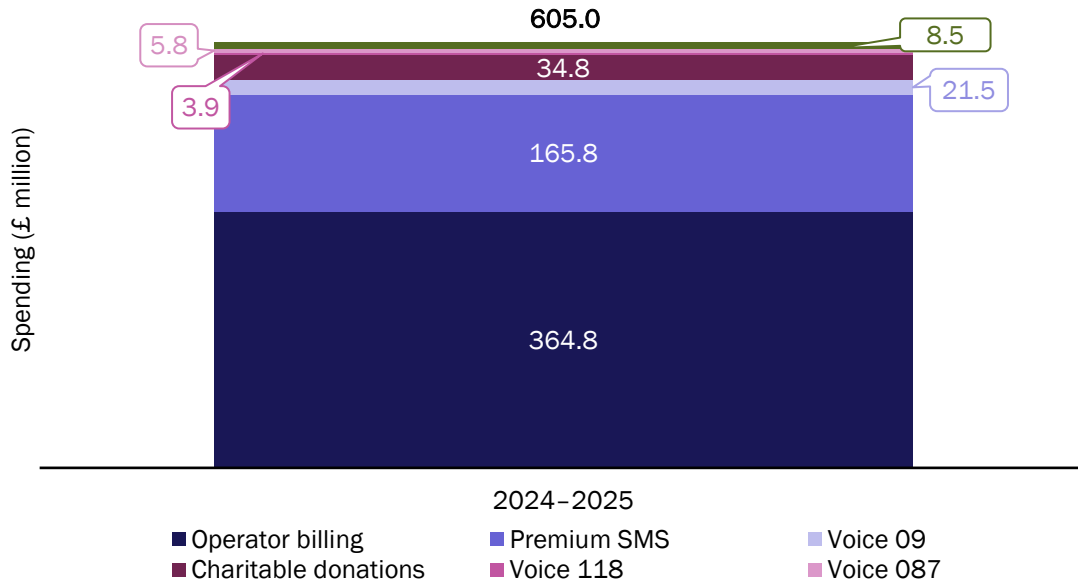
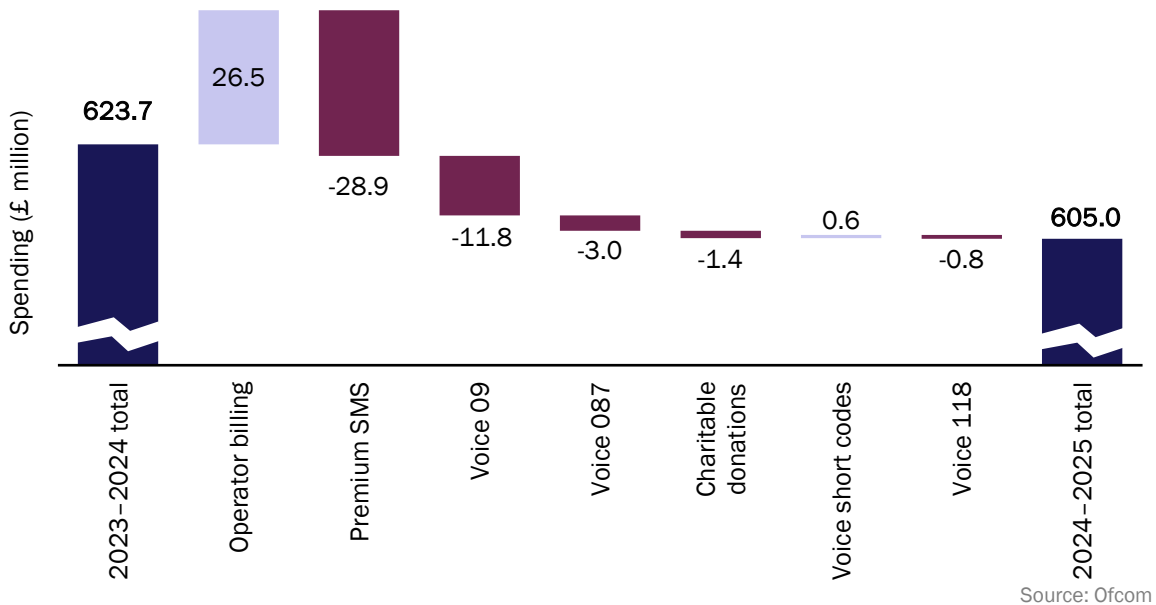


Figure 4.3 shows the change in spending for each payment channel. Operator billing spending increased 7.8% year on year, which was more than offset by the decline of other channels: premium SMS (down 14.8% year on year), charities (down 4.0% year on year), as well as the decline of all voice channels bar voice short codes.

Figure 4.3: Change in end-user spending (excluding VAT) between 2023–2024 and 2024–2025, by spending channel, UK¹²



- Consumer spending via operator billing increased by £26.5 million year on year.** The popularity of operator billing as a payment mechanism for app store purchases and entertainment subscriptions is the main growth driver of consumer spending aggregated in this channel. Operator billing increased by 7.8% from 2023–2024 to 2024–2025, which is lower than the increase of 14.9% observed from 2022–2023 to 2023–2024. Relative to last year, a greater proportion of growth is organic in nature; fewer customers are adopting operator billing for the first time (following Apple’s new operator billing arrangements with Three and Vodafone in 2021–2022 and 2022–2023, respectively). The other driving factor is entertainment, where the continued popularity of streaming services, such as Spotify, Netflix and Disney+, has provided an opportunity for the operator billing channel to grow. Last year, major entertainment subscriptions increased monthly pricing and/or reduced account sharing (both of which contributed to increase the average spending per user), and the trailing impacts of these changes continue to increase spending this year. The spending on betting, gambling and lotteries, and TV and radio engagement declined year on year, continuing the trend from the previous year.
- Spending via premium SMS decreased by £28.9 million year on year.** Premium SMS decreased by 14.8% year on year from 2023–2024 to 2024–2025, compared to an increase of 3.2% year on year from 2022–2023 to 2023–2024. The reversal of the trend is largely due to the decline of TV and radio engagement. The introduction of larger prize pots available from online alternatives decreased participation in TV and radio competitions, thereby shrinking the customer base. Spending on all other services also continued to decline, largely due to the availability of online alternatives that use other payment mechanisms.

¹² This chart shows the total spending in 2023–2024 on the left-most bar and the total spending in 2024–2025 on the right-most bar. Bars in between show the growth (in light purple) or decline (in dark red) by spending channel (for example, charitable donations decreased by £6.0 million between 2023–2024 and 2024–2025).

- **Spending on voice 09-based services decreased by £11.8 million year on year (–35.4%).** The September 2023 regulations¹³ introduced by the PSA affecting information, connections and/or signposting services (ICSS) have had a significant impact on spending via the voice 09 payment channel in the last few years. The after-effects of this regulation have led to a shrinking user base for this channel in 2024–2025 as well. In addition, access charges for voice 09 services increased this year, which has had a negative impact on user penetration. BT’s Recorded Information Distribution Equipment (RIDE) platform, which facilitated voting and TV competition entries over voice channels, is set to be closed by the end of the year. This announcement has led to a further decline in spending on this channel as some players left the market prior to the closure of the platform.
- **Consumer spending on premium voice services through 087 and 118 numbers continued to decline.** Usage of these premium voice channels declined as users shift to cheaper or more functional alternatives, with some providers abandoning these ranges entirely. Regulatory changes also contributed to a sharp drop in ICSS usage, which further affected spending on voice channels. The impending closure of BT’s RIDE platform affected these channels as well, further reducing their user base.
- **Spending on charitable donations decreased by £1.4 million year on year.** Stand Up to Cancer did not take place this year due to its biennial schedule. Children in Need performed significantly better in 2024–2025, generating £39.2 million of donations on the night compared to £33.5 million the previous year. This was due to particularly popular telethon content, which caused a spike in donations. Overall, telethon donations experienced a slight increase from the last comparable year when Stand Up To Cancer did not run (£86.1 million in 2022–2023). Non-telethon donations increased slightly this year, specifically due to a rise in recurring donations. This is likely due to a slight increase in disposable income as the cost-of-living crisis begins to ease for some parts of the UK population.¹⁴ The payment amount threshold of £40 has likely restricted growth in this segment, as some interviews with industry stakeholders mentioned that users were willing to pay £50 for donations (but texts requesting £50 donations could not be processed).
- **Consumer spending on voice short codes unexpectedly increased by £0.6 million year on year (+7.8%).** This increase was due to a large provider submitting more accurate data than previously, and does not necessarily represent a change in consumer behaviour.

Figure 4.4 shows a comparison of our forecast for 2024–2025 from last year’s annual market review against actual spending data in 2024–2025. Spending on operator billing grew slightly slower than anticipated, and spending on premium SMS decreased as opposed to increasing as we had forecast last year. Charitable donations declined slightly less than previously forecast. Spending on voice-based services declined faster than our forecast, particularly over voice 09.

¹³ https://webarchive.nationalarchives.gov.uk/ukgwa/20250121162014mp_/https://psauthority.org.uk/-/media/Files/PSA/00NEW-website/Research-and-consultations/Consultations/2023/ICSS-changes-to-Code-15/Statement-following-consultation-on-ICSS-Code-15-amendments.ashx

¹⁴ The cost-of-living crisis refers to the increasing of prices faster than increases in household incomes within the UK from late 2021 onwards. While this crisis is not considered over, real incomes are considered to have recovered to some extent in 2024–2025, as per the Resolution Foundation’s [Living Standards Outlook 2025](#). The Resolution Foundation has forecast that the effects of the crisis will be felt through to 2027–2028, and that typical incomes in 2029–2030 would remain broadly unchanged from the levels seen in 2019–2020. Lower-income households (as well as those with higher housing costs) have been hit worse than other socioeconomic groups, and recovery from the crisis is also likely to be unequal.

Figure 4.4: Comparison of our forecast results for consumer spending on phone-paid services with actual spending, UK, 2024–2025

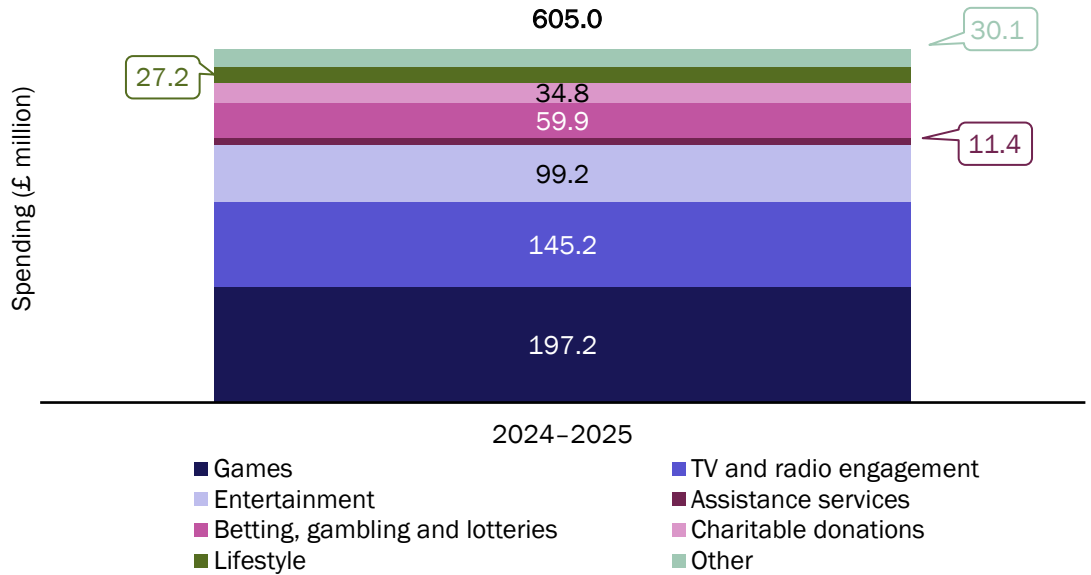
Payment channel	Forecast change in spending	Actual change in spending	Comments
Operator billing	+£30.9 million (+9.1%, to £369.2 million)	+£26.5 million (+7.8%, to £364.8 million)	Operator billing performed broadly in line with expectations. Growth areas were largely as expected – continued growth in spending in games via app stores and entertainment via video. Spending on games via downloads through app stores (Apple and Google) experienced relatively modest growth this year.
Premium SMS	+£2.9 million (+1.5%, to £197.5 million)	-£28.9 million (-14.8%, to £165.8 million)	Spending on premium SMS reversed trends in the last year, declining year on year against expectations. This was driven by a number of one-off, unexpected events, including the indefinite pause of ITV's Saturday Night Takeaway after 20 years of running, and the schedule of Easter competitions falling in April 2025, meaning the spending on these competitions was not captured in FY2024–2025. Previously, it was believed that the TV and radio engagement segment would not be significantly affected by the presence of online alternatives. This view is now challenged by the decline observed this year, with industry stakeholders reporting that participation in some competitions was affected by online alternatives with larger prize pots.
Charitable donations	-£4.9 million (-13.4%, to £31.4 million)	-£1.4 million (-4.0%, to £34.8 million)	Charitable donations decreased this year as per expectations, given the biennial airing schedule of Stand Up To Cancer. However, the decline was lower than expected. This can be explained in part by a strong telethon performance, with Children in Need performing better than expected this year (raising £39.2 million this year compared to the expected £34.2 million forecast last year). This was due to a popular on the night telethon run this year that substantially raised the telethon donations. Additionally, non-telethon recurring donations also increased this year, although this is broadly in line with the previous forecast.
Voice 09	-£5.6 million (-17.0%, to £27.6 million)	-£11.8 million (-35.4%, to £21.5 million)	Voice 09 was significantly affected by the regulation on ICSS introduced by the PSA in September 2023, which is likely to have had a trailing impact on voice 09 this year as well. The overall decline in voice 09 was exacerbated by network operators increasing access charges this year, resulting in decreased usage and a greater decline in spending than previously expected. Additionally, the intended closure of the BT RIDE platform by the end of the year also contributed to the large decline.
Voice short codes	-£0.6 million (-7.6%, to £7.3 million)	+£0.6 million (+7.8%, to £8.5 million)	This spending increase may not represent growth and is instead due to a large provider submitting more accurate information on voice short code revenue in 2024–2025.
Voice 087	-£1.4 million (-15.7%, to £7.6 million)	-£3.0 million (-34.2%, to £5.8 million)	Spending declined more than expected, as service providers accelerated their move away from this channel in the wake of regulatory changes and the closure of the BT RIDE platform.
Voice 118	-£0.5 million (-11.7%, to £4.1 million)	-£0.8 million (-16.5%, to £3.8 million)	The decline in spending was slightly greater than expected, in line with trends across other voice channels.

Source: Analysys Mason and Ofcom

4.3 Spending by service category

Games remain the largest category by spending in 2024–2025, accounting for £197.2 million (32.6%) of the total user spending. The games category also experienced the highest growth this year, with an increase of £21.6 million, representing a 12% year on year growth. On the other hand, the second-largest segment was TV and radio engagement, which declined by £29.1 million year on year, accounting for 24.0% of the overall spending (down from 28.0% in the previous year). Entertainment services was the third-largest segment by spending, at £99.2 million, accounting for 16.4% of the total user spending. The top three categories make up 73.0% of the overall phone-paid services spending. Figure 4.5 provides an estimated breakdown of spending by service category.¹⁵

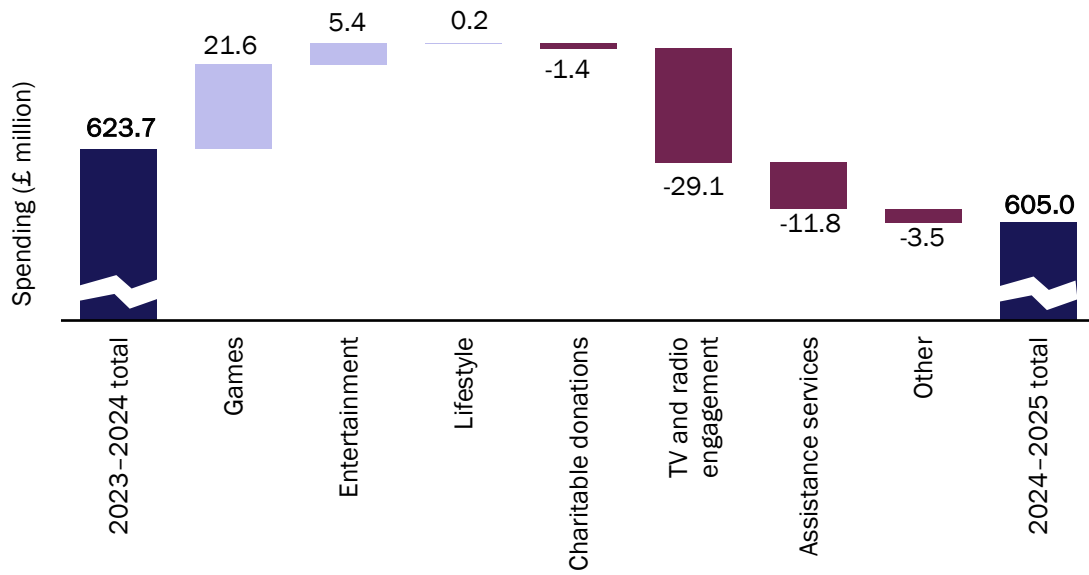
Figure 4.5: End-user spending (excluding VAT), by service category, UK, 2024–2025¹⁶



The annual change in consumer spending by service category is shown in Figure 4.6.

¹⁵ Note that more detail regarding the service taxonomy (including definitions) and service-level data can be found in Annex A. Annex B expands further on our approach to estimating the breakdown of end-user spending by service category and individual service type.

¹⁶ ‘Other’ includes service categories that are estimated to have generated £10 million or less. This includes sexual entertainment; personal and relationship services; competitions and quizzes; digital payments; information, news and education and device personalisation and security.

Figure 4.6: Change in end-user spending (excl. VAT) between 2023–2024 and 2024–2025, by service category, UK¹⁷

Source: Analysys Mason and Ofcom

- Consumer spending on games increased by £21.6 million year on year.** The growth in games is primarily driven by the organic growth of games downloaded from app stores via operator billing. Relative to previous years, growth this year is mostly organic, with fewer customers discovering operator billing for the first time (following Apple’s new operator billing arrangements with Three and Vodafone in 2021–2022 and 2022–2023, respectively).
- Spending on entertainment increased by £5.4 million.** The continued popularity of video-streaming services, despite increased monthly pricing and removed/reduced account sharing, has meant continued increases in the number of users, as well as increased spending per user. In addition, mobile network operators have used bundles with streaming services to attract customers, with many users continuing their subscriptions (through the operator billing payment channel) once bundle periods end.
- Lifestyle consumer spending increased by £0.2 million.** Lifestyle consumer spending increased mainly due to the growing use of relatively newer types of apps/services, such as Apple Fitness+, Runna, CloudFit, Urunn and new features launched in existing apps such as Strava, although growth in these services is slowing.
- Consumer spending on charitable donations decreased by £1.4 million.** Due to the biennial airing schedule of Stand Up To Cancer, which did not run this year, there was a slight decline in charitable donations. Children in Need performed better than expected this year due to a popular on the night telethon. Non-telethon recurring donations have also started to increase, after a declining trend last year, as the cost-of-living crisis recedes for some of the UK population.

¹⁷ This chart shows the total spending in 2023–2024 on the left-most bar and the total spending in 2024–2025 on the right-most bar. Bars in between show growth (in light purple) or decline (in dark red) in spending by service category. ‘Other’ includes service categories in which spending is estimated to have declined by £1 million or less. This includes betting, gambling and lotteries; competitions and quizzes; device personalisation and security; digital payments; information, news and education; and personal and relationship services.

- **TV and radio engagement consumer spending decreased by £29.1 million.** The spending on TV and radio competition market spending has decreased as customers transition to online platforms (both own platforms and online alternatives). Larger prizes introduced by online alternatives have further shifted the customer base away from phone-paid payment methods. ITV’s Saturday Night Takeaway was indefinitely paused in April 2024, causing a significant decline in spending. Additionally, Easter competitions fell in March 2024 and April 2025, meaning the spending on these competitions was not captured in FY2024–2025.
- **User spending on assistance services decreased by £11.8 million.** The primary reasons for this decrease are the rise in access charges of voice 09 in the last year, the after-effects of the ICSS regulation and the planned closure of the BT RIDE platform by the end of the year. Assistance services face long-term reduction in usage, particularly over voice short codes, with some service providers fully moving away from these number ranges.
- Other services, particularly betting, gambling and lotteries; personal and relationship services; device personalisation; and information, news and education declined year on year, continuing previous trends.

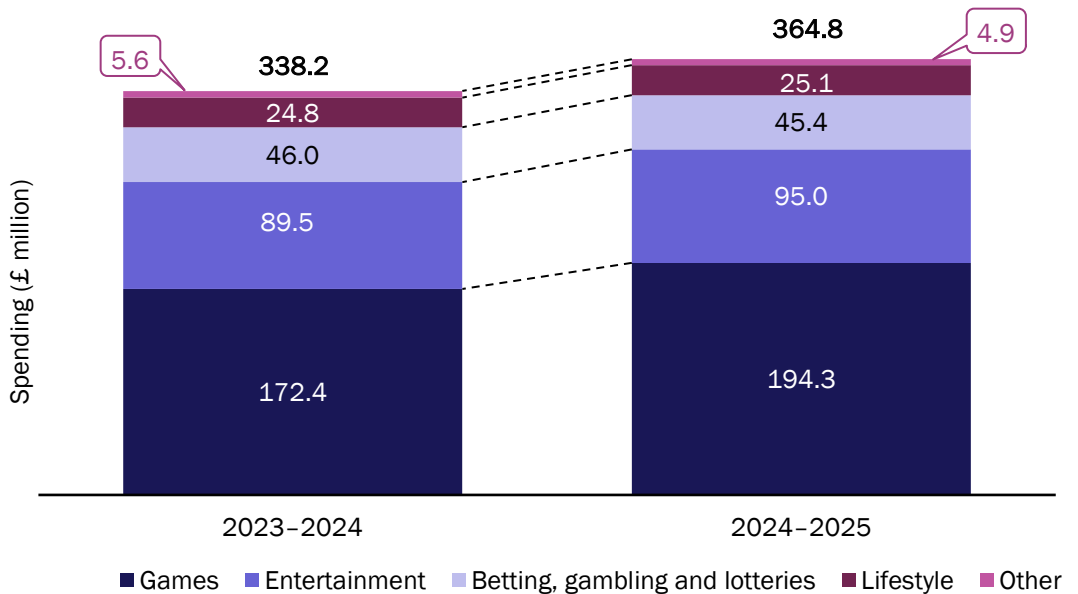
5. Analysis of key market drivers

Operator billing spending grew by 7.8% year on year, driven by organic growth in game purchases via app stores (Apple App Store and Google Play) and continued demand for streaming services. In contrast, premium SMS spending declined by 14.8%, reversing previous trends, due to a drop in TV and radio engagement. This was affected by one-off events, including the indefinite pause of Saturday Night Takeaway on ITV and the scheduling of Easter competitions. Charitable donations fell by 4.0%, largely due to the biennial Stand Up to Cancer campaign not occurring this year. Spending across most of the other channels continued to decline year on year, consistent with the broader shift towards online alternatives. Voice services were particularly affected by the planned closure of BT’s RIDE platform by year-end.

5.1 Operator billing

Operator billing remained the largest segment in 2024–2025, accounting for 60.3% of the total phone-paid services market. Growth was 7.8% year on year, reaching £364.8 million in 2024–2025 (see Figure 5.1), primarily driven by the games and entertainment segments (79.3% of operator billing in 2024–2025).

Figure 5.1: End-user spending (excluding VAT) via operator billing, by service category, UK, 2023–2024 and 2024–2025¹⁸



Source: Analysys Mason and Ofcom

Games

Consumer spending on games and related purchases increased by 12.7% year on year in 2024–2025, reaching £194.3 million. Downloads from app stores (Apple’s App Store and Google Play) remained the largest sub-category, followed by in-game credit top-ups – which include purchases from physical consoles or games aggregator stores (including Microsoft Store on Xbox and Sony PlayStation Store) and through direct purchases

¹⁸ ‘Other’ includes the seven remaining service categories: competitions and quizzes; device personalisation and security; digital payments; information, news and education; personal and relationship services; sexual entertainment and TV and radio engagement. No single category in ‘Other’ is estimated to have generated over 10% of the total revenue for the channel.

from game publishers (for example, Epic Games). Direct purchases of in-game content (e.g. of customisation or upgrades) was the third-largest sub-segment, in line with previous years.

Vodafone and Three, along with EE and Virgin Media O2, provide operator billing for a range of Apple services such as the App Store and Apple Arcade. A growing number of users are choosing to pay for games and subscriptions on Apple's App Store using this payment method. New operator billing agreements between Apple and mobile network operators in previous years (Three, in 2021–2022, and Vodafone, in 2022–2023) expanded access to operator billing as a payment option for a wider customer base. The incremental impact of these partnerships has diminished over time, as fewer new users are discovering operator billing for the first time.

Additionally, the average user spending in this channel has increased with the rise in prices of gaming subscriptions. In May 2024, Electronics Arts increased its annual gaming subscription price from £19.99 to £35.99. The more expensive EA Play Pro, which provides access to all new games from day one, also experienced a price hike with the annual subscription price increasing from £89.99 to £109.99. Additionally, Xbox also raised its annual Game Pass Core subscription price from £49.99 to £55.99. A long-term trend with customers moving from lower-quality to higher-quality mobile games accessible through operator billing has contributed to increased user spending on games. Consumers are more inclined to make in-game micropayments when engaging with higher-quality titles.

Entertainment

Entertainment remains the second-largest segment within the operator billing payment channel with £95.0 million of spending in 2024–2025, representing a 6.2% increase year on year. The main revenue contributor in this segment is music, followed by video and TV. Similar factors that increased gaming payments have also supported growth in entertainment-related spending such as the collaboration between Apple and mobile operators. Services like Apple Music and Apple TV can be paid for via operator billing, directly or indirectly through the App Store. Additionally, partnerships and bundled offers between operators and video-on-demand platforms have further driven this increase.

Music is the largest sub-segment within the entertainment category and is growing year on year. An increasing customer base and price rises have led to revenue growth in this segment. Spotify increased its subscription prices in May 2024 to £11.99 per month for the Premium Individual plan, an increase of £1 from the year before. The prices for the Duo and Family plans have each increased by £2 per month.

As the popularity of streaming services continues to grow, it is likely that more customers are paying for these services via operator billing. In the same way that partnerships between Apple and mobile network operators have driven growth in the gaming market, the entertainment segment has also expanded through increasing partnerships between service providers and operators. Multiple operators provide payment through their channels for Spotify, Netflix, Amazon Prime Video and Disney+. In recent years, Netflix enforced a new rule against password sharing whereby only people living in the same home will be able to share a Netflix account. Netflix has reported an increase in user base and profit since the adoption of this rule. Additionally, Netflix increased its prices in February 2025 by raising the standard subscription without adverts by £2 to £12.99 per month, standard subscription with adverts by £1 to £5.99 per month, and premium subscription by £1 to £18.99 per month. With the introduction of the no-password-sharing rule, subscribers also need to pay £4.99 per month to add another user outside their household to their account.

Betting, gambling and lotteries

Betting, gambling and lotteries forms the third-largest sub-segment by spending under entertainment, accounting for 12.5% of the spending via operator billing. Consumer spending on betting, gambling and

lotteries declined by 1.2% year on year in 2024–2025, reaching an overall spending of £45.4 million. Industry stakeholders mentioned that some merchants have left the market as it is a relatively expensive segment to compete in, while others mentioned a slight decrease in demand in the market. A combination of the inherent risk in the industry, low demand and expensive operations have led to lower advertising in this segment, further affecting the user base. The Payment Services Regulations 2017¹⁹ caps individual transaction amounts at £40 and monthly operator billing at £240 per consumer. This limits the ability of service providers to increase revenue from this segment, thereby reducing their interest in investing in it.

Lifestyle

Consumer spending on lifestyle services via operator billing increased by 1.5% year on year in 2024–2025, reaching £25.1 million. Lifestyle services represent 6.9% of the overall spending via operator billing, the fourth largest sub-segment. The quality of lifestyle subscription services has improved, contributing to increased usage, particularly in the fitness and health content segment, exemplified by offerings such as Apple Fitness+ or Strava. Apple Fitness+ launched in 2020 and led to a significant growth in this segment post-Covid. Strava introduced some upgrades (e.g. family plan subscription, Strava for More to support women users) in 2023, which also led to further growth in this segment. However, growth from these apps has slowed as many of these services/upgrades were launched a few years ago.

Other services

As observed in the last few years, user spending has declined across all other services paid for via operator billing, including competitions and quizzes, device personalisation, digital payments, information, news and education, personal and relationship and sexual entertainment. This is primarily due to the increased adoption of digital payment methods and online platforms. Operators and service providers have also reduced their investments in these segments.

The Payment Services Regulations spending limits continue to be mentioned by industry stakeholders as an inhibitor to their ability to release new services on operator billing, such as e-ticketing, event tickets car parking and transport payments. Prices of physical goods and services have generally increased in line with inflation, which further limits opportunities for providers as The Payment Services Regulations spending limits have remained static since their introduction in 2017. On the other hand, spending on services could be positively affected by any potential change to the transaction size limit (e.g. if the UK were to align with proposed changes for the European Union's Payment Services Directive 3 (PSD3),²⁰ in which the maximum size of a phone-paid transaction may be allowed to increase from EUR50 to EUR60).

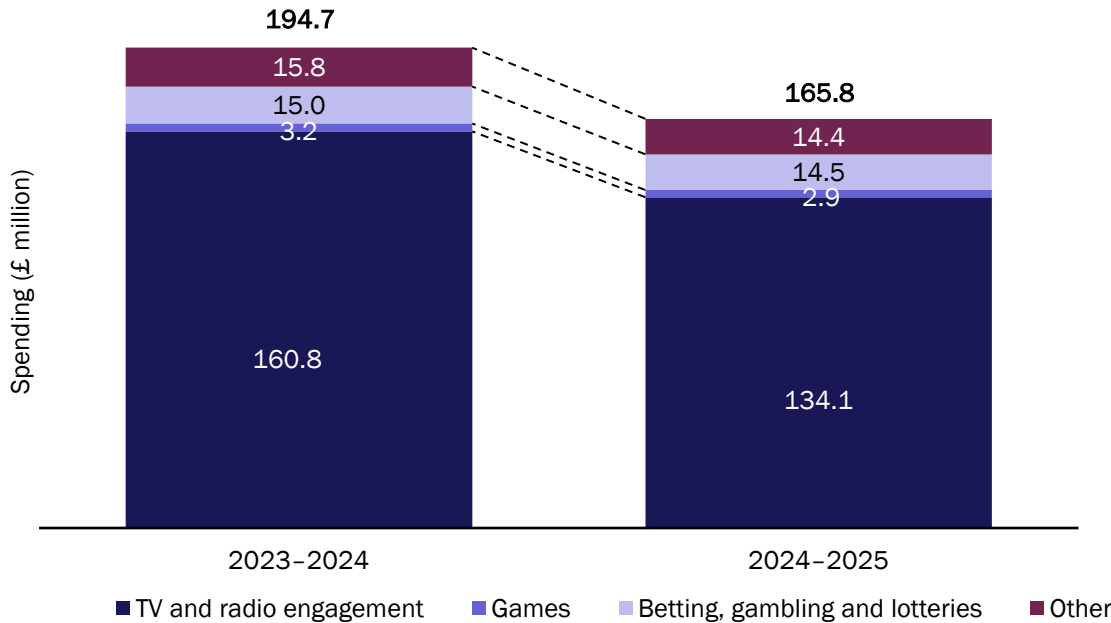
5.2 Premium SMS

The second largest category by spending is premium SMS, representing 27.4% of the total consumer spending in 2024–2025, declining from 31.2% of the total in 2023–2024. Spending through premium SMS decreased by 14.8% year on year, reaching £165.8 million in 2024–2025. This decline is a reversal of the trend from the previous year (2023–2024, when premium SMS increased by 3.2% year on year). The reversal is primarily attributed to TV and radio engagement, which decreased by 16.6% year on year as opposed to increasing by 5.5% year on year in 2023–2024. All other categories have also declined, as shown in Figure 5.2.

¹⁹ This regulation includes an 'Electronic Communications Exclusion' that acts as a fallback for electronic payment service providers who are not registered as 'Payment Services Providers' with the Financial Conduct Authority, subject to spending caps. Registered Payment Service Providers may not be subject to spending caps. Details can be found at <https://www.legislation.gov.uk/ukxi/2017/752/contents>.

²⁰ The UK would not be legally bound to adopt PSD3. However, the global nature of the payments sector might put pressure on the UK to align itself with PSD3 and thereby could potentially affect industry players in UK.

Figure 5.2: End-user spending (excluding VAT) via premium SMS, by service category, UK, 2023–2024 and 2024–2025²¹



Source: Analysys Mason and Ofcom

TV and radio engagement services

TV and radio engagement formed the largest segment within premium SMS, accounting for 80.8% of the 2024–2025 total. Spending decreased by 16.6% year on year, from £160.8 million in 2023–2024 to £134.1 million in 2024–2025. This decrease was in contrast to the previous year, in which the segment grew by 5.5% year on year. The decline was observed in both TV broadcaster competitions (18.1% decline year on year to £63.7 million) and radio broadcaster competitions (15.5% decline year on year to £68.2 million), although industry stakeholders generally report that the decline in radio is slower compared to that in TV.

ITV’s Saturday Night Takeaway, a television variety show that started in 2002, was indefinitely paused in April 2024 after 20 series (including a pause between 2009 and 2013). This has significantly affected the revenue of broadcast competitions in 2024–2025. At the time of writing, a potential return has not been ruled out though would not be expected for multiple years, in line with the last time the show was paused. Additionally, Easter competitions fell in March 2024 and April 2025, meaning the spending on these competitions was not captured in FY2024–2025. This led to a further decline in TV and radio broadcasting competition spending.

The ongoing transition away from TV and radio to online platforms has also been a key contributor to the decline of the segment. Customers are increasingly engaging with online competitors (e.g. Omaze, Raffle House and BOTB (Best of the Best)) that do not offer premium SMS as a payment mechanism and/or online platforms by established broadcasters, which encourages a gradual shift to other payment platforms. With an increase in larger prize pots available from online alternatives, participation in TV and radio competitions has further declined. Some broadcasters have responded to this by increasing prize pots and marketing spending (e.g. SMS reminders), which has led to increased costs but has mitigated the impact of online competitors. Competitions

²¹ ‘Other’ includes the eight remaining service categories: competitions and quizzes; device personalisation and security; digital payments; entertainment; information, news and education; lifestyle; personal and relationship services and sexual entertainment. No single category in ‘Other’ is estimated to have generated over 5% of the total revenue for this channel.

which have not increased prize pots have reported declining user spends. Additionally, the overall decline in revenue has been partially mitigated by the higher price points for Premium SMS for some competition entries.

Both radio and TV service providers are launching and promoting online platforms (e.g. Global’s online platform, Global Player, and ITV’s online platform, ITVX), which are steadily gaining traction. Live television viewership has been experiencing a general decline, along with the continued expansion of the online streaming market. Video-on-demand platforms have grown in popularity relative to traditional television content, prompting conventional TV providers to launch their own digital streaming services in response to shifting consumer preferences. These platforms have a much lower share of revenue through premium SMS, with customers far more likely to use card payment options or other online alternatives (e.g. PayPal, Apple Pay, Google Pay).

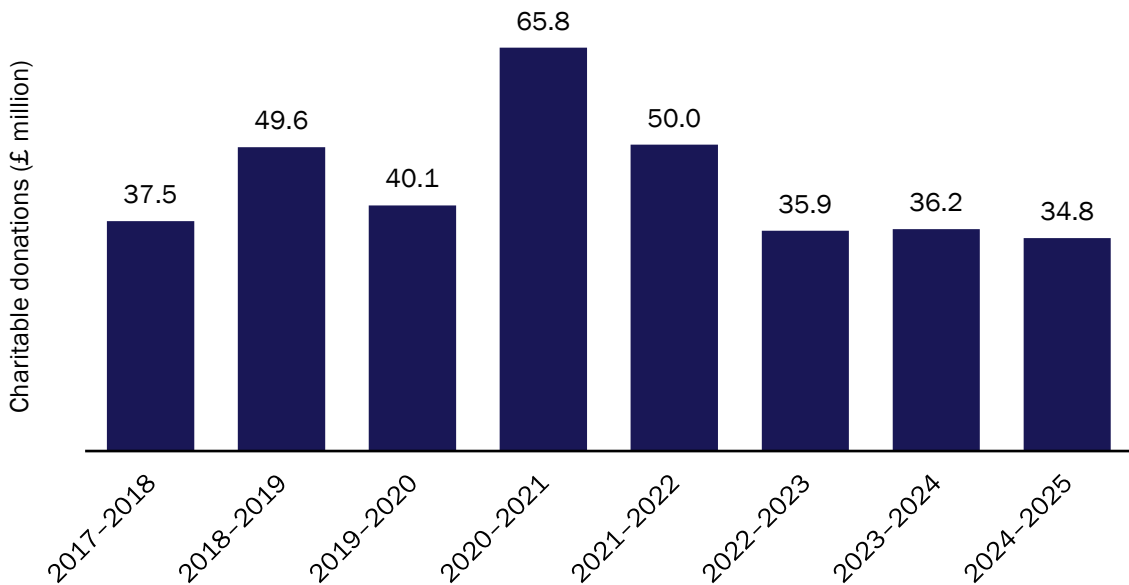
Other services

In 2024–2025, user spending via premium SMS for all other services declined as well, in line with historical trends. This decline is driven by a shrinking user base for legacy and subscription-based services, including personal and relationship services, sexual entertainment, lifestyle, device personalisation, etc. The rise of online platforms offering these services has contributed to reduced premium SMS usage. Games declined by 8.9% year on year, reaching £2.9 million in 2024–2025; entertainment declined by 3.9% year on year, reaching £4.2 million in 2024–2025; and betting, gambling and lotteries declined by 3.3% year on year, reaching £14.5 million in 2024–2025.

5.3 Charitable donations

Charitable donations via phone-paid services declined from £36.2 million in 2023–2024 to £34.8 million in 2024–2025, marking a 4.0% decline year on year. Figure 5.3 shows how this compares to performance in previous years.

Figure 5.3: Charitable donations made via phone-paid payment mechanisms, UK, 2017–2018 to 2024–2025



Source: Analysys Mason and Ofcom

Following its 2023–2024 run, Stand Up to Cancer did not take place in 2024–2025, consistent with its biennial schedule.²² It is one of the largest telethons for on the night donations, so the segment generally experiences a decline in the years that it does not air.

Other telethons generally displayed positive momentum, with the exception of Red Nose Day. Red Nose Day achieved a significant increase in donations in 2023–2024 with £38.6 million, representing a 21% year on year growth. However, the donations have declined this year, to £34.0 million, an 11.9% year on year reduction. Some industry stakeholders previously speculated that the increase in Red Nose Day donations in 2023–2024 was likely a one-off, potentially as a result of Sir Lenny Henry announcing that it was his last time hosting the show.

On the night donations for Children in Need increased significantly in 2024–2025, reaching a total of £39.2 million. This represents a 17.0% year on year increase, making it the largest telethon this year in the absence of Stand Up to Cancer. This is largely attributed to a popular on the night challenge that ran this year. The rise in Children in Need donations only partly offset the drop caused by Stand Up to Cancer and Red Nose Day, leading to a lower amount of charitable donations overall. In general, charities are increasingly moving away from on the night telethons such as Stand Up To Cancer, and are instead focusing on fundraising weeks and other TV content (e.g. The Great Celebrity/Stand Up to Cancer Bake-Offs). This transition has contributed to a long-term decline in charitable donations via phone-paid services, as contributions outside these telethons are primarily made through online platforms or other non-phone-paid payment methods.

Compared with the most recent year when Stand Up to Cancer did not run (2022–2023), telethon donations via phone-paid services increased from £25.3 million in 2022–2023 to £26.6 million in 2024–2025. Non-telethon donations also increased, from £8.0 million in 2023–2024 to £8.2 million in 2024–2025. This is primarily due to an increase in recurring donations, possibly driven by higher disposable income as the effect of the cost-of-living crisis recedes for some of the UK population. Some industry stakeholders noted that the average value of donations had risen, but that the volume of donations had slightly decreased, supporting the idea that a cost-of-living recovery was non-linear across the population. The proportion of total donations coming from non-televised events increased from 22.0% in 2023–2024 to 23.6% in 2024–2025. An estimated £7.5 million of these non-telethon phone-paid donations were recurring donations (up from £7.3 million in 2023–2024) compared to £0.7 million from single/one-off donations (same as last year). The proportion of charitable donations via phone-paid services that were recurring donations has increased from 20.2% in 2023–2024 to 21.7% in 2024–2025.

Additionally, charity interviewees this year noted that text-to-donate messages asking to donate £50 are common, implying that regulatory restrictions have a significant limiting impact. These failed donations result in £0 donated, rather than the capped value of £40, potentially having a significant impact on overall donations when customers do not notice the failed donation or choose not to make a donation via other means.

5.4 Voice 09

Voice 09 consumer spending declined by 35.4% year on year, from £33.2 million in 2023–2024 to £21.5 million in 2024–2025, following a similar decline last year (when spending fell by 32.0% year on year). Voice 09 spending has been declining over the last few years. However, the decrease has been particularly pronounced since 2023–2024 due to the introduction of regulation on ICSS by the PSA in September 2023. The after-effects of the regulation are observed in 2024–2025 as well.

²² Stand Up To Cancer ran in both 2020–2021 and 2021–2022. Covid-19 restrictions meant that the event was required to adapt from its traditional live TV show to an online campaign in 2020.

ICSS was the largest sub-segment within the voice 09 category in 2023–2024, but has been significantly affected by the regulation and accounts for around 5.4% of the voice 09 spending in 2024–2025. ICSS revenue dropped from around £7.1 million in 2023–2024 to £1.1 million in 2024–2025, declining by ~84% year on year. This was one of the primary reasons for the overall decline in voice 09 consumer spending. Regulatory changes heavily affected ICSS, reducing consumer harm and resulting in relatively low traffic for these services. Many industry stakeholders mentioned in interviews that they have now stopped supporting ICSS or are in the process of moving away from it.

Another reason for the decline in voice 09 spending is that BT RIDE, an in-network call-termination platform which was one of the largest voice platforms in the UK, is planned for termination by the end of calendar year 2025. Many companies using this platform have already exited before the final shutdown, leading to a significant drop in revenue in 2024–2025.

In addition, TV and radio broadcasters are dropping usage of voice 09 as they transition to more cost-effective or more functional platforms (either online, or via free 01 and 03 number ranges). This is a long-term ongoing trend, but has accelerated this year.

Spending declined on most of the phone-paid services through voice 09 in 2024–2025 because of the transition to more cost-efficient platforms. However, reported spending on voice short codes unexpectedly increased in 2024–2025 due to a large voice short code provider submitting more accurate data on its revenue this year, causing a step increase in revenue year on year.

5.5 Voice 087

Consumer spending on voice 087 services declined by 34.2% year on year from £8.9 million in 2023–2024 to £5.8 million in 2024–2025. Previously, ICSS was the largest sub-segment of the voice 087 category (accounting for 38.8% of the total voice 087 spending in 2023–2024). However, it has declined by 52% year on year to £1.7 million (accounting for 28.8% of voice 087 spending in 2024–2025), making it the second largest category. Much like the trend observed for voice 09 services, this decrease is primarily due to the impact of the ICSS regulation. Assistance services formed the largest sub-segment under voice 087, at 30.6% of the total voice 087 spending in 2024–2025. Additionally, the transition to online platforms and more efficient payment mechanisms has affected voice 087 services. The intended closure of the BT RIDE platform, and the exiting of the market for certain players as a result, is another contributing factor to the revenue decline.

5.6 Voice short codes

Reported voice short code consumer spending was £8.5 million in 2024–2025, a 7.8% year on year increase. Consumer spending through this channel has been declining for the past few years due to the lack of demand for new services to be offered on voice short codes, and the unanticipated increase this year does not necessarily reflect a reversion of this trend, as it was due to a large provider submitting more accurate revenue data this year, leading to a step increase in its reported voice short code revenue. As a result, this increase is unlikely to continue going forward - voice short codes are no longer supported for many services, and short code revenue has also been affected by wider trends including declining audiences for broadcast television (through which voice short code services are promoted), and the removal of paid voting.

5.7 Voice 118

Similar to other premium voice services, consumer spending on voice 118 decreased, from £4.6 million in 2023–2024 to £3.9 million in 2024–2025, a 16.5% year on year decline. This reduction is attributed to the

transition to more cost-effective and user-friendly platforms (primarily internet search engines, such as Google). The decline observed this year is comparable to last year's decrease (15.8%).

6. Market outlook in 2025–2026

The phone-paid services market is forecast to decline in 2025–2026 to £595.7 million, representing a year on year decrease of 1.5%. This overall decline is expected despite growth in specific channels: operator billing is projected to increase by 2.6% and charitable donations by 8.0%. However, this growth will likely be offset by continued decline across all other payment channels. Premium SMS is forecast to fall by 8.0% year on year, consistent with recent trends. All voice-based channels are expected to continue their long-term decline as users shift towards online services and digital payment mechanisms.

6.1 Context

From a macroeconomic perspective, no major changes are expected in 2025–2026.²³ Therefore, most trends are likely to follow a similar trajectory to that seen in 2024–2025. According to interview stakeholders, the effect of the cost-of-living crisis has been receding in the last year – at least on phone-paid service usage – with many players mentioning that it has had a very limited impact on revenue in 2024–2025. While we expect a continued easing of cost-of-living pressures in the short term, there is less certainty in the medium term and it is likely that improvements in cost-of-living will be distributed unevenly across different socioeconomic groups.

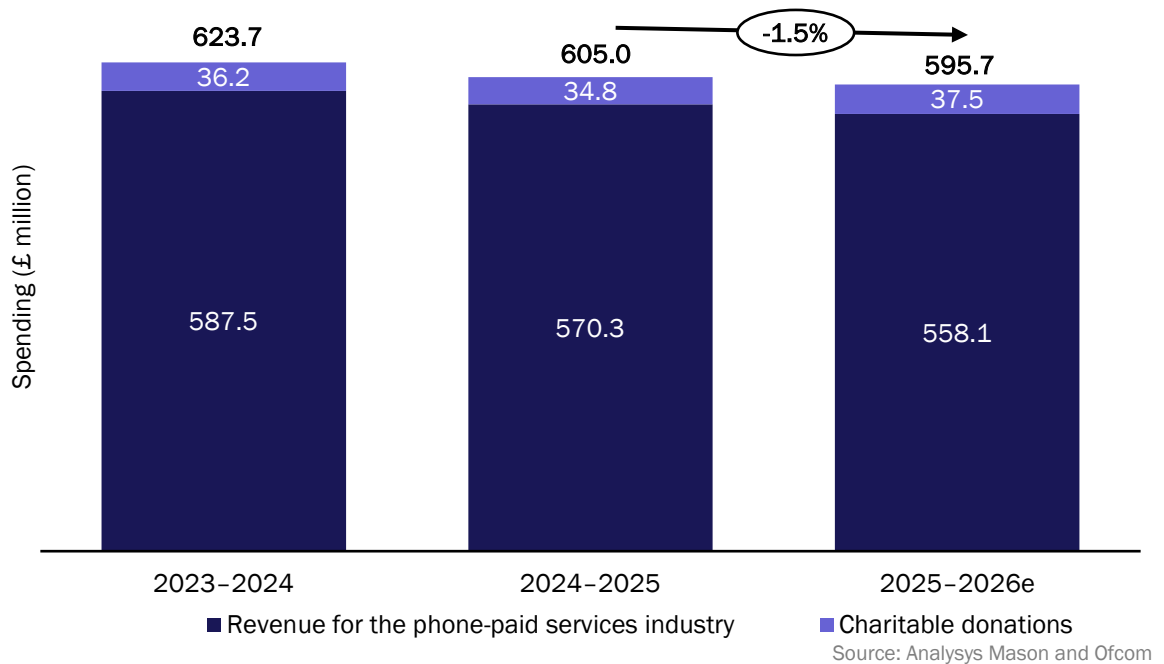
The recent transfer of the day-to-day responsibility for regulating phone-paid services from the PSA to Ofcom may also have affected the market. Industry stakeholders interviewed this year mentioned that the transition to Ofcom was a potentially positive change. Ofcom is a widely recognised regulator and some of the industry stakeholders mentioned that the transition could have a positive effect on consumer confidence because Ofcom is more of a household name. Similarly, the greater awareness of Ofcom may encourage service providers to enter the market.

6.2 Overall market size

Overall market spending on phone-paid services is expected to decline in 2025–2026 to £595.7 million, representing a 1.5% decline year on year (see Figure 6.1). For revenue-generating services in the phone-paid services industry (excluding charities), consumer spending is expected to decline by 2.1% year on year. This decline follows the same trend as in 2024–2025, when revenue-generating services experienced a 3.3% decrease year on year. On the other hand, charitable donations are expected to increase by 8.0% year on year given their cyclical nature (e.g. Stand Up to Cancer will run in 2025–2026).

²³ Compared to previous years – which were affected by events such as the impact of Brexit, Covid-19 or the war in Ukraine – we anticipate that the policy changes following the July 2024 UK election will take some time to have significant effects on the UK economy.

Figure 6.1: End-user spending (excluding VAT) on phone-paid services, UK, 2023–2024, 2024–2025 and 2025–2026e (estimated)



Sections 6.3 and 6.4 provide an overview of expected consumer spending for 2025–2026, split by payment channel and by service category.

6.3 Spending by channel

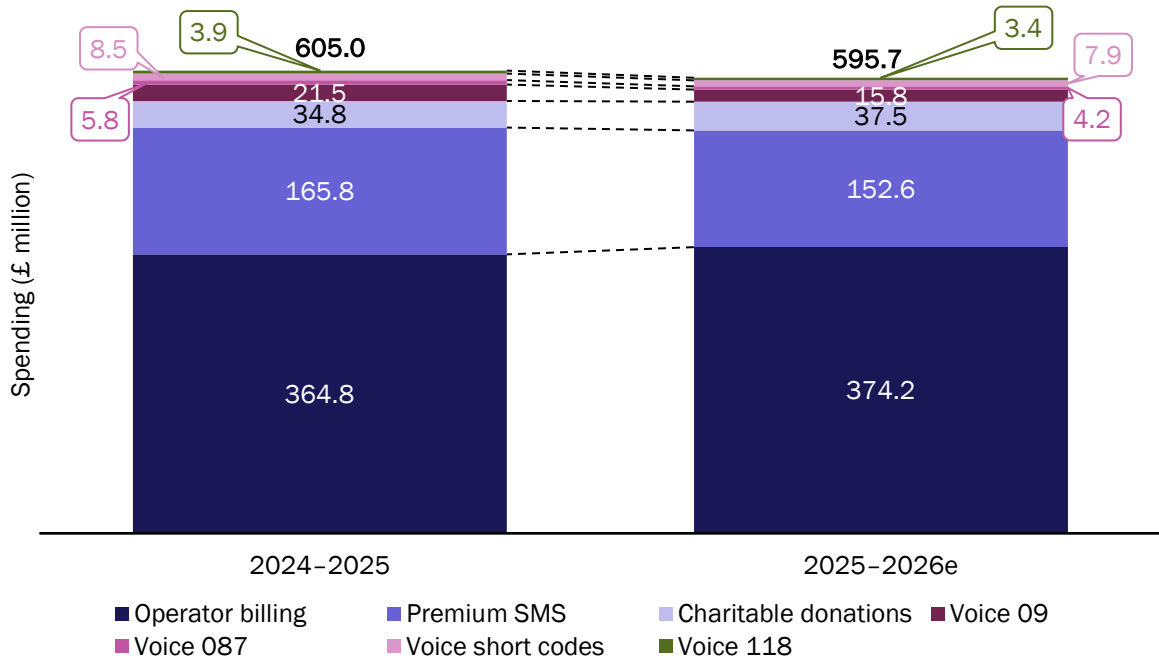
Operator billing is expected to remain the largest payment channel by spending in 2025–2026, representing 62.8% of the total market spending. Consumer spending on operator billing is expected to grow by 2.6% year on year, reaching £374.2 million in 2025–2026. Based on the biennial cycle of charitable giving, donations are expected to increase to £37.5 million in 2025–2026, an 8.0% rise year on year.

Meanwhile, spending on all other payment channels is expected to decline in 2025–2026. After a significant 14.8% year on year decline in 2024–2025, spend on Premium SMS is expected to continue to fall in 2025–2026, albeit to a lesser extent. This decline of 8.0% year on year in 2025–2026 leaves the segment at £152.6 million, and means that Premium SMS share of the total market spending drops from 27.4% in 2024–2025 to 25.6% in 2025–2026.

Spending on voice channels, including voice 09, voice 087, voice short codes and voice 118, is expected to decrease, continuing the trends observed in previous years. The market share of all voice-based channels is expected to drop from 6.6% in 2024–2025 to 5.2% in 2025–2026.

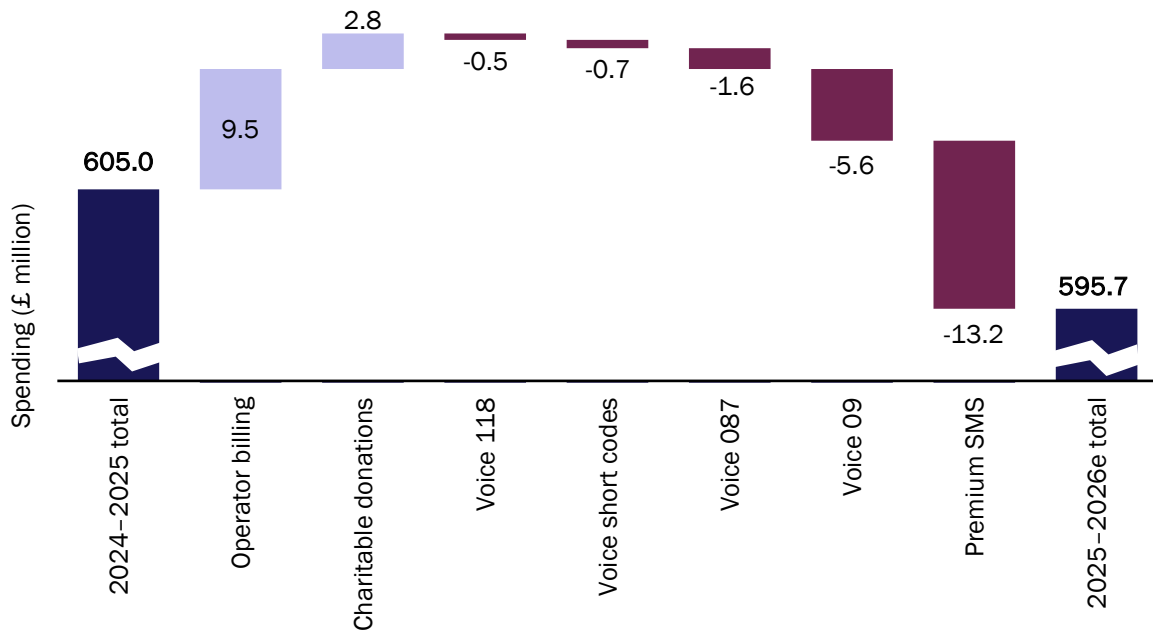
Figure 6.2 compares consumer spending by payment channel in 2024–2025 and in 2025–2026. Figure 6.3 outlines the expected change in user spending between this year's figures and those forecast for 2025–2026.

Figure 6.2: End-user spending (excluding VAT) by spending channel, UK, 2024–2025 and 2025–2026e (estimated)



Source: Analysys Mason and Ofcom

Figure 6.3: Change in end-user spending (excluding VAT) between 2024–2025 and 2025–2026e (estimated), by spending channel, UK²⁴



Source: Analysys Mason and Ofcom

The main drivers of these expected changes are as follows.

²⁴ This chart shows the total spending in 2024–2025 on the left-most bar and the total spending in 2025–2026e on the right-most bar. Bars in between show growth (in light purple) or decline (in dark red) in spending by service category.

- **Consumer spending on operator billing is expected to increase by £9.5 million (2.6% year on year) in 2025–2026.** Spending via this payment channel has grown consistently for a number of years, although growth is now slowing – fewer customers are adopting operator billing for the first time (following the introduction of new operator billing agreements between Apple and Three then Vodafone in 2021–2022 and 2022–2023, respectively). Similar to previous years, the growth in 2025–2026 is expected to come primarily from games downloaded from app stores, games subscriptions and entertainment services. With streaming services remaining a popular bundling option for mobile operators, customers are likely to adopt these services as a bundle with their mobile subscription, then continue taking them after their promotional period has ended. An ongoing development which increases uncertainty in this segment is the impact of third-party payment options. Google Play has allowed third-party payment options under a ‘user choice billing’ scheme in the UK since March 2025; this scheme still takes a revenue share, which may disincentivise usage.

Apple updated its business terms for the App Store in the EU region in 2024, allowing developers to link to external payment systems or promote offers from other platforms that do not use the built-in iOS payment system. Additionally, in 2025 it changed the App Store fee setup and removed its anti-steering rules. However, neither of these changes have been implemented in the UK and developers are not currently able to direct customers to purchase options outside the UK App Store or accept payments using third-party payment options. Should this change, it has the potential to impact customer payments through operator billing, as developers and customers may opt for alternative, third-party payment options if it provides them a more suitable option to pay (or a potential discount, as previously offered by Fortnite for in-game credit purchased outside of app stores). In our interviews with industry players, some speculated that most customers would not switch from existing payment methods unless given a strong incentive (as offered by Fortnite), and pointed to the fact that alternative billing is already an option through Google Play.

- **Charitable donations are expected to increase by £2.8 million (8.0% year on year) in 2025–2026.** This forecast increase in charitable donations is primarily due to the biennial Stand Up to Cancer televised event, which did not run in 2024–2025 but will air in 2025–2026. Due to its biennial occurrence, donations tend to increase every other year (and then decrease in the following year). Telethons contribute the majority of charitable donations, with an estimated 77% of total donations likely to come from telethons in 2025–2026. Based on the trends observed in the past few years, charitable donations through telethons are becoming increasingly uncertain as they depend on a number of factors (such as specific content, or the celebrities hosting these events). For example, Children in Need on the night donations increased by 17% year on year, reaching £39.2 million in 2024–2025. This increase was attributed to a particular piece of content featuring comedian and TV presenter Paddy McGuinness, who raised £8.8 million for the appeal through a five-day cycling challenge from Wales to Scotland. The show also featured a comedy performance from the cast of BBC sitcom *Outnumbered*, a preview of the Doctor Who Christmas special episode and performances from *Girls Aloud*. Interviews with stakeholders mentioned that the cycling challenge is expected to be repeated next year. While this content is likely to remain popular, it may not achieve the same level of success when repeated, and we therefore expect Children in Need’s total donations in 2025–2026 to fall between the amounts achieved in 2024–2025 and 2023–2024. The donation totals for all the other telethons, except Red Nose Day, were also higher year on year, suggesting positive momentum in donations that is likely to continue into 2025–2026. Red Nose Day had a 21% year on year growth in 2023–2024 with a donation total of £38.6 million, before dropping to £34.0 million in 2024–2025. Therefore, it is likely that Red Nose Day in 2023–2024 was also the beneficiary of one-off successful telethon content, and that the decline seen in 2024–2025 does not indicate a general decrease in donation momentum. We therefore forecast Red Nose Day donations to increase slightly to £35.0 million in 2025–2026. As the UK economy gradually recovers from the cost-of-living crisis, charities have observed an increasing amount of recurring payments in 2024–2025, which is likely to continue in 2025–2026. Figure 6.4 provides an estimate of the total on the night

donations made from each televised event (including both phone-paid donations and donations made through other payment mechanisms).

Figure 6.4: Reported on the night donation totals for selected televised events (£ million), UK, 2017–2024 and estimated totals for 2025–2026e

Telethon event	2017-18 (a)	2018-19 (a)	2019-20 (a)	2020-21 (a)	2021-22 (a)	2022-23 (a)	2023-24 (a)	2024-25 (a)	2025-26 (e)
Children in Need (November)	50.2	50.6	47.9	37.0	39.4	35.3	33.5	39.2	37.2
Red Nose Day (March)	-	63.5	-	52.0	42.8	31.9	38.6	34.0	35.0
Sports Relief (March)	38.2	-	40.5	-	-	-	-	-	-
Stand Up To Cancer (typically October, August in 2023)	-	24.6	-	26.3	31.2	-	Not shared* ²⁵	-	26.2
STV Appeal (September)	2.6	2.6	2.6	3.5	4.3	3.2	2.2	2.4	2.5
Soccer Aid (June)	-	6.7	7.9	11.6	13.0	15.7	14.6	15.3	15.7
Concert for Ukraine	-	-	-	-	13.4	-	-	-	-
BBC Big Night In	-	-	-	27.3	-	-	-	-	-
Total	91.0	148.0	98.9	157.8	144.1	86.1	88.9¹⁸	90.9	116.6

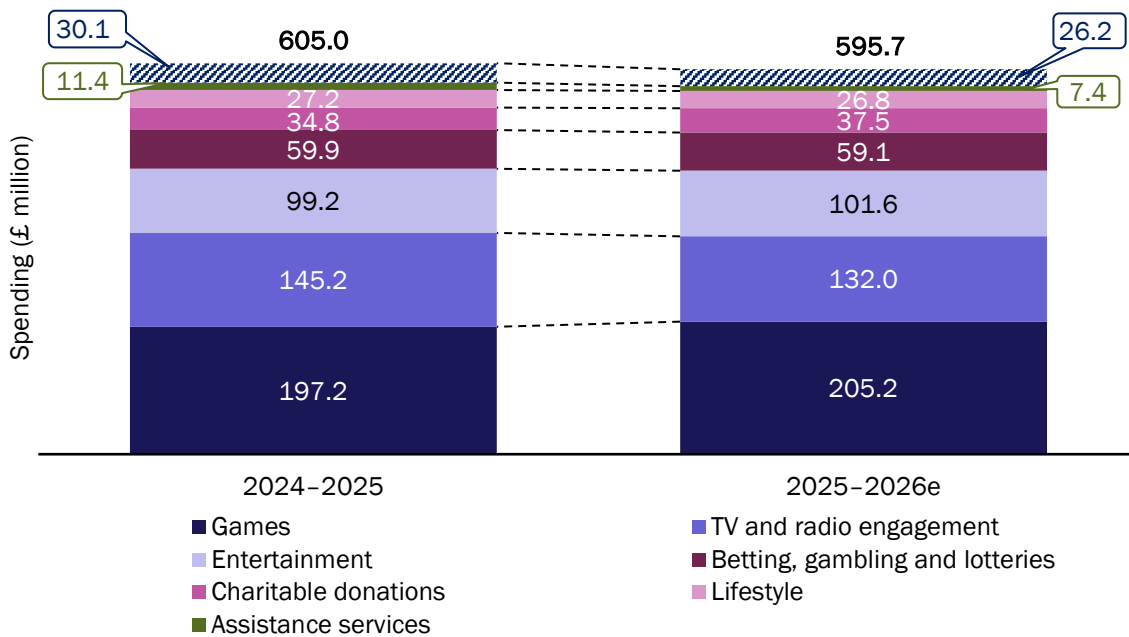
- Consumer spending on premium SMS is expected to decline by £13.2 million in 2025–2026 (–8.0% year on year).** The 14.8% year on year decline of premium SMS spending in 2024–2025 – for reasons including transition to online platforms away from TV and radio and shutdown of an ITV show – had both one-off and longer-term drivers, and as a result we expect further decline in spending in 2025–2026, though to a lesser degree now that one-off factors are no longer relevant. The expected decline in 2025–2026 is primarily attributed to providers of these services transitioning to online platforms and continuing to diversify their suite of payment mechanisms to benefit from digital channels. However, the price points for broadcast competition entries have risen in recent years, which industry stakeholders believe is likely to counterbalance the impact of declining revenue from TV and radio engagement to a limited extent.
- All voice channels, including voice 09, voice 087, voice short codes and voice 118 are expected to decline in 2025–2026.** Spending on voice channels has been declining in recent years as users transition to more cost-effective or user-friendly alternatives, such as online platforms, which are becoming increasingly popular among service providers. After the PSA implemented the ICSS regulation in 2023–2024, voice 09 was significantly affected and the trailing effects of the regulation are likely to continue in 2025–2026 as well. The BT RIDE platform is shutting down in 2025–2026, causing further decline in voice services. With the rise in access charges for voice 09 in 2024–2025, users are likely to move away from this channel at a faster rate than previously expected.

²⁵ Stand Up to Cancer did not publicly report its on the night telethon total in 2023–24, as a result of its transition away from the telethon as the centre of its annual fundraising, and towards more general fundraising campaigns. This move is similar to that of Sports Relief, which moved from biennial events (alternating with Red Nose Day) to year-round fundraising, although Stand Up to Cancer still runs its telethon.

6.4 Spending by service category

Figure 6.5 shows the breakdown in consumer spending by service category in 2024–2025 and the expected spending in 2025–2026. Games are anticipated to continue to remain the largest service category by spending in 2025–2026, accounting for 34% of total consumer spending. Consumer spending on games is expected to increase by 4.0% year on year, reaching £205.2 million in 2025–2026. The second- and third-largest categories will be TV and radio engagement growing to £132.0 million (–9.1% year on year) and entertainment growing to £101.6 million (+2.4% year on year), respectively. As described in the previous section, charitable donations are expected to increase by 8.0% year on year, totalling £37.5 million in 2025–2026. Spending on all other services is expected to decline.

Figure 6.5: End-user spending (excluding VAT), by service category, UK, 2024–2025 and 2025–2026e (estimated)



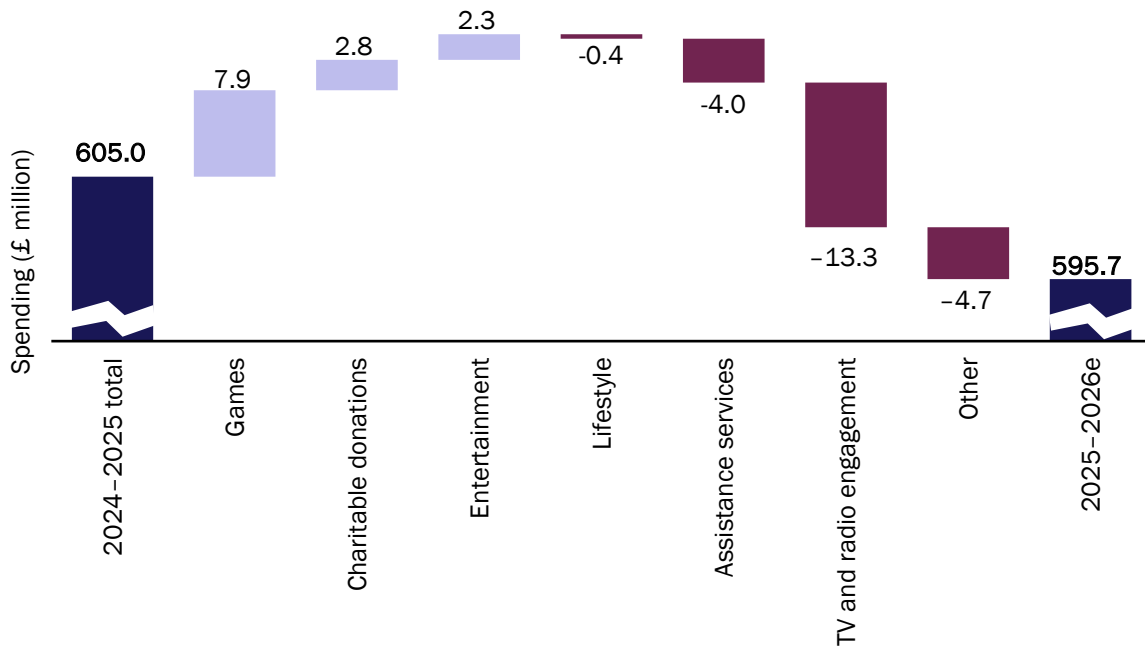
Source: Analysys Mason and Ofcom

Figure 6.6 provides a breakdown of the changes in user spending for key service categories between 2024–2025 and estimates for 2025–2026. The key trends are outlined below:

- Consumer spending on games is expected to increase by £7.9 million (+4.0% year on year), reaching £205.2 million.** This growth is expected to be driven by games downloaded from app stores. Google updated business terms for Google Play in the UK in March 2025, allowing developers to link to external payment systems. As a result of this change, developers are now able to direct customers to purchase options outside Google Play and accept payments using third-party payment options. Apple has implemented similar changes in the EU region but not in the UK. Gaming spending through operator billing is somewhat vulnerable to the impacts of any potential ruling, considering the precedent set by Fortnite, which offered discounts on in-game credits purchased outside of app stores (a strategy that enabled it to bypass the revenue shares typically taken by Apple or Google). On the other hand, spending on games could benefit from proposed changes to transaction limits if the UK were to align with proposed changes for PSD3 (which could increase the maximum size of a phone-paid transaction from EUR50 to EUR60). This adjustment would likely be significant as many games on the PlayStation or Xbox stores cost more than the current £40 limit.

- **Charitable donations are expected to increase by £2.8 million (8.0% year on year) in 2025–2026, reaching £37.5 million** (as discussed in Section 6.3 above).
- **Entertainment services spending is expected to grow by £2.3 million (+2.4% year on year), reaching £101.6 million in 2025–2026.** Growth is expected to be driven by the continued popularity of streaming services, with some customers being likely to bundle these services with mobile subscriptions. Some service providers, such as Netflix and Spotify, raised their prices in recent years. This might lead other platforms to increase their prices too, resulting in higher average spending per user.
- **Consumer spending on TV and radio engagement is expected to decline by £13.3 million (–9.1% year on year), reaching £132.0 million in 2025–2026.** One reason for this decrease is the declining viewership of competitions as customers move to on-demand online platforms. Both TV and radio are affected by this change, but the effect is more pronounced for the TV audience. As online alternatives like Omaze, Raffle House and BOTB (Best of the Best) offer higher-value prize pots, broadcast competitions are experiencing declining participation from their remaining audience. Some broadcasters have partially mitigated this impact by introducing higher prize pots in their competitions as well, but this approach has not been adopted universally. Some one-off events caused revenue to decline in 2024–2025, such as Easter falling outside the 2024–2025 period and the indefinite pause of ITV’s Saturday Night Takeaway. Since both factors will not affect revenue in 2025–2026, the decline in revenue is expected to slow compared to the previous year.
- **Spending on assistance services is estimated to decline by £4.0 million in 2025–26, while spending on other services including betting, gambling and lotteries, sexual entertainment, and personal and relationship services, will decline by £4.7 million.** Assistance services are expected to continue to decline due to the impact of ICSS regulation and the rise in access charges for services delivered through voice 09 numbers. In addition, there is a continued decline of customers from voice 09 and voice 087 channels. The closure of the BT RIDE platform in 2025–2026 will accelerate the decline of voice services. Sexual entertainment services are expected to decrease by £2.1 million as users generally shift towards online platforms and different payment mechanisms, particularly for legacy services through premium SMS or voice-based payment channels. Spending on betting, gambling and lotteries is expected to remain largely stable with a £0.1 million decline year on year. Merchants are staying away from this market due to its inherent risk, regulatory pressure and limits set by The Payment Services Regulation.

Figure 6.6 Change in end-user spending (excluding VAT), by service category, UK, 2024–2025 to 2025–2026e (estimated)²⁶



Source: Analysys Mason and Ofcom

²⁶ This chart shows the total spending in 2024–2025 on the left-most bar and the total spending in 2025–2026e on the right-most bar. Bars in between show growth (in light purple) or decline (in dark red) in spending by service category.

7. The phone-paid services market beyond 2025–2026

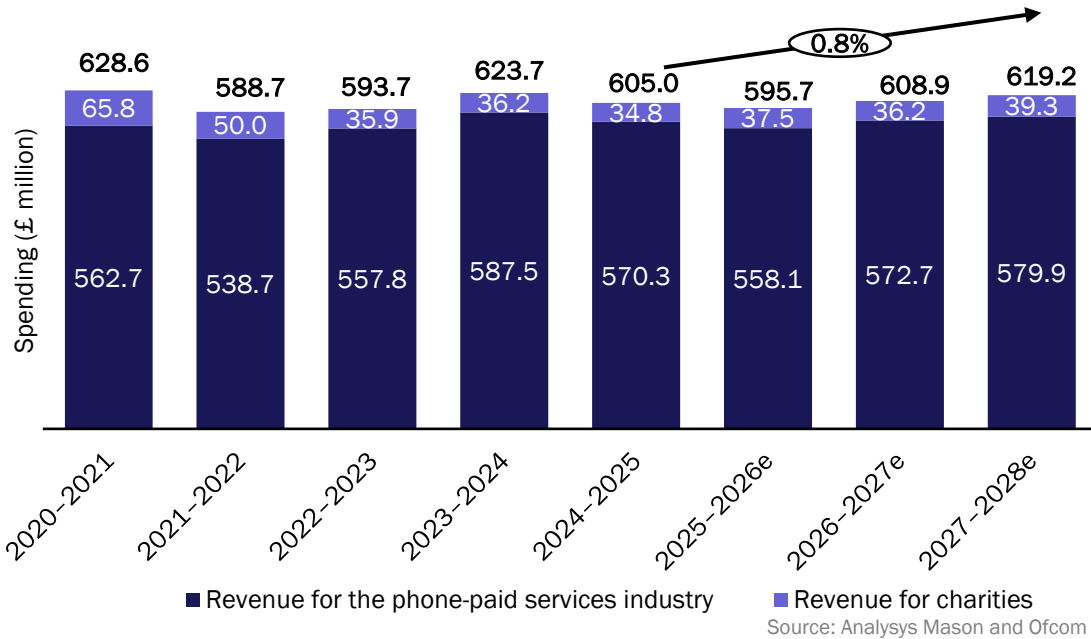
The phone-paid services market is projected to grow at a compound annual growth rate (CAGR) of 0.8% between 2024–2025 and 2027–2028, reaching £619.2 million in user spending by the end of the forecast period. Of this, £579.9 million is expected to represent non-charity industry revenue. Growth is likely to be primarily driven by operator billing and charitable donations. Operator billing is expected to benefit from the launch of new games, while charitable donations are forecast to grow as consumers gradually recover from the cost-of-living crisis, supporting a rise in recurring contributions. In contrast, spending across all other payment channels is expected to decline. Premium SMS is forecast to decrease at a CAGR of –3.9% over the same period, reflecting the ongoing migration of users to online platforms. As in previous years, spending on voice services is also expected to continue its long-term decline, as these legacy services consolidate around a shrinking core user base.

7.1 Future evolution of consumer spending

Consumer spending on phone-paid services is forecast to grow from £595.7 million in 2025–2026 to £608.9 million 2026–2027 (+2.2% year on year), and to £619.2 million (+1.7% year on year) in 2027–2028.

As shown in Figure 7.1 below, charitable donations are expected to increase in 2025–2026 to £37.5 million (+8.0% year on year), decrease to £36.2 million in 2026–2027 (–3.5% year on year) and increase again to £39.3 million in 2027–2028 (+8.5% year on year). Non-charity spending is expected to decline to £558.1 million in 2025–2026 (–2.1% year on year), but then grow to £572.7 million in 2026–2027 (+2.6% year on year) and £579.9 million in 2027–2028 (+1.3% year on year). This growth is driven by an increase in spending via operator billing, which offsets the decline in all other payment channels from 2026–2027 onwards.

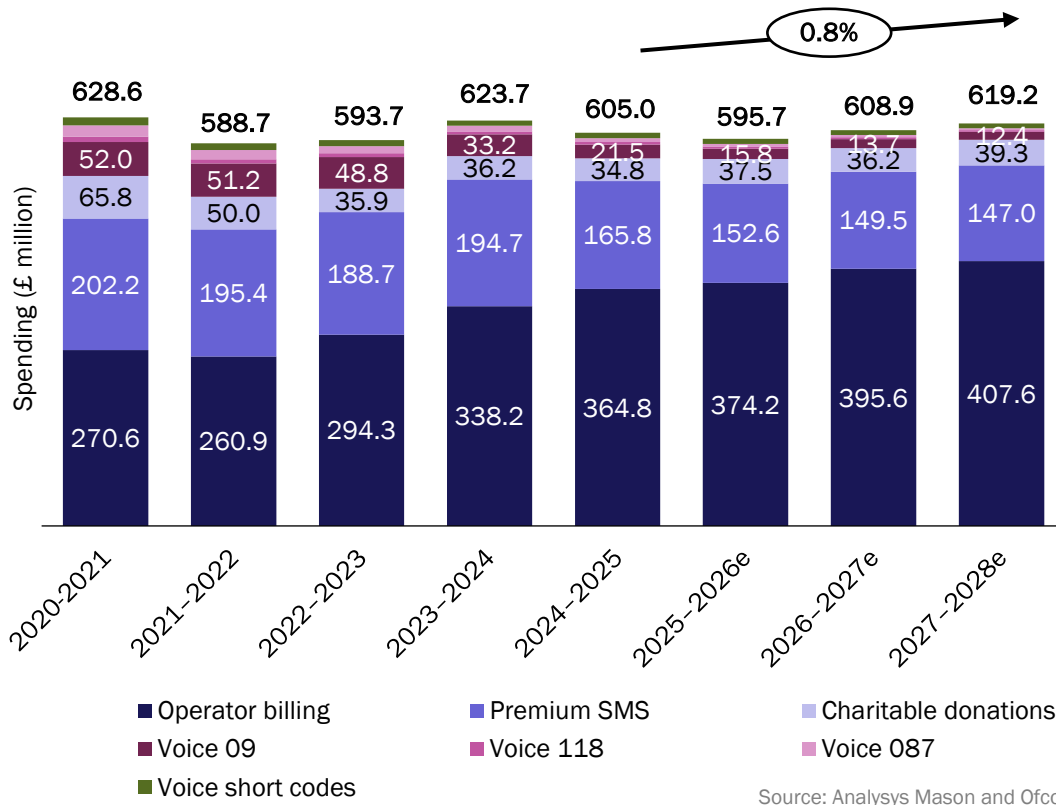
Figure 7.1 End-user spending (excluding VAT) on phone-paid services, UK, 2020–2021 to 2027–2028e (estimated)



7.2 Spending by channel

Operator billing is expected to remain the largest segment by spending in the phone-paid market, representing 65.0% (£395.6 million) of total market spending in 2026–2027 and 65.8% (£407.6 million) in 2027–2028. The proportion of spending on premium SMS has fallen in recent years and is expected to account for 24.6% (£149.5 million) of total market spending in 2026–2027 and 23.7% (£147.0 million) in 2027–2028. Charitable donations increase every other year and are expected to represent 5.9% of total market spending in 2026–2027 and 6.3% in 2027–2028. Spending on voice-based channels is declining and represents 4.5% of total market spending in 2026–2027 and 4.1% in 2027–2028. Figure 7.2 provides a breakdown of consumer spending by payment channel.

Figure 7.2: End-user spending (excluding VAT) by payment channel, UK, 2020–2021 to 2027–2028e (estimated)



The key changes within each spending channel and their respective drivers are detailed below:

- Operator billing spending is expected to grow at a CAGR of 3.8% between 2024–2025 and 2027–2028, reaching £407.6 million.** Spending via operator billing is expected to increase significantly in 2026–2027, with +5.7% year on year growth. This is primarily driven by growth in games and entertainment, partly due to the scheduled launch of Grand Theft Auto VI (GTA6) in May 2026, as announced by Rockstar Games on 2 May 2025. This is a delayed release as the game was supposed to be released in 2025. Due to the wide popularity of this game and the growing anticipation, we expect to see a spike in spending on in-game purchases and credit top-ups. Additionally, the ongoing popularity of streaming services will result in continued growth within the entertainment segment. However, as the operator billing partnerships between Apple and Vodafone, as well as Three, have matured, their impact on increased spending is diminishing and is not expected to significantly influence the forecast. Lifestyle services are expected to remain relatively stable, with the growth of newer fitness services beginning to slow. The recently completed merger between Vodafone and Three in 2025 is not anticipated to affect spending on operator billing in the short or medium term, although it causes some uncertainty in our forecast. Similarly, any changes to app store rules following the ruling regarding the Apple App Store could have a negative effect on operator billing spending, as it may cause a share of operator billing spending to move to other (non-phone paid) payment channels. On the other hand, there is the potential for an increase in transaction limits if the UK follows the EU’s proposed changes to its PSD2 regulation ²⁷; an increase in transaction limits to £50 or even £100 per

²⁷ The UK is not legally bound to adopt any changes made to the EU’s Payment Services Directive. However, the global nature of the payments sector might put pressure on the UK to align itself with PSD3 and thereby could potentially affect industry players in UK.

transaction could increase operator billing spending by enabling a broader range of goods of services to be sold using this payment channel.

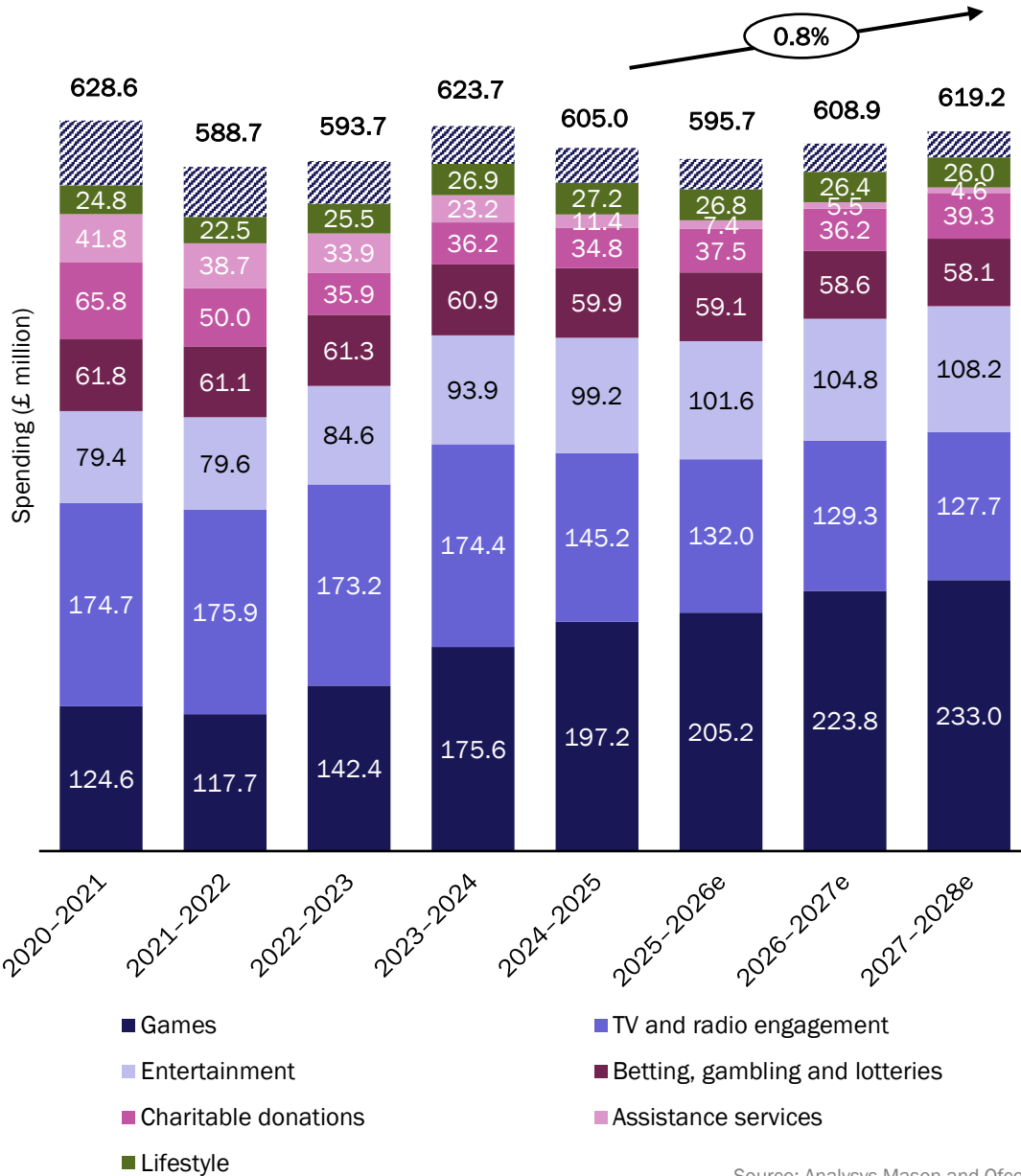
- Spending via premium SMS is expected to decrease at a CAGR of –3.9% between 2024–2025 and 2027–2028, reaching £147.0 million.** Spending on premium SMS declined in 2024–2025 partly due to the indefinite pausing of ITV's Saturday Night Takeaway, Easter competitions falling outside of the 2024–2025 financial year (as Easter occurred in March 2024 and April 2025) and customer transition to online platforms. The decline is expected to be less severe as the one-off factors (ITV Saturday Night Takeaway and Easter season) are removed. Customers are transitioning to online platforms for competitions due to higher efficiency and larger prize pots, and this trend is likely to continue in future. However, the effect of this transition is likely to be slower as TV and radio competitions are expected to introduce higher prize pots to compete with online alternatives. All other segments, including games and entertainment, are expected to decline throughout the forecast period. The prices for premium SMS services in competition entries have been increasing in the past few years. If this trend continues, it may partially offset the declining user base in this channel.
- Charitable donations are expected to increase in 2025–2026, fall in 2026–2027 and again increase in 2027–2028, reaching £39.3 million.** These fluctuations follow the biennial schedule of Stand Up to Cancer, which did not happen in 2024–2025 but will happen in 2025–2026, and in 2027–2028. Other telethons are also likely to attract increasing donations, given the slight positive momentum of telethons in 2024–2025. Accurately predicting telethon donation totals is becoming increasingly uncertain, as telethon audiences are heavily influenced by factors such as the celebrities hosting these events, or a lack of competing TV shows. Occurrence of geopolitical or macroeconomic events in the coming years could also affect charitable donations, as seen in previous years with the likes of the BBC Big Night In (for Covid-19) or the Concert for Ukraine (in response to Russia's invasion of Ukraine). Recurring donations are expected to increase in the coming years as the effect of the cost-of-living crisis gradually recedes in the UK.
- Consumer spending via voice-based channels is expected to continue to decrease.** Voice-based payment channels for legacy services are gradually being discontinued in favour of more cost-efficient alternatives, such as digital and online platforms. Voice 09 continues to remain the largest voice channel by user spending, but is expected to decline at a CAGR of 16.6% between 2024–2025 and 2027–2028. One of the reasons for this decline is the rise in access charges for this channel in 2023–2024, which is expected to further reduce its user base in the coming years. With the upcoming termination of the BT RIDE platform in 2025–2026, spending on voice channels is expected to decline more rapidly. Additionally, the impact of ICSS regulation implemented by the PSA in 2023–2024 is also expected to decrease spending via this channel. The decline in voice 09 is gradually slowing as the service is now mainly used by core users. This follows the loss of users from the BT Ride platform and the impact of increased access charges. Similar factors are expected to cause the decline of voice 087 services, decreasing at a CAGR of 21.4% between 2024–2025 and 2027–2028. Similarly, user spending on voice 118 is declining at a CAGR of 10.9% and spending on voice short codes is declining at a CAGR of 4.9% between 2024–2025 and 2027–2028.

7.3 Spending by service category

Games are anticipated to continue to be the largest service category by spending, accounting for 37.6% of total market spending in 2027–2028. TV and radio engagement will continue to be the second-largest category by spending, representing 20.6% of total spending in 2027–2028. The third-largest category is entertainment, accounting for 17.5% of total market spending in 2027–2028; this category is expected to grow at a CAGR of 2.9% between 2024–2025 and 2027–2028. Charitable donations are expected to experience growth every other

year due to the biennial nature of this segment, as discussed above. Spending on other services such as betting, gambling and lotteries, assistance services, and competitions and quizzes will continue to decline over the forecast period, as shown in Figure 7.3.

Figure 7.3: End-user spending (excluding VAT), by service category, UK, 2020–2021 to 2027–2028e (estimated)



The key trends by service category are explained below.

- Spending on games is expected to grow to £233.0 million by 2027–2028, representing a 5.7% CAGR between 2024–2025 and 2027–2028.** Games remain the largest service category by spending and also the largest category in terms of absolute growth between 2024–2025 and 2027–2028. Spending on games is expected to grow by +4.0% year on year in 2025–2026, +9.1% year on year in 2026–2027 and +4.1% in 2027–2028. The increase in spending in 2026–2027 is linked to the launch of GTA6 in May 2026. The release of this game is anticipated to lead to an increase in spending on in-game purchases and credit top-

ups, and this effect may be more significant if The Payment Services Regulations transaction limits are revised to allow for bigger transactions (as it is, GTA6 is likely to cost significantly more than the £40 transaction limit for phone-paid services, in line with industry standard pricing, so purchasing the game through operator billing would only be an option if the UK was to increase transaction limits to a greater extent than the currently proposed PSD3²⁸ changes in Europe). As discussed previously, there is also uncertainty in spending growth on games downloaded from app stores, as a result of potential rulings regarding third-party payment options.

- **Entertainment spending is expected to increase to £108.2 million in 2027–2028.** Spending on entertainment is increasing although at a slowing pace, representing a 2.9% CAGR between 2024–2025 and 2027–2028. This growth is primarily driven by continued growth in entertainment subscriptions. With the growing popularity of streaming services, customers are likely to adopt bundling of these services with mobile subscriptions in the coming years, thereby driving spending in this category. Future price rises are expected to increase the average spending per user as popular music and video services such as Spotify and Netflix have been increasing their prices in recent years, which could potentially lead to an industry-wide trend.
- **Spending on TV and radio engagement is estimated to reach £127.7 million in 2027–2028, with a –4.2% CAGR between 2024–2025 and 2027–2028.** TV and radio engagement is expected to decline for the same reasons as in 2025–2026, with a continuation of trends in the coming years. This decline is primarily driven by the transition of competition customers from TV and radio competitions to online alternatives. Digital streaming services for music (e.g. Spotify) and video (e.g. Amazon Prime Video, Netflix, Disney+) are continuing to gain popularity. As a result, TV and radio broadcasters have moved towards launching their own digital services (e.g. ITVX and Global Player), with smaller live audiences that participate in broadcaster competitions. Broadcasters have also shifted to their own online competition platforms, which offer better support for digital payment methods (e.g. Apple Pay, Google Pay, PayPal) compared to phone-paid services, leading to a decline in user spending via phone payments. Additionally, there is continued competition from online alternatives such as Omaze, Raffle House and BOTB (Best of the Best), though we anticipate broadcasters will continue to increase the size of their own prize pots and marketing budgets in response, which will mitigate the decline in spending. Consumer spending is expected to decline by 9.1% year on year in 2025–2026, followed by a decline of 2.0% in 2026–2027 and a decline of 1.3% year on year in 2027–2028.
- **User spending on all other services will decline, continuing the trend from previous years.** Legacy services are expected to decline as they now primarily cater to their core user base. Betting, gambling and lotteries are expected to decline at a consistent rate (CAGR of –1.0% between 2024–2025 and 2027–2028). User spending on lifestyle services is expected to decline at a CAGR of –1.5% in the period between 2024–2025 and 2027–2028.

²⁸ The UK is not legally bound to adopt PSD3. However, the global nature of the payments sector might put pressure on the UK to align itself with PSD3 and thereby could potentially affect industry players in UK.

8. Consumer analysis

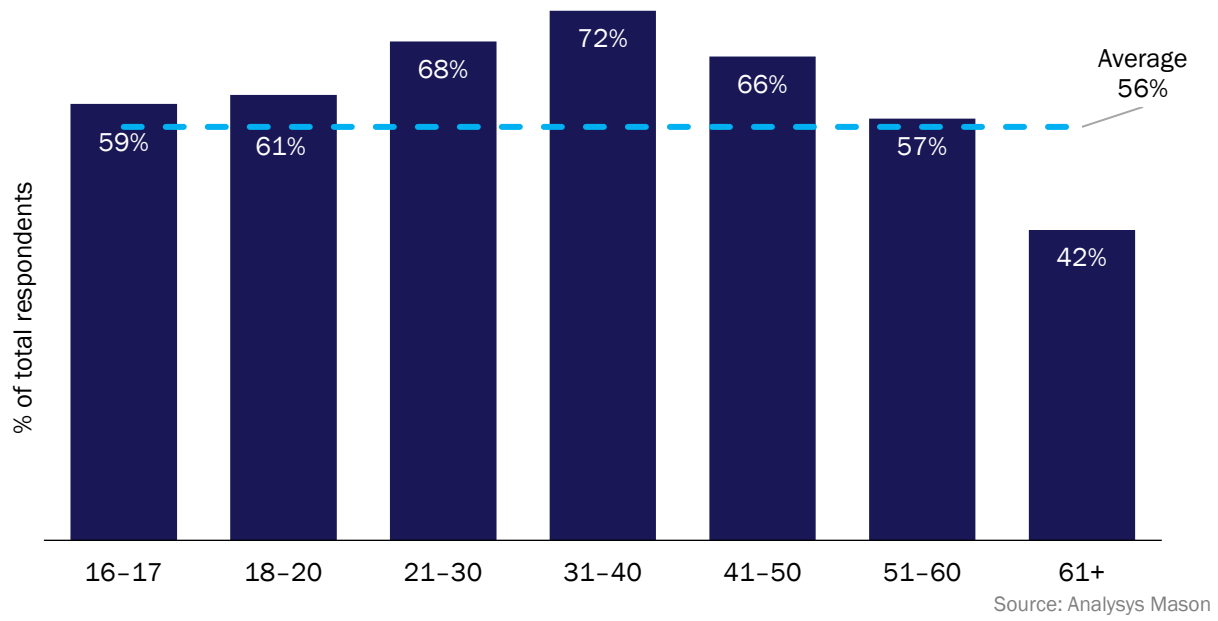
This year's survey of 8970 UK consumers aged 16 and over found that around 56% of respondents used phone-paid services in 2024–2025. As in previous years, key drivers of use were convenience, affordability, and impulse purchasing. Around 26% of users reported issues, consistent with last year. The most common problems were difficulty with access or use, misleading advertising, and pricing concerns. The services with the highest levels of reported problems remained unchanged: sexual entertainment, connection services, and personal and relationship services. A significant positive shift was the Net Promoter Score (NPS), which rose from –24 in 2023–2024 to –8 in 2024–2025. Three service categories recorded a positive NPS: entertainment (+12), charitable donations (+4) and lifestyle (+2), all improving on last year's scores. Contextual factors may have played a part in this shift. This year, the survey identified Ofcom – rather than the PSA – as the commissioning body, which may have influenced respondents' likelihood to recommend services. Other possible contributors could be relative easing of cost-of-living concerns, the timing of when the survey was conducted (March and April, as opposed to within March in previous years), or simply due to exceptionally good weather experienced by the UK this year.

8.1 Demographics

We surveyed 8970 individuals aged 16 and over in the UK. The survey was conducted online, as in previous iterations of the report. This methodology may result in some degree of bias, as the sample is likely to disproportionately represent individuals who engage with digital content and services. As a result, the survey's reported penetration rate for phone-paid services may exceed the actual rate within the wider UK population. Although efforts were made to ensure consistency across age, gender and regional representation, the respondent sample may still diverge from the national population due to uncontrollable factors such as participants' availability and their likelihood of encountering the survey. Results in this section should be considered in the context of a margin of error.

Our survey found that around 56% of respondents used phone-paid services in 2024–2025. Penetration of phone-paid services has dropped in 2024–2025 by around 4 percentage points relative to penetration rates of 61% in 2023–2024, 62% in 2022–2023 and 60% in 2021–2022, though is somewhat explained by a slight over-representation of individuals aged 61 and over in our sample relative to national representation, and the samples from previous years.

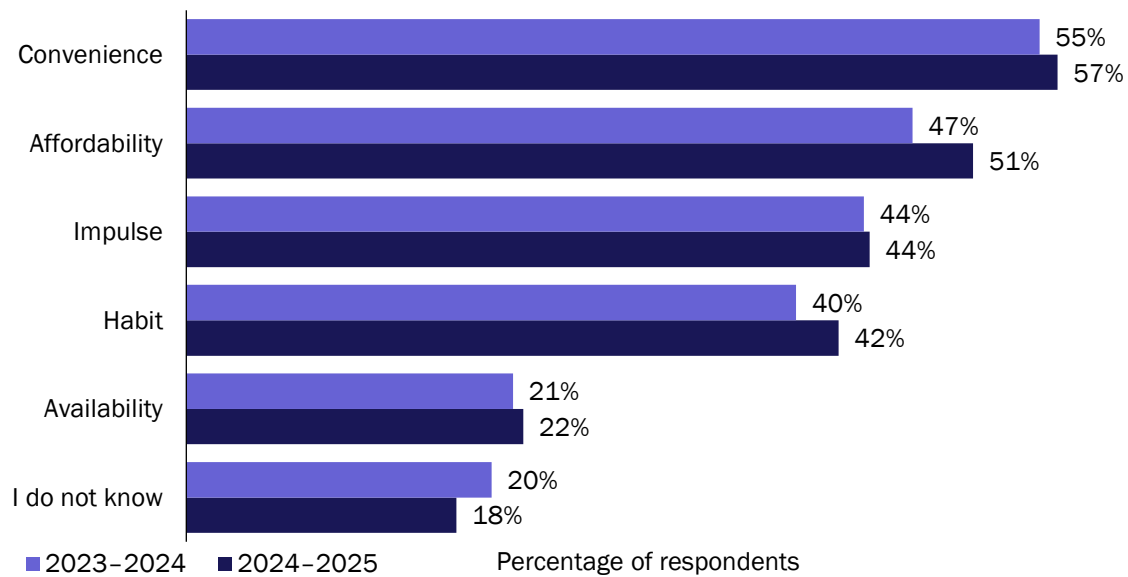
The penetration rate by age group is shown in Figure 8.1 and has a greater spread compared to the previous year. Penetration in the 16–17 age group rose to 59% in 2024–2025, compared to 55% in 2023–2024. This is likely due to the growth in service categories such as games and entertainment via operator billing, which are popular among younger people. Penetration has decreased across all other age groups, with the most significant declines observed among the 18–20 and 21–30 age groups – each dropping by approximately 7 percentage points year on year. As in previous years, the 61+ age group had the lowest penetration rate, at 42% (down from 47% in 2023–2024).

Figure 8.1: Penetration of phone-paid services, by age group, UK, 2024–2025²⁹

8.2 Drivers of use

Figure 8.2 shows the key drivers of phone-paid services usage cited by respondents in 2024–2025. Similar to last year, convenience remains the leading driver reported in 2024–2025 (57% in 2024–2025 compared to 55% in 2023–2024). Affordability has emerged as the second most popular reason for using phone-paid services, as cited by 51% of respondents in 2024–2025, up from 47% in 2023–2024. The increase in affordability as a driver is in line with views from the industry that customers are less concerned by the cost-of-living crisis relative to previous years, but may also reflect changing consumer behaviour prompted by the crisis, with phone-paid services used as an alternative to other more costly services (e.g. subscribing to an entertainment service as opposed to going out to the cinema). Impulse purchasing became the third-most popular answer (44% in 2024–2025 and 2023–2024). All other drivers have retained similar popularity among the respondents with 1–2 percentage point variations from the previous year.

²⁹ Question: “Based on your understanding of phone-paid services, which of the following categories of services have you used and paid for via your mobile phone bill or landline phone bill over the last 12 months?” [multiple choice] (n = 5041).

Figure 8.2: Drivers of phone-paid service use among phone-paid service users, UK, 2023–2024 and 2024–2025^{30,31}

Source: Analysys Mason

8.3 Problems and impact

Key problems encountered

In 2024–2025, 26% of users reported issues with at least one service, compared to 25% in 2023–2024 and 24% in 2022–2023. This number is roughly consistent with the overall complaint level since 2018 (which was around 25%, so the difference is within the margin of error for our survey).

Industry stakeholders interviewed for this market review have reported that they have received minimal complaints by phone-paid users (in line with what was mentioned in 2023–2024), and user confidence was felt to have remained steady in recent years. However, some participants expressed concerns about the temporary loss of the PSA’s service checker in the regulatory transition from PSA to Ofcom (though Ofcom has now introduced a number checker on its website), which may have posed a challenge for customers when seeking to enquire about a charge on their bill.

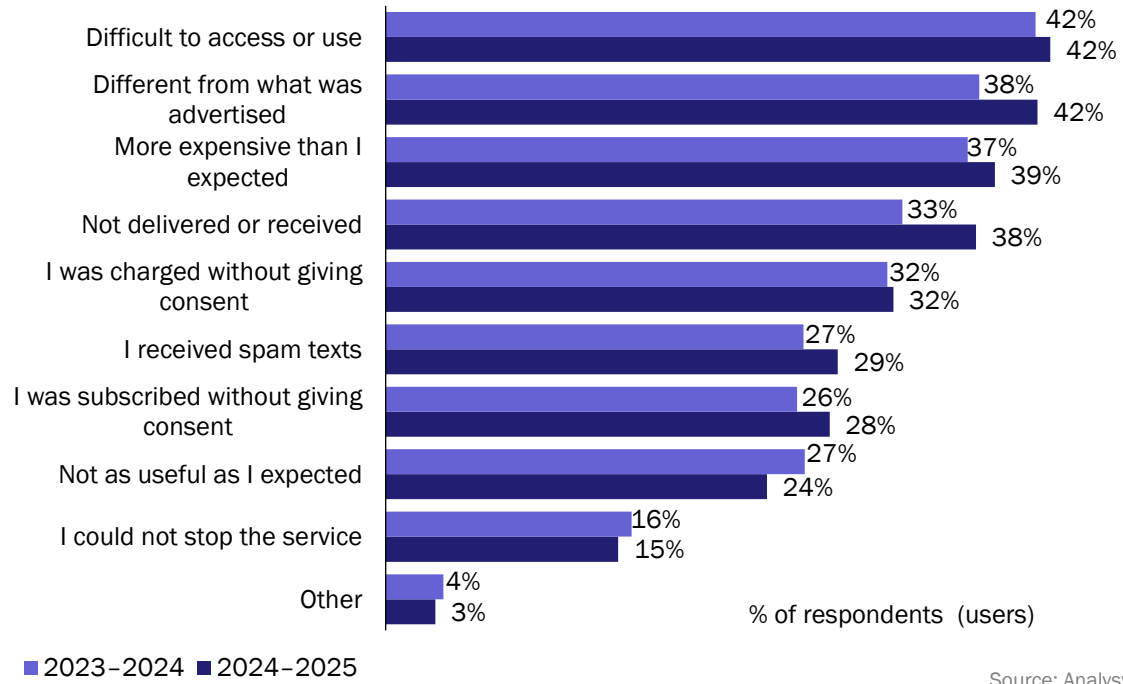
Difficulty in accessing or using phone-paid services remains the most commonly reported problem (about 42% both in 2024–2025 and 2023–2024). Differences between the service advertised and the service actually received was an issue faced by ~42% of users as well, making it just as common an issue as difficulties in accessing or using the services (42% in 2024–2025, compared to 38% in 2023–2024). The third-most commonly reported problem was related to price misconceptions or ambiguity, where users found the service to be more expensive than they had expected (39% in 2024–2025 compared to 37% in 2023–2024). Another issue was the service not being delivered or received, which was selected by 38% of respondents in 2024–2025, compared to 33% in 2023–2024. There was an increase in instances where services were either not received or differed from what was advertised. These three causes were also the top problems encountered by users last year, suggesting that there has been a sustained lack of clarity between consumers and service providers. Better messaging in

³⁰ Question: “Why did you use the service/content?” [multiple choice] (n = 5041; only respondents who have used the listed phone-paid services in the past 12 months)

³¹ Bars may have different heights while labelled with the same total value, due to rounding (applies to this and following charts)

advertising and clearer signposting are likely to support the remediation of these service-related issues. Figure 8.3 shows a breakdown of respondents’ problems with phone-paid services in 2023–2024 and 2024–2025.

Figure 8.3: Breakdown of the problems encountered by respondents, UK, 2023–2024 and 2024–2025³²



Source: Analysys Mason

Figure 8.4 shows the proportion of respondents who encountered a problem, broken down by service category. Sexual entertainment remains the service category with the highest proportion of respondents reporting issues in 2024–2025, at 33% (same as in 2023–2024). This was followed by connection services (27% in 2024–2025, compared to 31% in 2023–2024) and personal and relationship services (27% in 2024–2025, compared to 30% in 2023–2024). These top-three categories for problems encountered remain the same as last year, with marginal improvements in 2024–2025. Most other categories experienced an increase in the proportion of users reporting problems this year. The most notable rise was in the information, news and education category, which experienced a 5 percentage point year on year increase (18% in 2024–2025, compared to 13% in 2023–2024). Other categories with a substantial increase included games, with 23% of respondents reporting issues in 2024–2025 compared to 21% in 2023–2024, and lifestyle services, with 17% of respondents reporting issues in 2024–2025 compared to 13% in 2023–2024.

³² Question: “Can you please identify from the following what this (these) problem(s) was (were)?” [multiple choice] (n = 1325; only respondents who have used the listed phone-paid services in the past 12 months and encountered a problem with at least one service).

Figure 8.4: Share of respondents that encountered a problem, by service category, UK, 2023–2024 and 2024–2025³³

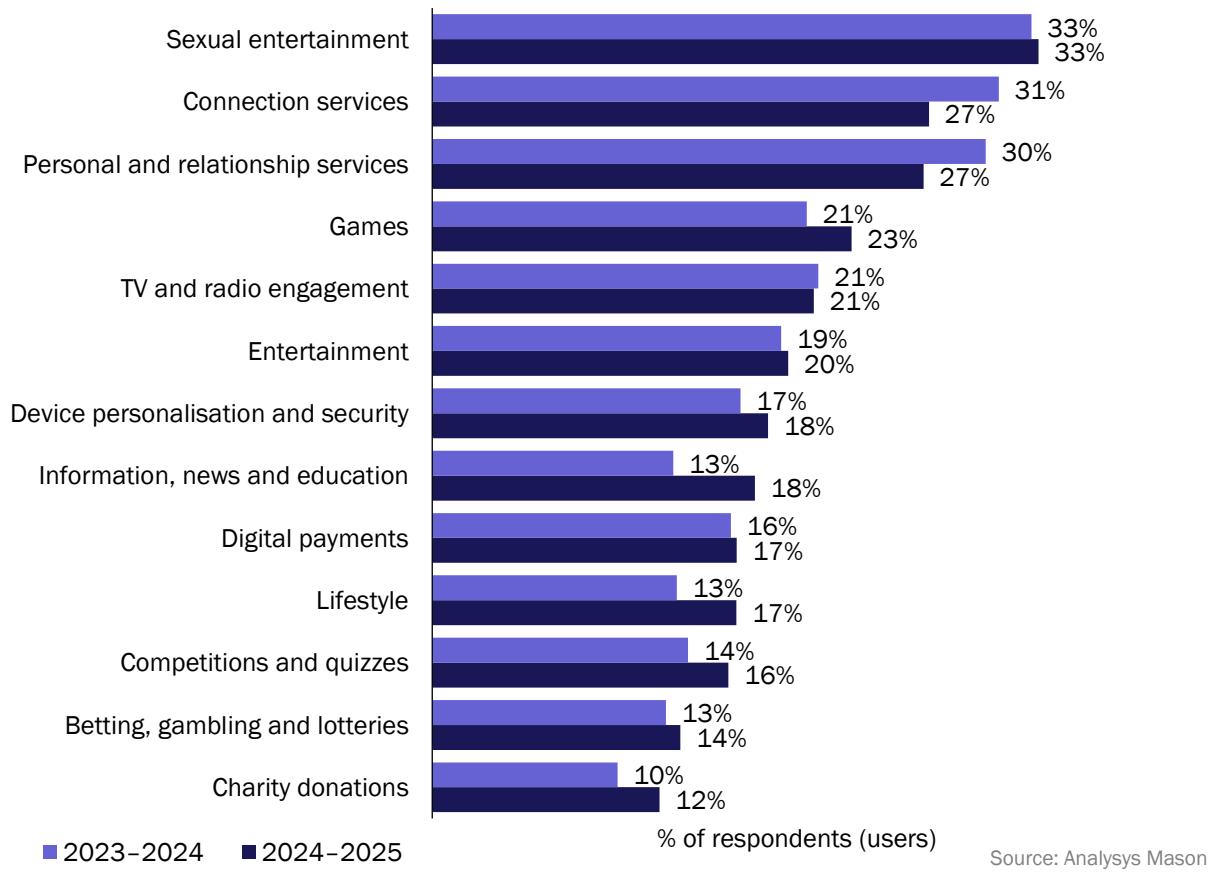
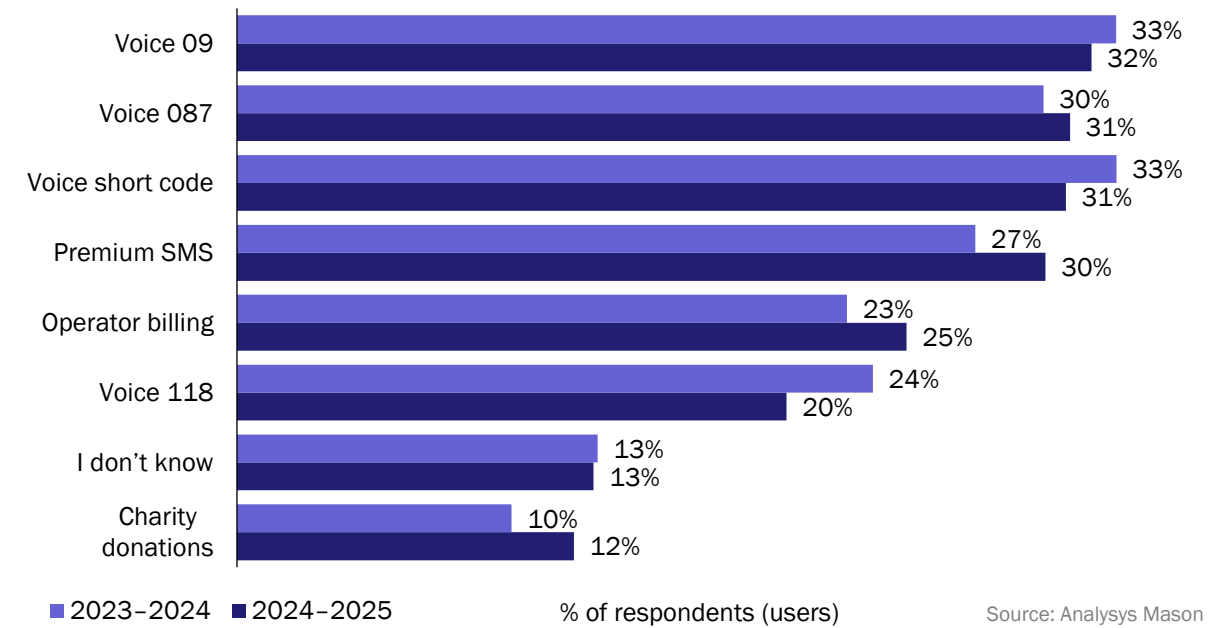


Figure 8.5 shows the share of respondents encountering problems with using phone-paid services, broken down by spending channels. Consistent with trends from previous years, voice-based channels continue to have the highest proportion of users reporting issues. Voice 09 was selected by the largest proportion of respondents, at 32%, in 2024–2025 (compared to 33% in 2023–2024). This is followed by voice 087 at 31% in 2024–2025 (compared to 30% in 2023–2024) and voice short codes at 31% in 2024–2025 (compared to 33% in 2023–2024). In 2024–2025, the proportion of respondents reporting issues with premium SMS rose to 30%, up from 27% in 2023–2024. Operator billing also showed a modest increase, at 25% in 2024–2025 compared to 23% in 2023–2024. Although voice channels are still the leading categories in terms of issues faced by people, issues with premium SMS have been reported by a similar proportion of respondents this year.

³³ Question: “Have you experienced any problem(s) when using the service in the past 12 months?” (n = variable (max 5041); respondents who have used any phone-paid service from the listed categories in the past 12 months).

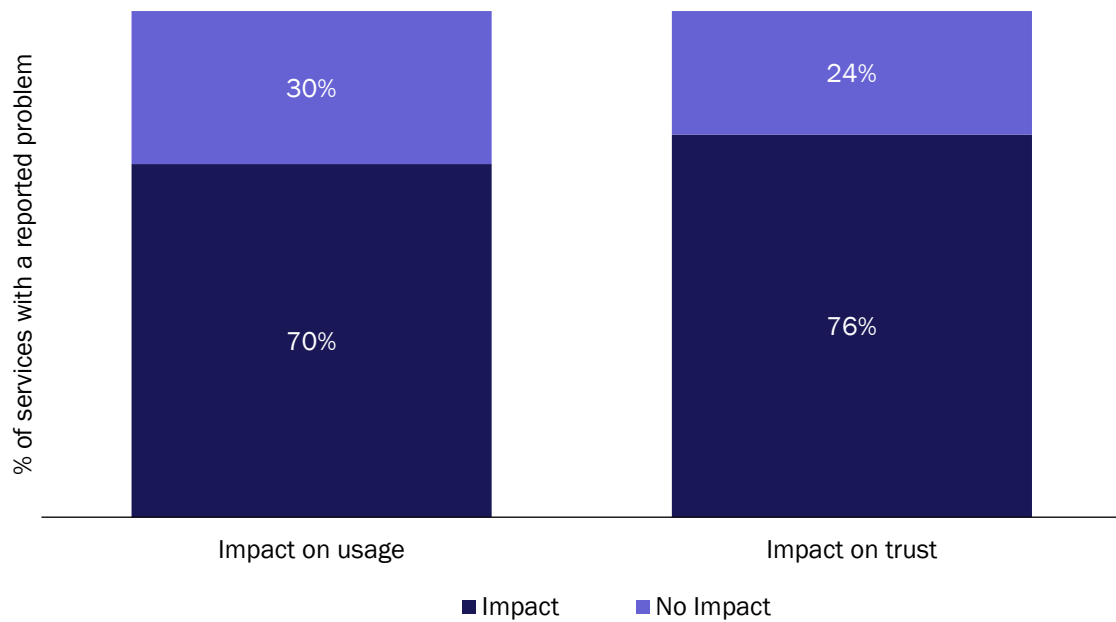
Figure 8.5: Share of respondents that encountered a problem, by spending channel, UK, 2023–2024 and 2024–2025



Effect of problems on usage and trust

Figure 8.6 shows that 76% of respondents reported an impact on trust in a phone-paid service after experiencing an issue with that service, a slight improvement from 77% in 2023–2024. Similarly, 70% reported a decrease in usage following service-related problems, down from 74% in 2023–2024. This may indicate a growing proportion of core users among the overall base of phone-paid service consumers.

Core users tend to be more resilient when encountering issues, which could explain the slight improvement in trust and usage metrics. Additionally, users might be becoming more tolerant of issues due to the overall benefits received such as convenience and affordability, factors previously identified as key drivers of use.

Figure 8.6: Effect of a problem on a respondent's usage of, and trust in, a service, UK, 2024–2025³⁴

Source: Analysys Mason

8.4 Net Promoter Score (NPS)

Net Promoter Score (NPS) measures how likely customers are to recommend a product or service to others. It does not directly reflect customer satisfaction, as individuals may be satisfied with a service but still unwilling to recommend it for various reasons (e.g. niche relevance, perceived sensitivity – e.g. adult services, low emotional engagement).

To calculate NPS, respondents rate how likely they are to recommend each service to friends or family on a scale from 1 ('not at all likely') to 10 ('definitely'). Respondents scoring 9–10 are classified as promoters, while those scoring 1–6 are detractors. Scores of 7–8 are considered passive and excluded from the calculation. NPS is then calculated by subtracting the percentage of detractors from the percentage of promoters. In our survey, respondents were asked for their likelihood to recommend each individual service that they used.

Survey results show a significant improvement in NPS, rising to –8 in 2024–2025 from –24 in 2023–2024. Since Analysys Mason began conducting the survey seven years ago, NPS has remained relatively stable, with an overall NPS of –26 reported in three of the seven years, –24 reported in 2023–2024, –27 reported in 2020–2021 and –17 reported in 2019–2020. The 2024–2025 result is the most positive NPS recorded to date, suggesting a notable shift in user perception of phone-paid services, though overall NPS remains negative.

Three service categories achieved a positive NPS in 2024–2025: entertainment, donations and lifestyle. Entertainment remained the highest-rated category, with NPS rising significantly to +12 (from –1 in 2023–2024). Charitable donations followed, improving to +4 (from –10), while lifestyle rose to +2 (from –17).

Figure 8.7 shows that NPS improved across all other service categories in 2024–2025, with notable gains in several areas. Device personalisation and security rose to –5 (from –26), while connection services and

³⁴ Questions: "Has (have) this (these) problem(s) affected your level of trust in the service/content in the past 12 months?", "How has (have) this (these) problem(s) affected your usage of the service?" $n = 1325$; total number of services with which respondents encountered at least one problem.

information, news and education both improved to –10 (from –25 and –28, respectively). TV and radio engagement increased significantly to –16 (from –37), as did games, which rose to –13 (from –33). The largest year on year improvement was seen in sexual entertainment, with NPS increasing to –16 (from –35). NPS gains were observed across all channels, particularly voice-based channels. However, smaller sample sizes in some categories may lead to greater variability in results.

Figure 8.7: NPS by service category, UK, 2023–2024 and 2024–2025³⁵

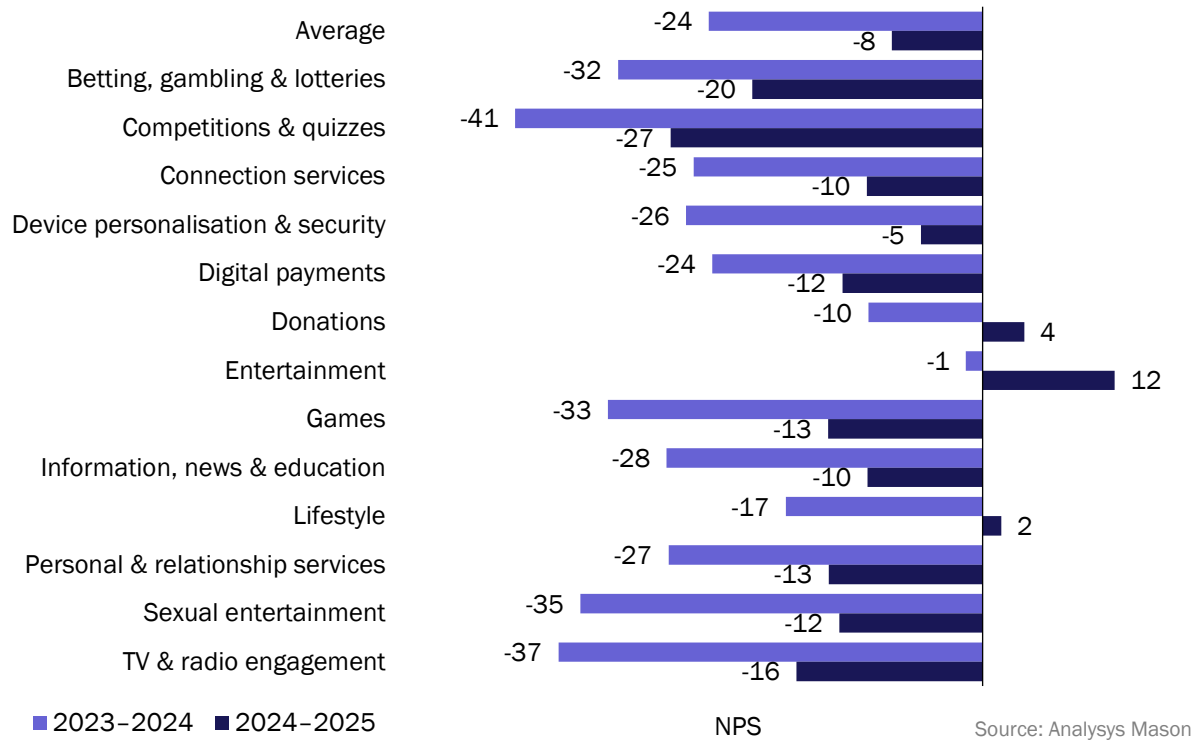
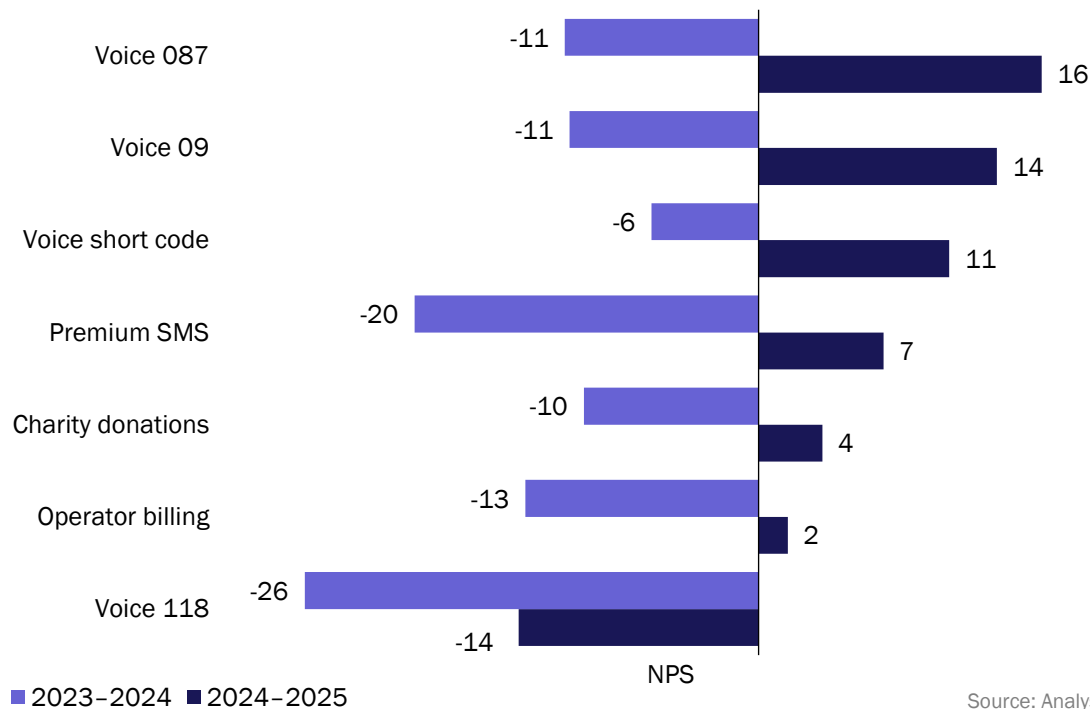


Figure 8.8 shows that all payment channels recorded an increase in NPS this year. Voice 087 had the highest score at +16, up from –11 in 2023–2024. Other voice channels also experienced strong gains: voice 09 rose to +14 (from –11), and voice short codes to +11 (from –6). Premium SMS recorded the largest improvement of any channel, reaching +7 (from –20). Operator billing improved to +2 (from –13). Voice 118 was the only channel with a negative NPS (–14), but still up from –26 last year. With the exception of Voice 118, voice-based channels now have the highest NPS scores – likely reflecting a core user base of long-term, engaged customers.

³⁵ Question: On a scale from 1 ('not at all likely') to 10 ('definitely'), how likely are you to recommend each service to friends or family members? (n = 5041; only respondents who have used the listed phone-paid services in the past 12 months). N value ranges from n=2123 for entertainment, to n=361 for sexual entertainment. Other categories with fewer than 1000 respondents include personal & relationship services (n=609), connection services (n=738) and device personalisation & security (n=876).

Figure 8.8: NPS, by spending channel, UK, 2023–2024 and 2024–2025



Source: Analysys Mason

Figure 8.9 compares the distribution of respondents' likelihood-to-recommend scores in 2024–2025 versus 2023–2024. The average score increased to 7.0, up from 6.5 last year and 6.4 in 2022–2023. A notable shift occurred in the most common responses: the most selected score in 2023–2024 was '5' (25%), but this fell to 20% in 2024–2025. Instead, '10' became the most selected score, rising from 15% to 23%, which was the main driver of the improved NPS. Scores of '9' also increased (from 8% to 10%), while fewer respondents chose '1' (5% versus 7% last year). Several additional factors may also have contributed to the higher NPS observed this year, including:

- **A change in the survey's introductory text**, which referenced Ofcom (rather than the PSA) as the regulator. Given Ofcom's greater public recognition, this may have increased user confidence, particularly for services perceived as less reputable.
- **Shifts in consumer mood** – such as reduced cost-of-living pressure – may have boosted some of the scores (e.g. from '6' to '7' or '8' to '9'), moving users out of detractor or into promoter categories.
- **The timing of the survey**, which ran across March and April this year (as opposed to March only last year), may have amplified these effects, perhaps due to the exceptionally good weather exacerbating improvements in consumer mood.

Figure 8.9: Likelihood of recommending a service, UK, 2023-2024 and 2024-2025

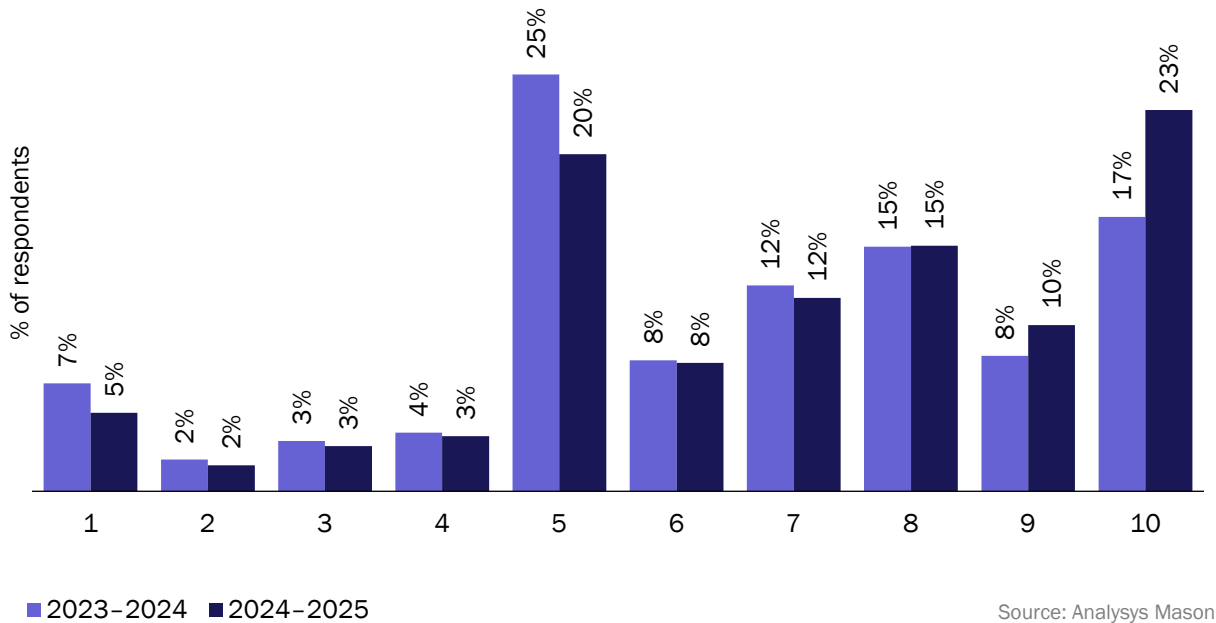
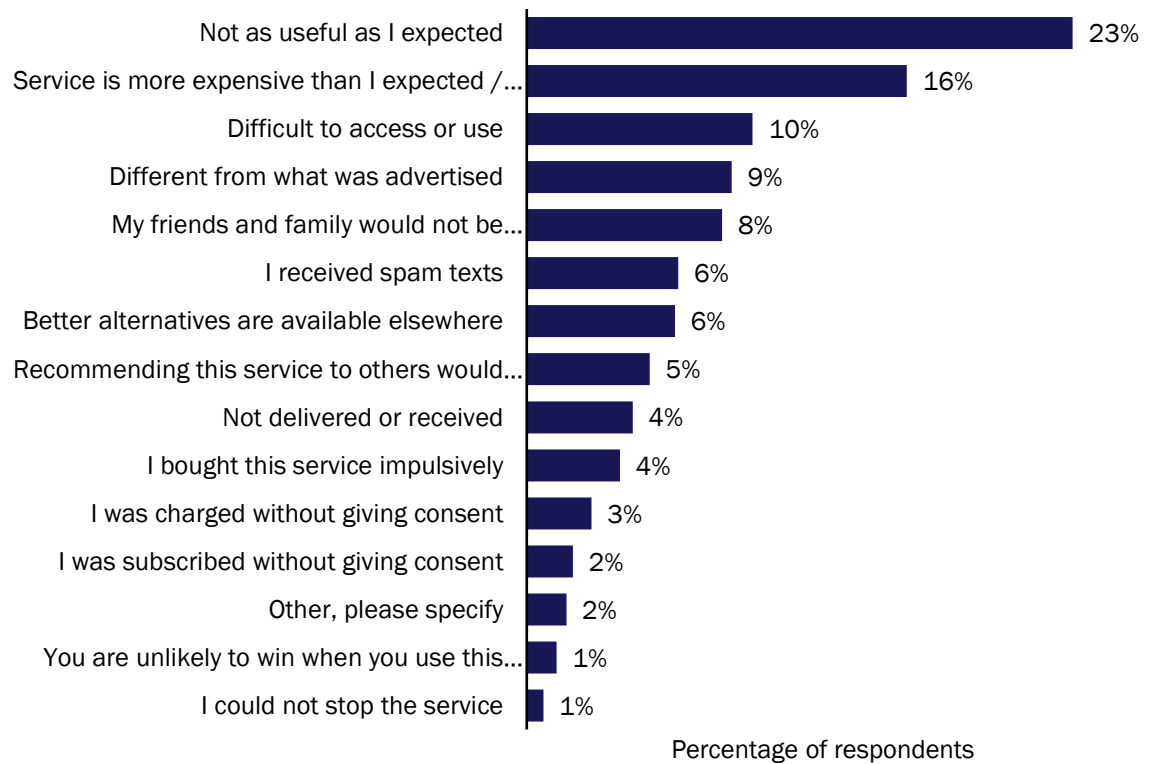


Figure 8.10 shows reasons given by users who rated phone-paid services below 4, along with context for the overall NPS. The most common reason, cited by 23% of respondents, was that the service was “not as useful as expected,” indicating many services are not recommended despite being problem-free. This was especially true for services accessed through voice short codes and voice 118 channels. The second most frequent reason was price, selected by 16%. This suggests that when users feel a service does not offer good value for money, they are less likely to give it a high NPS.

Figure 8.10: Reasons given for not recommending a service, UK, 2024–2025 ³⁶

Source: Analysys Mason

Figure 8.11 shows respondents' self-rated understanding of phone-paid services on a 1–10 scale. As in previous years, 10 remains the most common score, rising from 27% in 2023–2024 to 29% in 2024–2025. The average score stayed steady at 7.1, indicating a reasonable user understanding. Low scores (1–4) were reported by 13% of respondents, similar to last year.

Figure 8.12 shows respondents' convenience rating for paying via phone-paid services. Like understanding scores, 10 was the most common response. The average score was 7.7, consistent with 7.6 in 2023–2024 within the margin of error.

³⁶ Question: "For each of the services selected, why are you unlikely to recommend this service to friends or family members?" (n = 4430; only respondents who provided a score of 4 or below).

Figure 8.11: Level of understanding of phone-paid services, UK, 2023-2024 and 2024-2025³⁷

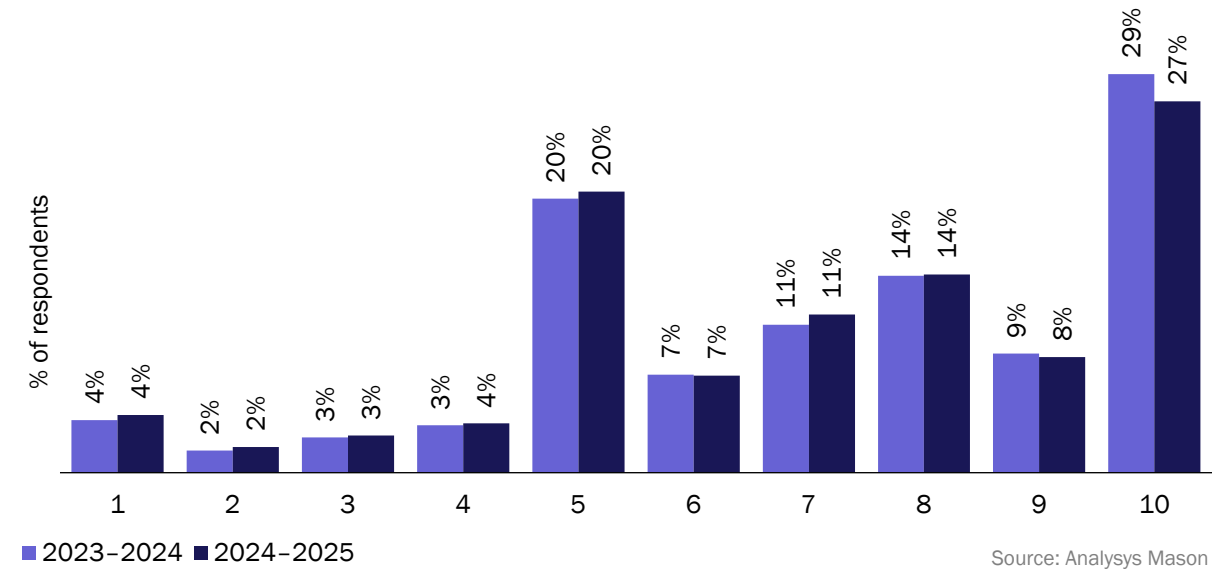
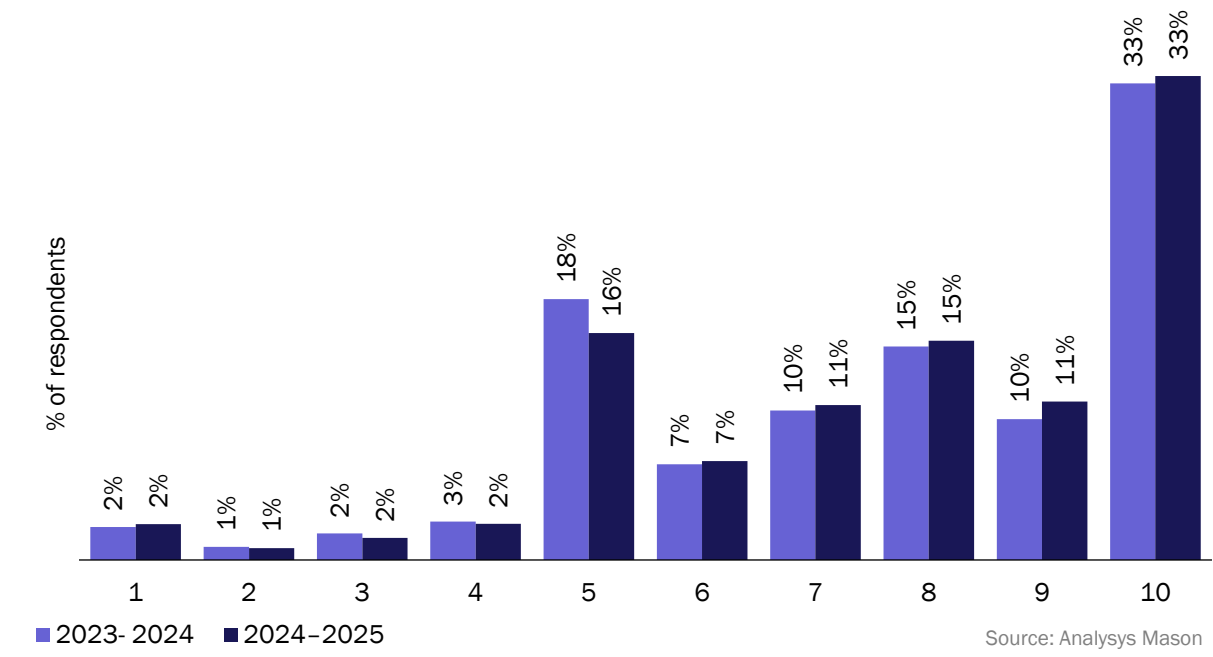


Figure 8.12: Perceived level of convenience of using phone-paid service, UK, 2023-2024 and 2024-2025³⁸



³⁷ Question: "On a scale of 1-10, how well did you understand the payment mechanism by which you paid for these services (i.e. how you would be charged for the service/content?) (n = 5041).

³⁸ Question: "On a scale of 1-10, how convenient was it for you to pay for this service using this payment mechanism?" (n = 5041).

Annex A Service taxonomy and data

This section contains a taxonomy of the phone-paid services assessed in this year’s market review, as well as additional market data on a per-service basis.

A.1 Service taxonomy

This annual market review uses the same service taxonomy that was used in the 2023–2024 report for most of the services, with minor changes made this year to reflect a more accurate description of some services. It includes 13 service categories that have been broken down into 48 service types.

Figure A.1: Taxonomy of phone-paid services, by service category and type, 2024–2025

Service category	Service type	Definition
Assistance services	Directory enquiries	Voice service used to identify a specific phone number and/or address of a residence, business or public entity. Accessed and paid for via a premium-rated, 6-digit number beginning with 118.
Assistance services	Sales and enquiries	Voice service to contact the sales and enquiries of an organisation, such as calling a business using a number starting 087 for sales, technical help or information before the point of sale Accessed and paid for via a premium-rated number beginning with 087 or 09, or presented as a voice short code.
Assistance services	Information, connection and/or signposting services (ICSS)	Voice service used to contact a specific business or service (for example, a courier service, bank, or government organisation). Most commonly accessed and paid for via a premium-rated number beginning with 087 or 09.
Betting, gambling and lotteries	Betting	Entry to a sport-related competition to win prizes (for example, via an event, bookmaker or online) Paid for via premium SMS or operator billing.
Betting, gambling and lotteries	Gambling	Entry to a game of chance to win prizes (for example, mobile casino, arcade or bingo). Excludes bets and lotteries. Paid for via premium SMS or operator billing.
Betting, gambling and lotteries	Lotteries	Entry to a lottery/tombola typically organised by a business, charity or society to raise money. Paid for via premium SMS or operator billing.
Charitable donations	Charitable donations	Text-based donation to a charity (as part of a televised event, regular donations collected by charities, or specific appeals during humanitarian crises). Paid for via premium SMS.
Competitions and quizzes	Online competitions	Entry to competitions advertised online (for example, on a website or through email marketing). Excludes competitions run by TV or radio broadcasters. Paid for via premium SMS or operator billing.
Competitions and quizzes	Offline competitions	Entry to competitions advertised offline (for example, on TV, in newspapers or on public billboards). Excludes competitions run by TV or radio broadcasters. Paid for via premium SMS or using a premium-rated number beginning with 09.
Device personalisation and security	Ringtones, ring-back tones and wallpapers	Purchase and download of ringtones, ring-back tones and wallpapers for device personalisation. Paid for via premium SMS or operator billing.
Device personalisation and security	Security	Purchase and download of software to protect a mobile device (for example, from viruses, hackers or other malware). Paid for via premium SMS or operator billing.

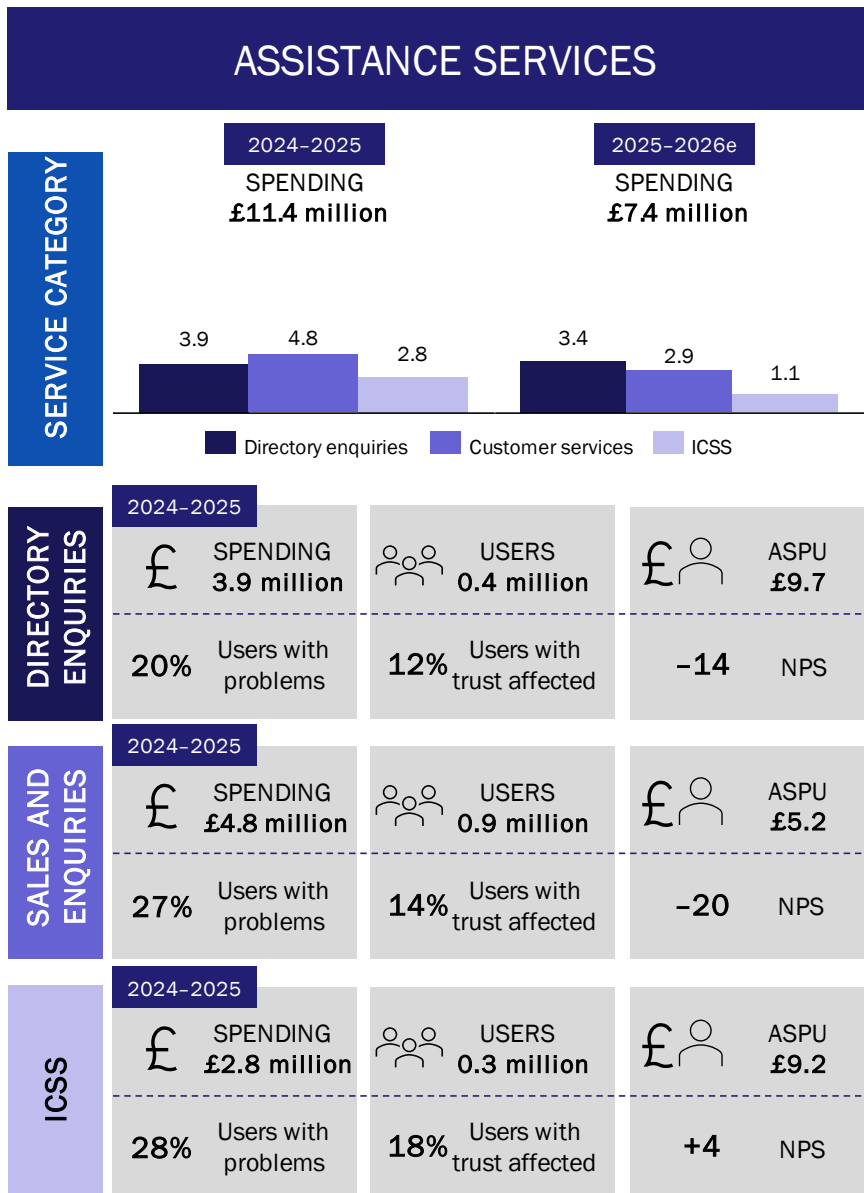
Service category	Service type	Definition
Digital payments	Vouchers	Purchase of discount codes (for example, that can be used at a retailer or supermarket). Paid for via premium SMS or operator billing.
Digital payments	Virtual gifts	Purchase of virtual gifts on social media websites (such as virtual flowers). Paid for via premium SMS or operator billing.
Digital payments	Gift cards	Purchase of gift cards (for example, to use at a retailer or supermarket). Paid for via premium SMS or operator billing.
Digital payments	Low-cost international or reverse charge calls	Alternate call services typically with a charge per minute. Accessed and paid for via a premium-rated number beginning with 087 or 09, or presented as a voice short code.
Entertainment	Music	Subscription to music-streaming services or one-off download of songs or music albums. Paid for via premium SMS or operator billing.
Entertainment	TV	Subscription to niche TV channels or one-off download of TV shows. Paid for via premium SMS or operator billing.
Entertainment	Video	Subscription to video-streaming services or one-off download of short videos. Paid for via premium SMS or operator billing.
Entertainment	Film	Subscription to film bundles/channels or one-off download of individual films. Paid for via premium SMS or operator billing.
Entertainment	Books	Subscriptions to, or one-off downloads of, books and magazines. Paid for via premium SMS or operator billing.
Games	Games downloaded from an app store	Purchase and download of games from an online store (including app stores such as Apple App Store and Google Play, large online games stores such as PlayStation Store and Microsoft Store and other small independent online games portals). Paid for via operator billing.
Games	Games played on social media	Access to games playable on social media websites. Paid for via premium SMS or operator billing.
Games	Games bundled as part of a monthly subscription	Subscription service for game downloads (unlimited or limited to a certain number of games per time period) from online games portals. Paid for via premium SMS or operator billing.
Games	In-game purchases	Purchase of in-game items or rewards (for example, boosters, lives or customisable content), or the premium version of a free-to-play game (for example, with no ads or with expanded game content). Paid for via premium SMS or operator billing.
Games	In-game credit top-ups	Purchase of in-game credit, such as gold and gems, which can be used to purchase in-game items or rewards. Paid for via premium SMS or operator billing.
Information, news and education	Weather	Voice service used to access weather information. Accessed and paid for via a premium-rated number beginning with 087, 09 or presented as a voice short code.
Information, news and education	News	Voice service used to access news information. Accessed and paid for via a premium-rated number beginning with 087, 09 or presented as a voice short code.
Information, news and education	Travel	Voice service used to access travel information. Accessed and paid for via a premium-rated number beginning with 087, 09 or presented as a voice short code.
Information, news and education	Sport	Voice service used to access information on sports results. Accessed and paid for via a premium-rated number beginning with 087, 09 or presented as a voice short code.
Information, news and education	Stocks and shares	Voice service used to access information on stocks/shares.

Service category	Service type	Definition
		Accessed and paid for via a premium-rated number beginning with 087, 09 or presented as a voice short code.
Information, news and education	Alerts	Service used to set up alerts at specific times. Accessed and paid for via a premium-rated number beginning with 087, 09 or presented as a voice short code, via premium SMS or through operator billing.
Information, news and education	Educational services	Service used to access information on educational services. Accessed and paid for via a premium-rated number beginning with 087, 09 or presented as a voice short code or accessed online and paid for through operator billing.
Lifestyle	Fitness, health and wellbeing	Service used to access information, tips, advice or reminders on nutrition, dieting and exercise. Paid for via premium SMS or operator billing.
Lifestyle	Food and recipes	Subscription to, or one-off downloads of, information on foods and recipes. Paid for via operator billing.
Personal and relationship services	Dating	Access to dating services or in-app purchases (for example, credit or premium messaging) in free-to-use dating services. Accessed and paid for via a premium-rated number beginning with 087, 09 or presented as a voice short code, via premium SMS or through operator billing.
Personal and relationship services	Flirting chat services	Voice- or message-based (non-explicit) flirting chat with a service operator. Accessed and paid for via a premium-rated number (beginning with 087, 09 or presented as a voice short code), via premium SMS or through operator billing.
Personal and relationship services	Chat services	Voice- or message-based chat with a helpline or friendship service. Excludes flirting chat services. Accessed and paid for via a premium-rated number beginning with 087, 09 or presented as a voice short code, via premium SMS or through operator billing.
Personal and relationship services	Tarot/astrology services	Service used to access services such as horoscopes and tarot card readings. Accessed and paid for via a premium-rated number beginning with 087, 09 or presented as a voice short code, via premium SMS or through operator billing.
Sexual entertainment	Glamour pictures	Access to and/or download of revealing or nude photos. Paid for via premium SMS or operator billing.
Sexual entertainment	Adult pictures	Access to and/or download of hardcore and explicit photos. Paid for via premium SMS or operator billing.
Sexual entertainment	Adult videos	Access to and/or download of hardcore and explicit videos. Paid for via premium SMS or operator billing.
Sexual entertainment	Adult cams	Purchase of tokens to access online video streams. Paid for via premium SMS or operator billing.
Sexual entertainment	Adult chat (messaging)	Message-based (explicit) chat service. Paid for via premium SMS or operator billing.
Sexual entertainment	Adult talk services (voice)	Voice-based (explicit) chat service. Accessed and paid for via a premium-rated number (beginning with 087, 09 or presented as a voice short code).
TV and radio engagement	Radio broadcaster competitions	Entry to an online or offline competition run by a radio broadcaster. Paid for via premium SMS or operator billing or using a premium-rated number beginning with 09 or presented as a voice short code.
TV and radio engagement	TV broadcaster competition	Entry to an online or offline competition run by a TV broadcaster. Paid for via premium SMS or operator billing or using a premium-rated number beginning with 09 or presented as a voice short code.
TV and radio engagement	Voting on a TV/radio show	Voting in the context of a TV or radio show (for example, voting for a favourite candidate). Paid for via premium SMS or using a premium-rated number presented as a voice short code.
TV and radio engagement	Texting in to show host	Text-based engagement with the presenter of a TV or radio show. Paid for via premium SMS.

A.2 Service-level data

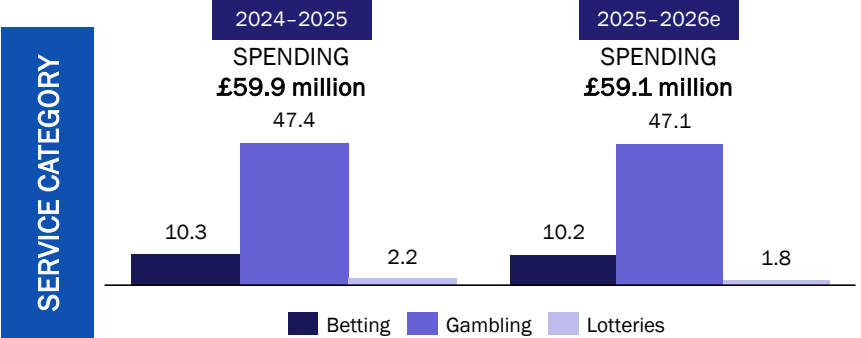
This sub-section provides additional market data across the 13 service categories.

- For each service category: the spending by service type in 2024–2025 and 2025–2026, and associated year on year growth rates.
- For each service type: spending, number of users, implied yearly average spending per user (ASPU), the share of users who have reported encountering a problem in the previous 12 months, the share of users whose trust has been affected as a result of encountering a problem, and the NPS score.



Source: Analysys Mason and Ofcom

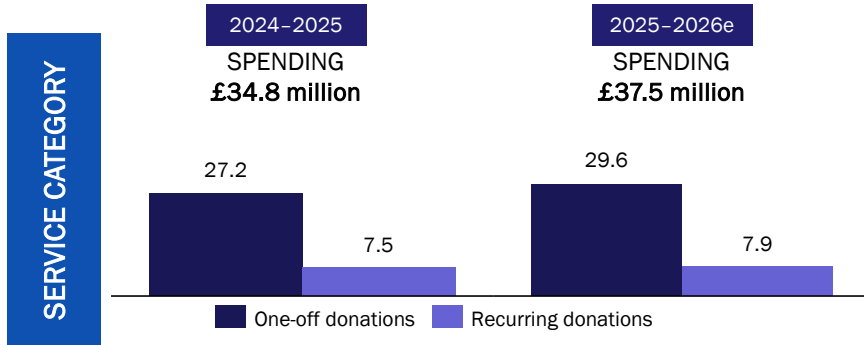
BETTING, GAMBLING AND LOTTERIES



Service Category	2024-2025 Spending (£ million)	2024-2025 Users (million)	2024-2025 ASPU (£)
BETTING	£10.3 million	2.4 million	£4.3
	11% Users with problems	7% Users with trust affected	-18 NPS
GAMBLING	£47.4 million	3.1 million	£15.3
	16% Users with problems	8% Users with trust affected	-22 NPS
LOTTERIES	£2.2 million	0.9 million	£2.4
	10% Users with problems	4% Users with trust affected	-21 NPS

Source: Analysys Mason and Ofcom

CHARITY DONATIONS

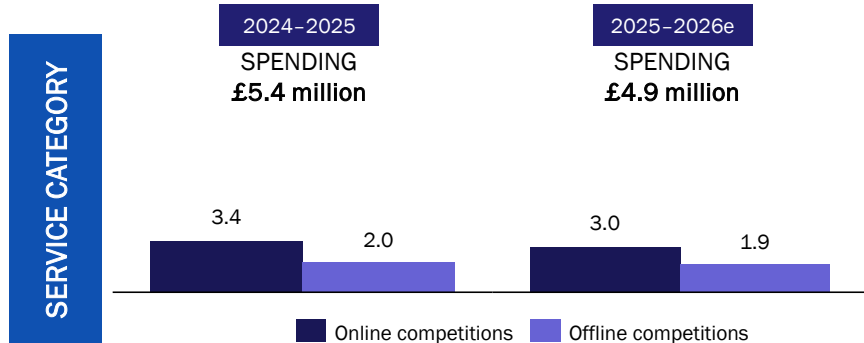


DONATIONS

2024–2025		
£ SPENDING £34.8 million	USERS 5.9 million	£ ASPU £5.9
12% Users with problems	7% Users with trust affected	+4 NPS

Source: Analysys Mason and Ofcom

COMPETITIONS AND QUIZZES



ONLINE COMPETITIONS

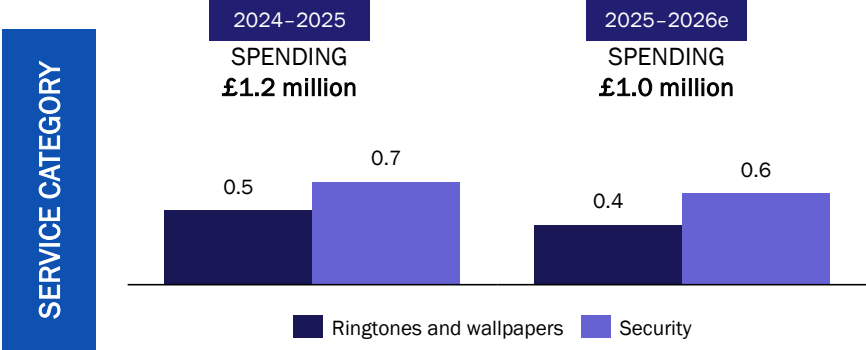
2024–2025		
£ SPENDING £3.4 million	USERS 0.1 million	£ ASPU £54.4
17% Users with problems	9% Users with trust affected	-24 NPS

OFFLINE COMPETITIONS

2024–2025		
£ SPENDING £2.0 million	USERS 0.7 million	£ ASPU £2.8
17% Users with problems	9% Users with trust affected	-33 NPS

Source: Analysys Mason and Ofcom

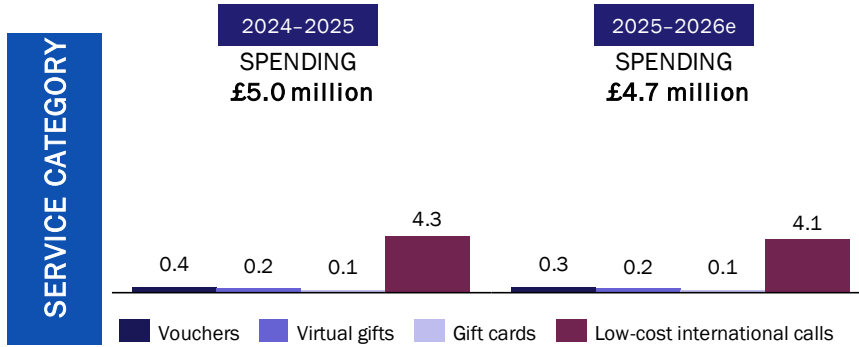
DEVICE PERSONALISATION AND SECURITY



Service Category	2024-2025		
	RINGTONES AND WALLPAPERS	£ SPENDING £0.5 million	USERS 0.4 million
	15% Users with problems	7% Users with trust affected	-18 NPS
SECURITY	£ SPENDING £0.7 million	USERS 0.3 million	£ ASPU £2.7
	20% Users with problems	13% Users with trust affected	+8 NPS

Source: Analysys Mason and Ofcom

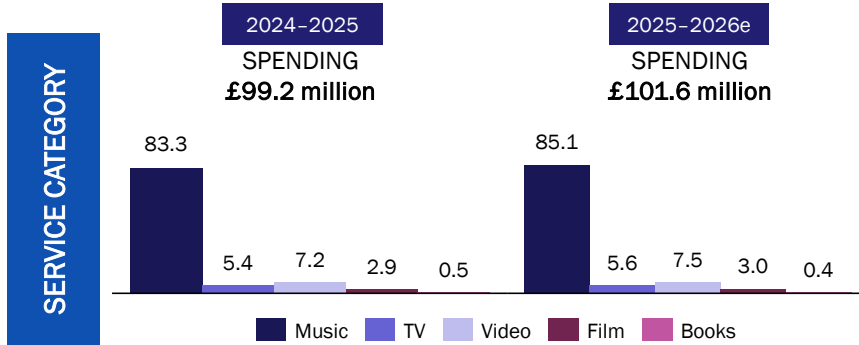
DIGITAL PAYMENTS



Service Category	2024-2025 Spending (£ million)	2024-2025 Users (million)	2024-2025 ASPU (£)
VOUCEHRS	£0.4 million	0.1 million	£3.3
	11% Users with problems	5% Users with trust affected	-17 NPS
VIRTUAL GIFTS	£0.2 million	0.3 million	£0.7
	19% Users with problems	8% Users with trust affected	-5 NPS
GIFT CARDS	£0.1 million	0.1 million	£0.9
	13% Users with problems	5% Users with trust affected	-11 NPS
LOWCOST INTERNATIONAL CALLS	£4.3 million	0.5 million	£7.6
	34% Users with problems	16% Users with trust affected	-12 NPS

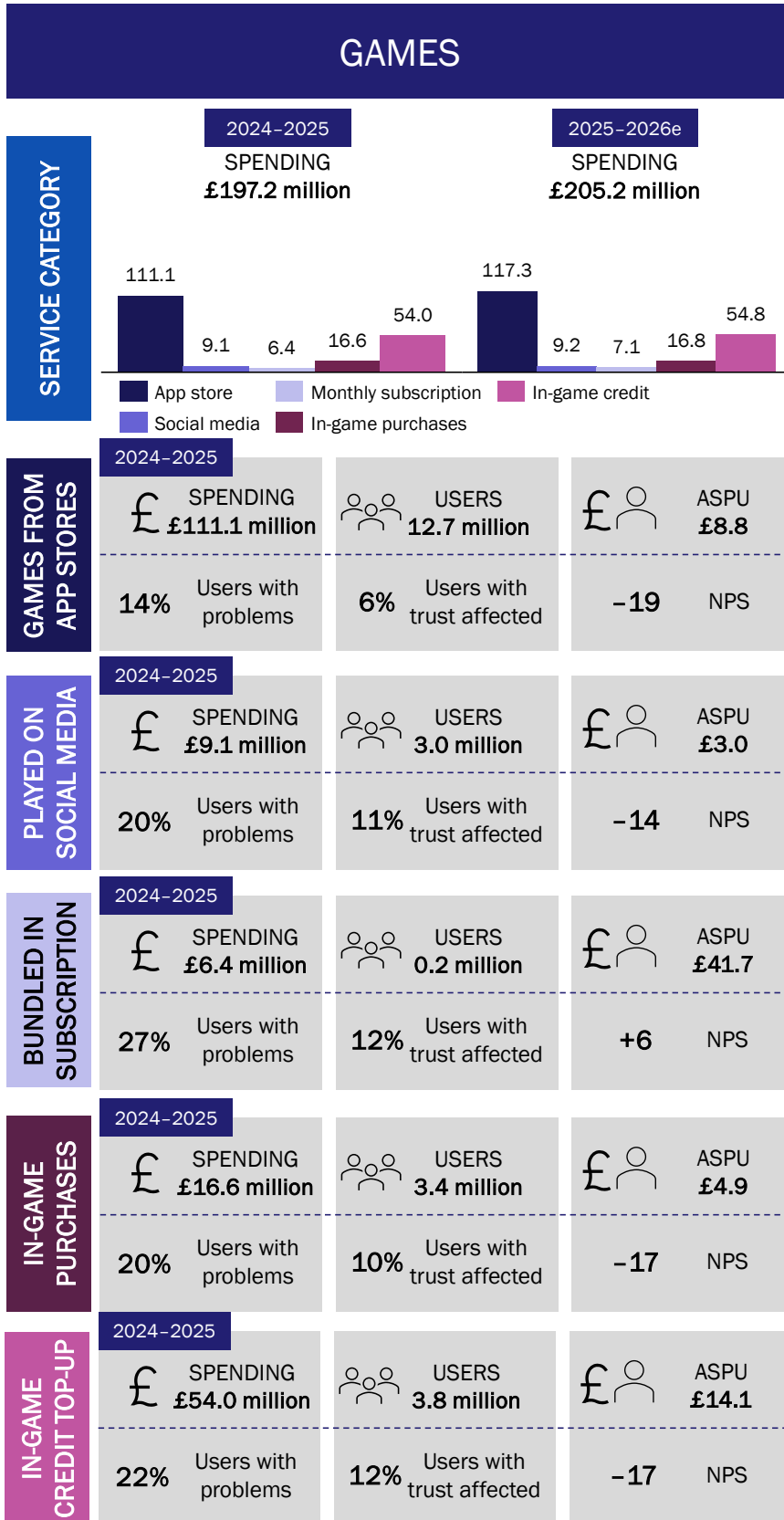
Source: Analysys Mason and Ofcom

ENTERTAINMENT



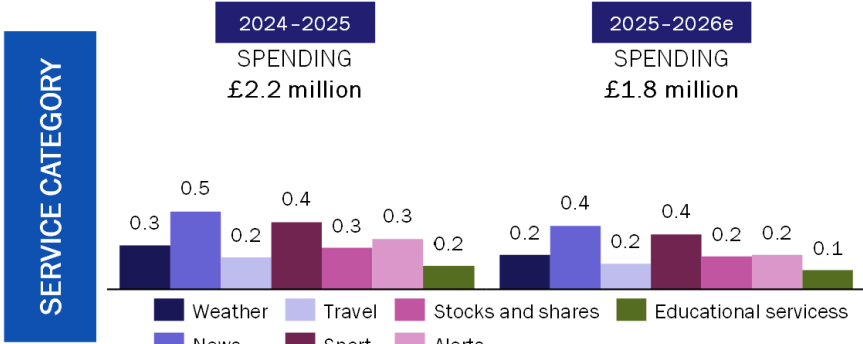
SERVICE CATEGORY	2024-2025		
	SPENDING	USERS	ASPU
MUSIC	£83.3 million	1.3 million	£66.3
	11% Users with problems	5% Users with trust affected	+20 NPS
TV	£5.4 million	1.0 million	£5.4
	19% Users with problems	9% Users with trust affected	+14 NPS
VIDEO	£7.2 million	1.9 million	£3.7
	11% Users with problems	5% Users with trust affected	-1 NPS
FILM	£2.9 million	1.1 million	£2.6
	20% Users with problems	10% Users with trust affected	+15 NPS
BOOKS	£0.5 million	0.1 million	£3.8
	13% Users with problems	7% Users with trust affected	+10 NPS

Source: Analysys Mason and Ofcom



Source: Analysys Mason and Ofcom

INFORMATION, NEWS AND EDUCATION

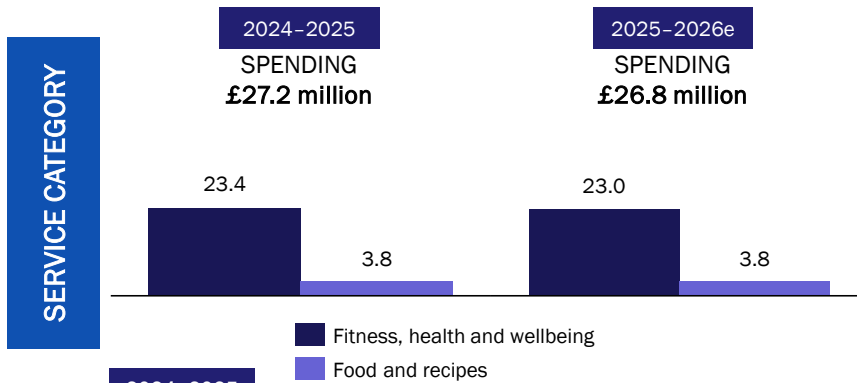


Service Category	2024-2025 Spending (£ million)	2024-2025 Users (million)	2024-2025 ASPU (£)	Users with problems (%)	Users with trust affected (%)	NPS
WEATHER	£0.3 million	0.1 million	£2.2	8%	4%	-29
NEWS	£0.5 million	0.2 million	£3.2	8%	3%	-17
TRAVEL	£0.2 million	0.1 million	£2.2	12%	5%	-9
SPORT	£0.4 million	0.1 million	£4.2	11%	5%	+3
STOCKS AND SHARES	£0.3 million	<0.1 million	£6.7	13%	7%	+11

ALERTS	2024–2025		
	£ SPENDING £0.3 million	USERS 0.1 million	£ ASPU £2.3
	14% Users with problems	7% Users with trust affected	-17 NPS
EDUCATIONAL SERVICES	2024–2025		
	£ SPENDING £0.2 million	USERS 0.1 million	£ ASPU £2.8
	14% Users with problems	6% Users with trust affected	+16 NPS

Source: Analysys Mason and Ofcom

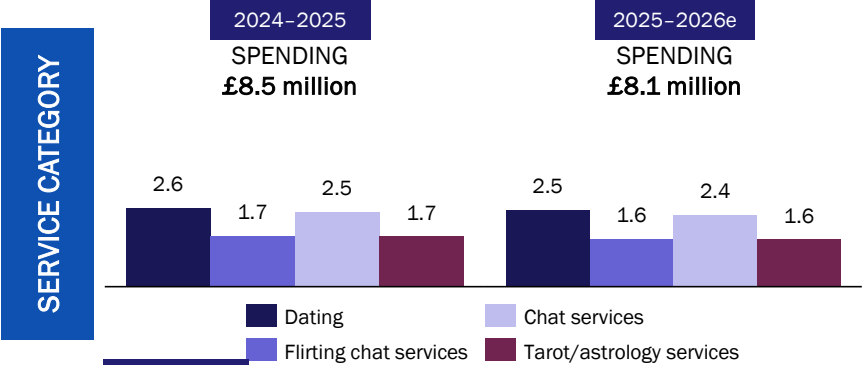
LIFESTYLE



FITNESS, HEALTH AND WELLBEING	2024–2025		
	£ SPENDING £23.4 million	USERS 0.6 million	£ ASPU £42.2
	14% Users with problems	7% Users with trust affected	+8 NPS
FOOD AND RECIPES	2024–2025		
	£ SPENDING £3.8 million	USERS 0.5 million	£ ASPU £7.1
	15% Users with problems	7% Users with trust affected	-6 NPS

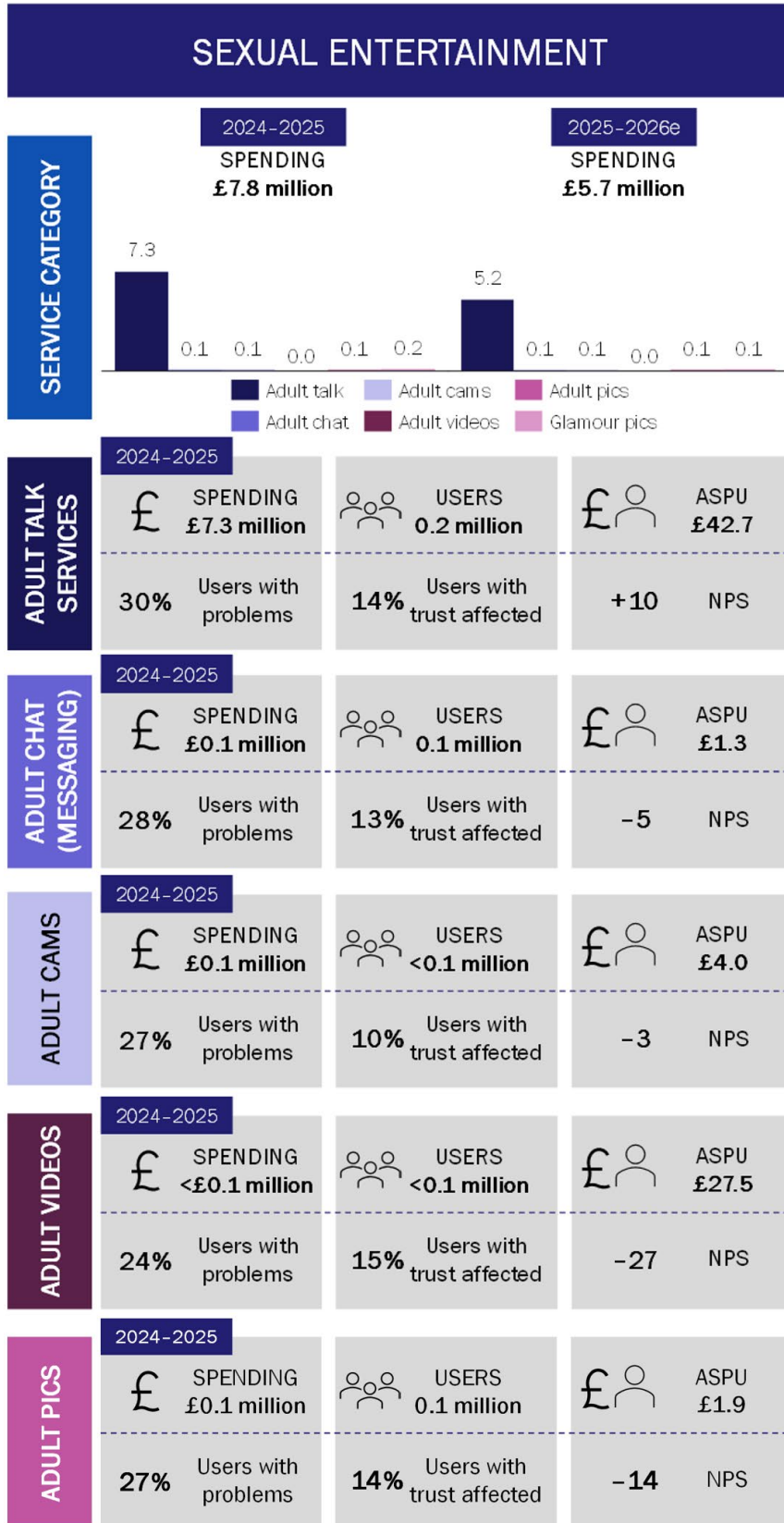
Source: Analysys Mason and Ofcom

PERSONAL AND RELATIONSHIP SERVICES



SERVICE CATEGORY	2024-2025		
	SPENDING	USERS	ASPU
DATING	£ £2.6 million	0.3 million	£ £9.5
	24% Users with problems	12% Users with trust affected	-27 NPS
FLIRTING CHAT SERVICES	£ £1.7 million	0.1 million	£ £12.2
	26% Users with problems	14% Users with trust affected	-15 NPS
CHAT SERVICES	£ £2.5 million	0.3 million	£ £8.1
	26% Users with problems	14% Users with trust affected	-1 NPS
TAROT/ASTROLOGY	£ £1.7 million	0.1 million	£ £28.4
	28% Users with problems	14% Users with trust affected	-12 NPS

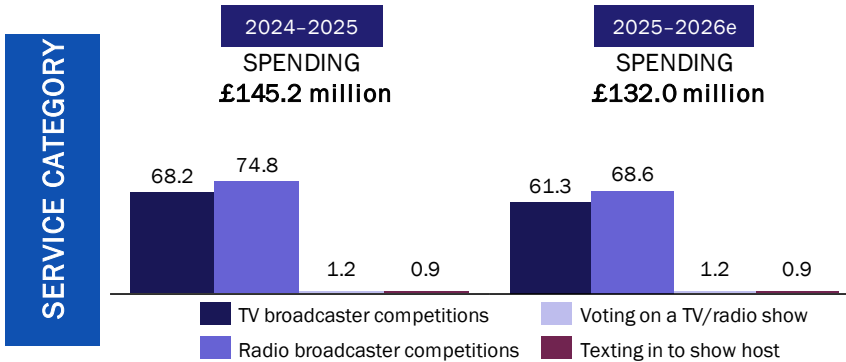
Source: Analysys Mason and Ofcom



GLAMOUR PICS	2024–2025	SPENDING £0.2 million	USERS 0.1 million	ASPU £1.0
	34% Users with problems	19% Users with trust affected	-23 NPS	

Source: Analysys Mason and Ofcom

TV AND RADIO ENGAGEMENT



TV COMPETITIONS	2024–2025	SPENDING £68.2 million	USERS 5.5 million	ASPU £12.2
	17% Users with problems	8% Users with trust affected	-21 NPS	

RADIO COMPETITIONS	2024–2025	SPENDING £74.8 million	USERS 4.7 million	ASPU £16.0
	17% Users with problems	8% Users with trust affected	-17 NPS	

VOTING ON SHOW	2024–2025	SPENDING £1.2 million	USERS 1.0 million	ASPU £1.2
	19% Users with problems	8% Users with trust affected	-16 NPS	

TEXTING IN TO SHOW HOST	2024–2025	SPENDING £0.9 million	USERS 0.8 million	ASPU £1.2
	28% Users with problems	12% Users with trust affected	-8 NPS	

Source: Analysys Mason and Ofcom

Annex B Market sizing methodology

Our approach to estimating the end-user spending on phone-paid services in 2024–2025 and until 2027–2028 was based on the following four-step process.³⁹

- Step 1: collection of data from network operators
- Step 2: online consumer survey
- Step 3: in-depth interviews with industry participants
- Step 4: market modelling.

B.1 Step 1: collection of network returns data

Network operator revenue (and outpayments to value chain participants) for H2 2024-25 was collected by Ofcom and combined with H1 2024-5 data previously collected by PSA. This combined dataset was used to derive the overall end-user spending (excluding VAT) on phone-paid services for 2024–2025, broken down by spending channel. Consumer spending on charitable donations does not generate revenue for network operators and is therefore not reported in network returns. However, since 2017–2018, network operators have reported the total value of charitable donations that has passed through their networks to the PSA, and now to Ofcom.

To further break down end-user spending across spending channels by service category (13 categories) and service type (48 types) and forecast the evolution of the market up to 2027–2028, we have considered the following steps.

B.2 Step 2: online consumer survey

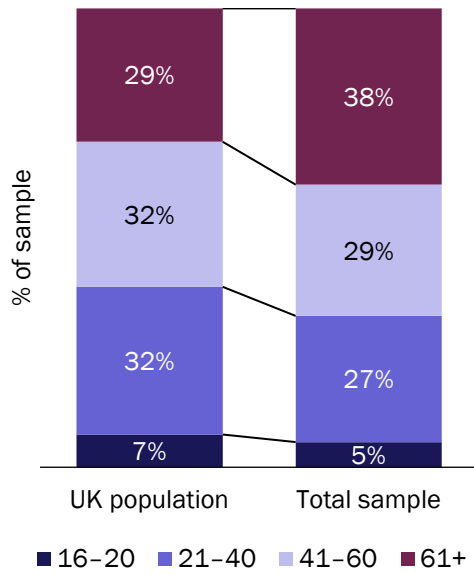
We have conducted a survey of consumers to generate quantitative data on the adoption of phone-paid services, reasons for use/non-use of phone-paid services and the key underlying factors affecting usage and overall satisfaction. Fieldwork was conducted online by Cint between March and April 2025. The survey included 25 questions overall and took approximately 10 minutes for respondents to complete. The survey questionnaire was designed to maintain continuity with previous annual market reviews, although changes have been included to address the continuous evolution of the phone-paid services market.

The total survey sample was 8970 individuals and was broadly representative of the UK population aged 16 years and over, by gender and age.⁴⁰ Figure B.1 and Figure B.2 provide a comparison of the distribution by age group and gender of the UK population and the sample of individuals surveyed. As in previous years, we have not weighted our results, instead targeting national representation within our sample. Our achieved sample this year does not fully reflect the UK population, most notably due to over-representation of individuals aged 61+, so we have called out results where this is likely to have had an impact in our analysis.

³⁹ While steps are presented sequentially for clarity, some activities (such as the market modelling exercise) were relevant at all stages of the project.

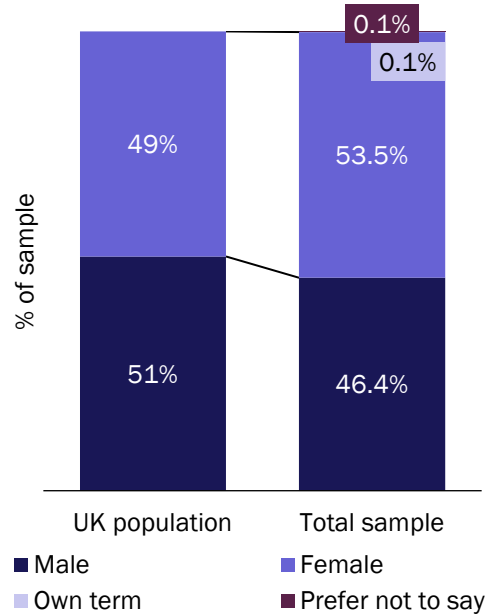
⁴⁰ Office of National Statistics (June 2024), *Population estimates for the UK, England, Wales, Scotland and Northern Ireland: mid-2022*. Available at: [Estimates of the population for the UK, England, Wales, Scotland, and Northern Ireland - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/populationandmigration/populationanddemography/populationestimatesfortheuk).

Figure B.1: Distribution by age group of the population and of survey respondents, UK, mid-2024



Source: Office of National Statistics (ONS)

Figure B.2: Distribution by gender of the population and of survey respondents, UK, mid-2024



Source: ONS, Analysys Mason

Of the 8970 respondents, 5041 used at least one phone-paid service in the past 12 months (equivalent to a 56% incidence rate). As the sample profile deviates from the profile of the UK adult population as a whole, the results are subject to a margin of error.

Respondents were asked about their usage (including the types of service(s) used, spending channels, frequency of use and spending levels), underlying key drivers (for example, their own preferences, the key difficulties that they have encountered and levels of trust) and overall satisfaction with phone-paid services. Further detail on the demographic segmentation of these respondents is provided in Figure B.3 below.

Figure B.3: Demographic segmentation of phone-paid services users, UK, 2024–2025

Region	Percentage of respondents
England (South)	35%
England (North)	24%
England (Midlands)	26%
Scotland	8%
Wales	5%
Northern Ireland	2%
Outside the UK	<1%

Source: Analysys Mason, 2025

B.3 Step 3: in-depth interviews with industry participants

We conducted in-depth interviews (or, in lieu of an interview, received written responses) with executives in senior positions across 18 organisations with activities in the phone-paid services industry, including mobile

operators, fixed operators, intermediaries, merchants and trade associations between February and May 2025. The objectives of these interviews were:

- to collect additional historical revenue data to cross-check the adoption and spending level implied by the consumer survey in Step 2 at the service category and service type level
- to develop a broader understanding of the main trends affecting the adoption of phone-paid services, frequency of usage and spending level over the next 12 months and the next three years to inform our modelling assumptions and estimates of the size of the market in 2025–2026, 2026–2027 and 2027–2028.

Interviews were conducted as open-ended discussions but aimed to cover market trends by segment of operation, market outlook, issues affecting consumer confidence and top-line financials. Figure B.4 provides an overview of the number of interviews completed, by type of industry participant.

Figure B.4: Number of interviews completed, by type of industry participant, UK, February 2025–May 2025

Type of participant	Number of organisations interviewed
Mobile network operator	4
Fixed network operator	3
Level 1 provider	5
Level 2 provider	5
Trade association	1

Source: Analysys Mason, 2025

B.4 Step 4: market modelling

As outlined in Step 1, the overall purpose of the market modelling exercise was to further break down the end-user spending by service category and type.

- First, we used the output of the consumer survey (Step 2) to generate initial assumptions about key spending drivers (including service adoption, frequency of usage and spending level) and to estimate the draft distribution of end-user spending by service category and type (referred to as a ‘bottom-up’ approach).
- Second, we used additional revenue data provided by intermediaries, combined with insights obtained during interviews with industry participants (Step 3), to segment the total reported end-user spending by service category and type (also referred to as a ‘top-down’ approach).
- Finally, both approaches were used to derive the final spending figures by channel, service category and service type, using the top-down approach to account for under- or over-reporting from survey respondents, and the bottom-up approach to estimate the market where insufficient data or insights had been provided.
- We then forecast the market size for 2025–2026, 2026–2027 and 2027–2028. This exercise was primarily based on key modelling drivers, on the insights generated from our interviews with industry participants (including their views on the evolution of the market segments that they are operating within), as well as additional information collected from desk research on likely upcoming market developments.

The final output of the market modelling exercise is an estimate of end-user spending (excluding VAT) on phone-paid services, split by service category (13 categories), service type (48 types) and spending channel (7 spending channels), for the periods between 2024–2025, 2025–2026, 2026–2027 and 2027–2028.

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