

## HELP NOTE

### Help Note on pricing information Version 1: November 2006

#### Introduction

This PhonepayPlus Help Note is to assist service providers in achieving compliance with our Code of Practice. It is a non-binding document and does not form part of the Code of Practice.

Service providers seeking clarity about the application of any Code provision to a particular service are strongly advised to contact the Executive **before** starting to operate the service.

Section 5.7 of the Code sets down the main requirements for pricing information for promoting premium rate services. Please read this before the detailed advice below.

#### **Why is pricing information required as part of the marketing or promotion for a service?**

Pricing information is one of the fundamental pieces of information that premium rate promotional material must display. This is to ensure that consumers are fully aware of how much the premium rate service is likely to cost them before they decide to take part and commit to purchase.

#### **Are there any exceptions?**

See para 5.7.5 of the Code.

#### **How should pricing be presented?**

Pricing information will need to be easy to locate, read, understand and be presented in a way that follows convention and is unlikely to cause confusion. Loose or unclear descriptions such as 'premium rate charges apply', '100ppm', '1.50 GBP' are all unlikely to provide sufficient information as consumers may not have a full understanding of how much they are being charged. Breaches for such usage have been upheld by PhonepayPlus previously.

#### **Differential pricing**

Charges for premium rate services normally exceed the basic rate advertised by the service provider or promoter. In particular, this occurs when consumers call premium rate services from mobile phones or where they incur data charges when downloading content to a mobile device. However, fixed networks also levy supplementary charges. While consumers may have a general awareness that calls from mobile phones and

some landline networks may cost more than others, it is necessary to include information in the promotional material stating this fact.

### What do consumers want to see in promotional material?

Research by PhonepayPlus has shown that consumers express clear preferences for the kind of pricing information they would like to see in promotional material. The overall impact of the promotional material and the ease with which consumers could identify the pricing information gave a sense of confidence in taking part in the premium rate service.

We have listed below some typical examples that may be followed by service providers if they wish. This list is non-exhaustive and other means to achieve compliance may also be possible:

<b>Cost type</b>	<b>Example wording</b>
Standard per minute PRS	<i>Calls cost [x]p per minute plus network extras</i>
Standard per minute PRS where duration is known	<i>Calls cost [x]p per minute and should last no more than [x] minutes. Network extras apply</i>
Single drop charges	<i>Calls cost [x]p plus network extras</i>
Premium rate texts	<b>Wording to cover:</b> Cost per text/download Clear statement of how many texts need to be sent to complete the task (if more than one, state how many). An indication that the text cost is in addition to normal network rates (if applicable)
Interactive red button services	Cost per use (prior to pressing red button), including a statement, if appropriate, that network extras may apply
For all PRS on TV where call costs generally exceed £2, pricing information must be spoken as well as visually displayed.	See above for written pricing requirements. Spoken pricing should match these examples.

In all cases the price should be expressed in conventional terms such as “50p per minute” or “£1.50 per text”. Variations on this by charges being presented in per second formats or without reference to a “£” sign (where the rate is above 99p) may breach the PhonepayPlus Code.

Except where the service exclusively targets business users in the workplace, all charges should include VAT.

Our research showed that consumers believed that if the pricing information were directly underneath/beside the premium rate number or the 'call to action', it would help them make an informed decision and increase the likelihood of their trusting the service. Pricing information where consumers are unlikely to see it or where it is hard to find is unlikely to be judged as "prominent" by PhonepayPlus. An example of unsatisfactory online marketing is providing pricing information on web pages separate from the page with the call to action. On a mobile device, providing pricing information distant from the call to action and where it can be viewed only by scrolling is also unlikely to be judged as "prominent".

### **More advice on pricing prominence**

- Font size and presentation

Pricing information should be presented in a horizontal format and be easily legible in context with the media used and presented in a font size that would not require close examination by a reader with average eyesight. In this context "close examination" will differ for the medium, whether on a static webpage, a fleeting TV promotion, in a publication or on a billboard where you may be at a distance or travelling past at speed. This test also needs to be considered alongside the other issues below, most notably about the use of colours, which could affect the need for close examination regardless of font size.

- Use of colour

There are a number of instances when the combination of colours used in promotional material reduces the clarity of information and the ease with which it can be seen. Service providers should take care to ensure that the colour combinations (including black on white) used for the presentation of the price do not adversely affect the clarity.

- Pricing information stated in the terms and conditions

We have sometimes seen pricing information in the middle of the terms and conditions of a service, promotion or product rather than as clear and correct 'stand-alone' information. In such cases the PhonepayPlus Board has upheld breaches of the Code for lack of pricing prominence.

### **Compliance advice**

Compliance advice is available, free of charge and in writing, from the Executive. Please note that Executive advice is not binding on the Board, although a record of advice is maintained and taken into account should a service later be found to be in breach of the Code.

## **Further information**

Contacting the Executive:

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