

# PRESS RELEASE



The Independent Committee for the Supervision of  
Standards of Telephone Information Services

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## **66% FALL IN PREMIUM RATE COMPLAINTS**

**Premium rate services regulator ICSTIS has today announced a significant fall in the number of public complaints about premium rate services. ICSTIS received almost 27,000 complaints about premium rate services in 2005 – 66% fewer than in 2004.**

The fall shows that stringent licensing has effectively ended rogue Internet dialler activity on premium rate numbers. It also shows that ICSTIS' tough enforcement action has greatly reduced the harm caused by spam marketing abuses, especially those involving the use of Automatic Calling Equipment. In addition, the introduction of ICSTIS' 30-day payment restrictions on phone companies is increasingly being seen as effective in preventing 'spam and scam' companies getting their hands on their ill-gotten gains before action can be taken.

ICSTIS' Contact Centre handled over 200,000 enquiries in 2005 and consistently performed to a standard that exceeded performance levels agreed with Ofcom. The new consumer-friendly ICSTIS website, together with improved automated call handling systems, also enabled over 500,000 general enquiries, such as premium rate number checks, to be handled successfully.

ICSTIS opened 880 investigations into services in 2005 – more than double the number opened in 2004. Although there is still an element of serious wrongdoing that needs to be dealt with quickly, the number of investigations shows that ICSTIS is identifying problems faster, especially through targeted in-house monitoring, and tackling them before they get out of hand.

With Ofcom's agreement, ICSTIS has been able to set a budget for 2006/7 that is 2.8% lower than its current one. With continued industry growth and further success in recovering fines and investigations costs, it has also been able to reduce its funding levy for the next 12 months by a third to 0.3% – the lowest it has ever been. ICSTIS is confident that the new levy and budget for

the forthcoming year balance prudence and value for money with the need to maintain effective regulation that benefits the public and industry.

ICSTIS Director George Kidd says: "This news is positive for consumers and positive for the industry. As a result of the preventative action we've been taking, we've been able to deliver a much higher quality public service in our Contact Centre, divert some resources to proactive monitoring and enforcement work, and achieve significant cost savings.

"We estimate that public spending on premium rate services grew by some 5% in 2005 and now exceeds £1.5 billion – that's about £25 spent on services by each and every UK citizen – making the UK the world's largest and most diverse premium rate services market.

"We know there's still work to be done to tackle those who deliberately set out to rip off the public. However, we're confident that our continued robust enforcement action, together with our greater collaboration with industry players and fellow regulators, will allow us to prevent consumer harm more effectively, better educate and inform the public, and enable market growth and diversity."

**– ends –**

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#### NOTES

- ICSTIS is the industry-funded regulatory body for all premium rate charged telecommunications services.
- ICSTIS regulates the content, promotion and overall operation of services through its Code of Practice. It investigates complaints, and has the power to fine companies and bar access to services if the Code is breached. It can also bar the individual(s) behind a company from running any other premium rate services under any company name on any telephone network for a defined period.
- Most services are advertised on '09' dialling codes. Many mobile services are advertised on four- or five-digit 'short code' numbers. Directory enquiry services begin with '118'. In some instances, such as interactive TV where viewers make 'calls' using their remote controls, the premium rate number may not be shown.
- Services offer some form of information and entertainment that is charged to your phone bill. You can access services in a number of ways – on your landline or mobile, by fax, on interactive TV and on your PC. Many mobile services work on a subscription-only basis.
- Services generally vary in cost between 10 pence per call and £1.50 per minute or message. The money paid by users for services is shared between the telephone company carrying the service and the organisation providing the content. Approximately 45,000 services are in operation at any one time.

