

# PRESS RELEASE



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

Clove Building, 4 Maguire Street, London SE1 2NQ

Tel: 020 7940 7474 Fax: 020 7940 7456

Press Office: 020 7940 7408

E-mail: [secretariat@icstis.org.uk](mailto:secretariat@icstis.org.uk)

Web: [www.icstis.org.uk](http://www.icstis.org.uk)

For immediate release – 21 December 2005

## **NEW £250,000 FINE LIMIT TO DETER PREMIUM RATE ROGUES**

**Tougher fines to protect consumers from firms that abuse premium rate services have been agreed in Parliament. The cap on the fines that ICSTIS, the premium rate services regulator, can levy against rogues has risen from £100,000 to £250,000. The new limit takes effect from 30 December 2005.**

The Rt. Hon. Alun Michael MP, Minister for Industry and the Regions at the Department of Trade and Industry, who guided the new fines limit proposal through Parliament, said: “Telephony and the Internet are crucial to a modern, global economy. All of us expect to use them without the threat of exploitation by rogue companies prepared to exploit genuine consumers. This new fine level helps ensure that ICSTIS has the tools it needs to protect consumers and build trust in the premium rate payment mechanism.”

The increase was necessary as rogues using Internet dialler services were causing far more widespread consumer harm than any other premium rate services to date. This harm was compounded by a proliferation of ‘spam and scam’ text and voicemail promotions that claimed that consumers had won “prizes” and urged them to call expensive premium rate numbers to make a claim – a problem exacerbated by the often illegal use of automated calling equipment to make the promotional calls. It was recognised that all of these supposed ‘services’ could generate significant sums of money beyond ICSTIS’ existing £100,000 fine limit.

The increase came about as a result of the Department of Trade and Industry asking Ofcom to carry out a review of premium rate services regulation to ensure that the right level of consumer protection was in place. Raising the maximum fine that can be imposed on those that breach ICSTIS’ rules was one of the recommendations that came out of the review.

ICSTIS Director George Kidd said: "Our current fine limit of £100,000 is no longer sufficient to deal with the worst services we see. A new fine limit, combined with the other proposals in the Ofcom review to strengthen consumer protection, should ensure that the relatively small number of rogues out there do not continue to damage trust and confidence in the entire premium rate industry. At the same time, we are reviewing our sanctions policy to make sure that this is as tough as it can be and we expect to publish this early in 2006."

For further information on the Ofcom review of premium rate services, see the Ofcom website at [www.ofcom.org.uk/telecoms/ioi/nwbnd/prsindex](http://www.ofcom.org.uk/telecoms/ioi/nwbnd/prsindex).

For information on the significant progress made by ICSTIS in implementing the review's recommendations, see [www.icstis.org.uk/pdfs/Half-YearReport%2005.pdf](http://www.icstis.org.uk/pdfs/Half-YearReport%2005.pdf).

– ends –

For further information, please contact the ICSTIS Press Office:

**Rob Dwight**            **Tel: 020 7940 7408**  
**Richard Sullivan**    **Tel: 020 7940 7439**

#### NOTES

- ICSTIS, the Independent Committee for the Supervision of Standards of Telephone Information Services, is the industry-funded regulatory body for all premium rate charged telecommunications services.
- We regulate the content, promotion and overall operation of services through our Code of Practice. We investigate complaints, and have the power to fine companies and bar access to services if the Code is breached. We 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.
- Services are advertised on either 09 dialling codes or, in the case of mobile services, on four or five digit short codes followed by a descriptive key word (for example, 87654 ICSTIS). In some instances, such as interactive TV where viewers make 'calls' using their remote controls, the premium rate number may not be shown. In addition, we regulate all '118' directory enquiry services.
- Services offer information and entertainment via phone, fax, PC (e-mail, Internet, bulletin board), mobile (SMS/MMS/WAP) or interactive digital TV, and currently vary in cost from 10 pence per call to £1.50 per minute. 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, generating estimated revenue of over £1 billion in 2005.
- As part of our review of sanctions, we will be examining the feasibility, in certain tightly-defined circumstances, of whether it would be appropriate to apply the new fine limit on a per breach basis. This follows a recent ruling by the Independent Appeals Body, which clarified that such an interpretation of the Communications Act 2003 may be possible.