

PREMIUM RATE SERVICES: 1 OCTOBER 2005 TO 31 MARCH 2006

A Half-Year Statement By ICSTIS

Over the last six months of the financial year, ICSTIS is pleased to report continuing positive trends within the UK premium rate industry – the world's longest-established and arguably largest premium rate services market.

We forecast over £1.6 billion will be spent on services this year – the equivalent of almost £35 by every adult in the UK. Approximately 60% of this will be spent on content on 09 numbers, with most of the remainder spent on content using mobile short codes.

Closer partnerships and improved dialogues with the industry, together with continued proactive enforcement action where necessary, have allowed us to prevent consumer harm more effectively and boost public confidence in services. This in turn is enabling further market growth and diversity – as can be seen by the fact that the UK now boasts over 25 TV channels dedicated to premium rate-related participation programming.

Progress over the last six months can be reported under three key headings:

Delivering better consumer protection

- ❖ a 53% fall in total complaints compared with the first six months of the year and a 79% fall compared with the same period in 2004/5
- ❖ a 62% drop in complaints about services on mobile short codes compared with the first six months of the year
- ❖ a significant tail-off in complaints about quiz TV services since we issued our Statement of Expectations for these services
- ❖ a bar on premium rate text charging to all 0871 and other non-premium rate numbers in the interests of consumer protection
- ❖ a 41% fall in the use of our Emergency Procedure compared with the first six months of the year – this reflects the growing success of proactive measures, such as monitoring, the 30-day payment rule and improved dialogue with the industry, in identifying and tackling problem areas before they get out of hand.

Improving our service

- ❖ significant improvements in the level of service offered by our Contact Centre – nine out of every 10 calls are now answered within 30 seconds, a 181% increase on the same period in 2004/5
- ❖ a 5% real terms reduction in the cost of regulation and a 33% reduction in our funding levy (to its lowest-ever level) made possible by our use of over £1.4 million in income from fines
- ❖ receiving 4 million online hits since the launch of our new-look, public-facing website which offers an improved and easy-to-use information base
- ❖ developing a dedicated website for children which will cover all aspects – the good and the bad – of premium rate charging.

Focusing on co-operation

- ❖ working more closely with trade associations to establish the Industry Liaison Panel, enabling aggregators, networks and others to enjoy stronger relationships
- ❖ improving dialogue, through regular meetings and workshops, with the fast-growing mobile sector
- ❖ playing the leading role with the industry, the European Commission and member states in a plenary on regulation of the €10 billion European premium rate services market
- ❖ leaving the confines of the M25 and hosting our industry forum in Manchester to broaden representation and encourage greater participation
- ❖ working in partnership with phone companies and others to distribute our 'how to avoid falling for premium rate scams' leaflet in hundreds of stores and other outlets, including doctors' surgeries.



George Kidd
Director
8 May 2006