

PRESS RELEASE



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

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AWARDING REFUNDS AND DRIVING UP STANDARDS IN CUSTOMER CARE

Premium rate services regulator ICSTIS has today published the criteria it will use when awarding consumer refunds as part of a sanction when its Code of Practice is breached. ICSTIS has also clearly defined what it means by a refund and the forms it should take.

In issuing today's statement on refunds, Paul Whiteing, ICSTIS' Deputy Director, said: "Many companies who provide premium rate services trade fairly and give full refunds when their service occasionally fails to deliver. However, some companies do not. To ensure greater consistency across the industry, we have therefore decided to detail the circumstances where we will order refunds to be paid to consumers if a service breaches our Code. These have been consulted on widely and have received near unanimous support from across the industry."

The possible combinations of circumstances which are likely to trigger an order to pay refunds include those where:

- there was an identifiable financial detriment to a consumer and a consequential gain to the service provider
- there was wilful intent by the service provider to deceive the consumer
- the product or service was not supplied or was of a manifestly unsatisfactory quality
- the marketing or promotional material was fundamentally misleading in some way and misled consumers into purchasing something they would not otherwise have wanted
- the product or service was inappropriately priced to disguise its true cost (for example, describing the service as "free" when it is clearly not).

As part of its ongoing commitment to ensuring consumers can use premium rate services with confidence, ICSTIS has also announced that it will be inviting the industry to create a taskforce to develop best practice for customer care within the industry.

For full details of today's Statement, visit www.icstis.org.uk/pdfs_news/Statement_Refunds.pdf.

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NOTES

- ICSTIS is the industry-funded regulatory body for all premium rate charged telecommunications services.
- ICSTIS regulates premium rate service providers – defined under its Code of Practice as “...any person engaged in the provision of premium rate services who contracts with, or enters into arrangements with, a network operator for facilities enabling the provision of premium rate 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 'shortcode' 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, generating forecast revenue of £1.6 billion in 2006.

