

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

Web: www.icstis.org.uk

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NEW PUBLICATION LOOKS AT TRENDS IN THE COMMUNICATION SECTOR

UK Households are spending close to £90 per month on communications – TV, telephones (mobile and fixed) and broadband, says premium rate regulator, ICSTIS in a brand new publication – ‘Trends’.

The document examines developments in the communications sector and assesses the potential impact on regulation of paid for content.

But while recognising the beneficial impact of the new technologies, the document also examines the potential harms that consumer protection needs to address.

‘Trends’ looks at developments under three broad headings:

- new platforms and products
- new payment mechanisms
- new threats and new protections for consumers.

Other findings include:

- consumers are replacing mobile phones every 10 months
- in the UK there are 63 million subscribers for mobile phone services and a population of just 60 million
- we make 160 billion fixed line calls and 65 million minutes of mobile calls annually
- premium rate services account for £35 annually for every adult with a total spend of £1.6 billion.

‘Trends in the Communications Sector Relevant to the Scope and Nature of ICSTIS Regulation’ is the first publication of its type by ICSTIS. It aims to take an overview of the UK communication market and how premium rate ‘paid for content’ services fit into the sector.

George Kidd, Director of ICSTIS said: “There are key challenges for all regulators in this emerging and converging digital world. It is throwing up new and varied business markets but the likely winners and losers are still unclear. We must ensure we have clarity of purpose as the regulator within the communications sector.

“Right now the public focus and the industry pitch is all about ‘bundles and bargains’; bundled access (TV, broadband, fixed and mobile communications) sold based on cheap rates and long term contracts.

“Consumer protection should be constantly developing but the market developments also needs constant monitoring. For example, User Generated Content is seen as the new ‘big thing’ but obviously carries its own risks.

“Market convergence increases the case for regulatory convergence – or at least far better demarcation. But regulation preferably should be seen as an investment for the industry; working with and not against industry is key.

“We’ve published this Trends document as a contribution to the review of regulation in the premium rate sector that Ofcom is due to carry out in the coming months. Hopefully people will view it as informing that debate.”

A copy of the document can be accessed by clicking on the following link http://www.icstis.org.uk/pdfs_research/research_trendscomms.pdf

For further information, please contact the ICSTIS Press Office:

Rob Dwight **Tel: 020 7940 7408**

Kate Belson **Tel: 020 7940 7464**

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 (up to £250,000) 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, generating forecast revenue of £1.6 billion in 2006.