

22 November 2007

Dear Service Provider

All Live 1-2-1 Chat Services (including services operating on 'Babe TV' channels), Recorded Sexual Entertainment Services and Virtual Chat/Chat & Dating Services

Over the last few months PhonepayPlus has published a Notice to the Industry relating to the operation of sexual entertainment services (SES) and a Help Note defining SES in relation to virtual chat and chat & dating services.

I am writing to all relevant service providers about serious concerns that there are services operating and promotional material around that does not comply with the PhonepayPlus Code of Practice. We have had to take action against some service providers. We will be actively monitoring SES – this might result in further breaches of our Code being raised and sanctions imposed if service providers are found in breach.

I want all service providers to be clear on our concerns and expectations, and of our readiness to give compliance advice.

Introductory messages

Some introductory messages to live 1-2-1 chat services appear to unnecessarily delay consumers from reaching their chosen service by, for example, featuring promotions for other services and websites, and over-lengthy introductions to the service itself.

When consumers dial a service they should hear the requisite regulatory messages right away and then be put through to the service which has been promoted – i.e. live connection to an operator or connection to a menu (where services incorporate such a facility). Our monitoring shows that service providers are able to offer all of the requisite regulatory messages within 30 seconds and then connect to a live operator or menu.

Service providers that do offer a menu option on their services should ensure that all of the information within the menu is kept as brief as possible. We have seen cases where some providers give lengthy and drawn-out descriptions of themselves with the apparent intention of prolonging calls.

Breaches of the Code of Practice will be raised against services that delay or prolong calls in the ways described.

SES number migration

Ofcom set an 8 November deadline date for the migration of all Controlled Premium Rate Sexual Entertainment Services. By then, all SES operating on 08 numbers had to migrate to 098, 0908 or 0909 numbers. Some have not and these services are now in breach of our Code of Practice. Breaches of the Code have already been raised against some services. If necessary, further action will be taken to ensure compliance in this area.

Definition of SES

A Help Note was published in July 2007 In relation to virtual chat and chat & dating services. This set out the guiding principles on what PhonepayPlus deems to be SES and non-SES in relation to these types of service. The Help Note was written in consultation with the industry. As such, we see no reason for any service deemed to be SES under the Help Note not to have migrated.

Promotional material

I want to highlight the continuing importance of clear pricing information. This is another issue where we will take enforcement action if necessary. Those seeing advertising material and considering using services should be clear on the costs involved. This is equally true of web-based promotions accessed through search engines. Remember, our Code has specific provisions relating to web services and promotions.

I have written in simple and clear terms because I want there to be no doubt over where we stand on numbering and SES issues. In both cases, these were strategic decisions taken by Ofcom. We have an absolute responsibility for ensuring compliance. These are issues where industry conduct and the regulatory response are critical to trust in phone-paid services.

A further programme of monitoring is being started by PhonepayPlus and breaches will, if necessary, be raised against services that do not comply with the Code. We hope this will not be necessary often – or at all. To this end, I would remind you again of the compliance advice service we offer (by email at compliance@phonepayplus.org.uk or by telephone on 0845 026 1060¹), which is designed to assist any provider to promote and offer its service in a way that complies with our Code.

Yours sincerely



George Kidd
CHIEF EXECUTIVE

¹ BT callers charged up to 4p per minute plus a set-up fee of 6p per call. Mobile and other providers' charges vary.