



Ofcom Review of Premium Rate Services Steering Committee – Stakeholder Monthly Update

Emergency Code Provision Amendment – 30 day payment withhold

As indicated in the Ofcom Review of Premium Rate Services, ICSTIS has gathered clear evidence that the speed and frequency of outpayments by 'network operators' to service providers continues to result in cases of consumer harm. ICSTIS' powers to direct network operators to retain money which would otherwise be paid to service providers are thus effectively being circumvented as a consequence of the market structure and sometimes the irresponsible behaviour of networks.

So far in 2005 alone and post the Ofcom Review, ICSTIS has already identified that early outpayments of monies to service providers has contributed to significant consumer harm occurring on 17 occasions. In one case, the network operator paid out over £1.5million to various service providers while ICSTIS was investigating breaches of the Code of Practice.

Ofcom, the DTI and ICSTIS believe that such payment structures represent a real danger to the effective regulation of premium rate services and it is extremely urgent that action as directed in Recommendation 4 of the Ofcom Review be taken now to correct that situation in advance of the more general reconsideration of the ICSTIS Code.

Following Steering Committee agreement, ICSTIS is planning to consult on the introduction of an Emergency Code Provision Amendment (ECPA) to address the above concerns. ICSTIS will be circulating details of its consultation on the ECPA as soon as a final decision is taken by the Steering Committee. This will then be followed by a brief consultation on Notification of Approval of the revised ICSTIS Code that will be conducted by Ofcom.

ICSTIS Code of Practice timeline

Due to the Steering Committee's consideration of a possible ECPA, the ICSTIS Code of Practice timeline has been delayed. An updated timeline detailing the full extent of any delays will be circulated in the week commencing 11 April.

Progress on originating and terminating network Memorandum of Understanding

Recommendation 1 sets out that Ofcom and ICSTIS should take the lead in encouraging originating and terminating networks (OCPs and TCPs) to produce a voluntary Code of Practice (now an MoU) covering traffic monitoring and information sharing.

Early action has already been taken by a number of OCPs and TCPs. This has been most clearly seen in the recent set up of monitoring and data sharing systems that will allow ICSTIS to act more quickly against abusive services.

Furthermore, mobile network operators have recently joined in discussions on the voluntary group, and at the Group's last meeting with Ofcom it finalised the MoU that will assist in information sharing between network operators and ICSTIS. The Group is still trialling the current notification process which is working well and is looking to communicate the process to a wider audience via the Telecommunications UK Fraud Forum and other relevant industry forums in the near future.

Increasing ICSTIS' fine limit

As per Recommendation 6 of the Ofcom Review of Premium Rate Services, the DTI is currently considering the evidence base for increasing ICSTIS' £100,000 maximum fine limit. At present no date has yet been agreed for commencing consultation on such a change, but should the DTI decide to proceed, expectations are that any amendment will be made during the last quarter of 2005.

Consumer Information Guidelines

Following Recommendation 10 of the Ofcom Review of Premium Rate Services, ICSTIS has released for consultation its 'Provision of Consumer Information - Guidelines', which set out the principles that ICSTIS proposes to adhere to when it plans and executes its consumer information function in relation to both its reactive handling of consumer enquiries and its more proactive, educational activities.

To view the consultation document in full please visit:

www.icstis.org.uk/icstis2002/pdf/Consumer%20information%20principles-FINAL3.pdf

The deadline for feedback on the consultation is 06.05.2005.

Amending OCP obligations and a feasibility study into the establishment of a Service Provider Database

Ofcom has arranged a stakeholder workshop to take forward issues arising from Recommendations 11 and 12 from Ofcom's Report on the Regulation of PRS. Recommendation 11 concerns potential modifications to General Condition 14 in order to require OCPs to establish codes of practice on handling general PRS enquiries and dealing with number check queries from customers.

The workshop will discuss the types of issue that will need to be covered by any such codes, and will feed into Ofcom's planned consultation on this matter over the summer. Recommendation 12 concerns a feasibility study into the establishment of a central database of SP contact information, which will be accessible by OCPs when dealing with any customer enquiries related to PRS.

The workshop is due to take place at 9.00am on Wednesday 20 April, and will be at Ofcom's offices. To discuss further, or if you would like to attend, please contact Gavin Daykin (020 7981 3859/gavin.daykin@ofcom.org.uk).

Contacts

Ofcom	Gavin Daykin – gavin.daykin@ofcom.org.uk /020 7981 3859
DTI	Simon Moseley – simon.moseley@dti.gsi.gov.uk /020 7215 1784
ICSTIS	Richard Sullivan – rsullivan@icstis.org.uk /020 7940 7415

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