

Communications Consumer Panel response to PhonepayPlus consultation on the Review of Information, Connection and/or Signposting Services

1. The Communications Consumer Panel (CCP) welcomes this opportunity to respond to the PhonepayPlus consultation on the Review of Information, Connection and/or Signposting Services.
2. The CCP is an independent group of experts established under the Communications Act 2003. Its role is to provide advice to Ofcom to ensure that the interests of consumers, including small businesses, are central to regulatory decisions. The Panel also provides advice to Government and champions consumers' communications interests with industry. The Panel has members representing the interests of consumers in Scotland, Wales, Northern Ireland and England.
3. The Panel welcomes PhonepayPlus' initiative to protect consumers from potentially misleading Information, Connection and/or Signposting Services. There is undoubted consumer detriment when consumers are misled (potentially unknowingly or unwittingly) into contacting a third-party commercial organisation and paying for advice or information via a premium rate service, when that content is available direct from public or other commercial services at little or no cost. This is of particular concern in the case of consumers who are more vulnerable, including those who rely on mobile phones rather than a landline service. As we move towards a "digital by default" environment this issue is likely to lead to more customer harm unless action is taken. The Panel would therefore support in principle a prior permissions regime, backed by effective and proportionate measures to ensure consumer protection.
4. The Panel notes that the potential misleading nature of these services can occur at several stages. As such, these stages can work together to cumulatively reinforce a consumer's misperception of a service.
5. The Panel is concerned about the potentially misleading nature of some of these services, as outlined by the consultation document and including: the marketing techniques employed by some such services; the lack of pricing transparency (including lack of pre-connection alerts); the delaying of consumers during calls to premium rate services (either by being held in a queue or by being asked for non-essential information); and the invitation to provide personal/logon data to these third parties - particularly given that some of these service providers may be unregistered as data controllers.
6. The provision of personal or logon data is of particular concern, given that these details may be of a highly sensitive nature or allow access to a transactional account.

7. The Panel is also troubled by the apparent failure of service providers to modify their previous practice, despite an earlier adjudication in this area and the compliance update issued earlier this year.
8. While the option of taking action around trademarks, copyright or passing off is a potential response, from the arguments presented in the consultation document this does not seem to be an adequate response to prevent further consumer detriment, given the time required to undertake legal action.
9. Whilst the Panel welcomes Google's action to mitigate search engine marketing techniques employed by some services, it is of the view that this is insufficient in isolation to provide a resolution - particularly given that the services are marketed in a range of ways, both online and offline.
10. Ultimately, if service providers are transparent with potential consumers, people will be able to make an informed choice about whether to use a service, on the basis of evaluating whether the added value justifies the expenditure.
11. In summary, the Panel believes that the issue of consumers being misled is a wide one - covering expectations, pricing, privacy and provenance of the information they are seeking - and supports moves to provide a clear and enforceable protections for all consumers.