

Communications Consumer Panel and ACOD response to PhonepayPlus' draft guidance consultation

The Communications Consumer Panel (the Panel) and the Advisory Committee on Older and Disabled People (ACOD) welcome the opportunity to respond to PhonepayPlus' draft guidance consultation.

The Panel works to protect and promote people's interests in the communications sector, including the postal sector, as an independent statutory body, set up under the Communications Act 2003. The Panel carries out research, provides advice and encourages Ofcom, governments, the EU, industry and others to look at issues through the eyes of consumers, citizens and micro businesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes - and the needs of micro businesses, which face many of the same challenges as individual consumers.

Four members of the Panel also represent the interests of consumers in England, Northern Ireland, Scotland and Wales respectively. They liaise with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel's consideration of issues. Following the alignment of ACOD with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Response

We note that this consultation comes after a widespread review by PhonepayPlus into its current Guidance. The five pieces of Guidance that have been amended or developed afresh relate to:

- Advice services
- Digital marketing and promotions
- Enabling consumer spend control
- Method of exit from a service
- Subscription services

In relation to advice services, we would suggest under section 1.2 that the requirement should be for the service itself to offer advice that is reliable, trustworthy and accurate and, following from that basic tenet, for users to be informed what qualifications/skills/experience operators have to enable them to provide this.

Section 1.3 b): it might be helpful to provide one or two examples of the types of services this may cover.

Section 2.1: in relation to points a) - d) we would suggest that consideration be given to making this information available in promotional material **and** at the beginning of the service.

Section 3: at a number of places (e.g. 3.3) the guidance states that certain provisions 'should' be in place/demonstrated/provided. We would encourage consideration of whether the more definitive requirement of 'must' rather than "should" would add clarity for providers and be more appropriate in many of these cases. This would also support consumer confidence in the services for which they are paying.

Section 5.3.5 c): again, we would suggest that consideration be given to making this information available in promotional material **and** at the beginning of the service.

In relation to digital marketing and promotions, we strongly believe that it is a fundamental requirement that consumers are not misled by certain digital marketing techniques. Marketing must be transparent to enable consumers to make an informed judgement about whether to engage with a service and people must be given the appropriate control over their data and hence their privacy.

With regard to excessive consumer spend control, we welcome the proposed steps outlined in the guidance. The guidance refers to contacting a consumer if that user has reached a usage level or spend which is 50% higher than the modal average - we recommend that there should be a requirement for this communication to be in a durable form to enable consumers to check back, and so that they have a record in case of a dispute. We support the cessation of service or non-billing of consumers who have reached double the level of use of an average user until the user had acknowledged the usage/spend level to the provider directly.

In relation to methods of exit from a service, we strongly support use of the 'STOP' command. Exit methods must be clear, easy to complete, effective and unambiguous.

Finally, we agree that it is vital that consumers clearly understand the implications of signing up to a subscription service and are content to incur a future recurring charge before they are charged initially.