

Tuesday 22nd January

## **2008 REGULATORY UPDATE**

Last year was a challenging year for the telecoms industry. As well as dealing with the impact of various consultations around NTS, there were unpredicted events caused by the discovery of unethical use of premium rate lines in broadcast media. The public trust lost from the exposure of programmes ranging from Blue Peter to Brainteaser may take some time to restore, and broadcasters need to be convinced that they are working with trustworthy networks and service providers.

**Due Diligence** – As a result of problems in 2004 with internet dialler services, PhonepayPlus (PPP) introduced a requirement in 2006 for networks to carry out certain checks on new service providers before signing them up. There was also a retrospective element for existing PRS customers which had to be completed by November 2007. Invomo sent out one-page forms with the acquisition announcement letters in October and it is important that these are completed and sent back to us. All PRS customers should also register on the PPP website and notify Invomo of their registration number.

**Scope Review** – Ofcom has been working on this for over a year, it is due to consider issues, via consultation, which include the relationship with and workings of PPP. Ofcom have, in the interim, published a framework for regulation which includes having a senior Ofcom official as the sponsor for the relationship with PPP and Ofcom having the ability to give PhonepayPlus directions on issues which it considers of particular importance or where clarity of responsibility needs to be explicit. The framework also states that PPP is the agency appointed by Ofcom for the regulation of premium rate services which, in our view, should halt the regulatory creep that has been a feature of recent years.

**070** – As part of the NTS review, Ofcom imposed a pre-call announcement for any calls that might cost more than 20p. However, Ofcom was forced to retract this in the face of problems with failed calls to emergency services.

There are no more 070 numbers available from Ofcom as the prefix is completely allocated. Ofcom has stated that the range will be closed in July 2009 and is due to consult on whether to open up 06 as an alternative for personal numbers (this consultation was originally due at the end of 2007, so closure of the prefix may be delayed to late 2009).

**0870** – Ofcom proposed that Originating operators must charge their customers no more for calling a 0870 number than they do for their 01 and 02 numbers. This was due to come into force in Spring 2008 and would have the effect of making the prefix non-revenue share. This date has fallen back, however, as there was a proposal to allow originating networks to place a free to user pre-call announcement if the network wished to charge a higher price. Due to the problems with the 070 announcement, this issue has to be resolved before the change can take place.

Additionally, around 30 network operators are currently in dispute with BT over their proposed out-payments, as it appears that they are keeping a greater proportion of revenue than is warranted.

**0871** – It has been agreed that this will fall within PhonepayPlus’ remit, and a consultation is due from Ofcom to confirm the exact terms in the near future. PPP is going to issue a Statement of Application which will clarify how the Code applies. They proposed that network operators will not have to carry out the full due diligence currently required for premium rate services and that the vast majority of live services will not fall within the prior permission requirements.

If you have any enquires or further information please contact [compliance@invomo.com](mailto:compliance@invomo.com)