fair telecoms campaign **consultation response**

Response to PSA Consultation - on a variation to ICSS11 for providers who operate with per call tariffs

Having responded to the original consultation - see [Response to PSA consultation - Changes to Regulatory Framework for Information, Connection & Signposting Services] - the **fair telecoms campaign** is pleased to respond to [this supplementary consultation].

In-call announcement of call cost

In early representations on the necessary reform of the special conditions for ICSS, we urged consideration of the option of all such services being covered by a (free-to-caller) **pre-call** announcement of the nature of the service being used, along with an indication of call cost.

This was said to present difficulties which could perhaps not be overcome.

An **in-call** announcement is thereby a suitable second option, to ensure that callers are made aware of the nature of the service they are using, before proceeding. When the Service Charge is set on a per-call basis, however, this element of the call cost will have been fully incurred before a warning message is heard.

The Access Charge

A significant, and commonly greater, element of the call cost for any phone-paid service is the Access Charge. This, at a rate currently up to 65p per minute, is incurred on a per-minute basis for the duration of the call.

There is therefore no justification in the suggestion that the caller has already fully incurred the cost of the call before hearing an announcement.

Whilst the actual significance of the Access Charge cannot be explicitly stated, it must be noted and recognised in the formation of regulations.

Scam warning

It must be recognised that the overwhelming majority of calls to ICSS services are made in error. There are few, if any, cases where a genuinely valued service is being provided.

The primary purpose of all regulation in this area must be to alert consumers to the danger of being scammed. This is, firstly, in the hope of preventing them from being deceived, but secondly, to enable them to recover costs improperly incurred in the event that the deceit has been effective.

The provisions of ICSS 11 (a) can indeed only limit the consequential damage of the Access Charge as a means of prevention in respect of “per-call” charged ICSS services. They can however enable the immediate recognition of a deceptive inducement to call the wrong number and prompt necessary steps being taken to report the case and recover the money lost.

It may be noted that a caller who wishes to proceed with the call after they have been made aware of the cost is free to do so.

The callers who may hang up on hearing the announcement will be those who have been misled into calling. The purpose of the in call announcement is only to repeat information that should have been understood before the call was made.

The proposal

There is considerable confusion in the presentation of the proposed alternative option, given as "ICSS11 (b)".

It firstly refers to the SMS being issued "***upon completion of the ICSS call***". It then however refers to "***the actual phone number of the organisation the consumer is seeking***", implying that the consumer has not yet been connected to that organisation.

This begs the question as to whether the service being provided is:

a) a call connection service - with a fixed service charge for any duration of call,
   OR
b) an "information" service - providing genuine direct contact numbers.

We offer comments in respect of each of these possibilities.

In both cases however the proposal must be rejected as wholly inappropriate.

A "type 1" call connection service

The proponent of this approach, in its published consultation response, was Caller Support Ltd. This company, based in Swansea, has now ceased trading, from its London office and entered into voluntary liquidation - see https://beta.companieshouse.gov.uk/company/09499883/insolvency.

One could comment on a chequered history of operation by misleading consumers, but that would not be unusual for this particular sector (ICSS).

This company operated such a service, in respect of a variety of companies - all of which had accessible published contact numbers, with a fixed service charge set at the maximum possible level of £6.00 per call.

It is widely understood that the duration of these calls is limited - given that the cost to the provider is on a per-minute basis. There is however no requirement for such services to refer to any possible "time limit" as part of the in-call announcement. [check CS, Ian finding others]

This disconnect between the cost to the provider and the charge to the consumer is but a further indication that the whole business is somewhat dodgy and unworthy of support by the PSA.

A "type 2" information service

If a service providing genuine direct contact numbers is being offered (via SMS) then use of a chargeable text message would offer a far more effective and proper means of operation. There would seem to be no purpose whatsoever for any voice call-based ICSS service.

It is however a fundamental breach of the principles around phone-paid services for the consumer to be advised of the cost after, rather than before, it has been incurred.

The proposal hints at this type of service, by reference to "***the actual phone number of the organisation the consumer is seeking***", rather than "*the number to which the customer has already been connected*". There is however no known example of such a service.

The necessary announcement for ICSS11

The purpose of any announcement at the beginning of any telephone call must be to advise the caller to whom they have been connected. In the case of ICSS, it is imperative that the caller be made aware, in case they were not so previously, that they have not contacted the intended subject of their call directly and that they are using a Premium Rate Service.

As well as being advised of the fact that they are using a Premium Rate Service, there is merit in also providing the best possible indication of the level of charge that is to be incurred.

When referring to the level of the Access Charge it would be of relevance to advise (especially in the case where the Service Charge is made per call) that this is always on a per-minute basis.

It is ridiculous and absurd to suggest that, in cases where the Service Charge is on a per-call basis, the following requirements may be abandoned.

i. Advice of the cost, including the existence of a per-minute Access Charge.

ii. Advice that this is a call connection service provided by a third party.

iii. Confirmation of the organisation to whom to caller is being connected.

This information has value in advising the caller that they may have been scammed. Because it (allegedly) cannot be provided before call charging commences, then some cost will have been incurred in all cases when it is heard. The level of that cost, or the basis on which it has been calculated should have no bearing on the importance of this information being provided.

Further proposal

If there is a serious consideration that callers may have incurred a significant cost before the announcement is heard, then we would propose an additional item to be added to the information given:

iv. the means by which charges already improperly incurred (due to unintended use of a ICSS) may be recovered.

Consultation Question and Response

Do you agree with the proposal to offer ICSS which operate with a per call tariff an alternative to pricing within the alert upon connection, in the form of a free to receive SMS receipt which states the cost and the actual contact number of the organisation the consumer is seeking? If not, why not?

NO

See above.