



# Quarterly Report

2009/2010 - Quarter 2

*Published Date: 13 November, 2009*

## Report Summary

### Introduction

- Overall complaints logged have decreased 40% for 2009/2010 Q2 in comparison to Q2 of 2008/2009 (6,029 vs. 3,625)
- Complaints for the mobile sector in 2009/2010 Q2 have decreased 41% in comparison to Q2 of 2008/2009 (5,468 vs. 3,234)
- Call volumes in 2009/2010 Q2 have decreased only 1.5% in comparison to Q2 of 2008/2009 (13,244 vs. 13,047)
- A forensic analysis of 10% of mobile service-related complaints in the last two months of Q2 indicates:
  - WAP services account for 32% of complaints
  - Adult chat and date accounts for 13% of complaints
  - Wallpaper and ringtone downloads account for 31% of complaints

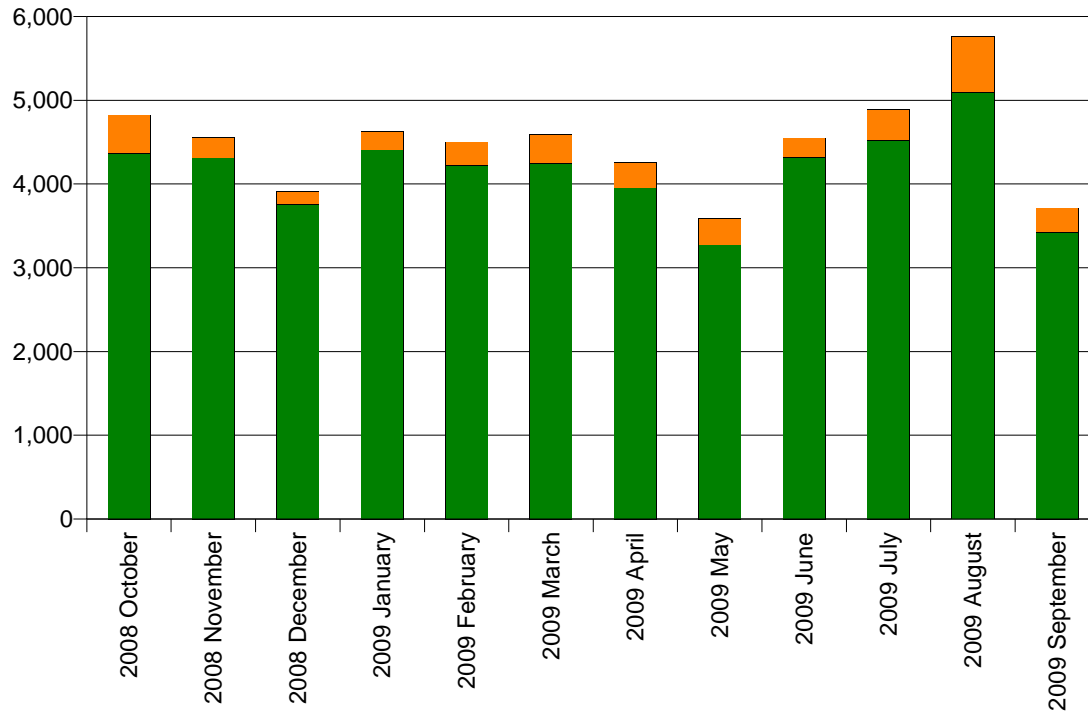
*We are currently making changes to our database to allow this level of complaint data to be recorded each month in the report for all mobile service-related complaints*

- 88% of complainants contacted for our customer satisfaction questionnaire were categorised as being satisfied or above with the outcome of our adjudications
- Of the 304 landline complaints PhonepayPlus received in Q2, 95 complaints logged in Aug and Sept were in relation to 087 numbers
- We have one open 087 investigation relating to the receipt of missed calls

# Quarterly Report - 2009/2010 Q2

**Chart 1.1 - Customer Service Call Volume**

Abandoned  
Calls Answered

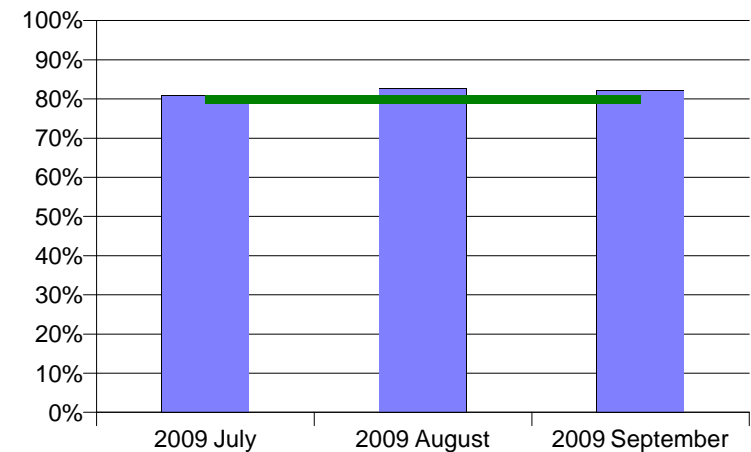


| Month                     | Calls Answered | Calls Abandoned | Total Calls Offered |
|---------------------------|----------------|-----------------|---------------------|
| 2008 October              | 4,366          | 458             | 4,824               |
| 2008 November             | 4,314          | 235             | 4,549               |
| 2008 December             | 3,759          | 150             | 3,909               |
| 2009 January              | 4,410          | 219             | 4,629               |
| 2009 February             | 4,223          | 275             | 4,498               |
| 2009 March                | 4,251          | 339             | 4,590               |
| 2009 April                | 3,960          | 295             | 4,255               |
| 2009 May                  | 3,276          | 315             | 3,591               |
| 2009 June                 | 4,320          | 225             | 4,545               |
| 2009 July                 | 4,525          | 361             | 4,886               |
| 2009 August               | 5,101          | 663             | 5,764               |
| 2009 September            | 3,421          | 291             | 3,712               |
| <b>Totals for Period:</b> | <b>49,926</b>  | <b>3,826</b>    | <b>53,752</b>       |

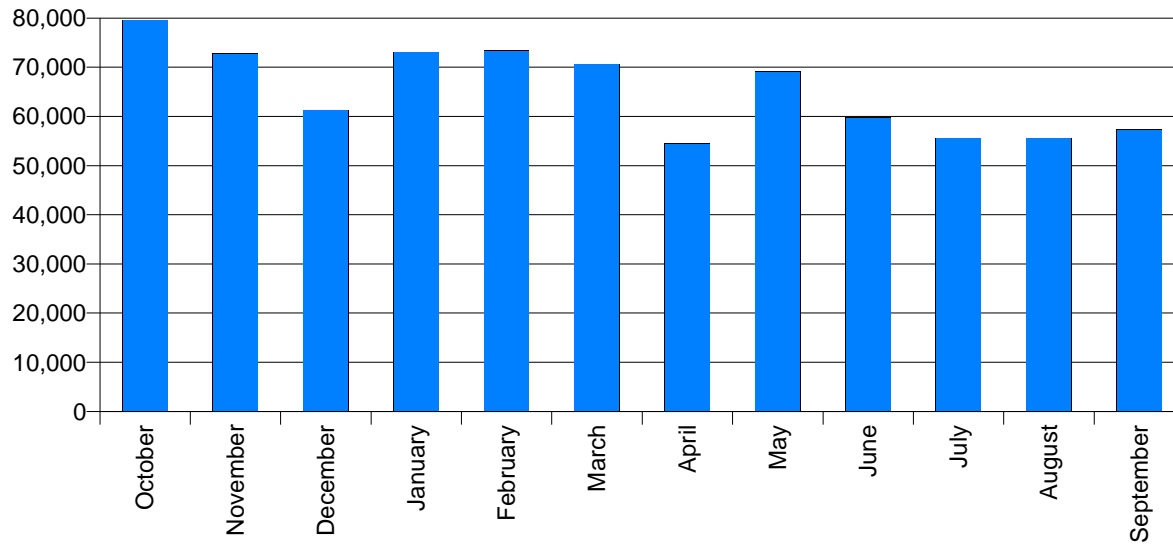
**Comments:**

The significant increase in call volume in August is due to a change in the PhonepayPlus' Customer Help Line menu. The option advising callers of BT contact details was removed. This option was re-instated in late August and the subsequent reduction in calls has been observed. KPI for percentage of calls answered within 30 seconds is 80%.

**Chart 1.2 - KPI: % of Calls Answered < 30 Sec**



**Chart 1.3 - Number Checker Usage**



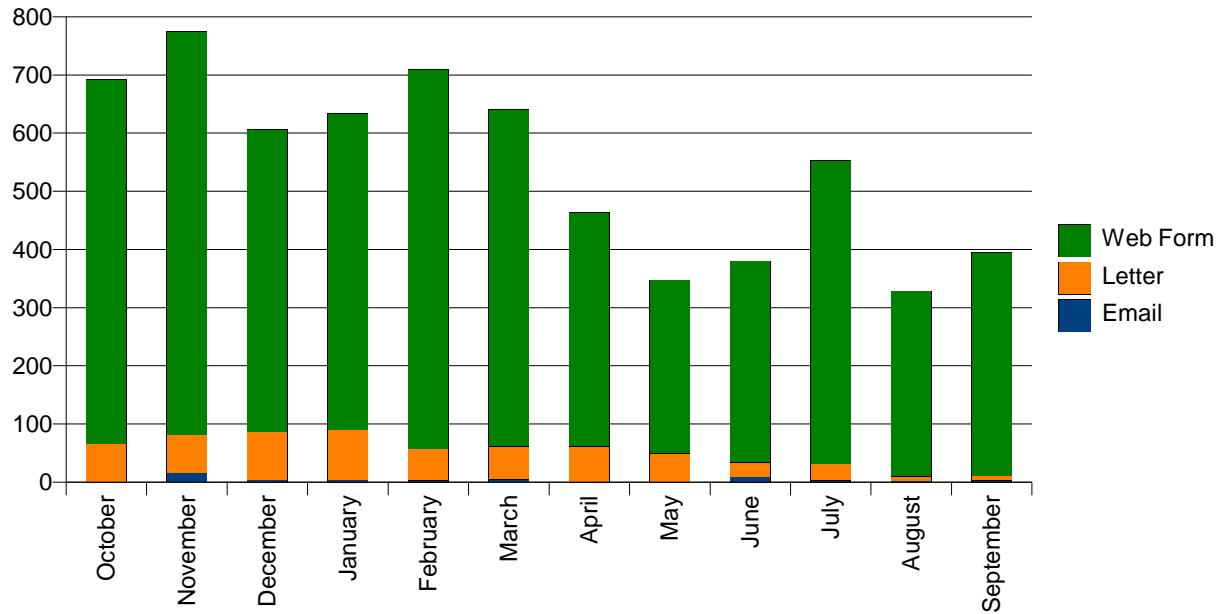
**Comments:**

- Chart 1.3 - Number Checker Usage includes web, IVR, and SMSus number checks
- PRN = Premium Rate Numbers that are not SMS shortcodes
- The "Other" category contains out of remit, National, and mobile numbers along with mistyped number searches

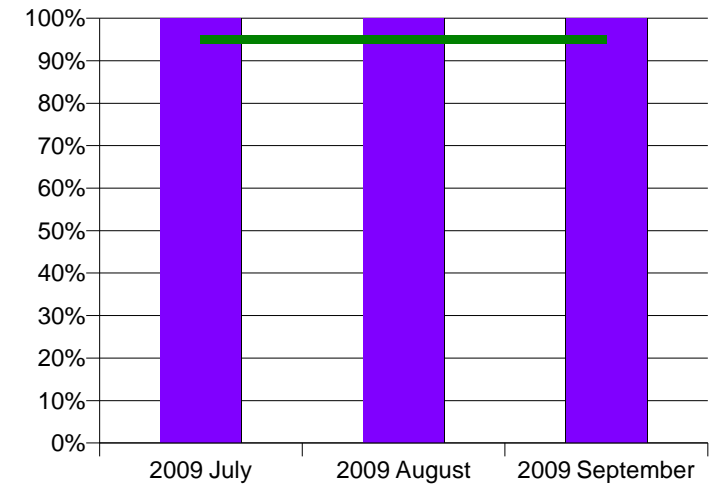
| Number Type               | PRN            | Shortcode      | Directory Enquiries | 070          | 087           | Other          | Month Totals   |
|---------------------------|----------------|----------------|---------------------|--------------|---------------|----------------|----------------|
| October                   | 31,368         | 22,405         | 326                 | 867          | 1,764         | 22,788         | <b>79,518</b>  |
| November                  | 27,351         | 22,623         | 316                 | 823          | 1,599         | 20,077         | <b>72,789</b>  |
| December                  | 23,881         | 18,659         | 290                 | 731          | 1,551         | 16,168         | <b>61,280</b>  |
| January                   | 28,737         | 22,037         | 369                 | 645          | 1,749         | 19,579         | <b>73,116</b>  |
| February                  | 27,187         | 24,382         | 353                 | 684          | 1,725         | 19,112         | <b>73,443</b>  |
| March                     | 27,030         | 21,599         | 479                 | 669          | 1,722         | 19,089         | <b>70,588</b>  |
| April                     | 20,644         | 17,249         | 368                 | 550          | 1,310         | 14,332         | <b>54,453</b>  |
| May                       | 28,777         | 19,341         | 327                 | 762          | 1,927         | 17,945         | <b>69,079</b>  |
| June                      | 24,512         | 18,660         | 376                 | 583          | 1,566         | 14,027         | <b>59,724</b>  |
| July                      | 22,731         | 16,854         | 419                 | 706          | 1,486         | 13,306         | <b>55,502</b>  |
| August                    | 23,608         | 16,647         | 295                 | 667          | 1,889         | 12,397         | <b>55,503</b>  |
| September                 | 24,599         | 15,829         | 280                 | 804          | 1,706         | 14,052         | <b>57,270</b>  |
| <b>Totals for Period:</b> | <b>310,425</b> | <b>236,285</b> | <b>4,198</b>        | <b>8,491</b> | <b>19,994</b> | <b>202,872</b> | <b>782,265</b> |

# Quarterly Report - 2009/2010 Q2

**Chart 1.4 - Contact Centre Correspondence Contacts**

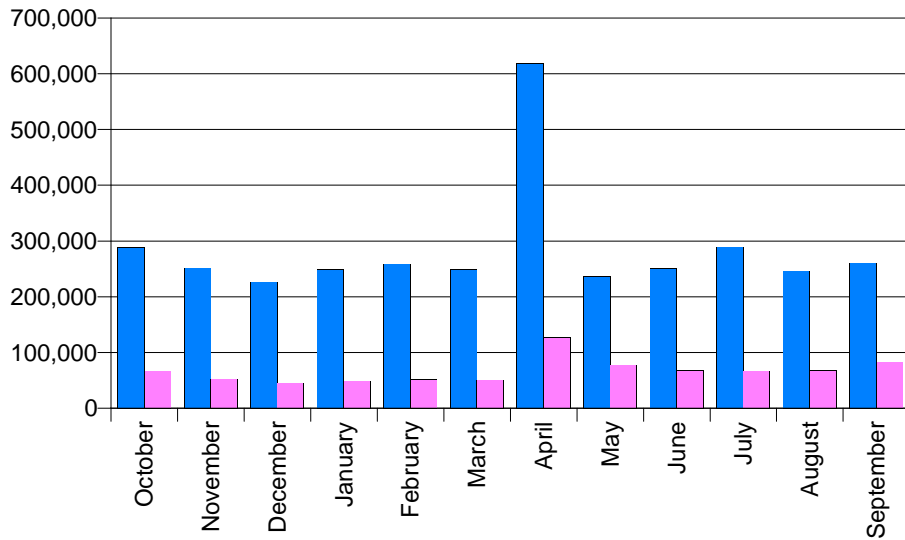


**Chart 1.5 - KPI: Out of Remit Correspondence < 10 Days**

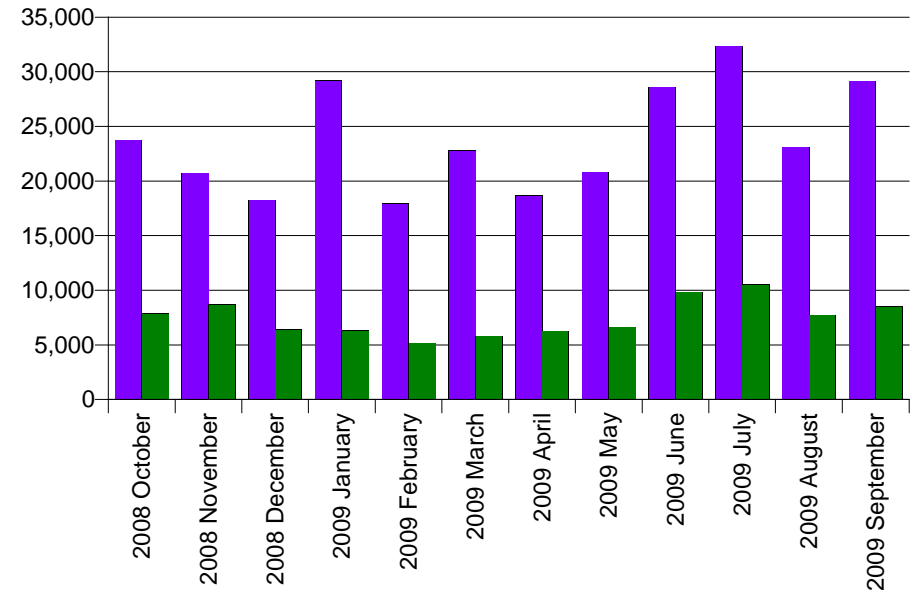


| Type of Contact           | Email     | Letter     | Web Form     | Month Totals |
|---------------------------|-----------|------------|--------------|--------------|
| October                   | 1         | 65         | 626          | <b>692</b>   |
| November                  | 16        | 66         | 692          | <b>774</b>   |
| December                  | 4         | 83         | 519          | <b>606</b>   |
| January                   | 4         | 86         | 543          | <b>633</b>   |
| February                  | 3         | 54         | 652          | <b>709</b>   |
| March                     | 5         | 57         | 578          | <b>640</b>   |
| April                     |           | 62         | 401          | <b>463</b>   |
| May                       | 1         | 48         | 298          | <b>347</b>   |
| June                      | 9         | 25         | 346          | <b>380</b>   |
| July                      | 3         | 29         | 521          | <b>553</b>   |
| August                    | 2         | 8          | 318          | <b>328</b>   |
| September                 | 3         | 8          | 384          | <b>395</b>   |
| <b>Totals for Period:</b> | <b>51</b> | <b>591</b> | <b>5,878</b> | <b>6,520</b> |

**Chart 1.6a - PhonepayPlus Web Site Page Views & Visits**



**Chart 1.6b - PhoneBrain Web Site Page Views & Visits**



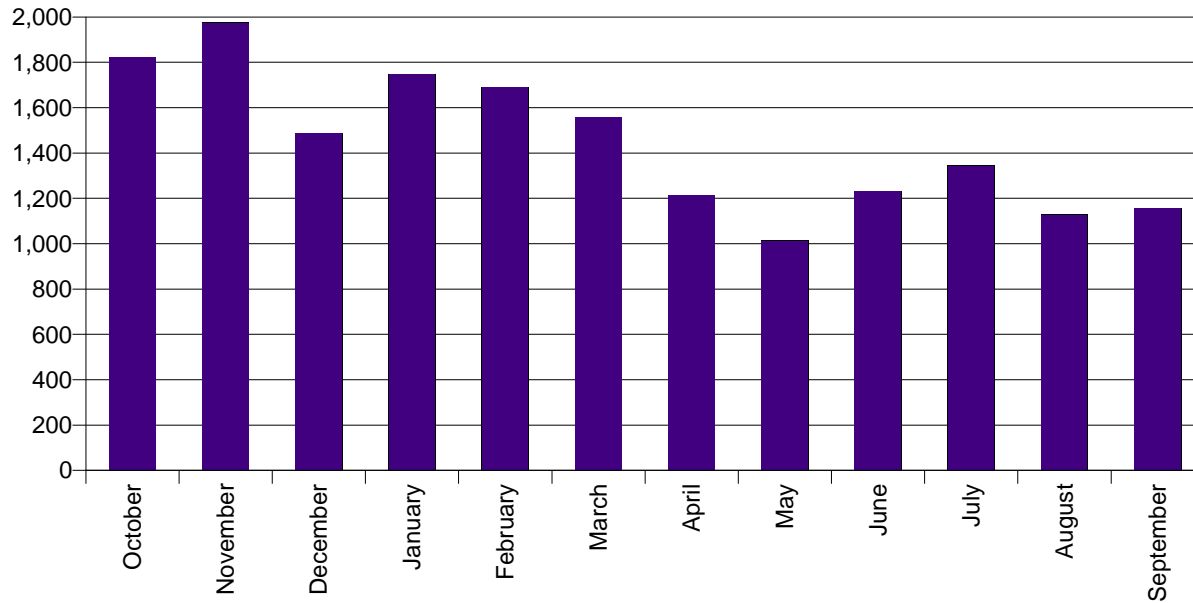
| Month                    | Page Views       | Visits         |
|--------------------------|------------------|----------------|
| October                  | 287,697          | 66,233         |
| November                 | 251,144          | 52,531         |
| December                 | 225,835          | 44,604         |
| January                  | 247,979          | 48,799         |
| February                 | 257,944          | 51,407         |
| March                    | 248,928          | 49,867         |
| April                    | 617,802          | 126,528        |
| May                      | 235,240          | 77,237         |
| June                     | 249,567          | 66,987         |
| July                     | 288,131          | 66,407         |
| August                   | 245,671          | 67,638         |
| September                | 259,522          | 82,109         |
| <b>Total for Period:</b> | <b>3,415,460</b> | <b>800,347</b> |

**Comments:**

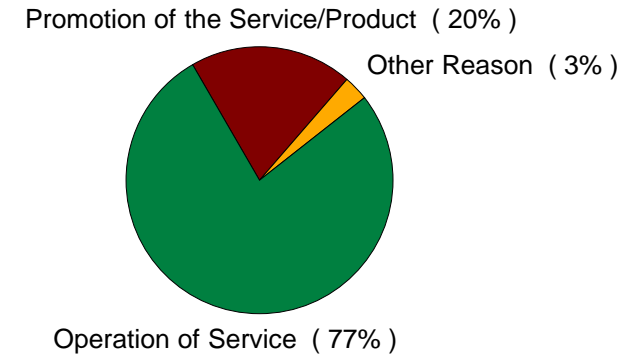
- The spike in activity for April is due to the new PhonepayPlus website launch on April 14
- The method by which page views are calculated needed to be adjusted to match the new site's structure
- Pre-April 14 page view numbers have been modified and will vary from previous published figures

| Month                    | Page Views     | Visits        |
|--------------------------|----------------|---------------|
| 2008 October             | 23,726         | 7,821         |
| 2008 November            | 20,676         | 8,652         |
| 2008 December            | 18,233         | 6,351         |
| 2009 January             | 29,154         | 6,280         |
| 2009 February            | 17,909         | 5,129         |
| 2009 March               | 22,766         | 5,791         |
| 2009 April               | 18,641         | 6,228         |
| 2009 May                 | 20,815         | 6,612         |
| 2009 June                | 28,591         | 9,818         |
| 2009 July                | 32,346         | 10,500        |
| 2009 August              | 23,088         | 7,709         |
| 2009 September           | 29,115         | 8,460         |
| <b>Total for Period:</b> | <b>285,060</b> | <b>89,351</b> |

**Chart 2.1 - All Complaints Logged**



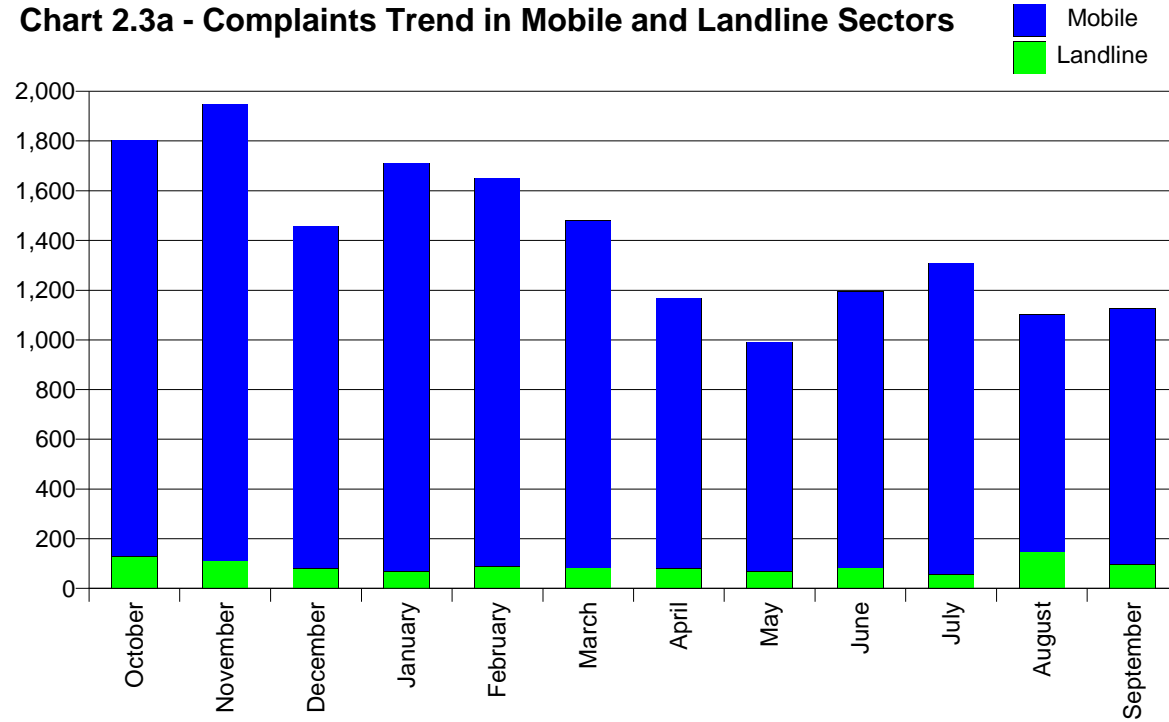
**Chart 2.2 - Reason for Complaint Q2**



| Source of Complaint       | Phone         | Web          | Correspondence | Other     | Month Totals  |
|---------------------------|---------------|--------------|----------------|-----------|---------------|
| October                   | 1,307         | 491          | 19             | 4         | <b>1,821</b>  |
| November                  | 1,400         | 565          | 6              | 3         | <b>1,974</b>  |
| December                  | 1,073         | 406          | 5              | 1         | <b>1,485</b>  |
| January                   | 1,301         | 438          | 4              | 3         | <b>1,746</b>  |
| February                  | 1,154         | 530          | 4              | 2         | <b>1,690</b>  |
| March                     | 1,078         | 469          | 8              | 3         | <b>1,558</b>  |
| April                     | 869           | 339          |                | 7         | <b>1,215</b>  |
| May                       | 738           | 268          | 3              | 4         | <b>1,013</b>  |
| June                      | 927           | 286          | 6              | 11        | <b>1,230</b>  |
| July                      | 944           | 373          | 6              | 20        | <b>1,343</b>  |
| August                    | 833           | 272          | 2              | 20        | <b>1,127</b>  |
| September                 | 807           | 330          | 3              | 15        | <b>1,155</b>  |
| <b>Totals for Period:</b> | <b>12,431</b> | <b>4,767</b> | <b>66</b>      | <b>93</b> | <b>17,357</b> |

# Quarterly Report - 2009/2010 Q2

**Chart 2.3a - Complaints Trend in Mobile and Landline Sectors**



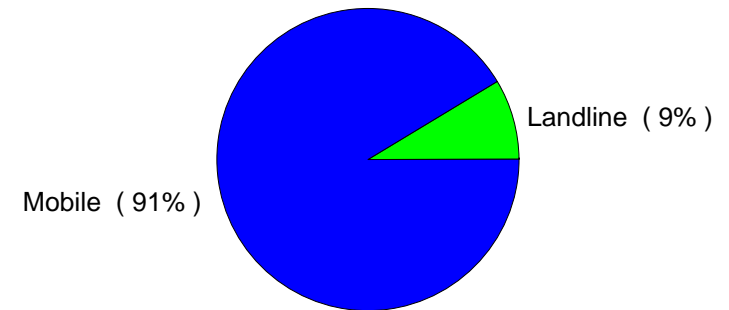
| Month       | Landline     | Mobile        | Month Totals  |
|-------------|--------------|---------------|---------------|
| October     | 130          | 1,673         | 1,803         |
| November    | 112          | 1,837         | 1,949         |
| December    | 82           | 1,376         | 1,458         |
| January     | 68           | 1,643         | 1,711         |
| February    | 89           | 1,562         | 1,651         |
| March       | 83           | 1,398         | 1,481         |
| April       | 82           | 1,085         | 1,167         |
| May         | 69           | 920           | 989           |
| June        | 84           | 1,110         | 1,194         |
| July        | 57           | 1,250         | 1,307         |
| August      | 148          | 956           | 1,104         |
| September   | 99           | 1,028         | 1,127         |
| <b>Sum:</b> | <b>1,103</b> | <b>15,838</b> | <b>16,941</b> |

| Month       | 070 Complaints |
|-------------|----------------|
| April       | 46             |
| May         | 30             |
| June        | 42             |
| July        | 31             |
| August      | 29             |
| September   | 55             |
| <b>Sum:</b> | <b>233</b>     |

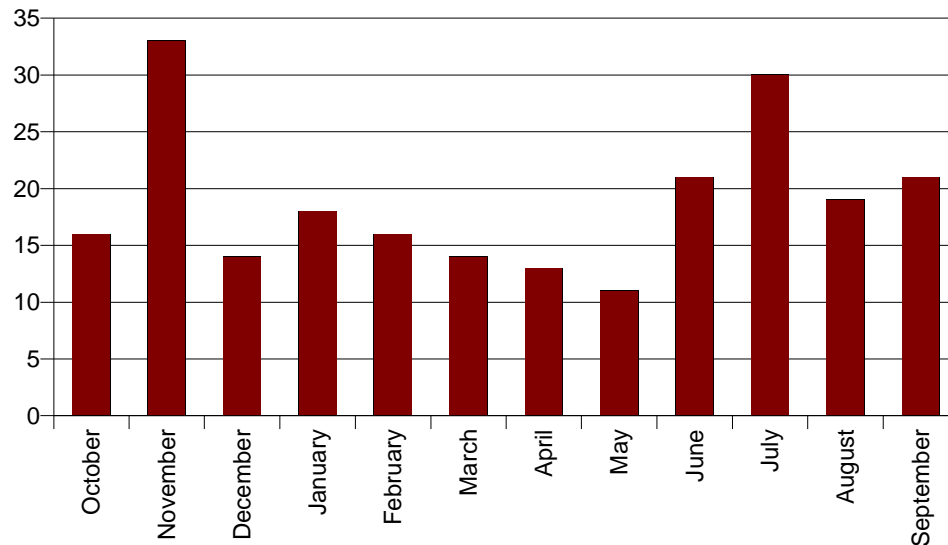
| Month       | 087 Complaints |
|-------------|----------------|
| August      | 80             |
| September   | 15             |
| <b>Sum:</b> | <b>95</b>      |

**Note:** PhonepayPlus began regulating 087 numbers 1 August, 2009

**Chart 2.3b - Mix of Mobile vs. Landline Sector Complaints Q2**



**Chart 3.1 - Lead Cases Identified**



| Month                    | Lead Cases Identified |
|--------------------------|-----------------------|
| October                  | 16                    |
| November                 | 33                    |
| December                 | 14                    |
| January                  | 18                    |
| February                 | 16                    |
| March                    | 14                    |
| April                    | 13                    |
| May                      | 11                    |
| June                     | 21                    |
| July                     | 30                    |
| August                   | 19                    |
| September                | 21                    |
| <b>Total for Period:</b> | <b>226</b>            |

**Current Open Investigations as of November 12th: 49 Cases**

| Open Investigations by Sector        | Cases     |
|--------------------------------------|-----------|
| Mobile                               | 33        |
| Landline                             | 3         |
| Directory Enquires                   | 2         |
| Cases Against Associated Individuals | 6         |
| Network                              | 5         |
| <b>Sum:</b>                          | <b>49</b> |

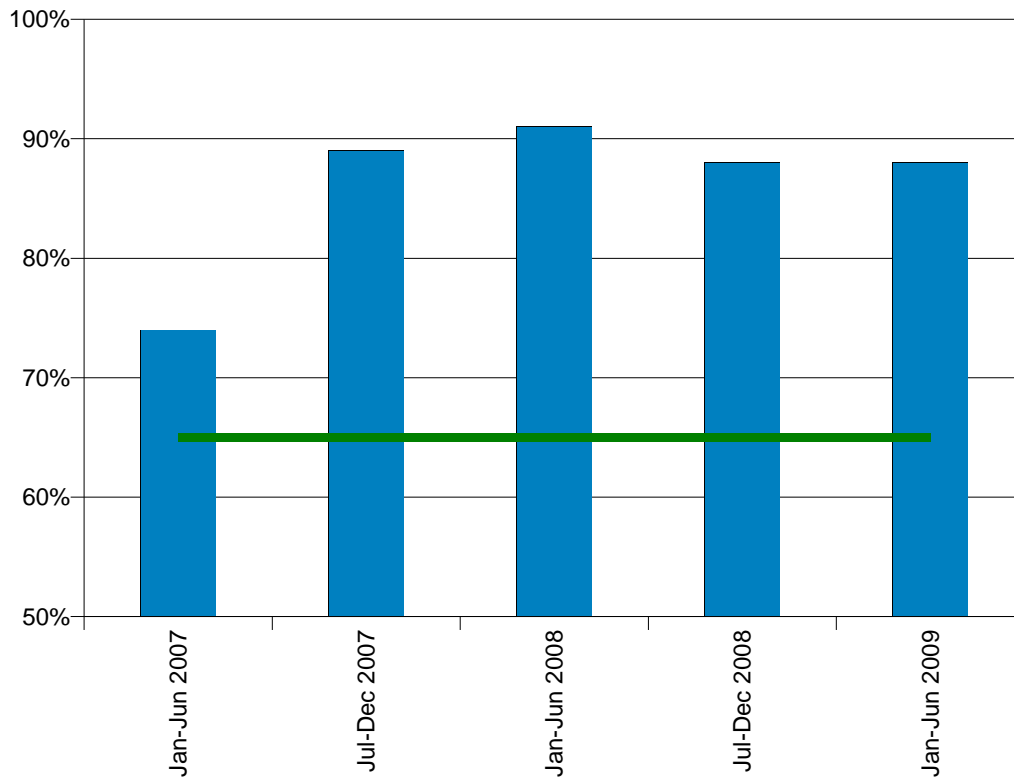
**Key Adjudications:**

**23 July/6 August: Digital Select Limited/Auction Helpline Ltd**

These two cases concerned 'information services' – web-promoted services where consumers were offered information on a £1.50 per minute premium rate number, either recorded or via a live operator, that was freely available elsewhere in the public domain. Examples included 'Benefits Helpline' and a 'Fraud Helpline'. The services utilised sponsored Google searching to place themselves above or near the 'official' version when consumers searched. On 16 September, PhonepayPlus issued a Notice to Industry, detailing clearly how such services must operate in order to avoid misleading the public.

Read more at: [www.phonepayplus.org.uk/output/Adjudications.aspx](http://www.phonepayplus.org.uk/output/Adjudications.aspx)

**Chart 3.2 - KPI: Customer Satisfaction \***

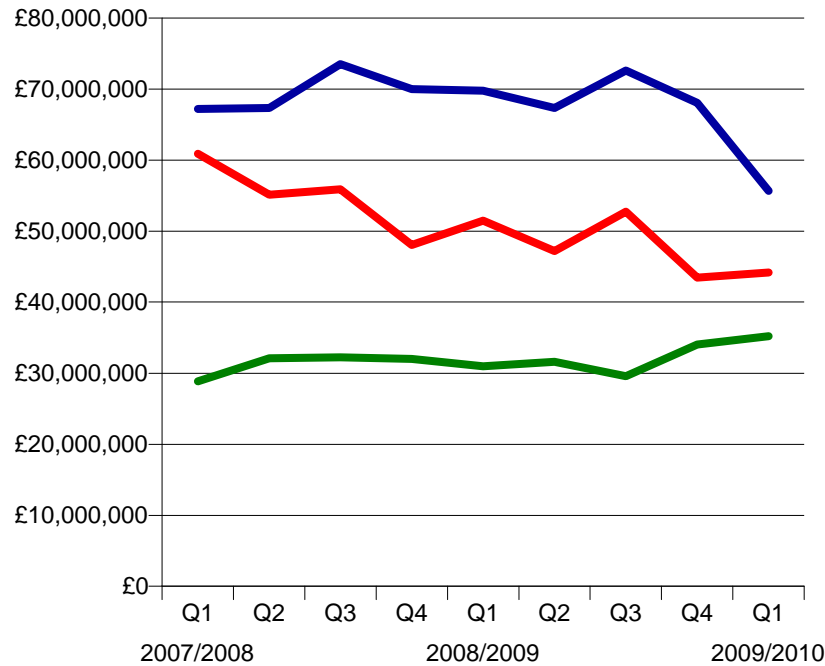


\* This measures the satisfaction levels of complainants sent an adjudication letter.

**Comments:**

- 88% of people surveyed were satisfied or above (Jan – Jun 09)
- 30% of complainants responded to our survey (160 out of 535 contacted for survey)
- 84% felt we met our target timeframe for the investigation
- 62% felt we explained the outcome sufficiently
- 66% did receive an adjudication letter (Currently, all correspondence is sent via post – electronic options are being evaluated)
- 85% of respondents due a refund felt we clearly explained how to obtain it
- 34% of complainants due a refund have attempted to get one (Complainants generally explained that they were happy the company was fined and did not feel compelled to attempt to collect a refund)

**Chart 4.1 - Outpayments per Sector**



| Financial Year   | Quarter        | Mobile              | Landline            | DQ                  | Totals              |
|------------------|----------------|---------------------|---------------------|---------------------|---------------------|
| <b>2007/2008</b> | Q1             | £67,209,538         | £60,879,308         | £28,869,040         | £156,957,886        |
|                  | Q2             | £67,324,028         | £55,100,297         | £32,111,315         | £154,535,640        |
|                  | Q3             | £73,490,259         | £55,883,148         | £32,225,116         | £161,598,523        |
|                  | Q4             | £70,003,933         | £48,057,125         | £31,993,216         | £150,054,274        |
|                  | <b>Totals:</b> | <b>£278,027,758</b> | <b>£219,919,878</b> | <b>£125,198,687</b> | <b>£623,146,323</b> |

| Financial Year   | Quarter        | Mobile              | Landline            | DQ                  | Totals              |
|------------------|----------------|---------------------|---------------------|---------------------|---------------------|
| <b>2008/2009</b> | Q1             | £69,765,887         | £51,458,531         | £30,969,598         | £152,194,016        |
|                  | Q2             | £67,320,403         | £47,198,939         | £31,623,026         | £146,142,368        |
|                  | Q3             | £72,613,676         | £52,713,592         | £29,581,514         | £154,908,782        |
|                  | Q4             | £68,069,852         | £43,457,661         | £34,056,721         | £145,584,234        |
|                  | <b>Totals:</b> | <b>£277,769,818</b> | <b>£194,828,723</b> | <b>£126,230,859</b> | <b>£598,829,400</b> |

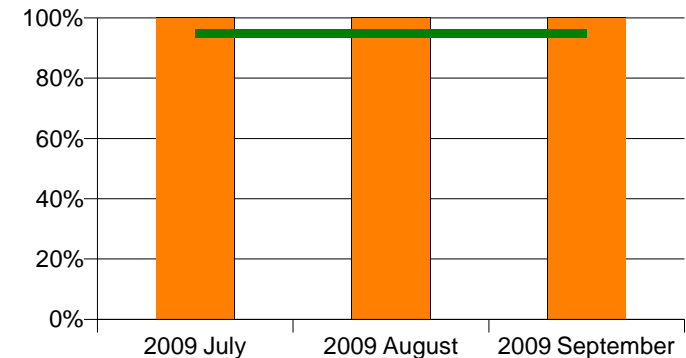
| Financial Year   | Quarter        | Mobile             | Landline           | DQ                 | Totals              |
|------------------|----------------|--------------------|--------------------|--------------------|---------------------|
| <b>2009/2010</b> | Q1             | £55,672,057        | £44,174,819        | £35,224,541        | £135,071,417        |
|                  | <b>Totals:</b> | <b>£55,672,057</b> | <b>£44,174,819</b> | <b>£35,224,541</b> | <b>£135,071,417</b> |

**Note:** 2008/09 and 2009/10 outpayment figures are based on annual and quarterly returns submitted by networks and are currently being verified.

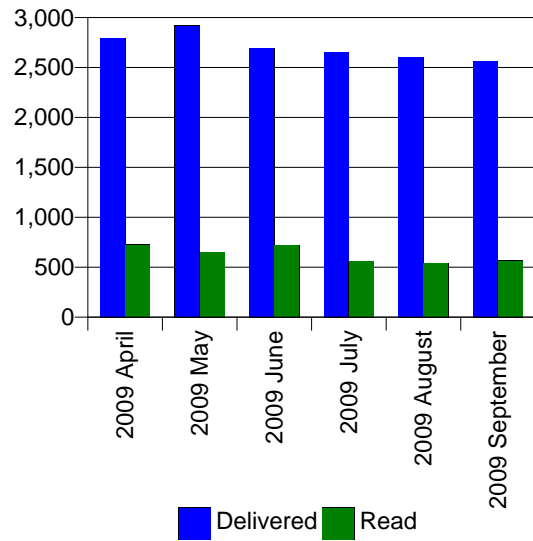
| Financial Year<br>2009/2010                   | Mobile            | Fixed          | 070             | Totals            |
|---|-------------------|----------------|-----------------|-------------------|
| Fines invoiced from 01/04/09 - 30/09/09       | £2,113,000        | £115,500       | £1,120,000      | £3,348,500        |
| Sanctions suspended                           | -£400,000         | -£50,000       | £0              | -£450,000         |
| Services barred due to non receipt of payment | £0                | -£10,000       | -£943,505       | -£953,505         |
| Fines not yet due                             | -£60,000          | £0             | £0              | -£60,000          |
| <b>Fines due</b>                              | <b>£1,653,000</b> | <b>£55,500</b> | <b>£176,495</b> | <b>£1,884,995</b> |
| <b>Fines paid</b>                             | <b>£1,603,000</b> | <b>£55,500</b> | <b>£176,495</b> | <b>£1,834,995</b> |

**Collection Percentage: 97%**

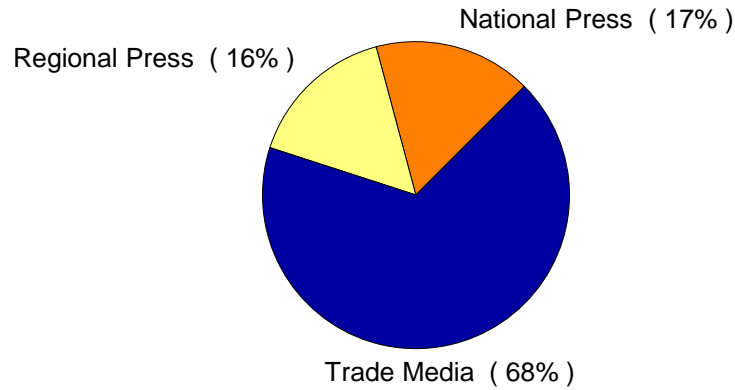
**Chart 4.2 - KPI: Fine Invoices < 10 Days of Tribunal Date**



**Chart 5.1 - External PhonepayPlus Newsletter Readership**

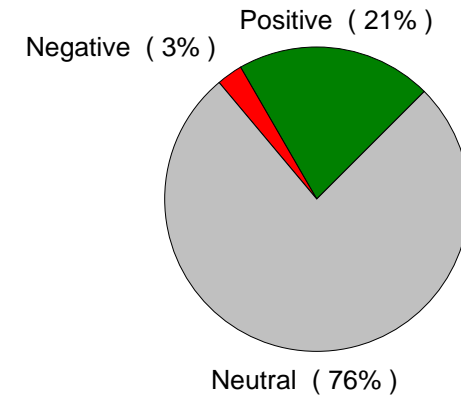


**Chart 5.2a - Press Article Type Q2**



**Articles Published in Q2: 102**

**Chart 5.2b - Press Article Tone Q2**



**Note:** Article Tone is measured internally by our Communications Team

## Communications Team

### 12 announcements:

- 2008/9 PhonepayPlus Annual Report and Mobile Review results published (1 July)
- Notice to Industry: List of service providers barred for non-payment of fines (10 July)
- 118 800 FAQs published on PhonepayPlus website (15 July)
- Bradley Brady appointed new Director of Strategy & Stakeholder Relations at PhonepayPlus (21 July)

*Continued on next page...*

## Communications Team continued

### Announcements continued:

- PhonepayPlus takes over regulation of the 0871/2/3 number ranges (1 August)
- PhonepayPlus fines Abstract Games Limited £100,000 for misleading scratchcard promotions (6 August)
- PhonepayPlus' quarterly operations report for the months of April to June 2009 published (20 August)
- Notice to Industry: Recovery of fines and administration charges (25 August)
- PhonepayPlus highlights importance of industry monitoring of 087 number ranges (1 September)
- MEF/PhonepayPlus joint 'Mobile payments' event invitation (15 September)
- Notice to Industry: Public Information Services (16 September)
- Emergency procedure investigation into 'SMSWinner' service (30 September)

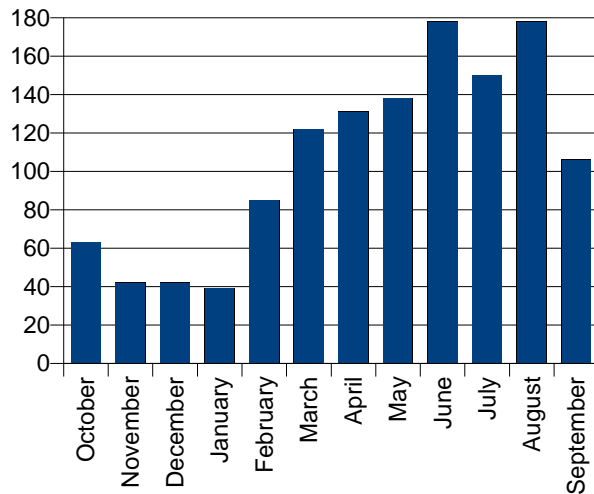
### One event:

- PhonepayPlus Forum: '12th Code of Practice Workshop' (1 July)
  - Held at Savoy Place (IET) in London
  - 90 stakeholder delegates (including consumer bodies, mobile networks, service providers and other regulators)
  - Keynote from Colette Bowe, Chairman of Ofcom; presentations from Sir Alistair Graham, Paul Whiteing and Simon Bates; interactive break-out sessions with delegates

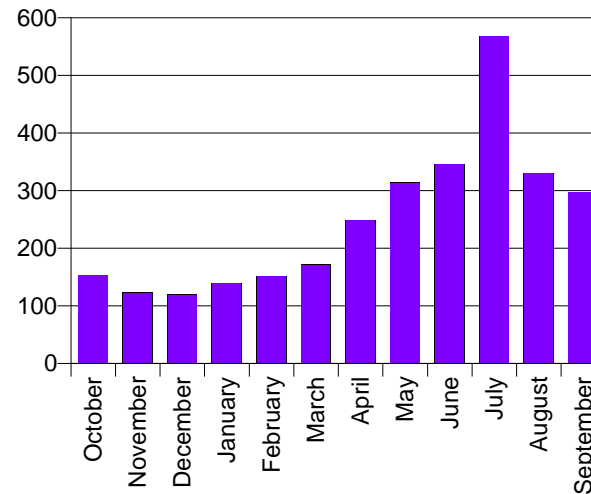
### Other activity:

- 'PhonepayPlus takes over 0871/2/3 regulation' contribution in August edition of Ofcom's *Media Literacy e-bulletin*
- 'PhonepayPlus steps in to protect consumers from copy-cat advice lines' contribution in September edition of Ofcom's *Media Literacy e-bulletin*
- Published three issues of *NewsPlus* – PhonepayPlus' external e-newsletter – on 31 July, 28 August and 25 September

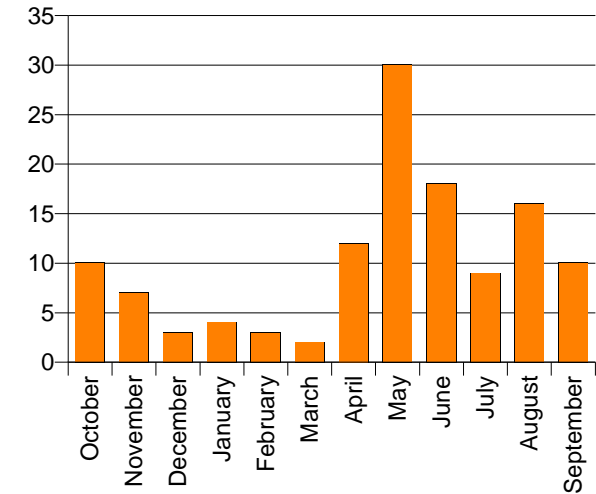
### Chart 6.1 - Industry Advice



### Chart 6.2 - Industry Enquiries



### Chart 6.3 - Industry Applications



#### Comments:

- Enquiries (requests for advice by telephone) reached a peak in July when they were 408% higher than the level of enquiries in January 2009. This was expected due to PhonepayPlus' assumption of responsibility for 087 numbers. Enquiries have since dropped by 48%, but they remain at a level 113% higher than in January 2009.
- Advice requests (requests sent by email or letter) experienced a similar peak in June/July 2009. The July figure of 150 advice requests was 284% higher than in January 2009, and the September figure of 106 was still 171% higher than in January.
- Generally, we are pleased with these figures. At times, this spike in volume has impacted our ability to provide advice within 24 hours (our KPI is within 5 days, but we aspire to clear requests as soon as possible). However, it is indicative of a growing desire on the part of the industry to engage with us prior to running services and reinforces the importance of pre-emptive behaviour on the part of the regulator.
- Prior Permission requests have remained relatively high in comparison with previous years. In addition, we are increasingly receiving requests for Prior Permission that do not apply to a specific service category, but rather permission to operate a service without having to obey an identified provision within PhonepayPlus' 11<sup>th</sup> Code of Practice. This is within the industry's right, as set out at paragraph 5.1.2 of the Code. Such requests would seem to indicate greater service innovation on the part of the providers who make them.
- Work continues on the 12<sup>th</sup> edition of the Code of Practice, with instructions now with lawyers prior to a consultation on the full Code next year. Following Ofcom's recent conclusions in respect of its Scope Review, we are also looking at how a registration database for the industry can best be implemented and provided. In addition, we are still reviewing the impact of previous policy such as the prior permission regime around Participation TV, and the Review of Mobile phone-paid services and their marketing carried out last year.

| Month                    | Advice       | Enquiry      | Prior Permission |
|--------------------------|--------------|--------------|------------------|
| October                  | 63           | 153          | 10               |
| November                 | 42           | 123          | 7                |
| December                 | 42           | 119          | 3                |
| January                  | 39           | 139          | 4                |
| February                 | 85           | 151          | 3                |
| March                    | 122          | 171          | 2                |
| April                    | 131          | 249          | 12               |
| May                      | 138          | 314          | 30               |
| June                     | 178          | 346          | 18               |
| July                     | 150          | 568          | 9                |
| August                   | 178          | 330          | 16               |
| September                | 106          | 297          | 10               |
| <b>Total for Period:</b> | <b>1,274</b> | <b>2,960</b> | <b>124</b>       |

## Research Team

Research undertaken by, and on behalf of, PhonepayPlus is used to increase our understanding of market and industry trends in order to improve our operations, policy-making and market risk management. A programme of service monitoring and testing also identifies emerging trends and issues with platforms and services. Problems identified with specific services are passed onto the Investigations Team and Industry Support and Policy Team for further work.

*Research conducted in-house and commissioned research (including ongoing projects):*

- In-house research into potential risk factors associated with mobile applications.
- Exploration of low-price feature phones to better understand the market and options for monetisation.

*Ongoing monitoring and testing of services:*

In the second quarter of 2009/10, monitoring and testing activities included the following, promoted in mid & top-shelf publications, newspapers, internet and TV:

- Monitoring and testing of virtual chat, contact and dating services.
- Monitoring promotion of mobile content services, with particular attention to subscription services.
- Ongoing compliance testing of a selection of 087 services across all sectors, with in-depth focus on chat, ticket booking and shopping channels.
- Compliance testing of promotional material on late night TV (ongoing).
- Monitoring project initiated to explore “hidden areas” of PRS promotions, and understand PRS services that we have not been testing regularly.