



# Quarterly Report

2009/2010 - Quarter 3

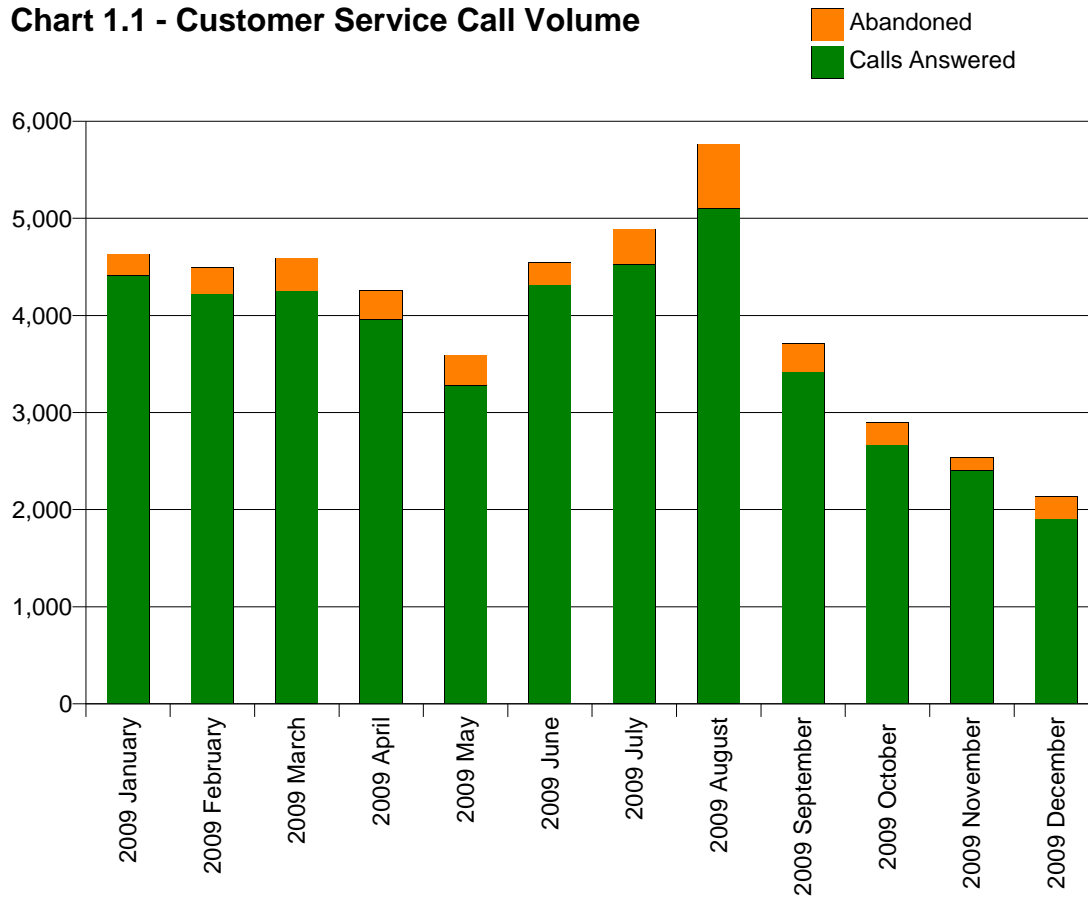
*Published Date: 15 February, 2010*

## Report Summary

### Introduction

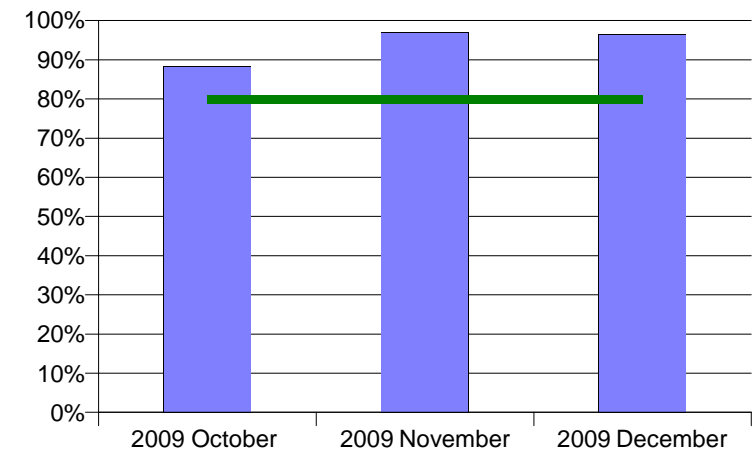
- Overall complaints logged have decreased 61% for 2009/2010 Q3 in comparison to Q3 of 2008/2009 (5,442 vs. 2,132)
- Complaints for the mobile sector in 2009/2010 Q3 have decreased 62% in comparison to Q3 of 2008/2009 (4,880 vs. 1,835)
- Call volumes in 2009/2010 Q3 have decreased 44% in comparison to Q3 of 2008/2009 (12,439 vs. 6,979)
- A forensic analysis of 10% of mobile service-related complaints in the last two months of Q3 indicates:
  - WAP services account for 24% of complaints
  - Adult chat and date accounts for 16% of complaints
  - Wallpaper and ringtone downloads account for 12% of complaints
- Of the 224 landline complaints PhonepayPlus received in Q3, 77 were in relation to 087 numbers

**Chart 1.1 - Customer Service Call Volume**

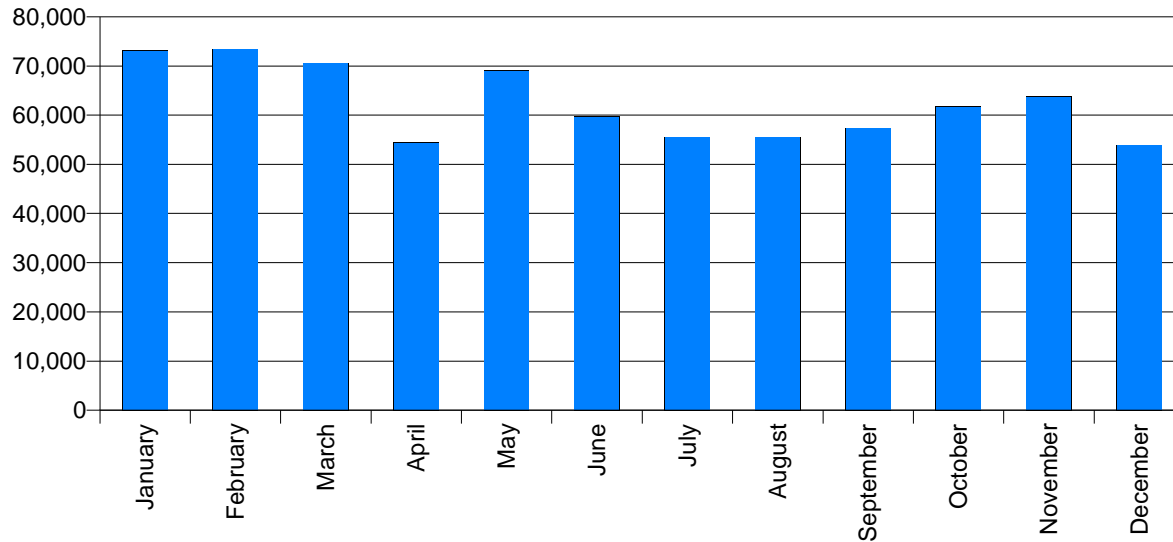


Month	Calls Answered	Calls Abandoned	Total Calls Offered
2009 January	4,410	219	4,629
2009 February	4,223	275	4,498
2009 March	4,251	339	4,590
2009 April	3,960	295	4,255
2009 May	3,276	315	3,591
2009 June	4,320	225	4,545
2009 July	4,525	361	4,886
2009 August	5,101	663	5,764
2009 September	3,421	291	3,712
2009 October	2,669	226	2,895
2009 November	2,405	128	2,533
2009 December	1,905	229	2,134
<b>Totals for Period:</b>	<b>44,466</b>	<b>3,566</b>	<b>48,032</b>

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



**Chart 1.3 - Number Checker Usage**

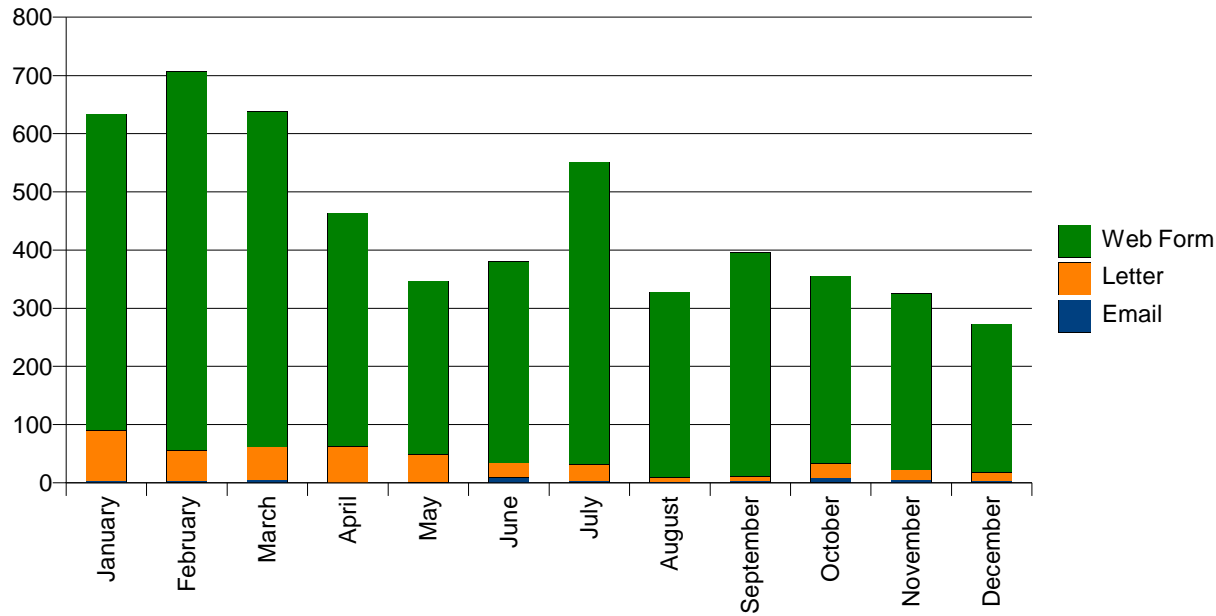


**Comments:**

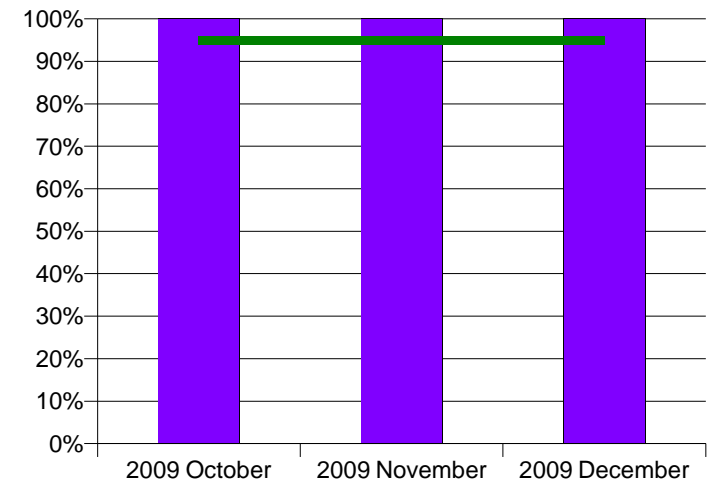
- Chart 1.3 - Number Checker Usage includes web, IVR, and SMSus number checks
- PRN = Premium Rate Numbers that are not SMS shortcodes
- The "Other" category contains out of remit, National, and mobile numbers along with mistyped number searches

Number Type	PRN	Shortcode	Directory Enquiries	070	087	Other	Month Totals
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	17,260	368	550	1,310	14,321	<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>
October	24,101	17,803	328	817	2,186	16,506	<b>61,741</b>
November	26,236	16,005	315	762	2,109	18,315	<b>63,742</b>
December	22,160	15,820	176	576	1,671	13,479	<b>53,882</b>
<b>Totals for Period:</b>	<b>300,322</b>	<b>222,237</b>	<b>4,085</b>	<b>8,225</b>	<b>21,046</b>	<b>192,128</b>	<b>748,043</b>

### Chart 1.4 - Contact Centre Correspondence Contacts

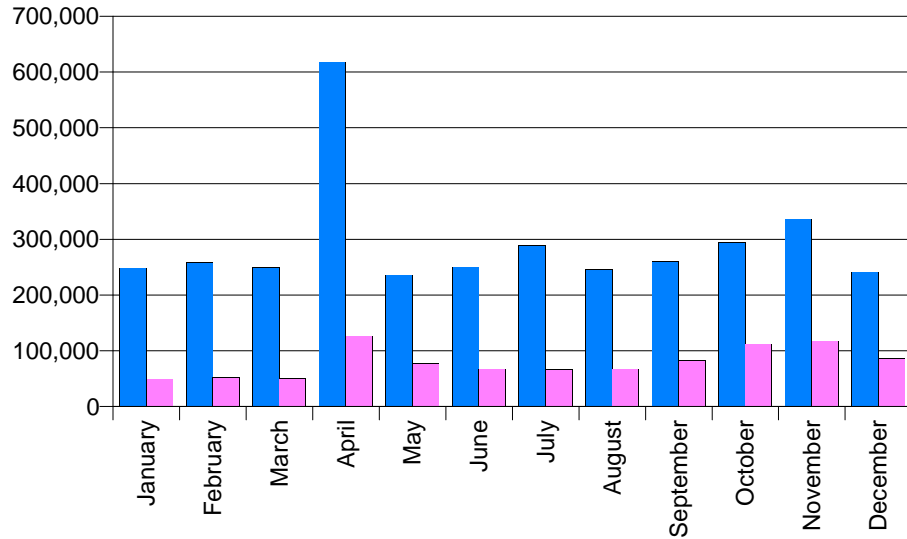


### Chart 1.5 - KPI: Out of Remit Correspondence < 10 Days

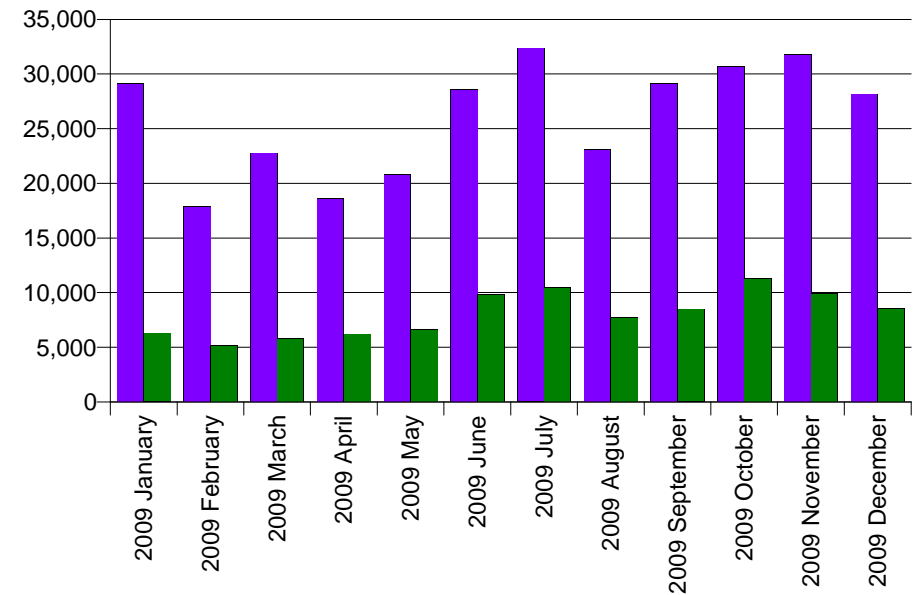


Type of Contact	Email	Letter	Web Form	Month Totals
January	4	86	543	<b>633</b>
February	3	53	651	<b>707</b>
March	5	57	576	<b>638</b>
April		62	401	<b>463</b>
May	1	48	297	<b>346</b>
June	9	25	346	<b>380</b>
July	3	29	519	<b>551</b>
August	2	8	318	<b>328</b>
September	3	8	384	<b>395</b>
October	8	25	322	<b>355</b>
November	5	17	303	<b>325</b>
December	3	15	255	<b>273</b>
<b>Totals for Period:</b>	<b>46</b>	<b>433</b>	<b>4,915</b>	<b>5,394</b>

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



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



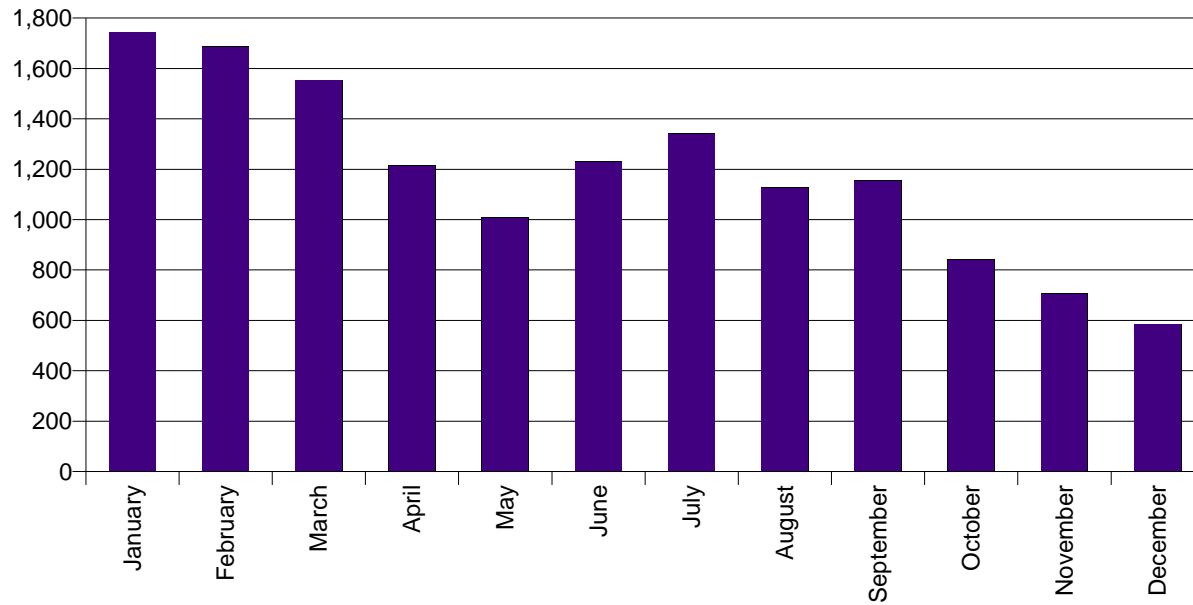
Month	Page Views	Visits
January	247,979	48,799
February	257,944	51,407
March	248,928	49,867
April	617,802	126,528
May	235,240	77,237
June	249,567	66,987
July	288,131	66,407
August	245,671	67,638
September	259,522	82,109
October	294,294	111,830
November	335,290	117,394
December	241,566	85,461
<b>Total for Period:</b>	<b>3,521,934</b>	<b>951,664</b>

**Comments:**

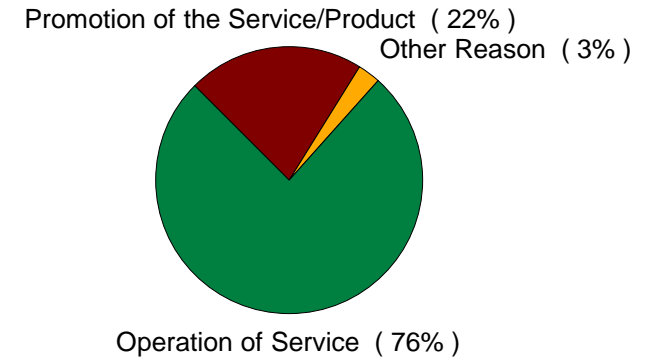
- The spike in activity for April is due to the new PhonepayPlus website launch on April 14
- The method by which page views are calculated needed to be adjusted to match the new site's structure
- Pre-April 14 page view numbers have been modified and will vary from previous published figures

Month	Page Views	Visits
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
2009 October	30,708	11,241
2009 November	31,774	9,900
2009 December	28,199	8,575
<b>Total for Period:</b>	<b>313,106</b>	<b>96,243</b>

**Chart 2.1 - All Complaints Logged**



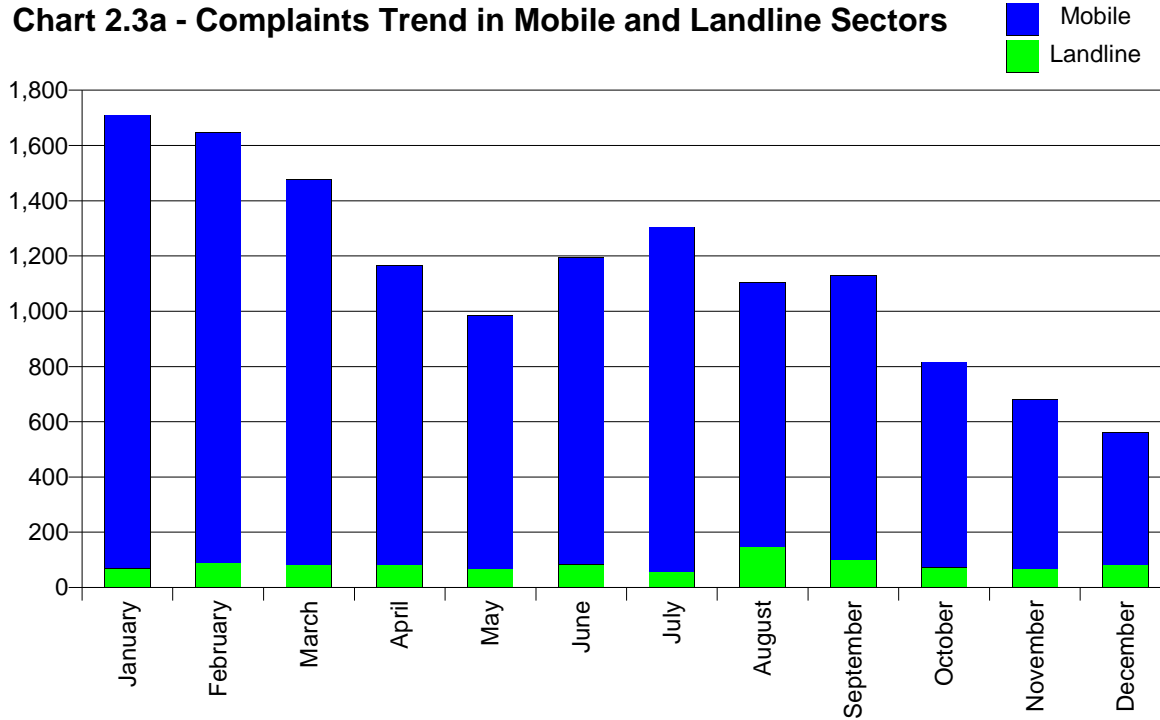
**Chart 2.2 - Reason for Complaint Q3**



Source of Complaint	Phone	Web	Correspondence	Other	Month Totals
January	1,300	438	4	3	1,745
February	1,152	529	3	2	1,686
March	1,077	466	8	3	1,554
April	868	339		7	1,214
May	734	267	3	4	1,008
June	927	286	6	11	1,230
July	943	371	7	20	1,341
August	832	272	2	20	1,126
September	807	330	3	15	1,155
October	549	273	9	10	841
November	458	223	4	21	706
December	336	207	7	35	585
<b>Totals for Period:</b>	<b>9,983</b>	<b>4,001</b>	<b>56</b>	<b>151</b>	<b>14,191</b>

# Quarterly Report - 2009/2010 Q3

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



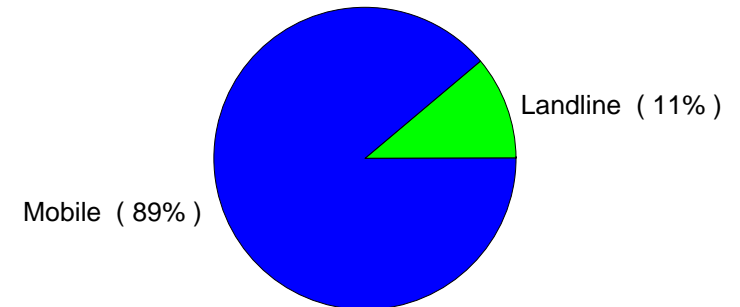
Month	Landline	Mobile	Month Totals
January	68	1,642	1,710
February	89	1,558	1,647
March	83	1,394	1,477
April	82	1,084	1,166
May	69	915	984
June	84	1,110	1,194
July	57	1,248	1,305
August	148	955	1,103
September	101	1,028	1,129
October	74	742	816
November	67	614	681
December	83	479	562
<b>Sum:</b>	<b>1,005</b>	<b>12,769</b>	<b>13,774</b>

Month	070 Complaints
July	31
August	29
September	55
October	33
November	14
December	11
<b>Sum:</b>	<b>173</b>

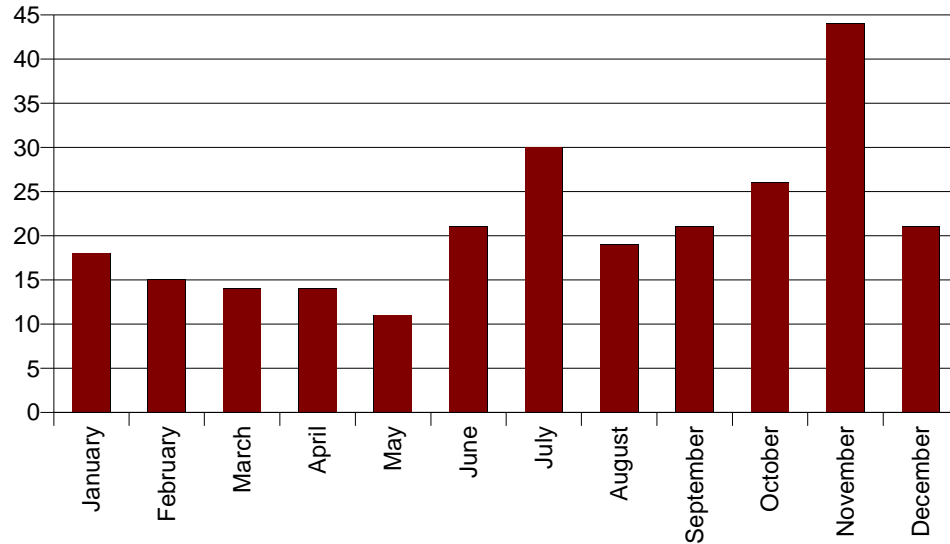
Month	087 Complaints
August	80
September	15
October	15
November	26
December	36
<b>Sum:</b>	<b>172</b>

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

**Chart 2.3b - Mix of Mobile vs. Landline Sector Complaints Q3**



**Chart 3.1 - Lead Cases Identified**



Month	Lead Cases Identified
January	18
February	15
March	14
April	14
May	11
June	21
July	30
August	19
September	21
October	26
November	44
December	21
<b>Total for Period:</b>	<b>254</b>

**Current Open Investigations as of January 29th: 46 Cases**

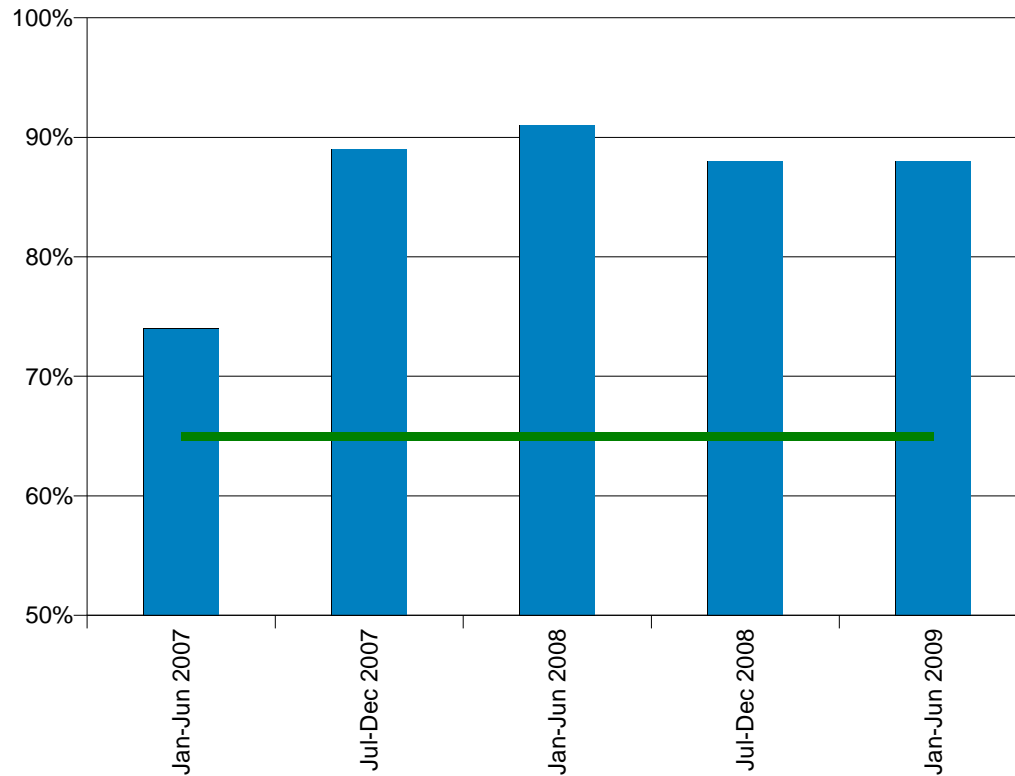
Open Investigations by Sector	Cases
Mobile	29
Landline	4
Cases Against Associated Individuals	7
Network	6
<b>Sum:</b>	<b>46</b>

**Key Adjudications:**

Two key adjudications emerged from the Tribunal which sat on 17 December 2009 in respect of two IPs, Sonnerier and Tagcontent. Both featured mobile content subscription services and are the first adjudications in which a Tribunal has clearly stated that, based on the evidence before it, information provided to the Executive by the IPs during the course of the investigations had been deliberately falsified (in the case of Sonnerier) and inaccurately provided (Tagcontent). As such, the sanctions were particularly severe, with both IPs being prohibited from involvement in, or contracting for, the provision of any premium rate services for periods of 12 and six months respectively.

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

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



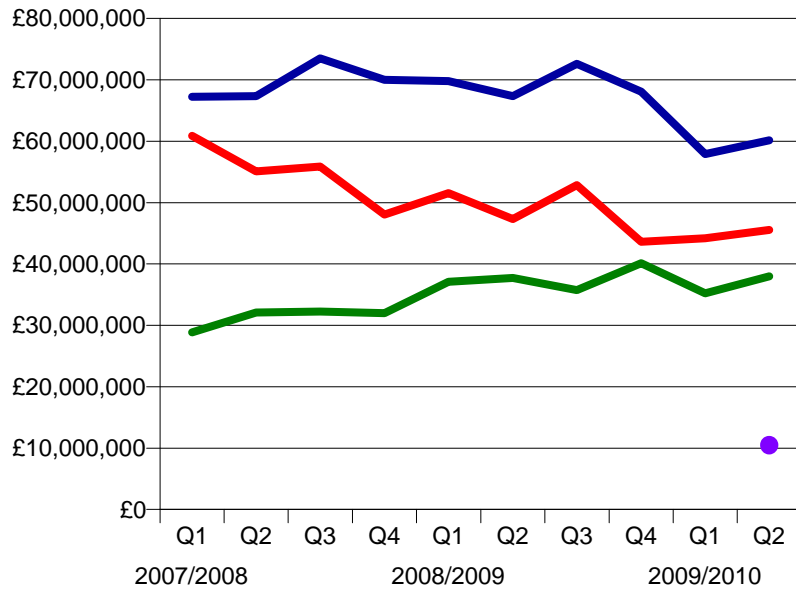
\* This measures the satisfaction levels of complainants sent an adjudication letter.

**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)

**Note:** A new, more comprehensive customer satisfaction survey will be tested for the complaints logged in the last six months of 2009. This data is slated for availability in the next upcoming quarterly report.

### Chart 4.1 - Outpayments per Sector



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	Quarter	Mobile	Landline	DQ	087	Totals
2007/2008	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>

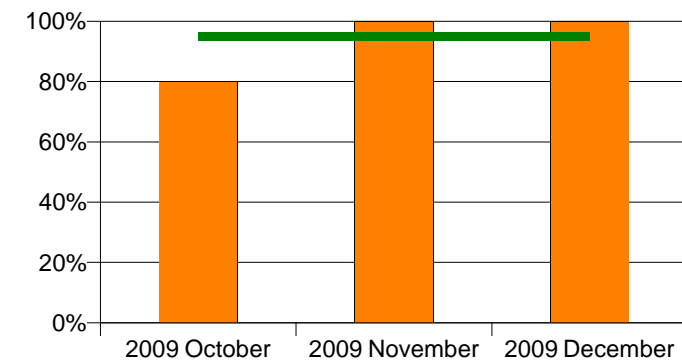
Financial Year	Quarter	Mobile	Landline	DQ	087	Totals
2008/2009	Q1	£69,765,887	£51,566,146	£37,080,629		£158,412,662
	Q2	£67,320,403	£47,310,155	£37,730,948		£152,361,506
	Q3	£72,613,676	£52,829,823	£35,743,700		£161,187,199
	Q4	£68,069,852	£43,622,856	£40,102,699		£151,795,406
	<b>Totals:</b>	<b>£277,769,817</b>	<b>£195,328,981</b>	<b>£150,657,975</b>		<b>£623,756,774</b>

Financial Year	Quarter	Mobile	Landline	DQ	087	Totals
2009/2010	Q1	£57,885,245	£44,174,818	£35,224,540		£137,284,603
	Q2	£60,151,242	£45,513,267	£37,958,958	£10,481,347	£154,104,814
	<b>Totals:</b>	<b>£118,036,487</b>	<b>£89,688,085</b>	<b>£73,183,498</b>	<b>£10,481,347</b>	<b>£291,389,417</b>

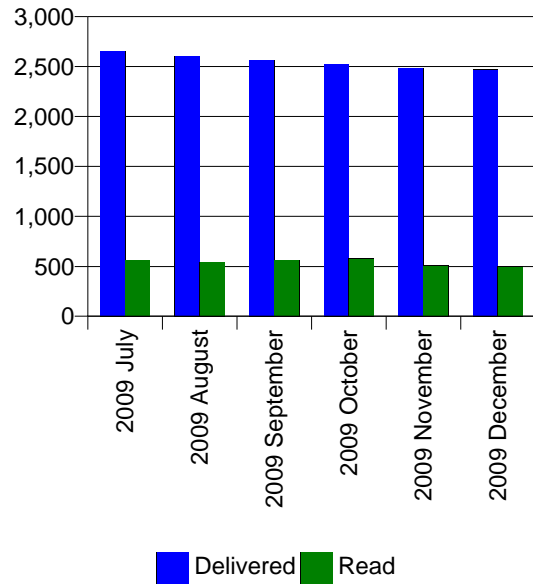
Financial Year	Mobile	Fixed	070	087	Totals
2009/2010					
Fines invoiced from 01/04/09 - 31/12/09	£3,434,500	£85,500	£1,300,000	£3,000	£4,823,000
Sanctions suspended	-£520,000	£0	£0	£0	-£520,000
Oral hearing	£0	£0	£0	£0	£0
Services barred due to non receipt of payment	£0	-£10,000	-£917,848	£0	-£927,848
Fines not yet due	-£145,000	£0	£0	£0	-£145,000
<b>Fines due</b>	<b>£2,769,500</b>	<b>£75,500</b>	<b>£382,152</b>	<b>£3,000</b>	<b>£3,230,152</b>
<b>Fines paid</b>	<b>£2,256,500</b>	<b>£75,500</b>	<b>£202,152</b>	<b>£2,000</b>	<b>£2,536,152</b>

Collection Percentage: 79%

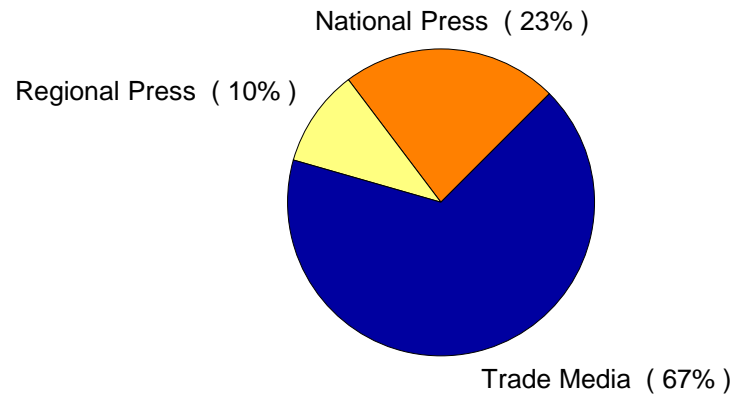
### Chart 4.2 - KPI: Fine Invoices < 10 Days of Tribunal Date



**Chart 5.1 - External PhonepayPlus Newsletter Readership**

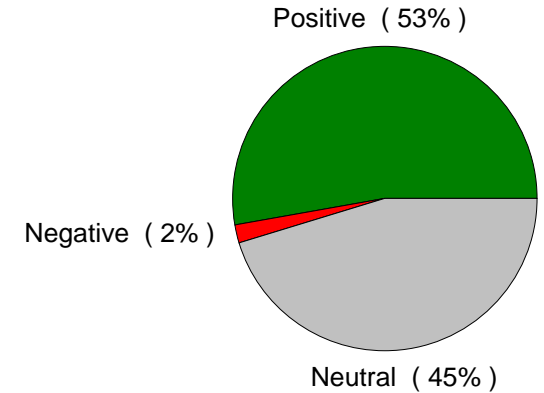


**Chart 5.2a - Press Article Type Q3**



**Articles Published in Q3: 97**

**Chart 5.2b - Press Article Tone Q3**



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

## Communications Team

### 11 announcements

- PhonepayPlus' statement on postal scam chain email (22 October)
- Emergency procedure investigation into 'Adult Sex Exchange' Virtual Chat Service (23 October)
- PhonepayPlus welcomes Ofcom's statement on PRS regulation (28 October)
- PhonepayPlus announce 62% decrease in complaints about mobile phone-paid services (17 November)

*Continued on next page...*

## Communications Team continued

### Announcements continued:

- PhonepayPlus' quarterly operations report (2009/10 Q2) published (19 November)
- Emergency procedure investigation into 'Local Sex Buddies' Virtual Chat Service (23 November)
- PhonepayPlus' 2010/11 Business Plan and Budget consultation published (2 December)
- Howard Webber and Hugh Griffiths appointed to the PhonepayPlus Board (4 December)
- Help Note on Virtual Chat Services issued (10 December)
- Emergency procedure investigation into email/text message that falsely claimed to be sent by Gumtree.com (17 December)
- Emergency procedure investigation into 'Sms Chat With Just Legal Babes' Virtual Chat Service (22 December)

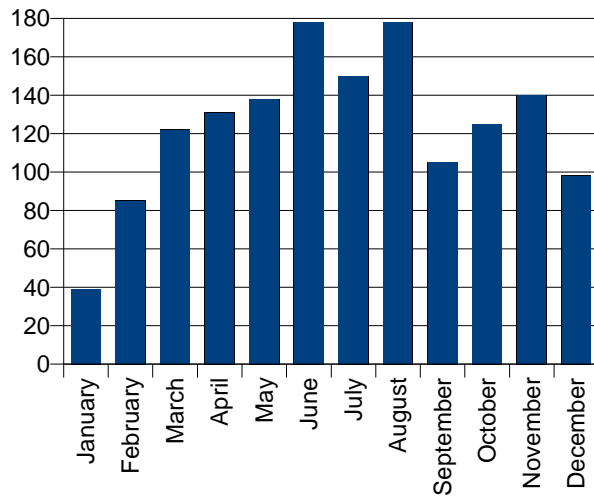
### Two events:

- PhonepayPlus supports Mobile Entertainment Forum conference on 'Mobile payments: trends, regulations and future opportunities' (12 October)
  - Held at the Royal Statistical Society in London
  - Approximately 75 attendees
  - Presentations from KPMG, Reuters, various UK and international regulators, and a variety of industry panellists
- PhonepayPlus Forum – 'The importance of customer service' (5 November)
  - Held at the Mermaid Conference & Events Centre in London
  - Approximately 80 stakeholder delegates (including consumer bodies, mobile networks, Service Providers and other regulators)
  - Presentations by Which?, PhonepayPlus, Ofcom and industry panellists

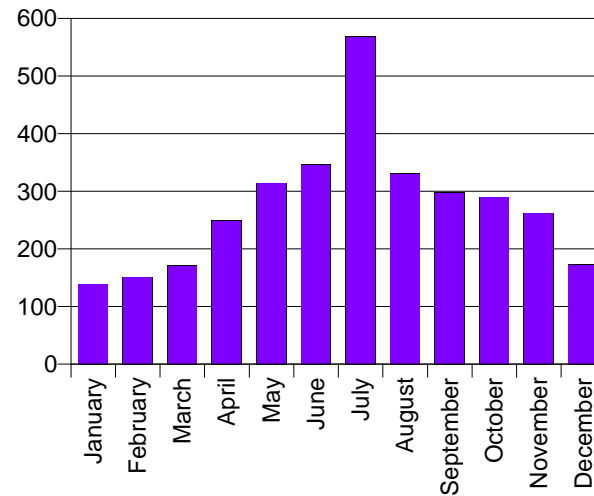
### Other activity:

- Supported the Internet Watch Foundation's annual Awareness Day (14 October)
- PhonepayPlus' 'A phone is for life, not just for Christmas' campaign (Nov/Dec)
- Published three issues of *NewsPlus* – PhonepayPlus' external e-newsletter – on 30 October, 27 November and 18 December

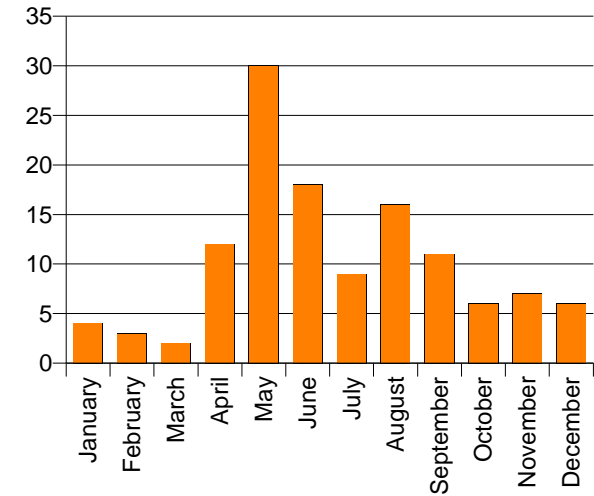
**Chart 6.1 - Industry Advice**



**Chart 6.2 - Industry Enquiries**



**Chart 6.3 - Industry Applications**



**Comments:**

- In total, requests for advice (both by phone and email) have fallen by 33% from the previous quarter’s peak. Requests have declined steadily since August, but this quarter’s figure is slightly distorted by the Christmas break, a period in which few requests of either type were made.
- This drop also appears more significant than it actually is due to the previous quarter covering the period where PhonepayPlus took over regulation of 087 services. Whilst by no means all the requests during that period were from 087 providers who were new to the market, a significant proportion were.
- Over the next quarter we would not expect to see these figures rise or fall to any great extent. However, we expect them to rise sharply once again after the consultation document for the new Code is released in March, as providers seek to gain a personal introduction as to how the changes in the Code will affect them. As with any new regulation, requests for information are then likely to stay high for some time as we begin to externally socialise the Code.

Month	Advice	Enquiry	Prior Permission
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	105	297	11
October	125	290	6
November	140	262	7
December	98	172	6
<b>Total for Period:</b>	<b>1,489</b>	<b>3,289</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.

A number of recent research projects, both undertaken in-house and externally commissioned, have required input from industry and other stakeholders. We are very grateful for those contributions to the work we are undertaking.

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

- Commissioned research: Annual market report for PRS. In addition to the PRS market(s), the research has also looked at alternative microbilling platforms and compared various PRS market sectors their respective wider markets for similar services. Report due for completion mid February 2010.
- “Market map” commissioned to provide a visual overview of the wider value chain and interrelationships associated with the provision (and regulation) of premium rate services.
- Research undertaken in-house to document policies and practice of adult verification procedures with various M(V)NOs & aggregators.

*Ongoing monitoring and testing of services and service sectors:*

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

- Research/monitoring commissioned to look at the types of PRS and compliance levels of promotional material appearing in online blogs, forums and spam emails.
- In-house research project undertaken to look at typical user experiences and promotional material received via SMS and WAP-push following use of a PSMS or WAP service.
- Market review: Compliance testing of a cross-section of mobile subscription services on the market today.
- Monitoring and testing of virtual chat, contact and dating services.
- Compliance testing of cross-section of service genres promoted on television.