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Notification of Contravention of General Conditions 23 and 11 under section 96C of the Communications Act 2003

Notification issued to Vodafone Limited (“Vodafone”)
by the Office of Communications (“Ofcom”)

Issue date: 25 October 2016

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Section 1

Explanatory Statement

- 1.1 This document explains Ofcom’s confirmation decision to Vodafone Limited (“Vodafone”) under section 96C of the Communications Act 2003 (the “Act”), in respect of its contraventions of the regulatory conditions known as General Conditions (“GCs”) 23.2(a) and 11.1 (the “Confirmation Decision”). The Confirmation Decision itself is at Annex 1.

Executive summary

- 1.2 Ofcom has determined that, between December 2013 and April 2015, Vodafone breached GCs 23.2(a) and 11.1. We have imposed a penalty of £3,700,000 on it.
- 1.3 GC 23.2(a) prohibits the mis-selling of mobile telephone services and GC11.1 prohibits the provision of inaccurate billing information. These conditions are important because they ensure consumers can make informed choices about the services they buy, that they receive the services they pay for and that they are charged correctly for them. Vodafone contravened them by selling Pay-As-You-Go (“PAYG”) Top-Up credits to 10,452 of its customers (the “Affected Customers”) without applying the credit to their PAYG accounts. By not recording this credit for the Affected Customers, the account balance information it provided to those customers was inaccurate.
- 1.4 Ofcom has considered all the circumstances of the case and determined that the penalty is appropriate and proportionate. It is lower than it would otherwise have been because Vodafone entered into a settlement agreement with Ofcom, thereby saving the public money and resources that would have been required to complete the case.

Process

- 1.5 General Condition 23.2(a) says:
- “When selling or marketing Mobile Telephony Services, the Mobile Service Provider must not:
- a) engage in dishonest, misleading or deceptive conduct.....”
- 1.6 General Condition 11.1 says:
- “The Communications Provider shall not render any Bill to an End-User in respect of the provision of any Public Electronic Communications Services unless every amount stated in that Bill represents and does not exceed the true extent of any such service actually provided to the End-User in question.”
- 1.7 Sections 96A – 96C and 97 of the Communications Act 2003 (the “Act”) give Ofcom powers to enforce those conditions.
- 1.8 Section 96A provides for Ofcom to issue a notification where we have reasonable grounds to believe a person has contravened such a condition (a “section 96A notification”). Amongst other things, that notification can specify a penalty Ofcom is

minded to impose and must specify a period within which the person notified may make representations in response.

- 1.9 Section 96C provides for Ofcom to issue a confirmation decision, once the period for making representations has expired, if after considering any representations we are satisfied the person has contravened the relevant condition. A confirmation decision may, amongst other things, confirm imposition of the penalty specified in the section 96A notification or a lesser penalty.
- 1.10 Section 97 provides that a penalty may be such amount not exceeding ten per cent of the notified person's turnover for relevant business for the relevant period as Ofcom determine to be appropriate and proportionate to the contravention for which it is imposed. Section 392 of the Act requires Ofcom to publish and have regard to guidelines for determining penalties.
- 1.11 On 31 March 2015, Ofcom began investigating concerns about Vodafone's sale of PAYG Top-Ups to customers. Following a period of correspondence, on 12 June 2015 Ofcom opened a formal own-initiative investigation, in accordance with our published enforcement guidelines, into Vodafone's compliance with GCs 23.2(a) and 11.1.
- 1.12 On the basis of the information and evidence gathered as part of its investigation, Ofcom determined that we had reasonable grounds for believing that Vodafone contravened GCs 23.2(a) and 11.1 at times between 11 May 2011¹ and 28 September 2015. Ofcom decided to issue Vodafone with a notification under section 96A of the Act (the "section 96A Notification") on 15 April 2016.
- 1.13 The section 96A Notification set out Ofcom's provisional finding that Vodafone had contravened GCs 23.2(a) and 11.1 in respect of the sale of PAYG Mobile Telephony Services and the rendering of inaccurate Bills. More specifically:
- it offered PAYG Mobile Telephony Services for sale on the basis that customers could purchase Top-Ups and it would add credit to their accounts which they could draw on to make calls and send messages;
 - in the case of 10,452 customers this did not happen – Vodafone received their money but did not credit their accounts and provide services in return; and
 - the Bills it rendered to those customers, in the form of the credit balances it made available to them, did not reflect the true extent of the services it had provided.
- 1.14 The section 96A Notification further notified Vodafone that Ofcom was minded to impose a penalty in respect of the contraventions.
- 1.15 Vodafone made written representations on the section 96A Notification on 1 July 2016 (the "Written Representations"). Ofcom has carefully considered these, together with the other information and evidence available to us, and on the basis of that material has made the findings set out in this document.
- 1.16 On 24 October 2016 Vodafone wrote to Ofcom:

¹ The date on which GC 23.2(a) took effect.

- admitting its liability in relation to the nature, scope and duration of the contraventions as set out in this document;
- confirming its acceptance that this document would be published, being a formal finding of contravention against it;
- confirming that it would pay the penalty set out in this finding;
- confirming its acceptance that it will no longer benefit from the settlement discount if it appeals the decision or it fails to comply with the requirements of the settlement; and
- confirming that it would accept a streamlined administrative process for the disposition of this matter.

Ofcom's findings

1.17 Ofcom is satisfied that between December 2013 and April 2015 (the "Relevant Period"),² Vodafone contravened:

- GC23.2(a) by its conduct when selling Mobile Telephony Services; and
- GC11.1 by rendering Bills to End-Users in respect of the provision of Public Electronic Communications Services in which the amounts stated did not represent and exceeded the true extent of the service actually provided to the End-User in question.

1.18 Specifically, Vodafone:

- gave 10,452 of its customers incorrect information that, when they purchased Top-Ups for its PAYG Mobile Telephony Services via "E Top-Up" methods,³ they would receive those services in return; and
- made available to those customers account balance information that did not accurately reflect the true extent of the credit for which they had paid and the services that Vodafone had provided to them.

PAYG services and billing processes

1.19 Vodafone provides Pre-Paid Mobile Telephony (PAYG) Services to customers. They purchase these services by paying for Top-Ups which Vodafone credits to their accounts, and which it debits when they make calls, send messages or use other services.

1.20 Such Top-Ups can be purchased by a number of means including using credit and debit cards and a range of what Vodafone calls "E Top-Up methods" at ATMs, by making direct debit payments, making "E-pack" purchases, using Swipe-cards and using Mobile ATM Top-Ups. The selling of these Top-Ups by these means involves the making by Vodafone of explicit and/or implicit representations that in return for their payment it will credit customers' accounts and provide them with Mobile Telephony Services. When customers make payments for Top-Ups at an ATM or by

² Though we note in a small number of cases the relevant conduct continued after this date.

³ At ATMs, by direct debit, E-pack purchase, E-Top-Up (Swipe cards) and Mobile ATM Top-Ups.

Swipe-card which are accepted by Vodafone it gives them a printed receipt confirming the successful Top-Up.

- 1.21 PAYG customers do not receive bills from Vodafone in the form of statements of services used and the charges due for payment. However, Vodafone retains records of the credits customers have paid for, the services they have used and the debits against their accounts in respect of those services. It makes available to those customers records of their account balances which they can access via automated phone message, text message, the “My Vodafone” app or their online accounts. Some customers can also access more detailed records of the services they have used and the credits and debits applied to their accounts when they access their online accounts.
- 1.22 Vodafone operates systems for the receipt of PAYG customers’ payments, the crediting of those payments to their accounts, the billing of those customers and the management of their accounts (for ease of reference, its “PAYG billing processes”). It also operates rules and procedures for managing inactive PAYG accounts, disconnecting them and recycling telephone numbers. These are part of its processes for managing the capacity of its network and the efficient use of telephone numbers.
- 1.23 In particular, it manages the PAYG SIMs⁴ for each account, with which the particular telephone number is associated, in a controlled lifecycle. That lifecycle has a number of stages depending on the customer’s use of their phone.
- 1.24 Most relevant for present purposes, where a PAYG customer does not use their phone for 180 days, the SIM enters a state of quarantine for 90 further days in preparation for its disconnection from Vodafone’s network. It can still be used to make calls or be Topped-Up in the quarantine period, which would return the SIM to a fully active state. If it is not used during that period, the SIM is put into a pre-disconnection state and is then disconnected from Vodafone’s network. In this document, we refer to SIMs that enter the pre-disconnection state as “expired SIMs.”
- 1.25 The pre-disconnection state is supposed to last less than 24-hours. During that time Vodafone takes the necessary steps fully to disconnect the expired SIM from its network and the customer should not be able to make calls or pay for and make Top-Ups to their accounts.
- 1.26 In 2010 Vodafone began a project to transfer its PAYG billing processes from one system to another. This involved the transfer of each customer account record from the old system to a new one, including those with which expired SIMs were associated.

Contraventions of GCs 23.2(a) and 11.1

- 1.27 As a result of problems relating to an IT upgrade under which it was migrating customers to a new billing platform, in the Relevant Period Vodafone stopped disconnecting expired SIMs from its network. They remained in the pre-disconnection state for significantly longer than 24 hours.
- 1.28 Even though it should not have been possible, in that period 10,452 customers (the Affected Customers) whose SIMs were in that state were able to pay for and make

⁴ “SIMs” is a reference to the subscriber identity or identification module used to identify account subscribers to telephone numbers.

Top-Ups by the E-Top-Up methods described above. Vodafone took in the region of £150,000 of the Affected Customers' money, and where those customers made the Top-Up using an ATM or a Swipe-card it gave them receipts confirming the success of their transaction, but it did not credit their accounts nor provide them with the PAYG services they had paid for. The credit balance information made available to the Affected Customers recorded an account balance that did not include the credit for which they had paid.

- 1.29 By offering these Top-Ups for sale to the Affected Customers and taking their money, Vodafone gave them incorrect information that in return for their payment it would credit their accounts and provide them with Mobile Telephony Services. This was a contravention of the prohibition in GC23.2(2).
- 1.30 By making available to the Affected Customers account balances that did not include the credits for which they had paid, Vodafone rendered Bills to End-Users in respect of the provision of Public Electronic Communications Services in which the amounts stated did not represent and exceeded the true extent of any such service actually provided to the End-Users in question. Vodafone had provided no service, so the balance should have included that credit in full.

Penalty

- 1.31 These contraventions were serious and Vodafone bears a significant degree of culpability for them. Ofcom's judgment is that a substantial penalty is appropriate and proportionate to those contraventions and to have the appropriate deterrent effect on a Communications Provider ("CP") of Vodafone's size and relevant turnover and on other CPs.
- 1.32 In making this judgment Ofcom acknowledges that Vodafone's PAYG billing processes were designed generally to ensure it charged customers accurately for the services it provided to them and that it complied with its regulatory obligations. Its IT system was designed to ensure this continued and Vodafone employed some risk management processes.
- 1.33 However, GCs 23 and 11.1 are important consumer protection rules that require CPs to ensure their systems deliver the services customers pay for and that they are billed accurately for them. Vodafone's PAYG billing processes failed such that it took money from a whole group of customers – those who had not used their phones for more than 270 days but then made Top-Ups by certain means – but provided nothing in return and those customers lost their money. This went on for 17 months costing over 10,000 customers in the region of £150,000.
- 1.34 The PAYG billing processes Vodafone had in place and the processes it employed as part of the relevant IT upgrade were ineffective to prevent the contraventions occurring. Neither did it act quickly enough to identify and address the problems once they were occurring.
- 1.35 In the period between late November 2013 and January 2015 Vodafone staff had indications of the problems that they failed properly to investigate. Between January and April 2015 members of Vodafone's PAYG marketing, IT and Post-Pay teams, including senior managers, knew it was taking Affected Customers' money and providing no services in return. However, the steps they were taking to investigate and stop that happening were not prompt and effective until Ofcom and a national newspaper began investigating the matter. They did not take steps to stop

customers who paid for Top-Ups between January and April 2015 from losing their money nor to repay any customers who had lost money.

- 1.36 Vodafone first had an indication that some of the Affected Customers purchasing PAYG Top-Ups at ATMs – one of the relevant E-Top-Up methods – might be losing their money in November and December 2013.⁵ Emails between members of its staff show complaints from Vodafone's third party supplier of ATM Top-Up services that amounts had been debited from customers' bank accounts but no credit added to their PAYG accounts. This should have put those staff on notice that there may be a problem that needed investigation and resolution. There is no evidence Vodafone undertook those steps and the persistence of the problem for a further 17 months indicates that it did not do so.
- 1.37 It had further indications to similar effect in June and July 2014. There was some confusion amongst its staff at that stage about the precise effects of Vodafone's failure promptly to disconnect expired SIMs. They investigated the effects on customers who attempted to pay for Top-Ups using credit cards and Top-Up vouchers and concluded that they did not lose their money.⁶ Their attempts to Top-Up were ultimately unsuccessful and their money was returned to them. However, they also had indications of the possible effects on customers making Top-Ups by other means that they should have investigated more fully, but they failed to do so.
- 1.38 In particular, in July 2014 an IT consultant engaged on the relevant IT upgrade warned Vodafone staff that the problem affected customers making Top-Ups by all means offered by Vodafone, drawing particular attention to the financial effects on those using Swipe-cards.⁷ Vodafone also again had complaints from its third party supplier of ATM Top-Up services about ATM Top-Up transactions in which the credit the customer had paid for was not being credited to their account.⁸
- 1.39 These warnings should have alerted Vodafone staff that the problems associated with expired SIMs may have been having financial effects on customers other than those paying for Top-Ups by credit card and vouchers (the financial effect on whom it had looked into). Vodafone staff appear wrongly to have assumed, without checking, that none of these customers were losing their money. Had they investigated these issues further, they would likely have identified that these customers were losing their money (which is what happened when Vodafone did subsequently look into the matter in January 2015) and Vodafone could have taken steps to address that. They did not do so and the Affected Customers continued to lose their money for a further nine months (until April 2015).
- 1.40 From January 2015, Vodafone staff in its PAYG, Post-Pay and IT departments, including management staff, were expressly aware that Vodafone was taking money

⁵ Emails dated between 19 November and 23 December 2013 sent between a number of Vodafone staff in its IT and PAYG Top-Up departments.

⁶ Emails of 5 – 27 June 2014 mainly between members of Vodafone's IT department.

⁷ Emails of 9 and 10 July from an IT contractor to Vodafone staff in its IT and PAYG Product and Top-Up departments, which are part of a number of email exchanges about the causes and effects of Vodafone's failure to disconnect expired SIMs.

⁸ Emails of 20 – 23 June 2014 and of 9 July 2014 between Vodafone staff in its IT and PAYG Product and Top-Up departments. These indicate that there was a brief investigation of complaints from the third party supplier, but this did not consider what happened to the relevant customers' money.

from E-Top-Up customers without providing anything in return and that this was in breach of its legal obligations.⁹

- 1.41 Given that knowledge, Vodafone did not resolve the matter with due speed. It took around 2 months to approve a project plan for blocking Top-Ups on expired SIMs (referred to as “PAS blocking”),¹⁰ and it did not plan to implement that project for a further 3-4 months. Neither did it make any plans to protect customers in the meantime.
- 1.42 There is no evidence that during the period between January and April 2015 any Vodafone staff considered any steps either to:
- stop Affected Customers buying Top-Ups and losing money in that period (i.e. pending completion of the PAS blocking project), nor any other protection for those customers such as warning them of the problem and how to avoid it; or
 - remedy the consequences (e.g. offer refunds) for those who had paid for Top-Ups they had not received.
- 1.43 It was not until Ofcom and a national newspaper contacted Vodafone about the matter on or around 30 and 31 March, and in response to that contact, that it took prompt and largely effective additional steps to stop customers with expired SIMs paying for Top-Ups.¹¹ It was then able on 4 and 5 April 2015 to put in place measures to stop them doing so with more or less immediate effect. This solution was different to and implemented much more quickly than that Vodafone had chosen to adopt in its PAS blocking project and demonstrates that it could and should have resolved the problem promptly.
- 1.44 Only from 2 April is there any evidence of Vodafone beginning, again as a result of Ofcom’s enquiries, to consider steps to remedy the consequences of having taken the Affected Customers’ money.¹² Only from 8 April is there any reference in the evidence to Vodafone taking steps to re-imburse those customers.¹³ Vodafone has since repaid all of the Affected Customers except 30 it could not identify and made a donation of £100,000 to charity.
- 1.45 Ofcom also takes account that in its Written Representations, Vodafone provided a large volume of additional information that fell within the scope of the information notices Ofcom had served on it under section 135 of the Act during the investigation. Vodafone has informed Ofcom that this additional information became available as a result of new forensic IT capabilities it did not have when responding to Ofcom’s information notices. Nonetheless, it is important that parties who are subject to these

⁹ There are at least 17 separate emails and/or documents dated between 12 January 2015 and 1 April 2015 in which Vodafone staff stated that Affected Customers did lose money, questioned the legality of this and/or highlighted that they knew the problem should be resolved quickly.

¹⁰ At Vodafone’s IT review Board meeting on 17 March 2015.

¹¹ In particular, exchanges of emails on 1 April between Vodafone staff including a senior manager in its PAYG Department and its Heads of Post-Pay Services and Operations Readiness, and other senior managers, show that, in response to Ofcom’s enquiries and the possibility of legal or regulatory action, the matter had become Vodafone’s top commercial marketing priority.

Ofcom also takes account of the email evidence in the period 1 to 8 April 2015 more generally.

¹² Email of 2 April 2015 from a Vodafone PAYG Commercial Manager to a number of colleagues mainly in Vodafone’s IT and PAYG Departments.

¹³ Emails of 8 April 2015 from a Vodafone IT Technical Manager and a PAYG Commercial Manager to a number of colleagues in Vodafone’s IT, PAYG Departments, Regulatory Compliance and Legal departments, as well as senior managers in its PAYG and Post-Pay Departments.

notices comply fully with them. Had Vodafone done so, Ofcom may have reached a different provisional view of certain matters set out in the section 96A Notification.

- 1.46 On these bases, Ofcom considers that a substantial penalty is justified. In making our overall judgment about the appropriate and proportionate amount, we have also considered the level of penalty that would have the right deterrent effect.
- 1.47 We revised our Penalty Guidelines in December 2015¹⁴ on the basis that the penalties we had set prior to that date had not secured the appropriate deterrence. We said that it might be necessary in appropriate cases to set higher penalties to have a stronger effect.
- 1.48 In light of that revision of the Guidelines, the importance of the consumer protection provisions Vodafone has contravened, and our previous action against CPs taking customers' money for services not provided to them as a result of billing system errors,¹⁵ we place significant weight on the need for a deterrent effect in this case. Taking those points, other relevant factors identified in our Penalty Guidelines and Vodafone's large turnover into account, our judgment is that a penalty of £3,700,000 would secure our objective of deterrence and be appropriate and proportionate to the contraventions for which it is imposed.
- 1.49 That penalty includes a discount that reflects Vodafone's agreement to the settlement of this matter. Ofcom considers that discount to be appropriate and proportionate given the saving of public money and resources that completion of the case would otherwise have required.
- 1.50 Vodafone has until 5.00pm on Tuesday 22 November 2016 to pay the penalty.

¹⁴ <https://www.ofcom.org.uk/about-ofcom/policies-and-guidelines>

¹⁵ Ofcom has previously imposed penalties under our 2011 penalty guidelines on TalkTalk and Tiscali of £1,524,728 and £1,512,392, respectively, for contravention of GC11.1. In TalkTalk's case it had charged 19,840 customers approximately £1.25m for services not provided to them over a period of at least 10 months, as a result of failings in its transition of its billing systems. For the same reasons, Tiscali had done so to 41,879 customers, for around £500,000, for services not provided over a similar period. Those penalties did not have the appropriate deterrent effect on Vodafone.

Annex 1

Notification to Vodafone Limited of contravention of General Conditions 23.2(a) and 11.1 under section 96C of the Communications Act 2003

Section 96C of the Communications Act 2003

- A1.1 Section 96C of the Communications Act 2003 (the “Act”) allows the Office of Communications (“Ofcom”) to issue a decision (a “Confirmation Decision”) confirming the imposition of requirements on a person where that person has been given a notification under section 96A of the Act, Ofcom has allowed that person an opportunity to make representations about the matters notified, and the period allowed for the making of representations has expired. Ofcom may not give a Confirmation Decision to a person unless, having considered any representations, we are satisfied that the person has, in one or more of the respects notified, been in contravention of a condition specified in the notification under section 96A.
- A1.2 A Confirmation Decision:
- a) must be given to the person without delay;
 - b) must include the reasons for the decision;
 - c) may require immediate action by the person to comply with the requirements of a kind mentioned in section 96A(2)(d) of the Act,¹⁶ or may specify a period within which the person must comply with those requirements; and
 - d) may require the person to pay:
 - i) the penalty specified in the notification issued under section 96A of the Act, or
 - ii) such lesser penalty as Ofcom consider appropriate in light of the person’s representations or steps taken by the person to comply with the condition or remedy the consequences of the contravention, and may specify the period within which the penalty is to be paid.

General Conditions

- A1.3 Section 45(1) of the Act gives Ofcom the power to set conditions, including general conditions, binding on the person to whom they are applied.
- A1.4 The Schedule to a Notification issued by the Director General of Telecommunications on 22 July 2003 under section 48(1) of the Act, which took effect from 25 July 2003, sets out the General Conditions of Entitlement (the

¹⁶ Such requirements include those steps that Ofcom thinks should be taken by the person in order to comply with a General Condition, or to remedy the consequences of a contravention of a General Condition.

“General Conditions” or “GCs”) which apply to all Communications Providers (“CPs”) defined in each GC. The GCs have, from time to time, been amended.¹⁷

General Condition 23

A1.5 On 17 March 2009, Ofcom published the statement “Protecting consumers from mis-selling of mobile telecommunications services” and notified the introduction of a new General Condition 23 (“GC23”). GC23 came into force six months later on 16 September 2009.

A1.6 Amongst other provisions of the GC, GC23.2(a) requires that:

“When selling or marketing Mobile Telephony Services, the Mobile Service Provider must not:

a) engage in dishonest, misleading or deceptive conduct.....”

General Condition 11

A1.7 General Condition 11 (“GC 11”) was one of the General Conditions introduced in July 2003 and its material parts for the purpose of this Confirmation Decision are substantially unchanged since that time.

A1.8 Amongst other things, GC11 requires CPs providing Public Electronic Communications Services to ensure that bills are accurate and obliges providers to maintain records so that this can be checked. GC11.1 requires that:

“The Communications Provider shall not render any Bill to an End-User in respect of the provision of any Public Electronic Communications Services unless every amount stated in that Bill represents and does not exceed the true extent of any such service actually provided to the End-User in question.”

Subject of this Confirmation Decision

A1.9 This Confirmation Decision is addressed to Vodafone Limited (“Vodafone”), whose registered company number is 01471587. Vodafone’s registered office is Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN.

Notification given by Ofcom under section 96A

A1.10 On 15 April 2016, Ofcom decided to issue a notification under section 96A of the Act (“the section 96A Notification”) to Vodafone, stating that Ofcom had reasonable grounds for believing that at times between 26 May 2011 and 28 September 2015, Vodafone:

- contravened GC23.2(a) in respect of the sale to its customers of Top-Ups for its Pre-Paid Mobile Telephony Services (commonly referred to as “Pay As You Go” or “PAYG” services) and the purchase of those services; and

¹⁷ A consolidated version of the General Conditions as at 28 May 2015 is available at: https://www.ofcom.org.uk/_data/assets/pdf_file/0026/86273/CONSOLIDATED_VERSION_OF_GENERAL_CONDITIONS_AS_AT_28_MAY_2015-1.pdf

- contravened GC11.1 by rendering Bills to End-Users of its Pre-Paid Mobile Telephony Services that did not accurately represent the true extent of the service that had been provided.

A1.11 The section 96A Notification also specified the penalty Ofcom was minded to impose on Vodafone.

A1.12 Vodafone was given until 1 June 2016 to make written representations to Ofcom about the matters set out in the section 96A Notification. It did so on that date.

Confirmation Decision

A1.13 Having served the section 96A Notification on Vodafone, which allowed it the opportunity to make representations, the period allowed for making representations having now expired, having carefully considered Vodafone's representations and in light of the admissions Vodafone made to us in a letter dated 24 October 2016, Ofcom is satisfied that Vodafone has, in the respects notified, been in contravention of the conditions specified in the section 96A Notification (specifically GCs 23.2(a) and 11.1) between December 2013 and April 2015. Ofcom has decided to give Vodafone a Confirmation Decision, and to impose a financial penalty, in accordance with section 96C of the Act. The reasons are set out in the Explanatory Statement to which this Confirmation Decision is annexed.

Requirements

A1.14 Taking full account of the steps it has taken in these regards, and to the extent, if any, it has not already done so, the steps which Ofcom confirms should be taken by Vodafone to comply with GCs 23.2(a) and 11.1 are such steps as are necessary for ensuring that:

- a) when selling Pre-Paid Mobile Telephony Services it provides those services in return for the payments made for them by its customers; and
- b) when rendering a Bill to End-Users of its Pre-Paid Mobile Telephony Services, the amount stated represents the true extent of the services actually provided.

Penalty

A1.15 Ofcom has determined that a penalty of £3,700,000 be imposed on Vodafone. Vodafone has until 5.00pm on Tuesday 22 November 2016 to pay Ofcom the penalty.

Interpretation

A1.16 Words or expressions used in this Confirmation Decision have the same meaning as in the GCs or the Act except as otherwise stated in this Confirmation Decision.

Steve Unger, Ofcom

25 October 2016