

Your response

Question	Your response
<p>Question 1: Do you have any comments on the suggested measures set out in Section 3?</p>	<p>We welcome this guidance. A recent House of Lords report said ‘fraud is the most commonly experienced crime in England and Wales accounting for approximately 42% of all crime against individuals’. Various reports suggest that up to 50% of fraud starts with a phone call, so it is clear that phone numbers are a key enabler for fraud.</p> <p>A big problem is that the provision of phone numbers – a key link in the chain - is currently lightly regulated. We frequently hear of situations where enforcement authorities are unable to get information about scammers because the companies who supply their phone numbers refuse to co-operate.</p> <p>Some of the proposals that we make below will impose additional costs on the phone number providers, but the cost to the public from scam phone calls is measured in the billions of pounds a year and it seems to us that it is reasonable that those who supply the numbers and profit from them are made responsible for ensuring that the numbers and services that they sell are being used legitimately.</p> <p>This is an opportunity to make a big difference. We believe that the issues discussed in this consultation should not be just ‘best practice’, but should be a regulatory requirement on providers. This would be similar to other regulated sectors under Anti Money Laundering regulations. It is currently too easy for providers to ‘look the other way’ and ignore clear abuse carried out using the phone numbers that they provide.</p> <p>The industry works in a tiered way – range holders are allocated number ranges by Ofcom. They can then sell these on to resellers who can sell numbers to other organisations – maybe even to other resellers. We believe that the checks outlined in the consultation document should apply to every organisation in the chain, not just the range holder.</p> <p>Numbers are used by scammers using VoIP systems to make their calls, often from abroad. The ability to ‘breakout’ from the VoIP network into the UK’s PSTN is often bundled in with the numbers supplied by the resellers. If this can be controlled it could make a huge difference to the number of scam calls received both from the UK and abroad.</p> <p>We believe that requiring providers to carry out KYC checks and monitoring will be extremely effective. By requiring range holders to be responsible for these checks it introduces jeopardy since the money laundering rules can apply where a company has knowingly enabled a fraudster to operate.</p> <p>Proposal: The proposals outlined in the consultation document should be made mandatory on range holders and any other organisation that buys and trades in phone numbers.</p>
<p>Question 2: Have you used any other due diligence checks that you think would be beneficial if adopted</p>	<p>We strongly support the requirement for initial Know Your Customer checks. These should include identity checks, Companies House checks, bank detail checks. The provider should ascertain the type of business and intended use for the numbers. Note that often third parties are used by the fraudster to act as a front for companies and they themselves have no direct involvement in the business.</p>

<p>across the industry?</p>	<p>As per money laundering rules, KYC checks should be carried out at least annually or when there is a material change in the business, i.e. change of bank, premises, directors, location or business style.</p> <p>If a legal requirement to carry out KYC and monitoring checks isn't made mandatory on number resellers, then the provider should be obliged to require that the reseller carry out KYC checks on their customers as a contractual obligation.</p> <p>We believe that it should be a requirement that organisations providing phone numbers (at all levels) should be obliged to carry out these checks and regularly report to Ofcom on their outcome. The documentation relating to these checks should be made available for audit and inspection by Ofcom to ensure compliance.</p> <p>Proposal: There should be clear requirements specified on the minimum frequency of KYC and ongoing monitoring checks.</p>
<p>Question 3: Do you have any comments on the suggested measures set out in Section 4?</p>	<p>The guidance in the consultation document about ongoing monitoring is very sparse and leaves a lot of room for interpretation. The provider is required to make a judgement as to whether to 'sack' a customer based on very patchy information, and their decision could have serious commercial implications for them. We believe that if there is wriggle room providers will be tempted to just ignore the signs.</p> <p>Ongoing monitoring is optional</p> <p>Paragraph 4.5 says 'providers <u>should consider</u> routinely testing and/or monitoring specific risks associated with a particular business customer' – this implies that ongoing monitoring is optional.</p> <p>Proposal: It should be clear that ongoing monitoring is required</p> <p>Frequency of checks</p> <p>There is no guidance in the consultation document about how often the checks should be carried out. The guidance at 4.5 just says that riskier customers should be tested more often than less risky customers, but are we talking about once a week, once a week or once a year?</p> <p>We believe that first ongoing monitoring checks should be carried out within a week of the numbers first being used, and then on a minimum of a three-monthly cycle. We know that call centre operations can pop up, make large numbers of calls and then close down within a few weeks so frequent monitoring is essential.</p> <p>Proposal: Better guidance should be given as to how often monitoring should be carried out</p> <p>More guidance from Ofcom</p> <p>Paragraph 5.5 of the consultation document says 'It is a provider's responsibility to weigh up the evidence of misuse and take necessary and proportionate action.'. We believe that since you are asking providers to police themselves much clearer guidance is required. Maybe Ofcom could publish a catalogue of case studies.</p> <p>If the provider has doubts about a customer then they could make a referral to Ofcom/ICO/Action Fraud/FCA/National Trading Standards Scams Team for guidance on an appropriate response.</p>

Proposal: Ofcom to provide clear guidance as to what is an appropriate response to misuse

Encouraging consumers to report transgressions to the providers

At paragraph 4.5 you require providers to take into account complaints about a number, but where would these complaints come from? Range holders will rarely receive complaints from the public (for the two reasons listed below), but in any case consumers are encouraged to complain to Action Fraud, Ofcom, the ICO, Which? or TPS - not to the range holder.

If the public did want to complain to the range holder, how would they do it? There are two problems:

1. As far as we are aware the information saying which phone number is allocated by which provider is not easily available to the public. Ofcom's numbering team make available a series of spreadsheets that detail the numbering plan but this is hardly user friendly.
2. If you were able to identify provider X as being the range holder for a scam caller how would you contact the right person at provider X to make a complaint?

We propose that Ofcom sets up a web page where the consumer enter a phone number and find out contact details of range holder's customers services team so that they can make a complaint. Providers should be obliged to respond to these complaints in a timely manner, and report the actions they have taken to Ofcom.

Proposal: Ofcom make it easier for the public to complain to the range holders directly

Auditing and reporting

We believe that there should be a requirement on providers to evidence that they have carried out the appropriate KYC and monitoring checks on their customers.

They should also provide Ofcom with a quarterly report on the KYC checks they have carried out, the monitoring checks they have carried out, the complaints they have received from the public, their evaluation of the customer and the actions that they have taken. They should make available to Ofcom, on request, details of the investigations they have carried out.

Proposal: Providers must formalise their procedures for monitoring their customers, keep a record of their investigations (and make this available to Ofcom on request), and provide Ofcom with quarterly reports on their activities in this area.

**Question 4:
Have you used any other ongoing checks to ensure compliance that you think would be beneficial if**

Checking compliance with ring back requirements

We believe that providers should be required to ensure that the numbers that they sell comply with Ofcom's persistent misuse statement.

Paragraph A1.24 of Ofcom's persistent Misuse statement says:

Where a person calls the CLI provided and is connected to an agent or an automated message, we may also regard it as misuse if:

- no information is provided about the organisation which called, or the organisation on whose behalf the call was made;

adopted
across the
industry?

- an opportunity is not provided for the person called to opt out of future unsolicited marketing calls or messages; or
- the call is used as an opportunity to market to that person, without their consent.

Providers should on a regular basis call back the phone numbers that they have allocated to ensure that all these requirements are being complied with.

Proposal: Providers should ensure that their customers are compliant with Ofcom's Persistent Misuse rules – particularly those relating to returned calls

Requirement to use external data

Ofcom is proposing to require providers to use call traffic data to assess whether a line is being misused – the number of calls, the call duration, etc. This data is readily available to the provider. The problem is that while this information is useful to identify high volume operations – for example, call centres selling double glazing – it is less successful at identifying scammers who often to work in smaller operations. A boiler room won't make thousands of calls a day, so won't be identified by analysing just the call data.

The problem here is that providers don't have access to much of this key external information – in the USA the FCC and FCA publish complaints made about specific phone numbers, but in the UK details of the complaints made to Ofcom, the ICO, TPS, Action Fraud, Trading Standards and TPS are not available.

We propose that Ofcom, the ICO, TPS, Action Fraud, Trading Standards and TPS forward each scam complaint they receive to the appropriate range holder who would be obliged to investigate.

There is also relevant data available from a number of commercial sources. For example, the complaints received about the number by crowdsourced websites such as Who-Called.co.uk and Tellows.co.uk, and data from call blocking organisations such as trueCall, First Orion, Truecaller, and HiYa. Providers should be encouraged to do this data as part of their checks. [We must of course declare an interest here].

Proposal: Providers should be obliged to use external data to monitor their customers and agencies should be encouraged to pass on complaint data to the range holder.

Question 5:
Do you have
any
comments on
the suggested
measures set
out in Section
5?

We understand that some providers drag their feet when asked for information about their customers by enforcement authorities, and some large ones even refuse to cooperate.

Providers should be obliged to respond in a timely manner to requests from police, trading standards and other enforcement authorities for information about numbers in their range. They should be obliged to provide call detail records for any number in their range if requested.

Call detail records are important because if a company is accused of misuse they can always say "It wasn't me – it was someone else spoofing my number". The call detail records can be tied back to complaint data and even data from trueCall to test this.

Note that since scam calls are made by organisations there should not be the same privacy issues here as there would be if the phone lines were being used by individuals.

Proposal: Providers and resellers should be legally obliged to co-operate with enforcement authorities in a timely manner and provide call detail records if requested.

