

The future regulation of phone-paid services

Statement on changes to General Conditions C2.11 and C2.12

Statement

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1. Overview

- 1.1 Phone-paid services, also known as premium rate services ("PRS"), are currently regulated by the Phone-paid Services Authority ("the PSA"). On 25 October 2024 we published our statement on the future regulation of PRS which sets out our decision to transfer the PSA's day-to-day regulatory responsibility of the PRS market to Ofcom.¹ As set out in that statement, on 1 February 2025 the PSA's Code of Practice (Code 15), which currently regulates the PRS market, will be replaced by a set of new requirements on providers of PRS contained in an order ("the PRS Order").
- 1.2 The current General Conditions of Entitlement ("the GCs") contain several references to the PSA and its Code of Practice that will no longer be appropriate after 1 February 2025 once the PSA ceases to be the regulator for PRS.
- 1.3 This statement sets out our decisions to modify the GCs to remove references to the PSA and its Code of Practice so that the GCs are aligned with the future regulatory framework for PRS.

What we have decided - in brief

We have decided to modify General Conditions C2.11 and C2.12 from 1 February 2025 to remove references to the PSA and PSA's Code of Practice and replace those with references to Ofcom and the PRS Order.

Our modifications will ensure providers give consumers specific information upon request about premium rate services. Specifically, providers will be required to provide information to consumers on request about:

- how they can obtain information about PRS numbers found on their bills, including the location of any number-checker facilities;
- providers' role in dealing with complaints about non-compliance with the PRS Order;
 and
- Ofcom's role and remit as the regulator of PRS in dealing with complaints and how to make complaints to Ofcom about PRS.

The effect of our modifications will be that consumers will continue to receive information largely equivalent to information they currently receive. Where such information currently relates to the PSA and its regulatory functions, the information will relate to Ofcom and its regulatory functions in relation to PRS from 1 February 2025.

The overview section in this document is a simplified high-level summary only. The decisions we have taken and our reasoning are set out in the full document.

¹ Ofcom, The future regulation of phone-paid services - Statement on Ofcom's Order under s122 of the Communications Act 2003 and changes to the Premium Rate Services Condition, 25 October 2024

2. Background and legal framework

Transfer of responsibility for PRS from the PSA to Ofcom

- 2.1 People can access a range of interactive services via their landline and mobile phones, computers and digital TVs. Where these services are charged for via the customer's telephone bill, they are known as phone-paid services. Examples include charity donations by text, music streaming, TV and radio competitions, directory enquiries, voting on TV talent shows and in-app purchases. These services are also commonly referred to as premium rate services ("PRS").
- 2.2 On 1 February 2025, Ofcom will assume day-to-day responsibility as regulator and sole enforcer of PRS regulation, taking over responsibility from the PSA. Our statement published on 25 October 2024 'The future regulation of phone-paid services Statement on Ofcom's Order under s122 of the Communications Act 2003 and changes to the Premium Rate Services Condition' (the "PRS Statement") sets out our final assessment and decisions on how we intend to transfer PRS regulation from the PSA to Ofcom.
- 2.3 As set out in the PRS Statement, on 1 February 2025 Ofcom will:
 - a) withdraw approval of the PSA's Code of Practice (Code 15) which currently regulates the PRS market; and
 - b) assume day-to-day regulatory responsibility for PRS under the terms of the order ("the PRS Order") made under s122 of the Communications Act 2003 ("the Act") which contains a new set of requirements on providers of PRS.²

References to the PSA in the General Conditions

- 2.4 The current General Conditions of Entitlement ("the GCs") contain several references to the PSA in General Conditions C2.11 and C2.12.³ On 1 February 2025, when the PSA ceases to be the regulator of PRS, references to the PSA in the GCs will no longer be appropriate.
- 2.5 General Condition C2 aims, in general, to ensure the availability of adequate, up-to-date, comparable information for consumers on the prices, tariffs, terms and conditions of communications services.
- 2.6 GC C2.11 and C2.12, in particular, aim to ensure providers give consumers specific information upon request about premium rate services. This includes information in relation to:
 - a) requests for number checks via the PSA's number-checker facility on its website ("Service Checker"); and

² We will also make consequential amendments to the PRS Condition set under Section 120 which will require every PRS provider (as defined in the PRS Order) to comply with the PRS Order.

³ Ofcom, <u>General Conditions of Entitlement – Unofficial Consolidated Version</u> (Version with effect from: 17 January 2025)

- b) formal complaints, including in relation to non-compliance with the PSA's Code of Practice and the role and remit of the PSA in dealing with complaints.
- 2.7 The current GCs information requirements in relation to the PSA appear to be working well and we do not have evidence of problems with these rules.

Policy objectives

2.8 The GCs define the PSA as follows:

'Phone-paid Services Authority' means the UK regulator with responsibility for content, goods and services charged to a phone bill

- 2.9 From 1 February 2025 Ofcom will be the UK regulator for PRS, with responsibility for content, goods and services charged to a phone bill. Consequently, from this date the requirement to give information about, and in relation to, the PSA could be read as a requirement to give information about, and in relation to, Ofcom.
- 2.10 However, without amendment, the GCs would still directly name the PSA and make references to facilities on the PSA's website. This could lead to confusion amongst providers as to their obligations under the GCs and would mean the GCs would contain an unnecessarily complex reference to Ofcom as the regulator for PRS.
- 2.11 Consequently, our policy objectives in making amendments to the GCs are to:
 - a) remove references to the PSA to ensure providers have clarity as to their obligations under the GCs from 1 February 2025; and
 - b) ensure consumers will be provided with information after 1 February 2025 largely equivalent to information that they are currently provided.

October Consultation

- 2.12 We published a consultation on 25 October 2024 (the "October consultation") on our proposed modifications to the GCs. ⁴ The consultation closed on 25 November 2024.
- 2.13 We received two responses to this consultation. One from Virgin Media O2 (VMO2) and one from the Association for Interactive Media and Micropayments (aimm). Both respondents agreed that the General Conditions need to be amended. The non-confidential responses have been published on our website.

Legal framework

2.14 We set out below our powers and duties that are relevant to the decisions set out in this statement.

Our general duties

2.15 When making the decisions in this statement, we have had regard to our general duties including our principal duty under section 3(1) of the Act, to further the interests of citizens

⁴ Ofcom, The future regulation of phone-paid services: Consultation on changes to General Conditions C2.11 and C2.12, 25 October 2024

- in relation to communication matters; and consumers in relevant markets, where appropriate by promoting competition.⁵
- 2.16 In performing our duties, we are required to have regard to the principles under which regulatory activities should be transparent, accountable, proportionate, consistent, and targeted only at cases in which action is needed, as well as any other principles appearing to us to represent best regulatory practice (section 3(3) of the Act).
- 2.17 Section 3(4) of the Act provides that we must have regard, in performing our duties, to a number of matters, as they appear to us to be relevant in the circumstances, including: the desirability of promoting competition in relevant markets; the desirability of encouraging investment and innovation in relevant markets; the needs of persons with disabilities, of the elderly and of those on low incomes; the desirability of preventing crime and disorder; the opinions of consumers in relevant markets and of members of the public generally; the different interests of persons in the different parts of the United Kingdom, of the different ethnic communities within the United Kingdom and of persons living in rural and urban areas.
- 2.18 In addition, section 3(5) of the Act requires that, when performing our duty to further the interests of consumers, we must have regard, in particular, to the interests of those consumers in respect of choice, price, quality of service and value for money.

UK Government's Statement of Strategic Priorities

- 2.19 As required by section 2B(2)(a) of the Act, we must also have regard to the UK Government's <u>Statement of Strategic Priorities</u> for telecommunications, management of radio spectrum and postal services ("SSP"). The SSP sets out the Government's strategic priorities for current and future telecoms consumers, including to:
 - a) tackle harmful industry practices and improve the support available to vulnerable consumers, who can pay more than others; and
 - address the difficulties that customers experience in navigating the communications market by giving them the right data, information, and support to boost their engagement.
- 2.20 The SSP also states that Ofcom should continue to take all opportunities to improve the consumer experience in the telecoms sector, particularly for vulnerable consumers, including those with disabilities.

Powers and duties in relation to general conditions

- 2.21 Section 45 of the Act says that we may set general conditions which contain provisions authorised or required by one or more of sections 51, 52, 57, 58 or 64. Section 46 of the Act makes clear that such conditions may apply generally either (a) to every person providing an electronic communications network or electronic communications service; or (b) to every person providing such a network or service of a particular description specified in the condition.
- 2.22 Under section 51(1)(a), we may set general conditions making such provisions as we consider appropriate for the purpose of protecting the interests of the end-users of public

⁵ 'Consumer' is defined in section 405(5) of the Act and includes people acting in their personal capacity or for the purposes of, or in connection with, a business.

- electronic communication services. Section 51(2) sets out a non-exhaustive list of the types of general conditions that we may set in pursuance of this purpose. This includes section 51(2)(d), which gives Ofcom the power to set conditions which require the provision, free of charge, of specified information, or information of a specified kind, to end-users.
- 2.23 Section 47(2) of the Act governs the circumstances in which we can set or modify a general condition. It states that such a condition can be set or modified where it is not such as to discriminate unduly against particular persons or against a particular description of persons, proportionate to what the condition or modification is intended to achieve, and transparent in relation to what it is intended to achieve. ⁶
- 2.24 Section 4(2) of the Act requires Ofcom to act in accordance with six requirements described when carrying out certain functions, including those in relation to setting or modifying general conditions as set out above. These requirements include a) to promote competition in the provision of electronic communications services; b) to promote the interests of all members of the public in the United Kingdom; and c) to promote connectivity and access to very high-capacity networks by members of the public and businesses in the United Kingdom.

Structure of this statement

- 2.25 In Section 3 we set out the proposals we made in the October Consultation and address stakeholders' comments on our proposals. We also set out our decisions on modifications to General Condition C2 and the General Conditions definitions.
- 2.26 In Section 4 we set out the conclusions to our decisions. These include our assessment of the potential impact of our decisions, our assessment of the potential impact of our decisions on specific groups of persons and our assessment of the potential impact of our decisions on the Welsh language.
- 2.27 Annex A1 sets out the Notification modifying General Condition C2 and General Conditions definitions.

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⁶ Section 47(3) states that the setting of a general condition is not subject to the test of being objectively justifiable, although we are likely to consider this in any case. See Section 4.

3. Modifications to General Conditions C2.11 and C2.12

- 3.1 In this section we set out our consultation proposal to modify GC C2.11 and GC C2.12, the consultation responses we received on our proposals and our decisions.
- 3.2 In summary we have decided to:
 - a) remove the references to number checks and the PSA's website from GC C2.11 and add
 a requirement to GC C2.12 that providers, in giving information in accordance with GC
 C2.11, must provide information about how consumers can obtain information about
 PRS numbers found on their bills, including the location of any number-checker
 facilities;
 - b) in relation to information about consumer complaints, replace the reference in GC C2.11(b)(ii) to non-compliance with the PSA's Code of Practice with non-compliance with any Order made by Ofcom under Section 122 of the Act, and replace references in GC C2.12(e) to the PSA with references to Ofcom's role in relation to PRS;
 - c) remove the definition of 'Phone-paid Services Authority' from the GCs; and
 - d) modify the GCs as described in a) to c) with effect from 1 February 2025.

Service Checker

Consultation proposals

How the PSA currently operates

- 3.3 In the October consultation we explained the PSA currently operates, and makes available on its website, a number-checker facility called the 'Service Checker'. This facility plays an important role in ensuring that consumers are provided with relevant information about PRS. The current service checker, which is populated with up-to-date information provided directly by PRS providers, enables anyone to enter a PRS number onto the PSA website and receive information about that number, such as an appropriate telephone number to call with an enquiry (a customer service phone number).
- 3.4 We also explained that we will retain a similar functionality as part of our regulation of PRS and consumers will be able to obtain relevant information about PRS from Ofcom's website.⁸

The current GCs

- 3.5 GC 2.11(b)(i) requires providers to provide information upon request and free of charge about their role in relation to enquiries about Controlled Premium Rate Services ("CPRS") and number checks via the number-checker facility provided by the PSA on its website.
- 3.6 The requirement applies to providers of Public Electronic Communications Networks and/or Public Electronic Communications Services.

⁷ See the <u>Service Checker</u> on the PSA's website

⁸ See 13.92 of the PRS Statement

Our proposed modifications to the GCs

- 3.7 In the October consultation we proposed that GC C2.11(b)(i) will continue to require providers to give information about their role in relation to general enquiries, but that the references to number checks and the PSA's website would be removed from GC C2.11.
- 3.8 We proposed to add a requirement to GC C2.12 that providers, in giving information in accordance with GC C2.11, must provide information about how consumers can obtain information about PRS numbers found on their bills, including the location of any number-checker facilities. We proposed that bills and PRS numbers will be defined in the same way they are in the rest of C2.12.
- 3.9 The changes to C2.11(b)(i) proposed in the October consultation are highlighted below. The text shown in strikethrough will be deleted.

C2.11

In relation to **Controlled Premium Rate Services ('CPRS')**, **Regulated Providers** shall provide on request and free of charge the following information and advice to **Consumers**, **Microenterprise or Small Enterprise Customers** or **Not-For-Profit Customers**:

[...]

- (b) information about the role of **Regulated Providers** in relation to:
- (i) general **CPRS** enquiries and requests for number checks via the number checker facilities provided by the **Phone-paid Service Authority** on its website;11 and

[...]

11 See the website of the Phone-paid Services Authority

3.10 The proposed change to C2.12 is highlighted below. The text underlined will be added.

C2.12

In providing information and advice in accordance with **Condition** C2.11, **Regulated Providers** shall provide:

[...]

- (i) <u>information about how **Consumers** can obtain information about **CPRS** <u>numbers found on their **Bills**, including the location of any number-checker facilities.</u></u>
- 3.11 The relevant definitions from the GCs, which will remain unchanged are:

'Bill' means the information issued, or made available, by a Communications Provider to an End-User about the charges levied and due for payment or the debits and credits applied to an End-User's account;

'Controlled Premium Rate Service' or 'CPRS' has the meaning set out in the condition26 issued by Ofcom under section 120 of the Act;

26 See Ofcom's PRS Condition

Stakeholder comments

- 3.12 aimm agreed with the proposed modifications of General conditions C2.11 and C2.12.
- 3.13 VMO2 expressed concerns that removing reference to the relevant regulatory body's service checker facility in the GCs, removes certainty, for both consumers and providers, that Ofcom has an obligation to provide a service checker facility. VMO2 provided a suggestion on the specific wording of the proposed change to C2.11(b)(i), to include a reference to an Ofcom providing number-checker facility.
- 3.14 VMO2 also raised concerns about there being no firm commitment in our consultation as to when a service checker facility will be available on Ofcom's website. It noted that consumers who previously used the PSA's service checker will have to contact providers to request information about PRS numbers. VMO2 said this would cause further uncertainty and confusion for consumers who are using or are proposing to use these services. It acknowledged that some providers may provide a service checker facility to consumers but said consumers may seek comfort in getting information direct from the regulator.
- 3.15 VMO2 said that, due to this lack of information about the service checker, any information that providers update following the changes relating to the PSA transfer will need to be updated again when Ofcom provides a service checker facility.

Our decision

- 3.16 We have decided to proceed with the modifications to GC C2.11 and C2.12 as proposed in the October Consultation and set out in paragraphs 3.9-3.10 above (with the exception of a minor drafting change to retain the word 'and' in GC C2.11 (b)).
- 3.17 We note VMO2's comments about removing reference to a service checker facility provided by the relevant regulator and the concerns that this implies Ofcom does not have an obligation to provide such a facility. We do not consider that Ofcom has an obligation to provide such a facility. The PRS Order will not require Ofcom to provide a service checker facility when our new powers and duties come into force on 1 February 2025. However, as set out in the PRS Statement, we intend to retain a similar functionality on our website as we consider the service checker plays an important role in ensuring consumers are provided with relevant information about PRS.⁹
- 3.18 As noted in the October Consultation, at this stage it was not clear what form Ofcom's number checker facility would take, where it would be located and what changes would be made to its form and location in the future. It is for this reason that we proposed to ensure that providers give consumers up to date information about how they can go about finding information on the numbers that are on their bills and that this would include directing consumers to number-checking facilities wherever they are available.
- 3.19 We will provide further information to providers on the functionality, location and availability of any number-checking facilities that Ofcom develops when we make any such facilities available. This would enable providers to direct consumers to any Ofcom number-checking facilities as part of their obligations under GC C2.12.
- 3.20 We acknowledge that when Ofcom provides this facility providers will need to update their information about the service checker facilities available. We consider this will have

⁹ See paragraph 13.92 of the PRS Statement.

- minimal impact on regulated providers. This update would simply be referencing a service checker facility provided by Ofcom, along with any other service checker facilities available. 10
- 3.21 We consider that our modifications to the GCs will ensure consumers are provided with information equivalent to information that they are currently provided and are aware of the ability to access up-to-date information on PRS where that is possible.
- 3.22 We consider our modifications to the GCs will have minimal impact on regulated providers and consumers. Consumers will receive similar information to that they receive at present. Providers will be required to give information of similar nature and form to that which they currently give. We considered the key difference for both consumers and providers would be the location of any number-checker facility referred to.

Complaints

Consultation proposals

How the PSA currently operates

3.23 The PSA currently takes complaints from consumers about PRS via its website, helpline or in writing and uses these to inform its activities in regulating the market.

The current GCs

- 3.24 GC C2.11(b)(ii) requires providers to provide information upon request and free of charge about their role in handling formal complaints about abuses of service content, non-compliance with the PSA's Code of Practice and other alleged unlawful operation of services and numbers.
- 3.25 GC C2.12(e) requires providers, in giving information in accordance with GC C2.11, to provide information on the role and remit of the PSA in dealing with complaints and how to make a formal complaint to the PSA via the website, helpline or in writing.
- 3.26 Both GC C2.11(b)(ii) and GC C2.12(e) apply to providers of Public Electronic Communications Networks and/or Public Electronic Communications Services.

Our proposed modifications to the GCs

2 20

- 3.27 In our October Consultation, we proposed to retain the principle that providers be required to provide information free of charge about their role in handling complaints about non-compliance with regulatory and other legal obligations and abuses of service content. However, we proposed to replace the reference in GC C2.11(b)(ii) to that information being in relation to dealing with complaints about non-compliance with the PSA's Code of Practice, to being in relation to dealing with complaints about non-compliance with any Order made by Ofcom under Section 122 of the Act. This order will be the PRS Order as described in the PRS Statement (unless and until any new order is made).
- 3.28 We also proposed to retain the principle that providers are required to give information about the role and remit of the regulator of PRS in dealing with complaints and how to make complaints to the regulator of PRS. However, given that Ofcom will be the PRS regulator, we proposed to replace references in GC C2.12(e) to the PSA with references to

¹⁰ See paragraph 3.18 of the Consultation on changes to General Conditions C2.11 and C2.12.

Ofcom's role in relation to PRS. We explained that we did not consider the specific details of the means of making a complaint to Ofcom need to be specified in the GCs, given that providers are required to explain how to make a complaint to Ofcom. Therefore, we did not propose to specify this information in the same way the current GC C2.12(e) specifies the means of making a complaint to the PSA.

3.29 The changes to C2.11(b)(ii) proposed in the October consultation are highlighted below. The text shown in strikethrough will be deleted and the text underlined will be added.

C2.11

In relation to **Controlled Premium Rate Services ('CPRS')**, **Regulated Providers** shall provide on request and free of charge the following information and advice to **Consumers**, **Microenterprise or Small Enterprise Customers** or **Not-For-Profit Customers**:

[...]

(b) information about the role of **Regulated Providers** in relation to:

[...]

- (ii) dealing with formal complaints about abuses of service content, non-compliance with any order made by Ofcom under Section 122 of the Act the Phone-paid Services Authority's code of practice and other alleged unlawful operation of services and numbers.
- 3.30 The proposed changes to C2.12(e) are highlighted below. The text shown in strikethrough will be deleted and the text underlined will be added.

C2.12

In providing information and advice in accordance with **Condition** C2.11, **Regulated Providers** shall provide:

[...]

(e) information about Ofcom's the role and remit of the Phone paid Service

Authority in dealing with complaints in relation to CPRS and how to go about making a formal complaint to Ofcom the Phone paid Services Authority via the website, helpline or in writing;

[...]

Stakeholder comments

3.31 aimm agreed with the proposed modifications of General Conditions C2.11 and C2.12. We received no other comments about these proposals.

Our decision

3.32 We have decided to proceed with the modifications to GC C2.11 and C2.12 as proposed in the October Consultation and set out in paragraphs 3.29-3.30 above.

- 3.33 Ofcom has a well-established process for dealing with complaints made to us about our other regulated sectors. We are currently working on updating our dedicated webpage for making consumer complaints by reference to the PRS sector. We expect PRS complaints to be dealt with in the same way, including complaints in writing, online (through an online form) or by phone.¹¹
- 3.34 We consider our changes will ensure consumers will be given information equivalent to information they are currently provided in regards to the role and remit of the regulator for PRS and how to make a complaint about potential non-compliance with regulatory obligations. This information will simply be in relation to Ofcom as the regulator for PRS, instead of the PSA and in relation to the PRS Order instead of the PSA's Code of Practice.
- 3.35 We consider the changes would have minimal impact on consumers and regulated providers because we are simply replacing references to the PSA with references to Ofcom and references to the PSA's Code of Practice with reference to the PRS Order. Whilst Ofcom is a different organisation with a broader remit than the PSA and may handle complaints differently, we do not consider this represents a change in the volume or type of information providers need to give consumers.

Definitions

Consultation proposals and stakeholder comments

- 3.36 We proposed to remove the definition of 'Phone-paid Services Authority' from the GCs. This definition will no longer be needed given our proposals discussed above.
- aimm agreed with our proposal to remove the definition of the 'Phone-paid Services Authority' from the GCs. We received no other comments on this proposal.

Our decision

3.38 We have decided to remove the definition of the 'Phone-paid Services Authority' from the GCs.

Implementation date

Consultation proposals

- 3.39 We proposed that the changes to the GCs we were proposing would come into effect on 1 February 2025. This would align the changes to the GCs with the transfer of responsibility from the PSA to Ofcom, the withdrawing of approval for Code 15 and the PRS Order coming into force.
- 3.40 We received no comments on the implementation date.

Our decision

3.41 We have decided that the modifications to the GCs described in this section will come into effect on 1 February 2025.

¹¹ See paragraph 10.82 of the PRS Statement

4. Conclusions

- 4.1 We have decided to proceed with the proposals set out in the October 2024 consultation to:
 - a) remove the references to number checks and the PSA's website from GC C2.11 and add
 a requirement to GC C2.12 that providers, in giving information in accordance with GC
 C2.11, must provide information about how consumers can obtain information about
 PRS numbers found on their bills, including the location of any number-checker
 facilities:
 - b) in relation to information about consumer complaints, replace the reference in GC C2.11(b)(ii) to non-compliance with the PSA's Code of Practice with non-compliance with any Order made by Ofcom under Section 122 of the Act and replace references in GC C2.12(e) to the PSA with references to Ofcom's role in relation to PRS;
 - c) remove the definition of 'Phone-paid Services Authority' from the GCs; and
 - d) modify the GCs as described in a) to c) with effect from 1 February 2025.

Assessment of impact of proposals

- 4.2 Section 7 of the Communications Act requires us to carry out and publish an assessment of the likely impact of implementing a proposal which would be likely to have a significant impact on businesses or the general public, or when there is a major change in Ofcom's activities.
- 4.3 More generally, impact assessments form part of good policy making and we therefore expect to carry them out in relation to a large majority of our proposals. We use impact assessments to help us understand and assess the potential impact of our policy decisions before we make then. They also help us explain the policy decisions we have decided to take and why we consider those decisions best fulfil our applicable duties and objectives in the least intrusive way. Our impact assessment guidance set out our general approach to how we assess and present the impact of our proposed decisions.
- The relevant duties in relation to the proposal on which we consulted are set out in paragraphs 2.15-2.24 above. We expect our decision to have minimal impact on consumers or providers. We consider that, following our decision, consumers would continue to be given information similar to the information they currently receive from providers. This information would simply be in reference to Ofcom as the regulator of PRS instead of the PSA. Providers would continue to be required to provide information to consumers of a similar nature and in the same way they currently do.
- 4.5 There may be some costs for providers in implementing our amendments, such as training customer service agents. However, we do not consider that our decision would give rise to costs that would be disproportionate to the policy objectives. We consider that the decision to transfer responsibility for PRS from the PSA to Ofcom, has made it necessary to remove references to the PSA in the GCs. We consider that the amendments are appropriate and necessary in order to achieve our objective of removing references to the PSA from the GCs to ensure clarity to providers as to their obligations under the GCs from 1 February 2025.
- 4.6 In addition, our decision seeks to make the minimum changes necessary whilst ensuring consumers will be provided with information largely equivalent to information that they are

- currently provided. We do not consider there are any aspects of our decision that are not necessary to achieve our objectives.
- 4.7 We consider that our decision will benefit consumers by ensuring they are given free information from providers in relation to looking up numbers to find more information about the services they have been charged for as well as how to make complaints to Ofcom about PRS.

Equality impact assessment

- 4.8 We have given careful consideration as to whether our decision will have a particular impact on persons sharing protected characteristics (broadly including race, age, disability, sex, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership and religion or belief in the UK and also dependents and political opinion in Northern Ireland), and in particular whether they may discriminate against such persons or impact on equality of opportunity or good relations. This assessment helps us comply with our duties under the Equality Act 2010 and Northern Ireland Act 1998. 12
- 4.9 When thinking about equality we think more broadly than persons that share protected characteristics identified in equalities legislation and think about potential impacts on various groups of persons (see paragraph 4.7 of our <u>impact assessment guidance</u>).
- 4.10 In particular, section 3(4) of the Communications Act also requires us to have regard to the needs and interests of specific groups of persons when performing our duties, as appear to us to be relevant in the circumstances. These include:
 - a) the vulnerability of children and of others whose circumstances appears to us to put them in need of special protection;
 - b) the needs of persons with disabilities, older persons and persons on low incomes; and
 - c) the different interests of persons in the different parts of the UK, of the different ethnic communities within the UK and of persons living in rural and in urban areas.
- 4.11 We examine the potential impact our policy is likely to have on people, depending on their personal circumstances. This also assists us in making sure that we are meeting our principal duty of furthering the interests of citizens and consumers, regardless of their background and identity.
- 4.12 We do not consider that our decision would affect any specific groups of persons (including those that share protected characteristics under the 2010 Act or the 1998 Act) differently to the general population.
- 4.13 As noted above in paragraph 4.4-4.6, we expect our decision to have minimal impact on consumers in general. As a result of our decision, we think that consumers will continue to be given information similar to the information they currently receive from providers. Given that we consider our decision does not represent a significant change from the consumer's perspective, we also consider our decision on these changes would not impact any one group of people differently to any other.

¹² Further detail is set out in section 149 of the Equality Act 2010 and section 75 of the Northern Ireland Act 1998.

Welsh language impact assessment

- 4.14 The Welsh Language (Wales) Measure 2011 made the Welsh language an officially recognised language in Wales. This legislation also led to the establishment of the office of the Welsh Language Commissioner who regulates and monitors our work. Ofcom is required to take Welsh language considerations into account when formulating, reviewing or revising policies which are relevant to Wales (including proposals which are not targeted at Wales specifically but are of interest across the UK).
- 4.15 Where the Welsh Language Standards are engaged, we consider the potential impact of a policy proposal on (i) opportunities for persons to use the Welsh language; and (ii) treating the Welsh language no less favourably than the English language. We also consider how a proposal could be formulated so as to have, or increase, a positive impact, or not to have adverse effects or to decrease any adverse effects.
- 4.16 As noted above, we think that, as a result of our decision, consumers will continue to be given information similar to the information they currently receive from providers.

 Therefore, we consider that there will be no impact from our decision on the opportunities for people to use the Welsh language. Neither do we think our decision will lead to the Welsh language being treated less favourably than the English language. To the extent that people can use the Welsh language at present in their interactions with providers, they will continue to be able to do so following our decision.

Legal tests

- 4.17 We consider that the modifications we have decided to make to GC C2.11 and GC C2.12 meet the test for setting or modifying conditions set out in section 47(2) of the Act in that they are:
 - a) Objectively justified because they will ensure providers have clarity as to their obligations under the GCs from 1 February 2025, when the PSA ceases to have responsibility for PRS. They will also ensure consumers will be provided with information after 1 February 2025 largely equivalent to information that they are currently provided.
 - not unduly discriminatory because they will apply to all providers of Public Electronic Communications Networks and/or Public Electronic Communications Services and will benefit all consumers equally.
 - c) proportionate in that they go no further than is necessary to achieve our objectives of: removing references to the PSA to ensure providers have clarity as to their obligations under the GCs from 1 February 2025; and, ensuring consumers will, in the future, be provided with information largely equivalent to information that they are currently provided. Whilst there may be some costs for providers associated with implementing our modifications, we have sought to minimise these costs by making the minimum changes necessary to the GCs whilst ensuring consumers have access to information largely equivalent to that they are currently provided with. We consider our decision achieves this by ensuring the requirement on providers is to continue to provide information to consumers of a similar nature and in the same way they currently do.
 - d) **transparent**, as the reasons for and effect of the changes that we have decided to make are explained in this document.

4.18 We also consider that our decisions are consistent with our general duties set out in section 3 of the Act and the six requirements in section 4 of the Act. In particular, we consider that the introduction of the proposed GCs was in line with our obligation to ensure that our regulatory activities are proportionate and targeted only at cases in which action is needed (section 3(3) of the Act). As noted above, we have sought to minimise implementation costs for industry with a view to ensuring that our intervention is proportionate by seeking to make the minimum changes necessary to the GCs whilst ensuring consumers have access to information largely equivalent to that they are currently provided with. In formulating and finalising our proposals, we have also had regard to the Statement of Strategic Priorities.

A1. Notification of modifications to General Condition C2 and General Conditions definitions

Notification of Ofcom's decision to amend General Condition C2 and General Conditions definitions under sections 48(1) of the Communications Act 2003

Background

- A1.1 On 25 October 2024, Ofcom published a notification pursuant to sections 48(1) and 48A(3) of the Act, proposing to modify General Condition C2 and the General Conditions definitions.
- A1.2 Ofcom proposed that the modifications would enter into force on 1 February 2025.
- A1.3 Ofcom's reasons for making the proposals and the effect of the proposals were set out in the accompanying consultation document.¹³
- A1.4 Ofcom invited representations about the proposals by 25 November 2024.
- A1.5 A copy of the notification was sent to the Secretary of State in accordance with section 48C(1) of the Act.
- A1.6 By virtue of section 48A(6) and (7) of the Act, Ofcom may give effect to the proposals, with or without modification, only if
 - a) they have considered every representation about the proposal made to them within the period specified in the notification; and
 - b) they have had regard to every international obligation of the United Kingdom (if any) which has been notified to them for this purpose by the Secretary of State.
- A1.7 Ofcom received responses to the notification and has considered every such representation made to them in respect of the proposals set out in the notification (and the accompanying consultation document).
- A1.8 The Secretary of State did not notify Ofcom of any international obligation of the United Kingdom for the purpose of section 48A(6) of the Act.

Decision

A1.9 In accordance with sections 45 and 48(1) of the Act, Ofcom have decided to modify General Condition C2 and the General Conditions definitions. The modification is set out in a Schedule to this notification.

¹³ Ofcom, The future regulation of phone-paid services – Consultation on changes to General Conditions C2.11 and C2.12, 25 October 2024.

- A1.10 The modified General Condition C2 and General Conditions definitions shall enter into force on 1 February 2025.
- A1.11 Ofcom's reasons for reaching this decision, and the effect of the decision, are set out in the explanatory statement accompanying this notification.
- A1.12 Ofcom consider that they have complied with the requirements of sections 45 to 48C of the Act, insofar as they are applicable.
- A1.13 Ofcom have considered and acted in accordance with their general duties under section 3 of the Act and the six requirements set out in section 4 of the Act. Ofcom have also had regard to the Statement of Strategic Priorities in making the decision referred to in this notification.
- A1.14 A copy of this notification and the accompanying explanatory statement have been sent to the Secretary of State in accordance with section 48C(1) of the Act.
- A1.15 In this Notification:
 - a) 'the Act' means the Communications Act 2003;
 - General Conditions of Entitlement' or 'General Conditions' means the general conditions set by Ofcom under section 45 of the Act on 19 September 2017, as amended from time to time;
 - c) 'Ofcom' means the Office of Communications;
 - d) 'Statement of Strategic Priorities' means the Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services designates by the Secretary of State for Digital, Culture, Media and Sport for the purposes of section 2A of the Communications Act 2003 on 29 October 2019.
- A1.16 Words or expressions shall have the meaning assigned to them in this notification, and otherwise any word or expression shall have the same meaning as it has in the Act.
- A1.17 For the purposes of interpreting this notification: (i) headings and titles shall be disregarded; and (ii) the Interpretation Act 1978 shall apply as if this notification were an Act of Parliament.
- A1.18 The Schedule to this notification shall form part of this Notification.

Signed by Marina Gibbs

M. Cibbs

Director, Policy – Networks & Communications Group

A person authorised by Ofcom under paragraph 18 of the Schedule to the Office of Communications Act 2002

17 January 2025

Schedule: Modifications to the General Conditions of Entitlement C2 and the General Conditions definitions

A1.19 The modifications that Ofcom has decided to make to General Condition C2 and the General Conditions definitions are shown below as against the current version of the General Condition. The text shown in strikethrough will be deleted and the text underlined will be added.

General Condition C2

C2.11

In relation to **Controlled Premium Rate Services ('CPRS')**, **Regulated Providers** shall provide on request and free of charge the following information and advice to **Consumers**, **Microenterprise or Small Enterprise Customers** or **Not-For-Profit Customers**:

- (a) information about the **CPRS** mechanisms in the UK market, such as operator billing, premium rate **Short Message Service** (PSMS) payments, **Service Charges** for **CPRS** numbers, and voice shortcode charges, and how they are applied to the **Customer's** phone bill; and
- (b) Information about the role of **Regulated Providers** in relation to:
- (i) general **CPRS** enquiries and requests for number checks via the number-checker facilities provided by the **Phone-paid Services Authority** on its website;11 and
- (ii) dealing with formal complaints about abuses of service content, noncompliance with any order made by **Ofcom** under Section 122 of the **Act** the **Phone-paid Services Authority's code of practice** and other alleged unlawful operations of services and numbers.

C2.12

In providing information and advice in accordance with **Condition** C2.11, **Regulated Providers** shall provide:

- (a) basic information about how CPRS work including whether the service(s) in question were routed to service providers hosted on the Regulated Provider's own network or on the network of a different Communications Provider, together with a basic explanation of how revenue sharing with service providers operates;
- (b) information about the tariffs that apply on their network for calls to any CPRS number range, including, where appropriate, the Regulated Provider's Access Charge;
- (c) contact details of individual service providers or the **Communications Providers** which host them, and where that information is available 12;

- (d) service providers' customer service contact details where Consumers can
 obtain further information about services provided on the CPRS numbers found
 on their Bills;
- (e) information about Ofcom's the role and remit of the Phone-paid Services

 Authority in dealing with complaints in relation to CPRS and how to go about making a formal complaint to Ofcom the Phone-paid Services Authority via the website, helpline or in writing;
- (f) information on the role of **Alternative Dispute Resolution Schemes** in resolving disputes concerning **CPRS**;
- (g) information about how **Consumers** can bar access from their telephone to all or specific **CPRS** number ranges for reasons of cost and/or content; and
- (h) information on any other options available to **Consumers** for seeking refunds in cases of abuse or scams involving **CPRS**; and
- (i) <u>information about how **Consumers** can obtain information about **CPRS** numbers found on their **Bills**, including the location of any number-checker facilities.</u>

11 See the website of the Phone-paid Services Authority

12 For example, the information may be available via the Phone paid Services Authority's website

Definitions

'Phone-paid Services Authority' means the UK regulator with responsibility for content, goods and services charges to a phone bill