



Commission for
Communications Regulation

Submissions to Consultation

Premium Rate Services – Code of Practice

Submissions received from respondents

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28 Realm Communications Ltd.



**Consultation Submission to ComReg regarding
Consultation: Premium Rate services – Code of Practice
(ComReg 10/92a)**

Submitted 31st January 2011

This submission is made without prejudice

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Please note that this submission is compiled by Realm Communications Ltd. However in addition to this, we fully support and echo the response submitted by Irish PhonePaid Service Association (IPPSA)

Q1. Do you agree with the proposed provisions, applicable to all specified PRS, as set out in Section 3 of the draft Code? If not, please provide reasons to support your view.

Realm agrees with the majority of provisions set out in Section 3 of the draft Code. However there is one provision which we do not agree with, and believe has the potential for both industry and consumer harm.

Section 3.6 gives ComReg the power to supersede its own Code of Practice where it deems appropriate. Realm would argue that this is unacceptable. All Service Providers need to operate on an even playing field. No Service Provider should be allowed to operate via a different set of rules and regulations. We believe that all Service Providers should adhere to the same Code of Practice and there should be no exceptions to this. Although Realm strongly believes there should be no exceptions, if ComReg believes there are legitimate grounds for this Provision, then at the very least ComReg should undertake to make public the 'alternative means' a Service Provider is providing. This will ensure that all Service Providers are afforded the opportunity to offer their services via an even and fair market place and no Service Provider is presented with a competitive advantage.

Q2. Do you agree with the proposed provisions relating to the promotion of PRS? If not, please provide reasons to support your view.

Realm has several concerns regarding the proposed provisions for the promotion of PRS, which we believe ComReg should address.

The draft Code of Practice does not contain a clear definition of what ComReg considers a 'promotion' to be. Therefore this area is open to interpretation by both ComReg and Service Providers. We believe ComReg should be very clear on this issue to avoid any problems in the future. Currently Service Providers are experiencing problems, whereby there is conflict regarding what is deemed as a promotional message. For instance, if a message contains only information regarding the service the consumer is using, then we believe it cannot be deemed as a promotion. We ascertain that a promotional message can only be considered as such, if there is a call to action contained within it. If there is no call to action or any content/ facility in the promotion which can immediately result in a Consumer using / subscribing to a service then it cannot be deemed as a promotion. The Code of Practice should include a definition of what is deemed as a promotion. Once this is included in the Code, it should leave no room for doubt and make it much clearer for both ComReg and Service Providers.

Section 4.3 states that all promotions must be clear, legible, audible if spoke and not require close scrutiny'. However the term 'close scrutiny' is a subjective one and is open to interpretation by both ComReg and Service Providers. Realm believes that the use of such a term in the Code of Practice has the potential to cause confusion and possibly conflict between both parties. Realm would urge ComReg to reconsider the use of this term in its Code of Practice.

The provisions ComReg have outlined regarding the size of certain information in advertisements is also cause for great concern. Sections 4.8 (b) 4.19 (a) (i) and 4.19 (b) (ii) outline that subscription and pricing information needs to be 50% and 75% the size of the call to action. Realm believes that such provisions are draconian and will lead to irreparable damage to the industry. No form of advertising for any product can possibly be successful when pricing information must be at least 75% of the call to action. The current practice of displaying terms clearly and legibly at the bottom of the ad seems perfectly reasonable and is the practice used by other industries Realm firmly believes that Consumers must make an informed decision when faced with advertisements for services and that pricing and subscription information should be presented in a clear and open fashion. However there is a balance between this and Service Providers being able to market their services. We ascertain that if these provisions are not revised to reflect a more realistic and measured approach, then it will be impossible for companies to market their services and significant damage will be caused to the entire Premium Rate industry.

In relation to the spoken requirements of radio / television and audio visual promotions, Realm believes once again that the provisions are far too heavy handed and will make all services impossible to market. Section 4.9 outlines all of the information which needs to be spoken on as part of promotions. However it fails to take into account the time restrictions which are in place for these types of advertisements. Assuming a Service Provider invests in a thirty second television, if all of the

information in section 4.9 is spoken (in a non hurried manner as per section 4.10), then in theory this alone will require 25 seconds, leaving just 5 seconds to explain and market the service to the Consumer. ComReg is also proposing that these spoken requirements are to be used in conjunction with the visual requirements it outlines. This is completely overkill and means that the Consumer will not be able to make a decision regarding the service on offer as the only information which can be relayed to him/her is the regulatory information. Therefore such proposed measures would result in any advertisement campaign being completely unworkable.

Q3. Do you agree with the proposed list of accepted abbreviations? If not, please provide reasons to support your view?

Realm agrees in general with the concept of a proposed list of accepted abbreviations. However we have concerns how it would operate in reality. Assuming that the list provided is not exhaustive, then it will be continually updated by ComReg. If this is the case, each time the table is updated it has the potential to cost SPs a significant amount of time and resources as all advertising media will have to be updated to reflect the changes.

In relation to the proposed list and its specific terms, we note that the term 'SP' is no longer permitted. Whilst we would have no issue with this on visual promotions, we believe it will be problematic when enforced for SMS promotions. The maximum amount of character which can be used in a SMS is 160. If the term 'Service Provider' is to be used then this term alone uses 16 characters, which is 10% of the entire SMS content. Using Realm as an example, when the terms Service Provider is coupled with our name and helpline, this section of the SMS alone accounts for over 20% of the content. When the additional regulatory information is included, e.g. price, optout information, age warning is provided it will mean that Service Providers have very little space left with which they can market their services. The term 'SP' has been in use for many years and already be very familiar to users of premium rate services, therefore Realm believes that from a consumers perspective there is no need to make this proposed change. We would also have concerns about Comreg prohibiting the use of other terms which are already commonplace e.g. 'min' and 'txt'. Consumers are already familiar with these terms and we see no issue with their use.

Q4. Do you agree with the provisions relating to the price information that should be made available to end-users of PRS? If not, please provide reasons to support your view.

Realm agrees with ComReg's view that 'transparent pricing information is essential for end users to make informed decisions and is inextricably linked to how PRS are promoted'. However we refer to our response to question two regarding our views on how this information should be presented.

Q5. Do you agree with the requirements to provide end-users of PRS with expenditure reminders? If not, please provide reasons to support your view.

Expenditure reminders have been a part of the Premium Rate Industry for a considerable amount of time. Our experience tells us that in their current format, they are very effective from a consumer's perspective and Realm has no objection to them. However we believe the changes ComReg is proposing to make would destroy the Premium Rate Industry. There is simply no way any subscription model for any business can operate via a continuous opt-in to the Service. Human inertia means that even if a Consumer values a service and wishes to remain a part of it on an ongoing basis, there is simply no way he/she is going to positively re subscribe to the service at every €20 interval. No other subscription model operates in this manner and this is for good reason – it simply will not work. For this to be imposed on the PRS industry is an anti competitive measure, as it means the industry will not be able to compete with other payment models e.g. credit card and direct debit. Whilst Realm appreciates ComReg intention to limit consumer harm, we are vehemently opposed to this proposal not only from a commercial perspective, but also from the consumers perspective. Ultimately these measures are going to result in Consumers being removed from services which they value and wish to be a part of, simply because they did not send a SMS confirming their intention. Realm believes that it is extremely unfair that PRS are being treated differently to any other subscription model which currently exists. For instance there is simply no way any consumer with the best of intentions, would continually remember to renew their NTL or Sky subscriptions on a continuous basis. Indeed it would no doubt lead to huge numbers of irate and dissatisfied Consumers, angry that the service which they requested has been taken away from them. Instead of protecting Consumers, this proposal would actually cause significant harm to the consumer if it came into effect. Realm believes that once the regulatory information contained in the initial promotion, confirmation messages and existing reminder messages is displayed in a clear fashion, then there is simply no need for these drastic measures.

We also note that ComReg is using the example of the spend warnings which are currently in place on IVR services as justification for these measures. However these warnings have been taken out of context by ComReg and in fact the IVR spend warnings, currently mirror the expenditure warnings which are already in place under the existing Code of Practice. At a spend of €30 on an IVR service, the Consumer is informed of the price threshold reached. If a consumer makes the informed decision not to cease the call at that point, then this is taken as confirmation that they wish to continue with the Service. The current Code of Practice allows for the same principle with subscription services, whereby at each €20 spend an SMS is sent to the Consumer explaining the costs involved and instructions to unsubscribe. The Consumer can unsubscribe immediately if they wish, but if no request is received then the subscription continues.

We have clear evidence that Consumers value the services we offer. The FoneClub service in particular, which offers a monthly allowance of mobile credit to its users has provided its subscribers with over €1.5 million worth of credit to date. This alone is clear evidence that our services are utilised and valued by subscribers. However despite this, we are certain that if this proposed

measure is brought in, then we will lose a significant portion of our subscription database within the first month alone. Consumers are used to receiving the current expenditure messages, if the terms of these messages are suddenly changed i.e. action is required, then this may go unnoticed by the consumer, who will fail to respond and will be removed from the subscription service, which they are most likely very happy being a part of. In no uncertain terms, Realm believes that it will essentially be out of business within the first one to two months of this provision coming into effect. The effects of this proposal are catastrophic. All staff will lose their jobs, business partners will falter and there will be significant losses to the economy. The consequences of such a disproportionate and unreasonable provision are dire and there is simply no way it can come into effect.

Q6. Do you consider that the levels at which the propose expenditure reminders are set are appropriate? If not please provide reasons to support your view and, where appropriate, suggest alternative limits.

Realm does not have an issue with the levels at which expenditure reminders are set i.e. every €20 for SMS and €30 for IVR services. However we are vehemently opposed to the requirement of the Consumer re-subscribing to a service after each reminder. Please see response to question 5.

In relation to IVR services, Realm does not believe that there should be a forced release upon a spend of €60. If a Consumer makes an informed decision to use a service and has been made fully aware of the price involved before the call begins and is reminded of this at regular intervals, then we see no need for a forced release.

Q7. Do you consider that there should be a limit on the amount an end-user can spend on entering a PRS competition? If so, how much? If not, please provide reasons to support your view.

Realm believes that the term 'limit' has not been adequately defined and as such it is not possible to formulate a response to this question. ComReg needs to define what exactly is meant when it refers to the term 'limit'. Is it a once off cost to enter the competition? Is it the maximum amount a consumer can spend on multiple entries into the one competition? Is it the maximum amount a consumer can spend in a defined period via a subscription service? Until this issue has been clarified, unfortunately we cannot provide an answer to this question.

Q8. Do you think there should be a limit on the expenditure of an individual transaction through the use of a 'facility'. If so, how much? Please provide reasons to support your view.

Q9. Do you consider that there should be a daily, weekly or monthly expenditure limit imposed in respect of individual PRS? If so, what do you think an appropriate level would be? If not, please provide reasons to support your view.

Question 8 and 9 are intrinsically linked therefore Realm will address both of these proposals in one response. We believe that if ComReg or Network Operators impose any sort of expenditure limits on the PRS industry, then it is engaging in anti competitive actions. Whilst many PRS services might be relatively low-cost, there are some which offer goods of a higher value and in turn have a higher cost to the end user. If restrictions are put in place whereby consumers cannot purchase these goods via a PRS model, then this is going to cause serious damage to the entire industry. It ultimately means that the PRS industry will be unable to compete against other payment and subscription models, which as already stated is a serious anti-competitive issue.

From a consumers perspective, we ascertain that If expenditure limits are imposed then ComReg is infringing on the Consumers right to choose. Once a Service Provider makes the terms and conditions of the service clear to the consumer, provides them with the relevant confirmation messages confirming the price of a service and the Consumer then chooses to avail of the product, then we feel that to impose further restrictions would be a violation of consumer rights. Realm appreciates ComReg's concern about the potential for consumer harm when dealing with services which require a high expenditure. However the consumer has the right to purchase goods if they so choose and ComReg cannot take this right away from them. A possible way to minimize harm would be to implement a 'cooling off period' in relation to services with a price above a certain threshold. This will allow the consumer time to consider their purchase and ensure that they are sure they wish to proceed with the service before any costs are incurred.

Q 10. Do you agree with ComReg's preliminary view on the introduction of purchase receipts in respect of some once off PRS transactions? If not, please provide reasons to support your view.

Realm has no objection to ComReg's preliminary view on the introduction of purchase receipts for once off PRS transactions.

Q 11. Do you agree with ComReg’s proposal to introduce a ‘double opt-in’ requirement for Subscription Services? If not, please provide reasons to support your view.

Realm strongly disagrees with this proposal. To introduce a double opt-in requirement for all subscription services will cause significant damage to the PRS market. We fully appreciate that ComReg wants to reduce the possibility of consumer harm, however we ascertain that this is not the way to achieve this. ComReg relies heavily on the UK market and their use of ‘double opt-in’ as evidence that this method is effective. However this logic is severely flawed as the UK introduced this process only on PRS subscriptions above a certain value i.e. they felt that the potential for consumer harm was increased when the value of the service was increased. Therefore to use the UK model as the basis for introducing universal double opt-ins for subscription services is grossly misleading. In Realm’s previous submission to ComReg, we suggested following the UK’s lead and proposed a double opt-in only above a certain threshold i.e. €1.50 per day. We suggested that any service operating below this price point would not require a double opt-in, whilst services operating above this price point would require it. Given ComReg relies so heavily on the UK market to prove it’s point, we find it very strange that it does not follow the example of the UK and only put in place double opt-in for services beyond a certain cost.

We note in section 2.9.4 of the Consultation, ComReg justifies the use of ‘double opt-in’ based on their belief that consumers may only briefly have sight of the terms and conditions. However ComReg is already proposing to make significant changes to the advertising and promotional material for services which will make terms and conditions the main focus of the advertisement. Therefore if these came into force there is simply no way any consumer could claim they were not aware of the terms and conditions of the service. Surely clear and well present pricing information in promotions is the key to the consumer making an informed choice and not ‘double opt-in’. ComReg are proposing to introduce ‘double opt-in’ for all subscription services irrelevant of the method of subscribing. However with web-based advertising there is simply no need for double opt-in. Consumers can spend as much time as they choose reviewing the terms and conditions of the service and make an informed choice if they wish to subscribe. Similarly, there is already a form of ‘double opt-in’ in place with internet subscriptions. There is a two part process in place whereby consumers need to verify that they are subscribing to a service. The first step is the consumer entering their mobile number online. A unique PIN is then sent to the consumer’s phone. The consumer must then enter this PIN on line to subscribe to the service. Without completing this entire process the consumer is not able to subscribe. In Realm’s previous Consultation, we outlined the steps which we go to ensure that users of our services are protected. We believe that if these steps were introduced by ComReg across the board, then this alone would achieve ComReg’s aims.

Realm is also concerned that ComReg is basing its decision to introduce double opt-in on the complaint figures it produced in its original Consultation Paper. In our response to this we explained how these figures were fundamentally flawed. It is also worth nothing that IPPSA has not been provided with a breakdown of these complaint figures so it can establish the veracity of them. We believe that double opt-in is going to cause monumental damage to the PRS industry, therefore it is vital that the industry is provided with access to this information before this is enforced .

Q 12. Do you agree that any sign up fee should be considered the subscription charges for the first billing period, if not why not?

Realm does not have any strong viewpoint on this matter.

Q 13. Do you agree with the proposal to require end users to provide positive confirmation of their desire to continue in a Subscription Service after a certain expenditure level? If not, please provide reasons to support your view.

Realm does not agree with this proposal. Please see response to question 5.

Q 14. Do you agree with the provisions in the Draft Code that restrict the number of attempts that a PRS provider may use to send an undelivered message? If not please provide reasons to support your view.

Realm feels that is important to stress that it cannot be assumed that if a Consumer is out of credit, they do not intend to pay for the service later on. When a Consumer subscribes to a service, they are making a deliberate and conscious decision to do so and this cannot simply be ignored. However despite this Realm does appreciate ComReg's concern about the potential for consumer harm with this issue and we agree that there should be some restrictions regarding the number of attempts to send an undelivered message.

We note that ComReg suggests that a Provider may make only two subsequent attempts in a seven day period to send a billing message. To give the Provider only two opportunities within a seven day window, means that there is a significant chance that a pre-pay Consumer may top-up their phone after the first attempt of re-billing with the intention to pay for the service they use. However the final attempt may not be made until several days later, when the Consumer may have inadvertently used their credit for other purposes. Therefore we propose that ComReg reviews this provision and amends it to reflect a more realistic and fair re-billing framework. In this respect we refer to the proposal made in Realm's previous submission, whereby we suggest that a SP can attempt to re-bill the consumer a number of times, however the re-bill must end after each subscription period ends. i.e. a Provider who bills every four days, may attempt to re-send undelivered messages several times during the four day period. However once each four day period ends, these attempts cease. We ascertain that this measure would be advantageous to both the SP, who will stand a better chance of successfully charging for the service and for the Consumer, who will then be able to fully utilise and engage with the service they chose to use. At the same time, it should also alleviate any potential for consumer harm and debt accumulation.

Q 15. Do you agree with ComReg’s proposal in relation to unsubscribing from multiple Subscription Services that operate on the same shortcode? If not, please provide reasons to support your view.

Realm does not agree with this proposal. In Ireland shortcode rental is extremely expensive, this results in multiple Service Providers sharing one shortcode. ComReg’s proposal would mean that a Consumer wishing to unsubscribe from one SP’s service would be unsubscribed from all services operating on the same shortcode. There is simply no way that a consumer wishing to unsubscribe from one service, should automatically be removed from other services which he/she might be part of. Not only will this seriously damage the PRS industry as a whole, it will also negatively affect the Consumer as they will be unsubscribed from a service which they value and utilise and do not wish to be removed from.

Realm also believes that this proposal is not possible from a technical perspective. Currently if a Consumer sends ‘stop’ to a shortcode they are removed from the list from which they last received a billing message. At this stage we do not know of any way of ensuring that a Consumer would be removed from all subscription lists on one shortcode.

Q 16. Should competition services be permitted on a subscription basis? Please provide reasons for your answer.

ComReg has three major concerns regarding Subscription Services and is using these concerns as a basis for proposing that such services might be prohibited. Realm believes that instead of contemplating the existence of this subscription model, ComReg should address each of the three issues it has. If ComReg can adequately address these issues, then there should be no question of competition service not being able to operate on a subscription basis.

1. ComReg is concerned about Consumers failing to read messages sent as part of the subscription. However Realm fails to see the validity of this argument. Once a Service Provider adheres to the Code of Practice and ensures all information provided to the Consumer is done so in a clear manner, then there is nothing more ComReg can require of them. To suggest that it is the Provider's responsibility if a Consumer fails to read a message sent to them is grossly unfair.
2. Realm appreciates ComReg's concerns regarding additional cost with recurring competitions. We agree that there should be no cost to the consumer above and beyond the published cost of subscription. However assuming that the Provider has been granted a Certificate for the service in question, it means that ComReg is satisfied with how the Service is being promoted and billed. Therefore once the certification process is working correctly and Provider adheres to the services terms and conditions, then this should not be a concern for ComReg.
3. Again Realm agrees that all competitions must adhere to the Gaming and Lotteries Act 1956. However as per the point above, a Provider must prove that the competition is lawful when applying for a Certificate. It is at this point ComReg should determine if this is the case. Assuming ComReg believes it complies with the Gaming and Lotteries Act, then there should be no further barrier to this service being permitted to operate. If ComReg has concerns about the service, then it can simply refuse a Certificate until it's concerns have been addressed.

Q 17. Do you agree with the provisions in the draft Code relating to Quiz TV Services? If not, please provide reasons to support your view.

Realm agrees with the provisions in the draft Code relating to Quiz TV Services.

Q18. Do you agree with the provisions in the draft Code relating to the services referred to in this Section? If not, please provide reasons to support your view.

In general Realm agrees with the provisions outlined in this Section. However there are some elements which we feel need to be addressed.

- Section 6.49 outlines the information which needs to be included in the 45 second introduction to a Live Service. We note that there is additional information in the Draft Code which is not in the existing Code, however the time limit for the introductions has not been increased to reflect this. This will result in the information being presented in a rushed manner. We suggest that the time limit be increased to at least one minute to ensure that the information is clear to the end user.
- In relation to Section 6.50, we do not see how the provisions which have been outlined are possible. If an operator is in doubt about a callers age but has correctly verified their date of birth, then there is nothing further the operator can do. We do not feel it is fair that there is a continuing onus on the operator to keep verifying a users age. We believe that if an operator did this, it would ultimately lead to very frustrated and angry consumers. Realm is also not sure how ComReg suggests that we assess the possibility of consumers calling from the workplace. It is impossible for Operators to know where a consumer is calling from. We are alarmed that Operators are being given responsibility for something which they have no control over and we are greatly concerned that if it emerges that a consumer has called from a place of work, then the Provider will be requested to automatically refund even though there may have been no way for the Provider to have been aware of this. Realm is greatly concerned that sections 6.50 and 6.51 will result in Providers being given full responsibility for issues over which they can have little or no control.

Q 19. Do you agree with the provisions in respect of Customer Service? If not, please provide reasons to support your view.

Realm is in full agreement regarding the provisions in respect of Customer Service. Realm already has in place the requirements outlined in the Draft Code of Practice.

Q 20. Do you agree that the amount to be refunded to end users should be the full charge imposed on them, inclusive of VAT by the non-compliant PRS Provider? If not, please provide reasons to support your view.

Whilst there is no question that a Consumer should be refunded the full charge imposed on them, it is difficult to determine how this refund should be broken down. Currently the Provider is responsible for 100% of each refund. However if a refund is appropriate, then how is it fair that the Provider who receives only 40-50% of the revenue be responsible for 100% of the refund? This means that Network Providers and Aggregators continue to profit on customers who have received refunds. Currently Realm is not sure how shared refunds could operate in the current market place. However this is something which we believe should be look at in greater detail by ComReg and all parties in the value chain, before a final decision can be made.

Q 21. Do you consider that ComReg should, in cases where the effect on the PRS is that end-users have been fundamentally misled in breach of the Code, require the PRS Provider to refund all end-users of the services? If not, please provide reasons to support your view.

The term 'misled' is a subjective one. One individual might construe a small omission or error in a message sent to the consumer as misleading, however another individual may not. Therefore this cannot be used as a factor when deciding upon refunds. If a Provider is ordered to refund all end users of the service, it is quite possible that this may result in the Provider being put out of business, especially given that the Provider currently has responsibility for refunding 100% of the cost and not the 40-50% revenue it received from it. Therefore the potential results from this proposal are dire and there is simply no way it should depend on a term which is so subjective and open to interpretation. A clearer way to do this would for ComReg to publish a list of breaches it would consider serious enough to result in mass refunds. ComReg goes some way in doing this when it provides the example of the use of premium rate number and delivery services. However ComReg does not go far enough, other examples of serious breaches need to be added to this. If ComReg is specific on the breaches which would result in mass refunds, then it is clear to Providers the consequences of committing these breaches. At the same time it will also ensure that such drastic consequences will only be used in exceptional circumstances and not implemented based simply on any one individual's view of the service in question.

Another important point in relation to this proposal is that we believe ComReg has not taken into account users who utilise and interact with services in question. Whilst ComReg might be of the belief that the Service was misleading, it is quite possible that end users understood the terms and conditions of the Service and are satisfied with the service and goods they received. We would argue that Consumers who interact with the service or receive the goods which are on offer, are clearly happy using the service and as such should not receive refunds.

Q 22. What do you consider to be an appropriate means for end users to receive refunds?

ComReg outlines several methods of refunding consumers, however each of these seem to have significant pitfalls and therefore we believe are not suitable means for facilitating refunds. Whilst Postal Orders and Access Codes seem on the face of it to be the least problematic, both of these have barriers which would make implementation difficult. Postal Orders certainly do solve the issue of the Consumer encountering any fees, however we would argue that it might not be feasible or practical for a customer service team, who manage multiple Service Providers, to have access to Postal Orders to facilitate refunds. Similarly there is a sizeable cost attached with each Postal Order, significantly more than the cost associated with cheques. Given that Service Providers currently refund 100% of the costs incurred by the consumer, then Providers simply cannot afford this additional burden. In relation to ComReg's suggestion regarding UK Providers use of codes to allow end users to access refunds, we are not aware of any technology in Ireland which would facilitate this. Therefore until such time that this technology exists, then this cannot be a real consideration for ComReg.

We note that ComReg states that there is a cost to the consumer to lodge a cheque. We believe that it is mistaken on this point and the only costs involved in a cheque transaction are born by the payer i.e. the SP in this instance. Taking all of this into account, we feel that cheque remains the most viable method of refunding the end user. The costs to the Service Provider are lower than that of the alternatives and it does not put onus on the consumer to provide banking details or have a PayPal account. Therefore, we believe cheque remains the most convenient and efficient method of refunding.

Q 23. Having consideration for the principle of proportionality, should different methods of refunds be utilised, depending on scale of the refunds to be issue? If not, please provide reasons to support your view.

Realm believes cheque payment is the most effective method of refunding consumers, irrelevant of the scale of refunds.

Q 24. Do you agree with ComReg's position that network operators should withhold payments for at least 30 days after the use of the PRS to which the payments relate? If not, why not?

Realm understands that currently APs receive payments from Networks in a timeframe which currently exceeds 30 days, therefore the risk of a rogue SP exiting the industry with revenues in tact are already greatly diminished. Therefore we would question the need for such a provision in the new Code of Practice.

Q 25. In the event that a non-compliant PRS Provider defaults on a requirement to provide refunds, who should be responsible for refunding end-users?

As discussed in our response to question 20, Realm would have serious concerns regarding how refunds are broken down between the parties in the value chain. Therefore these concerns must be taken into account when responding to this issue. Assuming a non-compliant PRS provider defaults on refunds, then there are still two key players in the value chain who have profited from the interaction with the consumer. Therefore these two parties must be responsible for refunding their portion of the charges imposed on the consumer. However this results only in a partial refund for consumer which is not acceptable. Therefore we refer to the proposal made by ComReg in question 31. Here ComReg suggests a Compensation Scheme which provides refunds for consumers who were charged for unauthorised use of Adult services. We suggest that in instances where there is a portion of a refund unaccounted for, then a similar scheme is used to provide the additional funds. This will ensure a 100% refunds for the end user.

Q 26. Is it reasonable and proportionate, to require the non compliant PRS providers contractual partners to issue refunds in such circumstances? If not, please provide reason to support your view.

Please see response to question 25.

Q 27. How would compliant PRS Providers recoup the cost of administering refunds on behalf of non-compliant PRS Provider?

On the face of it, Realm would argue that it is unfair and completely unjustified to ask compliant PRS providers to be responsible for the actions of a non-compliant provider. However we accept that to ensure consumers receive full refunds where justified, then there needs to be a framework in place to facilitate this. As discussed in question 25, a fund to which all Service Providers contribute on a regular basis could facilitate the outstanding portion of a refund.

Q28. What are your views on the establishment of an Age Verification Framework for ensuring appropriate access to Adult (including Sexual) Entertainment Services?

Q29. What are your views on requiring Network Operators to bar access to the number ranges set aside for Adult (including Sexual) Entertainment Services in the numbering conventions?

Q30. What are your views on placing the responsibility for controlling access to Adult (including Sexual) Entertainment Services with the PRS Provider?

Q31. What are your views on establishing a Live Service Providers Compensation Scheme to provide for refunds to end-users whose telephones have been the subject of unauthorised use to call Adult(including Sexual) Entertainment Services?

Realm does not operate any Adult Entertainment Services and therefore has no feedback on these questions.

Q 32, Do you consider that a designated shortcode should be made available for the purpose of fundraising for charitable organisations through mobile PRS?

Realm would have no objection to a designated shortcode being made available for fundraising purposes.

Q 33. If so do you have a view on what range should be used?

Realm would have no preference on this matter.

Q 34. If a shortcode range is set aside for fundraising through mobile PRS, do you consider that there should be any restrictions on the types of organisations that could apply for a shortcode within this range? If so, please state what these restrictions should be.

This is not an area of PRS with which Realm is familiar, therefore the feedback we can provide on this matter is limited. However we believe that it is vital that the organisations which apply for a shortcode, must be working in association with registered charities. In addition there must be a minimum percentage of revenue (to be set by ComReg) which is donated to the charity.