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Mr Jeff Loan  
OFCOM  
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Dept Consumer Policy  
Riverside House  
2A Southwark Bridge Road  
London SE1 9HA

24 July 2009

Dear Mr Loan,

**PRS Scope Review**

We would like to use the above consultation as an opportunity to raise some comments and observations on the regulation of Premium Rate Services:

1.- It may be useful to explain some of the background behind the BBC's use of premium rate numbers. The BBC has used telephone services, including from time to time premium rate telephone services, for more than a decade as one way of allowing viewers and listeners to interact with the BBC. Premium rate interactivity is often the only practical way to ensure that there is a robust technical system in place which is able to cope with large numbers of calls from our audience, usually in relation to voting and large scale competitions robustly and accurately. We would be unable to offer the same type of audience interactivity using normal telephone systems, which could not cope with the amount of calls received.

The BBC does not use premium rate telephone numbers for purposes other than those connected with our programmes. The BBC's Editorial Guidelines stipulate that we are prohibited from using premium rate interactivity with the aim of making a profit. The section of the guidelines which relates to telephone voting is available online at the following link: <http://www.bbc.co.uk/guidelines/editorialguidelines/advice/interactivity>

All premium rate charges which are not specifically designed to raise money for charity have to be set at the lowest viable tariff. This helps ensure that premium rate interactivity does

not generate a profit for the BBC. However, due to the nature of premium rate interactivity and the pricing structures of premium rate, a small amount of incidental money can be generated per call. For most interactions, this is often offset by the costs of undertaking premium rate activity but in some cases, revenue can be accrued.

Currently, in the event that the volume of calls is such that it covers costs and incidental revenue is generated, this will be referred to the BBC Appeals Advisory Charity Committee who will decide how to distribute the surplus amongst the BBC's approved charitable appeals – these include BBC Children In Need, Comic Relief, Sport Relief, the BBC Wildlife Fund and the BBC Performing Arts Fund.

2.- For the reasons explained above, we believe that the BBC does not fully fit within the role of 'Information Provider' as reflected in Ofcom's analysis of the PRS Supply Chain. Whilst the BBC, as a broadcaster, will be involved in the promotion of the PRS, a function included in Ofcom's definition of Information Provider, we do not believe that assumptions such as "*consumers may not always be aware of the identity of the SP and/or IP, and the identity of the SP and/or IP might not be visible to the OCP either*" in the Ofcom PRS Scope Review, are true where the BBC is the Information Provider. Moreover, experience has shown that users of PRS promoted by BBC programmes are more likely to approach the BBC directly than to contact their own originating communications provider (OCP). In practice, this has meant that end users will address complaints to the BBC on matters such as overcharging, which obviously will be completely outside the scope of involvement, control and visibility of the BBC. In this respect we believe that further extending the broadcasters' regulatory compliance requirements would be disproportionate and inconsistent with their role as promoters.

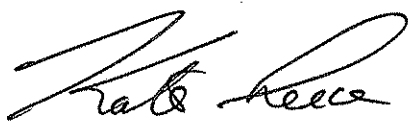
3.- If Ofcom were to find that the considerations above are unique to broadcasters and that – in general – visibility of the Information Provider should be strengthened, we suggest that either: (i) a different supply chain be identified where the PRS services are promoted by broadcasters; or (ii) include a figure, different to the IP, that reflects the role of broadcasters. This would avoid increasing the already significant regulatory requirements for broadcaster and discard the wrong assumption around consumers having the same

limited visibility of the broadcasters as they have of other IP's.

4.- We welcome Ofcom looking into initiatives, such as pre-call announcements, expanding the number checker and quoting maximum OCP tariffs. We believe that these would make a considerable difference in terms of providing consumers with call charge information as relevant to them. It also re-emphasises the fact that ultimate control over what tariff applies to each subscriber is dependent on the OCP. If Ofcom were to progress any of these initiatives, we also recommend that consideration be given to the OCP improving their subscribers' understanding of what and to what extent PRS are included in the different packages they offer. We have found that it is often the reason for end users' complaint the fact that they are not fully aware of whether or not PRS are included in the package that they subscribe to.

5.- Any other measures that require extending the pricing messages displayed on screen (or given on air), could prove meaningless in terms of improving consumer awareness. Those messages already contain too much information for consumers to be expected to consider. Furthermore, it is already difficult to condense all the information in one-shot graphics or in verbal calls to action in a sufficient prominent way. Therefore, we believe pre-call announcements and maximum charge information would be more helpful and efficient to consumers.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kate Leece', written in a cursive style.

Kate Leece  
Head of Legal and Business Affairs  
Future Media & Technology

cc Claire McLaughlin, Head of ITACU  
Hannibal Latuff, Legal and Business Affairs Manager