

# **Code of Practice for the operation of Third Party Services**

**(Effective 1<sup>st</sup> July 2015)**



## Document Control

Version	Date	Changes/Revision	Approved by
1	March 2014	New EE Code of Practice	Naomi Maggs, Operations Manager, New Business – EE, 28 <sup>th</sup> March 2014.
2	June 2014	New Section 8 – Customer Care & Helpline Numbers; New Section 9 – Escalated Complaints, New link in Section 20 (Further Regulatory Guidance Documentation) ;	Naomi Maggs, Operations Manager, New Business – EE, 28 <sup>th</sup> May 2014.
3	September 2014	Amendment to referenced clause in Section 5.2.4; Amendment to referenced clause in Section 7.4; Removal of 8.3.1 and Re-numbered as 8.4; Section 11 Number Re-formatted; New sub-section 11.3, Section 12 Number Re-formatted; Section 18 Re-worded;	Naomi Maggs, Operations Manager, New Business – EE, 5 <sup>th</sup> August 2014.
4	December 2014	Glossary – Description of Video On Demand added; Section 1 – Qualification on Adherence to PFI Scheme Rules; Section 2 - additional wording relating to PFI; New Section 11 – Payforit; New Section 17 – Split Billing; New Section 21 – Subscriber Database Migration;	Naomi Maggs, Operations Manager, New Business – EE, 26 <sup>th</sup> November 2014.
5	March 2015	New Section 5.2.7 – SMS/PFI Originating ID Clarification; Grammatical changes;	Naomi Maggs, Operations Manager, New Business – EE, 27 <sup>th</sup> February 2015.
6	July 2015	New Section 14.1 – Change to subscription rules; Revised Section 8 – Consumer Contract Regulations (Consent to Purchase); Various Re-Numbering;	Naomi Maggs, Operations Manager, New Business – EE, 26 <sup>th</sup> June 2015.

Next Code Review: September 2015.

## **CONFIDENTIALITY STATEMENT**

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### **Glossary of terms**

Accredited Payment Intermediary (API)	An operator-approved intermediary, or 'agent', that manages billing among customers, merchants, and operators and is responsible for the purchase process
Adult (or 18+) Content	Specific content (visual or written) category which is only available to consumers aged at least 18 years of age
Aggregator	An operator-approved intermediary that manages connections between operators and third-parties for the purpose of product and service delivery and billing on the networks
AIT	Artificial Inflation of Traffic
ASA	Advertising Standards Authority
BBFC	British Board of Film Classification - the body which took over content regulation and classification from the IMCB in 2013
Content	Downloadable mobile or web products or services that merchants offer to consumers in exchange for payment
EE	EE's 4G brand (EE Ltd is the name of the company running EE, T-Mobile and Orange brands)
LBS	Location Based Services
L1 Provider	An operator-approved intermediary, or Aggregator, that manages connections between operators and third-parties for the purpose of product and service delivery and billing
L2 Provider	Content provider responsible for the operation, content, marketing and promotion of the service
Message Originated Billing (MO)	Billing option in which the purchase process is complete when the customer sends a verification text message to the merchant short-code or when the verification text message originates from the customer's mobile phone
Message Terminated Billing (MT)	Billing option in which the purchase process is complete when the merchant short-code sends a verification text message to the customer's mobile phone or when the

	verification text message 'terminates' on the customer's mobile phone (also known as 'reverse-billed')
MMS	Multi-media Messaging Service
MNO	Mobile Network Operator
Orange	One of EE's brands
Payforit	A simple and safe way for consumers to purchase online digital content and services supported by an agreed cross-network set of payment flows
PhonepayPlus	The body appointed by Ofcom to regulate UK premium rate (or phone-paid) services (i.e., premium rate products and services that consumers charge to their mobile phone bill or prepay account). PhonepayPlus enforces its Code of Practice, approved by Ofcom, and has powers to issue sanctions for persons or companies that are found to breach its Code
PRS	Premium Rate Service
Short-code	Shortened phone number from which text messages are sent to end users and to which end users can send text messages. End users are also able to dial or video call short-codes from their mobile handsets
SMS	Short Messaging Service (text message)
Subscription	Agreement among the customer, the merchant, or an API that the customer will allow his or her mobile phone or prepay account to be charged on a recurring basis in return for consuming mobile products or services
T-Mobile	One of EE's brands
Terms and Conditions (T&Cs)	Provisions, requirements, rules, specifications, and standards outlined in an agreement or contract
Value added tax (VAT):	A tax payable by consumers who purchase products and services in the UK & EU
Video on Demand	a system in which viewers choose their own filmed entertainment, by means of a PC or interactive TV system, from a wide available selection

## 1. Introduction

This operational code of practice (“this Code”) replaces the ‘T-Mobile Premium Rate Services Policies and Guidelines’ and the ‘Orange Third Party Services Code of Practice’. It sets out EE’s specific operational requirements for the following services offered to EE’s end users:

- SMS, MMS, , voice and video short-codes
- Marketing and information messages including messages sent from long dials and alpha-numeric where advertising a PRS which are bulk, high volume or free-to-receive
- Where the end user’s age imposes a restriction or is a factor in the operation of the service

EE mandated the use of Payforit for all ‘Adult’ Video on Demand Services which are discovered and consumed online that require 18+ Age verification, effective 1<sup>st</sup> December 2014. L1 & L2 providers must ensure however, that any Services utilising the Payforit flows and delivered to EE Consumers, fully adhere to the PFI Scheme Rules (whichever the current edition is in force at the time of Service operation and delivery).

This Code does not constitute legal advice nor does it replace any agreement with EE or any of the applicable laws and regulations regarding the operation of third party services over EE’s network. It is intended to provide best practice guidance to assist in the promotion and operation of PRS. L1 and L2 providers are responsible for ensuring that services are compliant at all times with the PhonepayPlus Code of Practice, as well as all other relevant laws, regulations, codes of practice and guidance. L1 providers contracting with L2 providers are responsible for ensuring that L2 providers are compliant with this Code, PhonepayPlus’ latest Code of Practice and guidance, and all other relevant codes of practice including (but not limited to) the Code of Practice for the Self-Regulation of New Forms of Content on Mobiles, the BBFC Framework, LBS Code of Practice and guidelines provided by the ASA. L2 providers are to ensure that any Affiliate Marketers or Resellers are also aware of their responsibilities contractually, to this Code, the PhonepayPlus Code of Practice, plus all other relevant codes of practice, guidance and applicable laws.

Where a breach of this Code occurs, EE reserves the right to take any or all of the following actions:

- Withhold payments from the L1 and/or L2 providers involved;
- Recover costs incurred and/or suffered relating to the administration of this Code or in refunding affected end users;

- Issue a red card, thereby requiring suspension of the relevant short-code or service for a minimum period of 10 days, unless otherwise notified;
- Issue a yellow card, thereby requiring remedial action to be taken as directed, within any required timescale (typically 48 hours);
- Suspend part of, or all related services;
- Terminate part of, or the entire agreement(s) linked to provision of the services.

## 2. Red & Yellow Cards

EE reserves the right to issue L1 providers with a Red or Yellow card for suspected breaches to these rules or to any applicable Code of Practice including Payforit Scheme Rules, Regulation or Legal Requirement.

2.1. Red Cards are issued when a product or service breach is considered severe and could cause either brand or consumer harm or both. A product or service incurring a Red Card must immediately be removed from the network and should remain inoperative for a minimum period of 10 calendar days. EE will only permit reactivation of the product or service when the L1/L2 provider supplies evidence of compliance. For example, a PRS provider marketing adult content services to non-adult consumers would receive a Red Card. EE reserves the right to share any notification and issuing of a Red Card to other MNO's or Regulators as appropriate.

2.2. Yellow Cards are issued when a product or service breach constitutes an important failure but is considered less severe than a breach requiring a Red Card. Yellow Cards do not require suspension of the service, but are required to be remedied within a timescale to be determined at the point of issue (typically 48 hours). Should a PRS provider fail to supply EE with formal evidence of compliance by the deadline, the Yellow Card will be upgraded to a Red Card and the product or service must immediately be removed from the network.

## 3. Registration with PhonepayPlus

All L1 and L2 providers must register on the PhonepayPlus database. L1 and L2 providers must not enter into agreements with unregistered parties unless they have received confirmation of exemption from PhonepayPlus. The information in PhonepayPlus' database must be accurate and up to date at all times. L1 and L2 providers may be required to provide documented evidence of compliance with this requirement. L1 and L2 providers must also ensure that all annual registration fees payable to PhonepayPlus are up to date and evidence of compliance of this may be requested by us or our appointed partners at any time. The account page on short-

codes.com must also be regularly updated. Certain services require prior approval from PhonepayPlus before they can operate. Providers are responsible for obtaining permission to operate these PRS, and evidence supplied to us upon request.

#### 4. Banned and Associated individuals

L1 and L2 providers must not knowingly engage, or allow the involvement of, any person that has been prevented from offering PRS by PhonepayPlus (a list of these individuals can be found on the PhonepayPlus website). Ofcom's "Number Refusal List" must be regularly monitored to ensure that short-codes are not assigned to any individual or organisation specified on the list (a list can be found on Ofcom's website). Auditable and documented checks must also be made against company names and directors on the Companies House web-site. L1 and L2 providers may not enter into any agreement with a disqualified director.

#### 5. Marketing & Promotion

##### 5.1. Digital Marketing

Premium rate services (PRS) malicious advertising (also known as 'malvertising') can be defined as an abuse of legitimate systems and processes for promotion of PRS in a misleading and/or fraudulent manner. The following practices are not allowed by L1 or L2 providers or any marketing partner or Affiliate Marketer:

- Promoting products and services in a misleading manner (General Requirement).
- Promoting unrelated content based on popular search terms among natural search results (Misleading SEM or SEO).
- Redirecting users to unrelated third-party Websites to promote unrelated content (also known as 'Typo squatting').
- Hijacking clicks to redirect users to unrelated third-party Websites to promote unrelated content (also known as 'Click jacking').
- Misleading users into liking Webpages they did not intend to like (also known as 'Like jacking').
- Inserting malicious code within advertisements (Ad Poisoning).
- Posting false URL links on social networking Websites to mislead users (Deceptive Link Sharing).
- Sending deceptive email spam (Email Spamming or Phishing).
- Entice users to non-existent content via Facebook or Social Network 'liking' (also known as 'Like forcing' or Content-Lockers).

- Sending advertisements that might be perceived as official notifications (Status Bar Litter).
- Using misleading advertisements, including banners, pop-ups, and pop-unders.
- Misleading users into completing PRS offers to unlock content (Content-Lockers).
- Use of Malicious Software or Trojans to lock users' internet browsers until payment is made (by any method including credit card or premium rate service charge) or subscriptions joined in order to unlock browsers (Ransom ware).

Marketing messages must only be sent to end users subject to the following conditions:

5.2. The end user has provided informed explicit consent to receive marketing at the point of opt-in to services (known as 'hard opt-in' in accordance with all relevant laws including, but not limited to, the Privacy and Electronic Communications Regulations and the Data Protection Act), and has not opted out of receiving such marketing material (an end user is entitled to withdraw consent at any time); or where the following conditions are met:

5.2.1. Marketing messages may only be sent where the end user has provided explicit consent. The exception to this rule, which is known as the 'soft opt-in', applies where:

- The end user's details are obtained during a sale, or during the negotiation of the sale with that person;
- The messages are marketing similar products or services;
- The end user is given an opportunity to refuse the marketing when their details are collected and, if they do not opt out they must be given a simple way to do so in every message received thereafter.

Best practice is for the end user to be able to reply to the message to opt out. If this is not possible due to the way in which the message has been delivered to the end user, it must be explicit in the message how the end user can opt out by sending 'STOP' to a short-code. The only cost should be the cost of sending the SMS at no more than the standard SMS rate. An end user must be able to opt out of receiving marketing at any time. An end user who has opted out of receiving marketing messages must not receive further messages; unless or until they have sent in a specific request to receive further/new marketing messages. Evidence may be required to authenticate the date & time any such request has been submitted.

- 5.2.2. Where adult content is promoted, providers must adhere to the UK code of practice for the self-regulation of new forms of content on mobiles. Classification of content must be in line with the BBFC framework.
- 5.2.3. Marketing messages must be free to receive and must be clearly marked as such, e.g. with “Free Msg”, ”freemsg”, “Free Message” or “Free Msg” as the originator.
- 5.2.4. An end user must be able to easily opt out of receiving messages by sending ‘STOP’ to a short-code. Instructions must be clear and simple to follow (see 13 below).
- 5.2.5. An end user should be charged no more than their standard rate (Inc. VAT) for sending a message to opt out of receiving marketing messages.
- 5.2.6. Web URLs and/or premium rate numbers are not acceptable means for an end user to opt out.
- 5.2.7. The Message Origination ID must not be misleading. For example the use of a Christian name is not permissible unless the sender is personally known to the recipient. Best practice would suggest that all message origination ID’s must state it is either a Free Message (as prescribed in the most recent version of the Operator Code Extension or have an SMS Short Code identity or have the identity of the service brand which the consumer will recognise. For example ‘William Hill’;.

### 5.3. Additional information for WAP push marketing

- 5.3.1. Services marketed by WAP push message (an SMS with an embedded URL) must be clearly identifiable by a short-code related to the service, which should be displayed in the title. The first two pieces of information within the WAP push message must be the indication that the WAP push is free to receive and the short-code to which an end user can reply ‘STOP’ in order to opt out of future marketing. For example “8XXXX Freemsg, send STOP to 8XXXX to unsubscribe”.
- 5.3.2. EE does not permit chargeable messages to be sent without the end user’s prior consent.

## 6. Adult Services

Adult Services are those services which are specifically for end users aged 18 years or older. Marketing of these services must not target anyone under the age of 18; and evidence may be requested by EE or their appointed Regulatory/Compliance partners at any time, to validate that L1 and/or L2 Providers have taken all appropriate steps to prevent under 18's from accessing adult content.

Protective measures must be adopted including using MSISDN lookup and reasonable steps must be taken to verify the age of all end users wishing to access Adult Content. A record of the age verification must be kept in the event of a customer dispute, complaint or investigation for a period of 12 months.

The following rules must also be specifically adhered to in relation to Adult Content and apply to all L1 Providers, L2 Providers and any contracted Marketing Partner or Affiliate Marketer

### 6.1. Refrain from:

- Targeting underage users directly. Any and all advertising must be contextual and in appropriate media.
- Featuring accessible adult content on non-age-verified devices.
- Implying that persons aged under 18 participated in sexual entertainment services.

### 6.2. Display all applicable age restrictions in a clear and prominent position.

### 6.3. State clearly end users must be age 18 or older to access any and all sexual entertainment services.

### 6.4. Adhere to the following:

- Require the account holder's permission for children's services.
- Require that users of PSMS adult chat must be at least 18 years of age to access the service and all end users of such services will be required to verify their age before access to the service may be granted. End users must be at least 16 for virtual chat services.

### 6.5. Prevent any access to gambling services on non-age-verified devices.

EE or their Regulatory/Compliance Partners may require documentary evidence to ensure the above is being adhered to.

## 7. Information to be provided before commencement of the service

7.1. All services must operate in line with PhonepayPlus' Code of Practice and guidance.

7.2. EE requires the following specific information to be displayed prominently at or before the point of purchase:

- Identity and contact details of the L1 or L2 provider, description of the service and clear, transparent pricing, a non-premium rate customer care number (in accordance with Section 8 below);
- Full cost of the service (Inc. VAT), in pounds and/or pence sterling (e.g. £1.53);
- A customer care or Helpline number, which must be free to call (from a landline) or charged no more than a basic rate (see Section 8.);
- Pricing information for all mobile internet products must be made available on the site in a clear format and on every page available to the end user;
- Pricing must be displayed in a proximate and prominent position to the call to action.
- Where the service is charged via a message or combination of messages, the cost of all messages must be made clear to the end user;
- Unless otherwise agreed with EE, where a service is accessed on a mobile internet site, any advertising must make the end user aware that data charges may apply;
- Where specific handset capabilities are required to access a service, it should be made clear to the end user prior to incurring a charge for the service;
- Chargeable WAP push messages are not permitted;
  - Where solicited content is sent to an end user via a WAP push message and the content from the WAP site is chargeable to the end user, details and charges must be included in the initial WAP push message, or in an additional message, or on the WAP site promoted to the end user. Details to be included are:
    - Name of service
    - Company name or contact number
    - Cost of the WAP content
    - Other charges, e.g. data charges for downloading mobile internet content
- Where an end user is invited to enter their mobile number into a WAP site in order to access either a subscription or an event-based service, no charges should be

incurred until the end user's identity has been verified, either by an SMS to a short-code or entry of a unique identifier into the WAP site (such as a pin number sent to the end user's handset).

- Where the end user's mobile number is displayed in a WAP push link sent to the end user's handset, the number must always be encrypted and it should not be possible to amend an encrypted number. If the link is forwarded by the recipient end user to another end user's handset, no charges should be applied to the original recipient's mobile account.

7.3. No reverse-charged messages should be sent to the end user unless they have given prior consent and have been notified of all relevant information. The dates and frequency of billing must be made clear to the end user, including any time lag between service initiation and the commencement of billing for the service.

7.4. In promotional material for subscription services, the end user must be advised that they will receive up to X number of messages charged at 'Y' until they send 'STOP' to end the service. The end user must be able to send 'STOP' at any time and STOP should take immediate effect (see 12.3 below).

## 8. Consumer Contract Regulations

8.1. EE requires all providers to abide by the Consumer Contract (Information, Cancellation & Additional Charges) Regulations 2013 (CCR) which also give effect to provisions of the EU Consumer Rights Directive (2011/83/EU, when it became law in June 2014. This law applies to all purchases made at distance. Guidance to its implementation is limited (BIS: Consumer Contracts Implementation December 13 for example). PhonepayPlus has advised providers to seek legal advice if there is any doubt as to their understanding of what the Act means or relates to their business. However the law states ' ...

*(1) This regulation applies where a distance contract is concluded by electronic means ...*

*(2) (Deliberately omitted)*

*(3) The trader must ensure that the consumer, when placing the order, explicitly acknowledges that the order implies an obligation to pay.*

*(4) If placing an order entails activating a button or a similar function, the trader must ensure that the button or similar function is labelled in an easily legible manner only with the words 'order with obligation to pay' or a corresponding unambiguous formulation indicating that placing the order entails an obligation to pay the trader.*

*(5) If the trader has not complied with (3) and (4), the consumer is not bound by the contract or order ...'*

It is strongly recommended if any provider is in doubt about their obligations and how to comply with the Consumer Contracts Regulations, legal advice should be sought as soon as possible.

## 8.2. Customer Care & Helpline Numbers

8.2.1. In order to implement the EU Consumer Rights Directive, the Department for Business, Innovation and Skills (BIS) published the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 ('the Regulations') on 13 December 2013. The Regulations took effect on 13 June 2014. Whilst the Regulations do not require the provision of a customer helpline, the PhonepayPlus Code of Practice (12<sup>th</sup> Edition) already requires PRS providers to offer and effectively publicise a non-PRS UK telephone number for consumer complaint and/or enquiry. This has included geographic numbers, and those on the 03 or 084 ranges, but has to date excluded 087 numbers. The exception to this has been for 087 numbers, where providers have been permitted to use the same number for delivery of a service (e.g. consumer complaint facility for non-PRS products, data capture or chat) and for complaints regarding the service provided on that number. Paragraph 41 of the Regulations prohibits customer helplines charging consumers at any more than basic rate. This precludes the use of numbers on the 09, 087 and 084 ranges to operate a telephone line for consumer contact about a product already purchased, whether charged via PRS or not or to cancel a contract.

Helpline numbers beginning with 084\*, 087\* or 09\*\* may continue to be provided after this date, but only for consumers who purchased goods or services (via a Premium Rate) prior to the effective date of the new regulations.

It is an EE mandatory requirement that all L1 and L2 Providers adhere to these regulations.

8.2.2. The contact number must be in operation with staff available to handle queries or complaints during UK office hours, i.e. from 9am to 5pm Monday to Friday excluding UK public holidays. When staff is not available, suitable provision must be made for the end user to leave details relating to a query e.g., by voicemail. All voicemail messages must be returned within 48 hours.

8.2.3. Where a short-code is shared with an L2 Provider, EE will provide the end user with the L1 provider's end user support number. Upon receipt of any call, the L1 service provider should either deal with the end user's query or route the call on to the relevant L2 provider as appropriate.

## 9 Escalated Complaints

Where complaints are referred to L1 and/or L2 providers, either as the result of a call from an end user, an internal referral from our fraud or collections department, a referral from the Regulator or as the result of monitoring and testing, it is the L1 and/or L2's responsibility to ensure that it is logged and a full and detailed response is provided within 5 working days or such other timescale as specified by EE or EE's Compliance Partner on behalf of EE.

If a response is not received within this timescale, or the response received does not assist EE in resolving the end user's query then EE may decide to refund the end user directly which will be notified to you and adjustments will be deducted from revenue share.

## 10 Robust 3<sup>rd</sup> Party Verification

A robust 3<sup>rd</sup> party verification tool allows for a documented audit trail to be compiled of consumers visiting a mobile or website, and the L1 or L2 provider is seeking to gain active consent for purchasing content, subscribing to a service, marketing communications.

Any 3<sup>rd</sup> party verification tool must allow for each consumer experience to be recorded and to be scrutinised by a regulator, or by EE, should evidence of consumer consent or opt-in be required.

A PIN authentication monitoring service would also be acceptable, subject to the above conditions being adhered to.

## 11 Payforit

*All Providers of Payforit services are obliged to follow the Payforit Scheme Rules, in addition to the PhonepayPlus Code. The Payforit scheme rules offers Level 2 providers the ability to reduce potential consumer risk or harm by ensuring pricing clarity and robust proof of consent to charge where its systems and rules are properly followed. However PhonepayPlus also recognizes that the Payforit scheme does not guarantee that Level 2 providers will be fully compliant with the PhonepayPlus Code of Practice as it is designed to deliver a consistent payment flow/experience and does not seek to control (for example) the promotion of a service.' - PhonepayPlus Statement on the regulation of Payforit*

The Payforit Scheme Rules are written, maintained, and administered by the Payforit Management Group (PFI MG), comprised of representatives from each MNO. PFI MG provides detailed instructions and rules explaining how to implement the latest version of Payforit. All

providers are required to consult the instructions as necessary; APIs may acquire them from <http://www.payforit.org>. Nonetheless, other sections of this document, for example, Marketing & Advertising and Adult Services, still apply to Payforit services. Additionally, instructions detailing how to apply for a variation or exception to a particular Payforit rule or style in the Payforit Scheme Rules are available on the Payforit Website.

## 12 Instructional and/or operational messages

12.1 Instructional and/or operational messages sent by SMS are used to provide an end user with information relating to the services they use. Instructional and/or operational messages must be free to receive and can be used to welcome the end user to a service or to provide them with general information relating to the service. Examples of these types of messages include:

- Age verification;
- Confirmation that an end user has been opted out of a service;
- Advising the end user of total spend for active services, e.g. chat service;
  - Welcome message explaining how the service works which does not form part of the service itself.

12.2 Instructional and/or operational messages must have “Free Msg”, ”freemsg”, Free Message” or “Free Msg” as the originator or contain the same wording at the beginning of the message. Where instructional and/or operational messages relating to spend contain any other promotional material, this must come after the main content of the message and the message should not mislead the end user in any way.

12.3 All subscription messages must be in the format prescribed in the Operator Code Extension V6.0 or whichever version is currently in force,

## 13 STOP command for SMS-based services

13.1 All services must support the common STOP command which can be written in a mixture of lower and upper case letters and be followed by a full stop, space or by no further character. Reasonable efforts should be made to recognise a “STOP” command where the end user’s intention is to stop a service and both L1 and L2 service providers should maintain a full list of aliases to recognise mis-spellings and other obvious attempts to stop a service.

13.2 Upon receipt of a “STOP” command, the service operating on that short-code should be terminated with immediate effect and no further billable messages related to that service should be sent to the end user.

13.3 Where the short-code is shared (where multiple service providers operate on keywords sent to the short-code), the last service that successfully billed the end user should be terminated. Where “STOP ALL” is sent, all services in operation using a shared short-code must cease.

13.4 When a “STOP” command has been received from the end user of a subscription service, a confirmation message must be sent acknowledging receipt and that the instruction has been understood and was executed. Confirmation should be in the form of a free MT SMS. Where an application is unable to determine accurately a “STOP” command then the end user may be sent a free MT SMS “help” message with further instructions on how to opt out of the service successfully.

13.5 Marketing messages can be sent to end users subject to 5 above.

#### 14 Subscription services

A subscription service is a service where a recurring charge is applied (at regular or irregular intervals) where an initial opt-in process has taken place by the end user. The end-user is charged using their pay monthly or pre-pay account.

All subscription based services must operate in line with PhonepayPlus’ Code of Practice and guidance on subscription services as well as the Operator Code Extension for the Operation of Subscription Services (whichever the latest version is).

##### 14.1 Automatic Un-Subscription of Dormant Subscribers

EE Requires L2 Providers to review the activity of their active Subscriber Base, which includes those billed via Payforlt or PSMS. Where L2’s discover a subscriber has been inactive for a period of 120 consecutive days, that subscriber is to be manually unsubscribed and no further billing activity may take place and a STOP Confirmation issued to that subscriber. Billing may recommence subject to that subscriber re-opting to the service. Failure to implement this rule may result in a Red Card being issued, and a mandatory 10 day full service suspension. The L2 may be permitted to send post-subscription free marketing messages in accordance with PECR2003.

## 15 Suspected Fraudulent Operations

Services which are suspected of being fraudulent or showing patterns consistent with fraudulent behaviour, including but not limited to, Artificial Inflation of Traffic (AIT), must be suspended immediately upon request by EE. Revenues with any associated service will be with-held from future revenue share out-payments and in the case of those operating under the Orange Agreement; the full retail value will be with-held. EE reserves the right to refer any investigation to an alternative appropriate law enforcement agency and or Regulatory Agency as considered appropriate.

## 16 Pricing and spend limits

Irrespective of the number of requests made by the end user, a maximum of £30 (including VAT) must be applied to the end user in any single day. The billing short code must not be amended once the £30 limit has been reached. Where this limit has been exceeded and EE is exposed to bad debt, the total sum of the bad debt will be retained from any revenue share payments for PRS. This clause specifically applies ontely to those services operating under the Orange Agreement.

## 17 Split Billing

Effective 1<sup>st</sup> February 2015, Split Billing is no longer be allowed. For the avoidance of doubt, split billing is where for example, a consumer purchases a product for £6 and subsequently receives 4 x £1.50 MT Messages. In order for the EE Consumer experience to be improved and enhanced, from the above date, providers must only send consumers 1 single SMS MT at the appropriate tariff (for example: 1 x £6 SMS MT). Services which are charged at £10 and above, Split Billing may be implemented in multiples of £5.

### 18.1 Service Exemptions for Split Billing

The following exemptions will apply for Split Billing:

- Chat Services or any other Service where Single Billing isn't possible due to Technical limitations such as Reverse Charged calls which may be charged via PSMS;
- Where no Cross Network common price-point exists. Providers in this case must ensure the lowest possible number of billing messages are sent to Consumers where a cross network common price-point exists. For example and for the avoidance of doubt: 2 x £3 should be used where a £6 charge applies as opposed to 4 x £1.50.

Providers who consider their services to be exempt from this rule, must seek Prior Permission from EE. For all such applications the following information must be supplied in support:

- Name of Service;
- Short-Code;
- Price-Point and Frequency of Billing;
- Name and Contact Details of Provider;
- Support Reason and Evidence if available as to why a Provider should be exempt from this Rule;

EE will consider any application on a case by case basis, and an independent audit and assessment of the Service may be conducted by the appointed EE Compliance Partner.

#### 18 Marketing to Children

Providers must comply with PhonepayPlus' rules on services for children.

#### 19 Database Cleansing

It is the responsibility of the L2 provider to ensure their marketing databases are current and cleansed regularly. If any provider is found to be billing or marketing to a MSISDN without the required consent and in accordance with PECR 2003 and Data Protection Act 1998 they will receive an immediate Red Card.

#### 20 Subscriber Database Migration

Any L2 provider who wishes to move an existing service or subscriber database must provide evidence prior to the service being approved by the L1. It is recommended for L1's to request the following information, prior to allowing a migrated service or database to be operationally live through its billing platform:

- a. MSISDN
- b. Date of Opt-In
- c. Keyword
- d. Short-code
- e. Date/Time Stamp
- f. IP Address (if appropriate)
- g. WAP / Web URL (if appropriate)
- h. Amount of Subscription
- i. Frequency of Subscription
- j. Date of last bill
- k. Expiry of Subscription (if appropriate)

A sample of this information can be validated by EE (on EE, T-Mobile or Orange MSISDN's only). EE may request further additional evidence of opt-in as required. Such information should be provided within 1 working day.

## 21 Further Regulatory Guidance Documentation

The following list is suggested and a recommended reference point for further more detailed Regulatory Guidance:

PhonepayPlus. 2011. Code of Practice, Twelfth Edition.

<http://code.phonepayplus.org.uk/pdf/PhonepayPlusCOP2011.pdf>

PhonepayPlus. 2011. General Guidance Note: Application-Based Payments.

<http://www.code.phonepayplus.org.uk/pdf/guidance-notes/application-based-payments.pdf>

PhonepayPlus. 2011. General Guidance Note: The Avoidance of Undue Delay.

<http://code.phonepayplus.org.uk/pdf/guidance-notes/the-avoidance-of-undue-delay.pdf>

PhonepayPlus. 2011. General Guidance Note: The Conduct of Live Services.

<http://code.phonepayplus.org.uk/pdf/guidance-notes/the-conduct-of-live-services.pdf>

PhonepayPlus. 2011. General Guidance Note: Method of Exit from a Service.

<http://www.code.phonepayplus.org.uk/pdf/guidance-notes/method-of-exit-from-a-service.pdf>

PhonepayPlus. 2011. General Guidance Note: Privacy and Consent to Charge.

<http://www.code.phonepayplus.org.uk/pdf/guidance-notes/privacy-and-consent-to-charge.pdf>

PhonepayPlus. 2011. General Guidance Note: Promotions and Promotional Material.

<http://code.phonepayplus.org.uk/pdf/guidance-notes/promotions-and-promotional-material.pdf>

PhonepayPlus. 2013. Guidance on digital marketing practices and promotions in support of the PhonepayPlus Code of Practice.

[http://www.phonepayplus.org.uk/For-Business/Consultations-and-Invitations-to-Tender/~media/Files/PhonepayPlus/Consultation%20PDFs/Consultation\\_Digital\\_marketing\\_practices\\_May\\_2013.pdf](http://www.phonepayplus.org.uk/For-Business/Consultations-and-Invitations-to-Tender/~media/Files/PhonepayPlus/Consultation%20PDFs/Consultation_Digital_marketing_practices_May_2013.pdf)

PhonepayPlus. 2012. Misleading Digital Marketing of Premium Rate Services.

<http://www.phonepayplus.org.uk/For-Business/Code-and-Help/Code-Compliance->

[updates/~media/Files/PhonepayPlus/ComplianceUpdates/CU\\_Misleading\\_Digital\\_Marketing\\_16\\_02\\_20\\_12.pdf](#)

PhonepayPlus. 2013. Prior Permission Service Category: Subscriptions over £4.50 in any given seven-day period. [http://www.phonepayplus.org.uk/For-Business/~media/Files/PhonepayPlus/Prior\\_permission/Prior%20Permission%20subscriptions%20services%20April%202013.pdf](http://www.phonepayplus.org.uk/For-Business/~media/Files/PhonepayPlus/Prior_permission/Prior%20Permission%20subscriptions%20services%20April%202013.pdf)

PhonepayPlus. 2011. Service-Specific Guidance Note: Advice Services. <http://www.code.phonepayplus.org.uk/pdf/guidance-notes/advice-services.pdf>

PhonepayPlus. 2011. Service-Specific Guidance Note: Betting Tipster Services. <http://www.code.phonepayplus.org.uk/pdf/guidance-notes/betting-tipster-services.pdf>

PhonepayPlus. 2011. Service-Specific Guidance Note: Children's Services. <http://www.code.phonepayplus.org.uk/pdf/guidance-notes/childrens-services.pdf>

PhonepayPlus. 2011. Service-Specific Guidance Note: Competitions and Other Games with Prizes. <http://www.code.phonepayplus.org.uk/pdf/guidance-notes/competitions-and-other-games-with-prizes.pdf>.

PhonepayPlus. 2011. Service-Specific Guidance Note: Fundraising and Other Charitable Promotions. <http://www.code.phonepayplus.org.uk/pdf/guidance-notes/fundraising-and-other-charitable-promotions.pdf>

PhonepayPlus. 2011. Service-Specific Guidance Note: Subscription Services. <http://www.code.phonepayplus.org.uk/pdf/guidance-notes/SUBSCRIPTION-SERVICES.PDF> .

PhonepayPlus. 2011. Service-Specific Guidance Note: Virtual Chat Services. <http://www.code.phonepayplus.org.uk/pdf/guidance-notes/virtual-chat-services.pdf>

United Kingdom Mobile Network Operators. 2012. Code of Practice for Mobile Charged Subscription Services, v.6.0. <http://www.shortcodes.com/media/OperatorCodeExtensionv5.0.pdf>  
United Kingdom Mobile Network Operators. 2012. Payforit Scheme Rules 4.X. [www.payforit.org](http://www.payforit.org)

PhonepayPlus. 2013. Statement on the regulation of Payforit. [http://www.phonepayplus.org.uk/For-Business/Code-and-Help/Code-Compliance-Updates/Statement-on\\_the-regulation-of-Payforit.aspx](http://www.phonepayplus.org.uk/For-Business/Code-and-Help/Code-Compliance-Updates/Statement-on_the-regulation-of-Payforit.aspx)

[BIS Guidance in relation to the Regulations on Provision of Customer Care Helpline Numbers](#)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/265938/bis-13-1368-consumer-contracts-information-cancellation-and-additional-payments-regulations-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/265938/bis-13-1368-consumer-contracts-information-cancellation-and-additional-payments-regulations-guidance.pdf)