

PRS

Code of Practice



Premium Rate Services – Code of Practice

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Approved:	Jeremy Flynn – Executive, Commercial Partnerships
Comments:	Changes have been made to cover new requirements in relation to subscription services as well as to the section regarding age verification for visual content in light of Content Control..

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PREMIUM RATE SERVICES CODE OF PRACTICE

1. General

- 1.1. The premium rate services agreement which has been entered into by you imposes a number of obligations on you, including, in particular, a requirement to ensure that your services, the messages that you send and all associated marketing materials comply with all applicable laws and regulations. These guidelines do not qualify those obligations in any way.
- 1.2. We recommend that you obtain independent legal advice on your services to ensure that you are compliant with your obligations under the premium rate services agreement and applicable law. These guidelines are not intended to constitute legal advice to you or to address all legal issues which are likely to apply.
- 1.3. These guidelines shall constitute a Code of Practice issued by Vodafone Limited, and you are required to comply with these guidelines pursuant to the premium rate services agreement for voice or message services that you have entered into.
- 1.4. Vodafone may at its option and without incurring any liability to you, **suspend its services, withhold payments due to you and recover reasonable costs that it has incurred in making refunds to customers and investigating any breach of this Code**, if it has reason to believe that you are in breach of the premium rate services agreement (which includes this Code of Practice).

2. The Independent Committee for the Supervision of Standards of Telephone Information Services ("ICSTIS")

- 2.1. You should ensure that your service complies with all the requirements of the ICSTIS Code of Practice and Guidelines. These can be found at www.icstis.org.uk
- 2.2. Before offering any premium rate voice or message service, you must notify ICSTIS with the telephone number ranges and the name, address, email address, telephone number and fax number of the person representing the service provider who is nominated to receive all communications in connection with the application of the ICSTIS Code of Practice.
- 2.3. You may also need to obtain prior permission from ICSTIS if you are offering certain services, such as, for example, live conversation or "Text chat" services or contact and dating services. When you have obtained permission for such services, please provide to Vodafone a

copy of the certificate from ICSTIS confirming that permission has been granted prior to operating such services.

3. **Banned Service Providers**

You must not knowingly engage or permit the involvement of any individual who is banned from offering premium rate services by ICSTIS as an "Associated Individual". A list of these individuals is published in the monthly report produced by ICSTIS, which can be found on the ICSTIS website above.

4. **Unsolicited Messages and Reverse Charging**

- 4.1. Unsolicited messages - Commercial text message messages must not be sent to Vodafone's customers unless they have given their prior consent and agreed to receive such messages.
- 4.2. Reverse Charging - Customers must not be sent text messages for which they will incur a charge unless the customer has previously agreed to this.
- 4.3. You, as the supplier, are responsible for compliance with the requirements of paragraphs 4.1 and 4.2 and you should retain copies/confirmation of consent to show to Vodafone on request.
- 4.4. If consent has been obtained from customers to marketing via text message, such marketing must be restricted to products and services which are the same or similar to those originally provided and for which consent was originally given. Text messages which promote products or services dissimilar or unrelated to the original consent may only be sent where the additional and specific consent of a customer has been secured.

5. **Information to be provided**

The following information must be provided to a customer by you before any charges are applied. All information must be supplied in a clear and unambiguous manner and in a form which is readily intelligible to recipients of a premium rate service.

- 5.1. The identity of the supplier - This must be the trading or operating name of the organisation. If the service is a text message service, we would recommend adding the words "From [company name]" at the beginning of a text message, and including this information in associated marketing and promotional material. Premium rate voice or text services must not imply that such services are being supplied by or are endorsed by Vodafone
- 5.2. Contact details, which must consist of at least one of the following:
 - a full postal address including postcode;
 - a PO Box number including postcode (PO Box numbers cannot be used in the case of employment, employment information and business opportunity service);

- a telephone contact number (which must not be charged at a premium rate).
- 5.3. A description of the service - It should be clear to the customer what a service is (i.e. a reverse charge text chat service, entertainment service, information service, etc) and how it works. Text messages should not use any implied personal message or other message which creates a false imperative to reply by premium text message or by premium rate telephone number. There are no definitive rules as to what may constitute such an invitation - it is up to you, as the supplier, to apply common sense. Examples of implied personal messages may include "I fancy you", "I miss you", "I'm lonely do you want to chat?", "where are you?", "Urgent, please call".
- 5.4. The price (including tax) of the service - The price must be clear and not misleading in any way. This will mean giving the full price of the service, wherever possible, including the cost to initiate and terminate the service. For example, for a text message game, we would recommend that both the price of each text message sent and received and the total maximum cost of playing the entire game should be provided. Pricing information must be prominently displayed and easy to understand and where the customer is unlikely to have seen or heard any promotion containing pricing information, the pricing information should be placed at the beginning of the message or call.

If you are providing a service via WAP, such as the provision of multimedia messages, you must:

- 5.4.1. Make clear to the customer before the service is confirmed (e.g. in advertising materials) that the customer will also be charged in accordance with their standard GPRS tariff to download any content and that the customer will need a handset capable of receiving multimedia messages and enabled to receive these messages.
- 5.4.2. Not attempt to submit any unsolicited multimedia messages via WAP. In this regard, it is not sufficient that a customer has previously given consent to receive marketing messages; rather, a customer must be aware of and agree to the GPRS charge to download any 'free' multimedia messages.

If you are charging for these services via premium rate text message, you must, in addition:

- 5.4.3. Ensure that any message sent to the customer containing the URL where they download a Multimedia Message or other WAP content is not charged at a premium rate.
- 5.4.4. Send a separate text message, which can be charged at a premium rate, which sets out your company name or contact number and repeats the cost of the Multimedia

Message or WAP content and the fact that the customer will also be charged in accordance with their standard GPRS tariff to download the Multimedia Message or WAP content. This is so that the customer can recognise the service when they receive their phone bill. For the avoidance of doubt, you must still provide pricing information in advance of the provision of the service.

5.4.5. Use a separate Sub-Address for premium rate text traffic used to charge for Multimedia Messages.

5.5. Arrangements for payment i.e. how the charges will be billed.

5.6. How long the service is available for (where applicable). For example, for a text message chat service where subscribers continue to receive messages, we would recommend sending a message to the customer which states that "You will receive up to X amount of messages. To cancel at anytime Text STOP to xxxx".

5.7. Instructional Messages

Instructional messages are messages that welcome, explain or provide general or specific information about a premium rate SMS service to customers but are not a substantive part of the service being promoted. These messages must not be charged at a premium.

Non-exhaustive examples of such messages include:

- A premium rate SMS sent confirming the age of a customer
- A premium rate SMS sent confirming the exit of a customer from a service
- A premium rate SMS sent explaining how a service works but which does not contain any 'content' or form a substantive part of the service itself.

5.8. How customers can cease or exit a service and ensure no further messages are received and charged for. This information must be provided before a customer starts to engage in the service. This opt-out 'request' should be charged at normal (and not premium) text message rates and require not more than one text message to take effect. Any messages confirming exit from the service should be free. We recommend that the sending of the word "STOP" followed by the service word (for example, "Chat") by a customer should always result in the termination of any text message service.

The above information may be provided in marketing literature or on an associated website. However, you, the supplier should check that the customer has seen this (or has had a reasonable opportunity to see it), for example by referring the customer to this material. You, as the supplier, must ensure that the customer is also able to obtain the postal address of the supplier's place of business where complaints can be sent.

Vodafone requires that as a minimum, the name, contact details and price of a service must be included in any text message marketing a service.

6. Age Checks

For 'text chat' services of an adult nature (i.e. sexual entertainment), you must ensure that the customer is over the age of 18 before starting a service in accordance with the ICSTIS Guidelines.

Prior to running any services which are deemed as Adult under the Vodafone content standards for 3rd party guide, you must inform Vodafone of the URLS content is delivered from and also the Shortcodes used for charging, subscription and delivery of content.

7. Legal and Regulatory Compliance

The following are common areas of concern:

- 7.1. Prize Competitions/Prize Draws - Legal advice should always be taken when offering prize competitions or prize draws to ensure that they are not illegal.
- 7.2. You, as the supplier, must comply with any other applicable codes of practice, such as the British Codes of Advertising and Sales Promotion, which are supervised by the Advertising Standards Authority and those published by the Independent Television Commission and the Radio Authority.
- 7.3. You should ensure that all personal data and mobile phone numbers is processed in accordance with the requirements of the Data Protection Act 1998 and the Telecommunications (Data Protection and Privacy) Regulations 1999, and any other relevant legislation. Further information on these requirements can be obtained from the Office of the Information Commissioner and their website www.dataprotection.gov.uk
- 7.4. Where you have sub-contracted the provision of text messages to anyone else, you, as the supplier, remain responsible for compliance with the premium rate services agreement and these guidelines.

8. Marketing to Children

- 8.1. The recent Independent Expert Group investigation into Mobile Phones and Health under Professor Sir William Stewart has stated that, on the basis of the evidence currently available, there is no need for the adult regular phone user to be worried about the use of mobile phones.
- 8.2. However in accordance with the precautionary approach which the Expert Group adopted in its report, the Expert Group recommended that the widespread use of mobile phones by children for non-essential calls should be discouraged and that the mobile phone

industry should refrain from promoting the use of mobile phones by children: that is the under-16s.

- 8.3. In the UK, Vodafone does not market or promote mobile phone services to the under-16 age group. Vodafone has no products targeted at this age group, does not advertise in publications targeted at the under-16s and does not range its products in areas of retail stores targeting children (such as toy sections). It is a requirement of companies using Vodafone premium text message services that this group is not targeted and that premium text message services do not have the effect of promoting non-essential mobile phone calls to those below the age of 16.

9. E-Money Restrictions

- 9.1. New legislation has recently been introduced governing the regulation of electronic money.
- 9.2. If customers make prepayments to Vodafone which are accepted as a means of payment by third parties, those prepayments will constitute e-money.
- 9.3. The Financial Services Authority (FSA) has issued guidance to Vodafone and the other mobile network operators in relation to whether prepayments by our customers could constitute e-money. The FSA's current position (which is subject to a public consultation in early 2003) is that if customers can use prepayments for certain types of premium rate services, those prepayments may constitute e-money. This is because the premium rate call or reverse charged message is being used as a payment mechanism. Therefore, in order to avoid issuing e-money, Vodafone is currently restricting the premium rate services which you may offer.
- 9.4. In essence, if the premium rate service is delivered via the Vodafone network, it is permitted. If it is delivered via another means, either wholly or substantially, it is not permitted.
- 9.5. You must ensure that in the event that your services are offered or made available to pre-pay customers that you comply with the following requirements:
 - 9.5.1. the supply of telecommunications services by Vodafone and the supply of your PRS service can be seen as a single service;
 - 9.5.2. you supply the services through Vodafone's Network;
- 9.6. If you have specific queries on services, you should refer these to us to clarify with the FSA. Failure to comply with these requirements may result in the suspension or termination of our services to you.
- 9.7. Examples of services which are permitted include:

- 9.7.1. recorded information, such as traffic reports and ringtones delivered to the mobile device;
 - 9.7.2. provision of a game to a PDA via GPRS, provided that the service is delivered over the Vodafone network
 - 9.7.3. provision of a video clip to a PC via the internet, provided that the PC is connected via the Vodafone network
- 9.8. Examples of services which are not permitted include:
- 9.8.1. provision of physical goods
 - 9.8.2. services delivered to a PC over an internet connection which is over a third party network
 - 9.8.3. provision of a password to the mobile device over the Vodafone network which enables access to services supplied via the Internet and over a third party network
 - 9.8.4. premium rate services costing over £20.

10. Stop Command for Mobile Text Services

10.1 In support of the consultative work performed by the Mobile Data Association in 2004 Vodafone requires all text services to support **STOP** texts as follows:

10.2 STOP TEXT – is any MO text message starting with the word ‘stop’. The word stop can be made up of any mix of lower or upper case letters and be followed by a space or by no further character.

10.3 STOP ALL TEXT – is similar to the STOP TEXT and contains the words ‘stop all’.

In certain cases the word ‘stop’ may be preceded by spaces or by a tag such as ‘<forwarded from...>’ – the word ‘stop’ may follow such characters.

10.4 A STOP TEXT sent to a short code will terminate the text services from that short code as follows:

- if the short code is used for only one service then that service shall be terminated.

- if the short code has shared use for several services then the most recent service used by the handset shall be terminated. This means the service sending the most recent Mobile Terminate (MT) Text.

- a STOP ALL text shall terminate all services on the short code.

10.5 A STOP TEXT sent in response to a free of charge text– such as a marketing message will terminate the users consent for further texts.

10.6 A free-of-charge MT text can be sent to the handset to confirm the termination of service. This text can promote how to rejoin the service. This text must be non-adult.

Similarly, if an MO text cannot be decoded it is acceptable that the text application sends a helpful text to the handset.

11. Subscription Services

11.1. Definition of Subscription Service

- 11.1.1. Recurring service initiated by a sign-on process
- 11.1.2. Scope – all services billed by a mobile payment mechanism – not just SMS services
- 11.1.3. The result of a single sign-on process is one single subscription service, and rules apply for each single subscription service

11.2. Advertising & Promotion

- 11.2.1. Promotional material for subscription services must clearly indicate that the service is subscription based, for example using words such as “join our club”. These words must be prominent and highly visible to readers.
- 11.2.2. Subscription services terms of use (e.g. whole cost pricing, opt-out) information must be clearly visible.
- 11.2.3. Wherever stop instructions are displayed, the information provided must advertise the generic STOP command, and additionally service specific stop commands – for example “stop polytones” may also be advertised.

An example wording is: “to unsubscribe text ‘stop’ or ‘stop polytones’ to 77777”. An unsatisfactory wording is “to unsubscribe text ‘stop polytones’ to 77777”

11.3. Service Operation - subscription initiation

- 11.3.1. Initial subscription messages must contain the following information:
 - Name of service,
 - that the service is subscription based
 - what the billing period is (e.g. per week or per month)
 - how much the user is charged for that billing period
 - how to leave the service (including the generic stop command),
 - Service operator contact details

These points must be in the first message(s) sent to the customer, and must be before any promotional content. They may be in a free-to-receive message(s) or in the first of any billing messages.

Note - the initiation of any form of subscription service must result in this SMS message being sent to the handset

Good practice wording example:

Welcome to Ringtone club. This is a subscription service and you will be charged £4.50 every month. You may download 10 ringtones each month. To leave, text 'stop' to 77777. Customer services: 0206 555 4444

11.4. Service operation – subscription reminder where the service is charged less than or equal to 50p inc VAT

11.4.1. At least once a month, the cost per message (including VAT) is advised. This may be at the end of a service message

Example: 'FA Premiership HT. Portsmouth 1, Southampton 1. Each text costs 25p'

11.5. Service operation – subscription reminder where the service costs more than 50p inc VAT

11.5.1. At least once per month the following information shall be sent to subscribers:

- Name of service,
- that the service is subscription based
- what the billing period is (e.g. per week, or per month)
- how much the user is charged for that billing period
- Service operator contact details

These points must be in the first message(s) sent to the customer, and must be before any promotional content. This may be a free-to-receive message or the first of any billing messages.

Example of good practice wording: "Ringtone club: your subscription is renewed and you have been charged £4.50 for August. U now have 12 credits go 2 www.ringtoneclub Customer services 0206 555 4444"

11.6. Service operation – Stop command reminder

11.6.1. Subscription service users must be sent a reminder of the STOP command. The frequency is determined by the cost of the service.

11.6.2. Service operator must send a stop command reminder every time the spend reaches £20 since last stop command reminder.

11.6.3. If the service is designed to cost less than £20 per month, the service operator may choose to send the stop command reminder every month instead of when £20 has been spent

11.6.4. Definitions of 'designed to cost...'

- A £1.50 daily horoscope service is designed to cost more than £20 per month
- A 25p football alert service which could theoretically exceed £20 in a month is not a service designed to cost more than £20 per month

11.6.5. Service operators may discharge their responsibility for separate STOP command reminders by including the STOP command in every service message, such as the monthly subscription reminder or in every billing message group.

11.7. Service Operation – Opt out of STOP command

11.7.1. Subject to prior permission from ICSTIS, service operators may offer the facility for consumers to choose to opt out of the spend reminder for specific services. This is primarily intended for high value services aimed at informed adult customers, in which the frequency of spend alerts would be annoying to the user or disruptive to the service. Another example might be a corporate service where the corporate might not want an employee to be able to stop a service.

11.8. Termination of Services

11.8.1. After a user has sent a “stop” command to a service, the service operator must not submit any further billing messages for the relevant service

11.8.2. No service may advertise or operate a “minimum subscription period”. Users must be free to leave a service at any time and service operators must do nothing to indicate that this is not the case.

11.8.3. Where mobile operators provide lists of dormant or quarantined MSISDNs, service providers must clean their databases to reduce the number of failed billing attempts.

11.9. Timescales and implementation

11.9.1. Service operators must have implemented the steps covered in section 10 of this document no later than the January 15 2005

- 11.9.2. Service operators must, send all existing subscription service customers Stop instructions during January 2005. This may be a stand-alone message or included within billing messages sent during that month.