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Which? response to Ofcom consultation on *Good practice guide to help prevent misuse of sub-allocated and assigned numbers*

Introduction

Which? welcomes the opportunity to respond to Ofcom's consultation on a [Good practice guide to help prevent misuse of sub-allocated and assigned numbers](#). Which? is supportive of Ofcom's aims to clarify the expectations on providers for sub-allocating and assigning phone numbers and to consolidate best practice. This will be a positive step for consumer protection as it should help to standardise approaches across providers to limit access to valid numbers by those who intend to misuse them. Below we set out Which?'s views on Ofcom's proposals in more detail.

Proposed good practice guide

The systems and processes for the sub-allocation of numbers currently appear to have limited checks and consistency across providers. We are supportive of Ofcom's aims to set out clear expectations for providers on what best practice is for the processes around sub-allocation and assignment of numbers. Consistency of practice across the sector should support the aims to protect consumers from scams by preventing those with bad intentions from accessing valid phone numbers.

For these measures to offer protections to all consumers, the entire industry (including range holder and sub-allocator providers) must follow best practice as set out by Ofcom. Given Ofcom is consulting on a 'good practice guide', as opposed to regulatory requirements, it will be important to monitor whether this voluntary approach yields the desired protections for consumers and if not, seek to address this. We note that there are already some regulatory requirements and that the proposed guide will help ensure compliance with existing rules in the General Conditions, namely B1.6, B1.8 and B1.9. Yet, the additional checks proposed, such as the extra 'Know Your Customer' checks, will not be a new regulatory requirement and will instead be part of voluntary best practice standards.

Due to its voluntary nature, it is important that Ofcom considers how to get all providers to adopt the new best practice standards. Ofcom should provide further information on how it will monitor providers' adherence to this guidance and its effectiveness as it is implemented. If Ofcom finds a voluntary approach is not working, it should not rule out a regulatory response to ensure the desired protections can be achieved.

Due diligence and Know Your Customer (KYC) checks

We support Ofcom's proposal to implement KYC checks as part of the due diligence requirements in the sub-allocation and assignment process. We agree that providers need to know who they are sub-allocating or assigning numbers to, and that due diligence checks, including KYC, will help with this. These checks should help to weed out bad actors and verify who intends to use a number and to what purpose. This will also put providers in a better position to respond when incidents of misuse do occur, as they will have more information to determine who has misused the number so they can take action to stop them.

We believe KYC checks will be a useful addition to the due diligence process to manage sub-allocation and assignment of numbers. We note that this same KYC approach could also be applied in other parts of the scam journey to enhance consumer protection against a range of scams. In particular, this approach could be applied in online advertising and domain registration to help tackle online scams, alongside Ofcom's efforts to tackle vishing scams.

We would encourage Ofcom to specify for providers what standards should be reached when implementing KYC checks, and to monitor and identify those that may be falling short. This monitoring could also offer useful insights for how this approach could be applied in different parts of the scams ecosystem.

We note that Ofcom's proposals for due diligence checks apply only to business end users. This will address the harm that comes from organised businesses, and criminals behaving like businesses, misusing the sub-allocation and assignment process. Meanwhile, it will not impose unnecessary burdens on individual consumers in gaining access to a phone number. However, this is a potential loophole. It is important that Ofcom monitors whether any misuse in the system at present is adapted to gain access to individual numbers, rather than a range of numbers, to get round these additional checks.

Ofcom must be clear what the mitigation is to prevent scammers and bad actors abusing the system. If monitoring of activity and misuse find that scammers and bad actors are finding ways around these new measures, then Ofcom must take further action. It would also be helpful for Ofcom to clarify whether both individual contract holders and SIM only customers fall under this exemption from due diligence checks. If any abuse of the new measures is identified, this information should be shared with providers to enable a collective response to mitigating the problem.

Ensuring continued compliance and re-assessing risk

We agree with Ofcom's proposal to include a requirement around ensuring continued compliance and risk assessment in the guidance. However, further clarity would be welcome on whether this will apply to the history of a number. We question whether numbers previously used in incidents of misuse will be recorded and/or published and whether it is possible for these numbers to be re-allocated. If these numbers cannot be re-allocated, steps should be taken to ensure that there are no third party sales or spoofing of obsolete business numbers.

We support the requirement for clear and unambiguous terms in providers' contracts with business customers and tracking the level of risk posed by business customers, and this should include any information about past use of a number if it is being re-allocated to a business. Ideally there would also be data sharing across the industry of numbers that have been misused and any that are now obsolete. These numbers could potentially be added to the DNO list as no outbound calls should be made from these numbers. We also agree that providers should have robust procedures to address non-compliant behaviour.

Responding to incidents of misuse

We support efforts to introduce due diligence checks, including KYC checks, as this should place barriers for bad actors and assist providers in responding to incidents of misuse. We agree that providers should respond to reports and incidents of misuse proactively and that they should have processes in place to handle complaints. There should be a single, clear route for both consumers and business end users to report concerns about the use of a phone number. Given the providers include sub-allocators, most of which will be unknown to consumers, it is an unfair burden to rely on end users to identify which provider they need to report to. This will not only be beneficial to end users, but will also increase the likelihood of people reporting, could be used as a data sharing opportunity for the industry and will enable providers to more easily identify and respond to incidents of misuse.

Ofcom should facilitate data sharing between providers. This should include information on numbers that have previously been misused and whether they are now inactive or obsolete, so other networks can accordingly block any calls appearing to be from these numbers. The sharing of this data will also help address an inconsistency of available information on the volume and scale of nuisance and scam calls, which in turn can inform more tailored and effective technical and policy solutions.

We also agree that providers should offer support and information to any affected consumers and cooperate with regulators, law enforcements and other relevant organisations.

About Which?

Which? is the UK's consumer champion. As an organisation we're not for profit - a powerful force for good, here to make life simpler, fairer and safer for everyone. We're the independent consumer voice that provides impartial advice, investigates, holds businesses to account and works with policymakers to make change happen. We fund our work mainly through member subscriptions. We're not influenced by third parties – we never take advertising and we buy all the products that we test.

For further information, or to discuss in more detail, please contact Stephanie Borthwick, Senior Policy Adviser at stephanie.borthwick@which.co.uk.

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