

Chairman's Statement

The Telephone Preference Service Limited (TPSL) is into the sixth year of its extended contract with Ofcom. The main and continuing activities during the year are the increase in industry compliance activities and the lowering of fees for the provision of the files to the telemarketing industry for the fifth consecutive year.

In July 2009 the numbers of registrations on the Telephone Preference Service (TPS) were around 15.1 million, a modest increase of just under 3% in the course of the year. With now more than 60% of all UK landlines registered, the rate of registrations has slowed from the levels seen in earlier years. This is almost certainly due to the fact that a critical mass has been reached on landlines.

The Corporate Telephone Preference Service (CTPS) has seen registrations increase by almost 32% over the year. As at 31st July 2009 there were 1,718,421 numbers registered on file from around 60,000 companies. Complaints in respect of unsolicited calls to TPS and CTPS registered numbers are continuing at relatively low levels in comparison to the volume of numbers registered on the Services.

I was very pleased that through the prudent management of the financial affairs of TPSL your board made a recommendation to the Secretary of State, who is responsible for such matters, for a 5% reduction in the cost of the TPS, CTPS and Fax Preference Service (FPS) files, the fifth consecutive reduction. This recommendation was accepted and the price reductions were effective from 1 May 2009. It is worthy of reflection that the costs of the files and service, despite the size being substantially higher than originally envisaged, are now over 40% lower than at the start of the current contract in 2004 disregarding inflation. This has been achieved through sound financial management and considerable investments in technology.

The annual research conducted by MORI on consumer awareness of TPS showed, unsurprisingly, that awareness of the scheme is now 64%. Your board will continue to monitor public and industry awareness and service performance.

Over the last 5 years your board has undertaken research to identify the underlying reasons for the rise in registrations. This year saw the publication of the Brookmead Report 2008 following the one published in 2005. Findings identified 'silent calls' still to be a factor although these had reduced by two thirds in comparison to 2005. It also concluded that marketing to mobile 'phones was likely to increase and pointed out the potential problems in this area. This research was shared with the Direct Marketing Association and Ofcom. Further research in this area will be undertaken.

In September TPSL held its annual licencees conference with over 100 delegates attending the sessions which was held at the Call Centre Expo for the second time. The theme of the conference was 'Calling the End of The Recession'. The purpose of the conference and the sessions was to inform licensees and other industry members where

the industry was likely to be heading and to ensure that industry was compliant and aware of industry best practice, whilst being profitable. Speakers representing both the Information Commissioner and the Chair of the DMA's Mobile Council were included in the programme and it was a great success. There does seem to be a greater understanding and acceptance in the industry of the need for best practice as well as legislation in this field.

Finally, I would like to thank my board colleagues and the executive team for another successful year.

Colin Lloyd
Chairman

25th September 2009