



**Response to government consultation**  
**Banning Scam Calls**

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## Foreword

On the 2nd of August, the UK Government commenced a significant consultation titled "Ban on Cold Calling for Consumer Financial Services and Products." This initiative invites insights and evidence from industry specialists.

The primary objective of this consultation is twofold:

- 1) To consider the prohibition of cold calls related to financial products, including but not limited to, counterfeit cryptocurrency ventures, mortgages, and insurance.
- 2) To underscore the Government's commitment to its Fraud Strategy, particularly its pivotal aim of ensuring a greater number of victims receive reimbursement. The recent legislative advancements stand as a testament to this commitment.

This submission serves as our comprehensive response to the government's consultation.

For further context and information, readers are directed to:

- [Consultation announcement](#)
- [Full consultation document](#)

Within this response document, we expect to come to a conclusion which will detail the steps necessary to not only combat fraud via scam telephone calls in the UK, but will outline the structure of a regulatory framework that will eradicate it forever.

## About

This document details our comprehensive approach to curbing telecommunications fraud entirely.

With nearly a century of combined expertise in both the business and technological facets of telecommunications, we've engineered a cutting-edge solution primed for launch in the North American, Canadian, and French markets.

Our team's experience can be broken down into:

- A Chief Technical Officer (CTO) with a rich 25-year career, specialising in the creation, management, and upkeep of expansive cloud networks and systems.
- 2 highly experienced network and automation engineers, dedicated to crafting enterprise-level solutions in the telecom sector.
- A seasoned businessman who's navigated the telecommunications realm for 30 years, both within the UK and internationally.

In light of the recent government consultation, we've chosen to redirect our focus towards our roots—the United Kingdom.

Recently, North America enacted legislation mandating any entity enabling automated calls or messages to register on a centralised database. This regulation was activated on 20th July 2023. Further details on the FCC's anti-spam call initiative can be accessed [here](#).

Ofcom has examined the strides taken in the USA, Canada, and France concerning this matter. Their findings are encapsulated in the reports linked [here](#) and [here](#). Nevertheless, Ofcom deemed the direct adoption of solutions like STIR/SHAKEN as "too ambitious" for the UK market. Instead, they "expect" all telecommunications providers to apply their best efforts towards blocking UK fraud. It's important to acknowledge, however, that telecom firms, like all businesses, prioritise profit. Consequently, they might only initiate critical changes under mandatory regulatory directives.

From our intimate understanding of the UK telecommunications sector, we recognize that businesses—across all industries—usually undertake transformative measures for three principal reasons:

- To amplify their profits.
- To curtail operational costs.
- In adherence to binding regulatory mandates.

## **Evidence**

The consultation has asked for evidence from industry experts in relation to stopping scam calls which facilitate financial fraud.

To understand how this can be achieved, it must first be understood how fraud in the UK has evolved over the past 30 years.

It must also be understood that it is not just fraud centred around financial transactions, subterfuge and corecement can come in various guises.

With a combined experience of over 100 years in the telecommunications sector, we feel that we have extensive knowledge of the industry and can apply those experiences to assist in combating the fraud as it exists today.

## **History of Telecommunications Fraud**

The shadow of fraud has loomed over the telecommunications sector ever since there were avenues to exploit.

This challenge isn't unique to the UK, though our response to it has somewhat lagged behind other global counterparts. Alarmingly, the UK ranks sixth among Europe's most spammed nations.

Take Germany as an example: cold calling is, by default, prohibited. Only with explicit consent can someone be contacted, and fines for not adhering are extremely high. This rigorous approach has almost eradicated robo-calls from the German telecommunications landscape.

## **Premium rate**

Ever since the days of dial-up internet, scammers have found ways to convince internet users to download software onto their computers. This software was programmed to connect the user to a premium rate service, costing circa £1.50 per minute onto their standard phone bill, issued by their service provider.

There was no regulation to cater for this at the start. Telecommunications companies benefited from the premium rate calls and the service providers would receive the bulk of the revenue generated for each and every minute the general public called their phone numbers

When this inevitably became outlawed, perpetrators began to find other ways to generate revenue via telecommunications scams, with the fraudulent revenue figures increasing vastly.

## Personal Numbering

A new scamming technique emerged in the early 2000s. Systems designed to bulk-call millions of UK users were developed. These systems employed "drop call" tactics, terminating calls with the primary aim of inducing a callback. The callback numbers were strategically chosen from a K-rate range, commonly referred to as personal numbers.

Though OFCOM allocated personal numbers for legitimate services, these numbers were exploited as described above. When unsuspecting individuals returned the call, usually through their digital phone devices, they incurred charges for the "service" they supposedly accessed.

While undeniably deceptive, the financial implications for individuals during this era pale in comparison to today's scams.

## Other revenue generating numbers

As the PSA - Phone-paid Services Authority (formerly ICSTIS or PPP) cracked down on these "premium" services being used to facilitate low level fraud, operators turned to different numbers to carry on facilitating their fraudulent activities.

These numbers ranges would pay the owner of the numbers a smaller pence per minute. This meant the only way it became profitable was based on volume. The scammers started to make thousands of calls per minute, randomising the originator number [CLI](#) to increase the chances of a) being answered and b) someone calling back.

## Conclusions

Unfortunately these fraudulent activities underpin a lot of the telecoms companies that exist to this day.

While we can't rewrite the past, it offers us lessons. Armed with historical understanding, we're better equipped to tackle today's challenges.

In the past, the PSA would levy fines against companies that provided services found to be falling short of user expectations. While some of these penalties were settled, others vanished when firms declared bankruptcy, erasing obligations due to their limited company status.

Nowadays the PSA regulates all services, under any price point, if there is a service being offered. This ranges from a premium rate type service, Competitions, voting services, Psychic services, down to a number being used for an advert in the Auto Trader, Gum Tree or similar marketplace type adverts.

This approach has all but stopped paid phone service fraud.

## How to tackle scam calls

To quote Rt Hon Suella Braverman KC MP

*"Government, law enforcement, and industry must now come together and do all we can to show fraudsters that their time is up and that together we can beat fraud."*

How might we achieve this?

As highlighted earlier, even before the release of this government consultation, our collective expertise had driven us to engineer a solution tailored for the North American, Canadian, and French markets, based on their current legislations.

We firmly believe the scope of this issue extends beyond just financial services, and that the most direct and comprehensive way of dealing with it is through industry regulation.

Our reasoning behind this stance is outlined below:

### **Industry services**

Cold calling, when done right, can be a powerful tool. Businesses require a medium to reach out to consumers and introduce them to products or services.

For instance, insurance offerings can be tailored and cross-promoted, potentially offering consumers a more advantageous deal than their current one.

Broadband and digital service providers, such as Sky or Virgin, have the capability to present competitive prices that could be more enticing than their rivals.

For a thriving UK economy, competition is essential across all sectors. Telecommunications serves as an ideal channel to foster and enhance this competition.

To sum it up, not all cold calls are intrusive; many can indeed offer genuine value to the recipient!

## The Problem

Several compelling reasons underscore the need for strict regulation of firms seeking to contact UK residents with product or service offerings:

- People should never feel apprehensive about answering their phones.
- The risks involved in not regulating far outweigh the risks of regulating, as history has demonstrated
- The very existence of scam calls is due to telecom operators permitting such calls to pass through their networks.
- Regulation ensures the telecom industry's longevity by preventing a loss of trust, subsequently fostering renewed public confidence.

At the heart of public concern lies a simple truth: No person can be entirely sure that answering a call won't result in:

- A fraudulent attempt to scam them out of their hard earned money
- An AI generated voice via an automated platform, designed to induce fear and panic, for the sole purpose of fraudulent financial gain

Compounding the problem is the telecom network's allowance for Caller Line Identification (CLI) presentation to be disguised. Yet, the actual privacy number remains concealed from the call recipient.

While there are legitimate uses for this feature, such as businesses routing all return calls to a central call centre, the potential for misuse is significant and demands attention



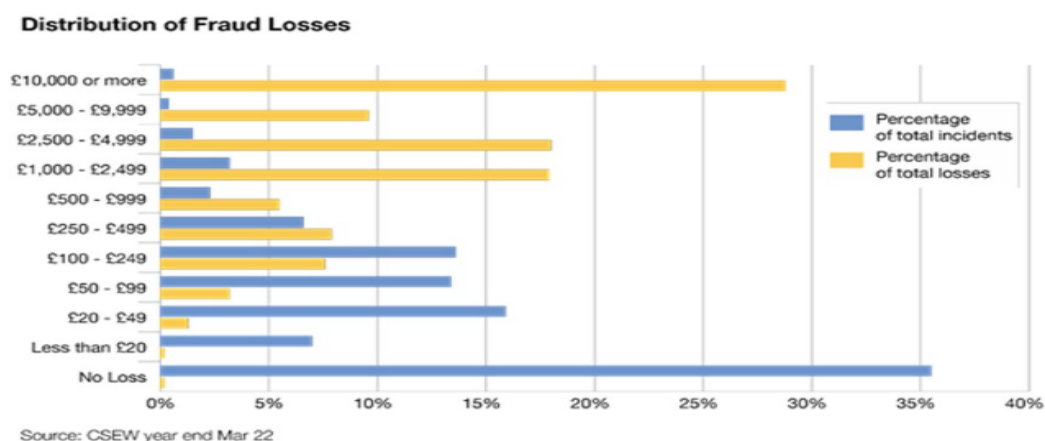
## Statistics

The data surrounding annual financial losses due to fraud is both fascinating and alarming. The trajectory indicates not only a persistent issue but also a growing one, as losses continue to mount year after year.

While we could delve into an exhaustive examination of the countless statistics, the crux of the matter remains: the UK telecommunications sector currently lacks a solid, dependable mechanism to combat this rising menace.

For a comprehensive exploration of these statistics, one can refer to the government's policy paper titled "[Fraud Strategy: stopping scams and protecting the public](#)".

**Figure 1 – Distribution of fraud losses, England and Wales**



14. Figure 1 shows 36% of fraud incidents lead to no financial loss (as the fraud has been attempted, but has not been successful), however many result in high value losses. Over 250,000 incidents (6%) lead to losses above £1,000. <sup>[footnote 9]</sup> Total fraud losses are largely driven by high value incidents. Despite losses above £10,000 only making up 0.5% of incidents, they are estimated to make up 29% of total financial losses from fraud.

**Figure 2 – Estimated change in proportion of authorised / unauthorised frauds**

Year ending	Authorised	Unauthorised
March 2022	54%	46%
March 2020	44%	56%

Details extracted from the government fraud strategy found [here](#)

## The Solution

Our proposed solution is directly engineered to obstruct platforms and services currently enabling fraud. While we don't anticipate this alone will completely eliminate the issue, the introduction of regulation will bolster its efficacy.

### Regulation

A regulatory framework is required to mandate any company, whether domestically or internationally based, to adhere to a predefined set of standards prior to initiating operations.

We have developed a software based solution for this requirement, which can be demonstrated to clearly show the measures necessary to combat fraud. We present our "Defender" solution which would function alongside a .gov.uk registry platform - a system we are poised to oversee.

If a registered company does facilitate fraud, a comprehensive and traceable path will lead back to the origin, allowing for subsequent actions can be taken, to fine, block or totally remove them from the registry

For unregistered entities attempting to reach UK consumers, our Defender solution will proactively block such efforts.

### Defender: The Proactive Approach

Defender is engineered as a non-intrusive solution, designed and developed to be unobtrusive to the telecommunications flow, whilst being effortlessly efficient and straightforward to integrate.

Telecommunications companies and intermediary networks start by routing the call to us,

Defender then takes less than a tenth of a second to assess the call against the registry and a database of identified "bad actors". Near instantaneous feedback is then provided, instructing the network to either terminate the call or let it proceed to the end user.

The genius behind Defender is its reliance on existing result and reason codes, universally adopted across the globe.

To experience a comprehensive, unfiltered demonstration that, when paired with the right regulations, promises to curb fraud facilitated by telecommunications services, we invite you to reach out and schedule a meeting with us.

## **Glossary of terms**

### **CLI - Caller Line Identity**

The number a recipient sees when a call arrives on their phone

### **DNO - Do Not Originate**

A list of numbers as published by ofcom that no telecommunications network can present, unless it is the actual owner of the number

### **SIP - Session Initiation Protocol**

The protocol that underpins all VoIP telecoms

### **STIR - Secure Telephony Identity Revisited**

An extension of the SIP protocol

### **SHAKEN - Signature-based Handling of Asserted information using toKENS**

An extension of the SIP protocol

## Links and citations

### Government

<https://www.gov.uk/government/publications/fraud-strategy/fraud-strategy-stopping-scams-and-protecting-the-public#foreword>

<https://www.gov.uk/government/publications/joint-fraud-taskforce-telecommunications-charter/fraud-sector-charter-telecommunications-accessible-version>

<https://questions-statements.parliament.uk/written-statements/detail/2023-05-03/hlws745#:~:text=The%20Strategy%20contains%20over%2050,cold%20calls%20on%20financial%20products.>

<https://www.fraudscape.co.uk/>

### Ofcom

<https://www.ofcom.org.uk/phones-telecoms-and-internet/information-for-industry/policy/tackling-scam-calls-and-texts/do-not-originate>

[https://www.ofcom.org.uk/\\_data/assets/pdf\\_file/0029/247493/ofcom-cli-and-scams-research-august-2022-slides.pdf](https://www.ofcom.org.uk/_data/assets/pdf_file/0029/247493/ofcom-cli-and-scams-research-august-2022-slides.pdf)

<https://www.ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/scams/726-reporting-scam-texts-and-calls>

### FCC

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<https://www.fcc.gov/spoofed-robocalls>

<https://www.fcc.gov/document/fcc-assesses-nearly-300m-forfeiture-unlawful-robocalls>

### Others

<https://commsrisk.com/us-and-eu-regulators-sign-robocall-agreement-but-only-the-us-says-it-covers-robocalls/>

<https://commsrisk.com/us-receives-5-1-billion-robocalls-in-may-the-excuses-for-failure-keep-getting-worse/>

## **Objective**

The objective of this document is to arrange a meeting with Andrew Griffith (or his counterpart), where we can discuss the finer points of this document at a high level, with the aim of providing essential insights into the 2 elements required to eradicate telecommunications fraud totally, in addition we would require total collaboration between us & Ofcom in order to obtain the information under the freedom of information act, requesting all data currently held by Ofcom where UK subscribers have called 7726, as all of this data would be entered into our constantly growing database of fraudulent numbers.



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