Communications Consumer Panel response to Post-i2010: priorities for new strategy for European information society

1. About the Communications Consumer Panel

The Communications Consumer Panel was established under the UK Communications Act 2003 as an independent, evidence-based, advisory body. Its role is to influence Ofcom, the UK Governments, the EU, and service and equipment providers so that the communications interests of consumers and citizens are protected and promoted.

The Panel is required by the Act to have particular regard to the interests of vulnerable consumers, including the elderly, people with low incomes, people with a disability or people living in rural areas. The Panel's remit also covers the interests of small businesses. Small businesses are defined as businesses with up to 10 employees.

The Consumer Panel is made up of ten part-time members with a balance of expertise in consumer issues in the communications sector. There are members representing the interests of consumers in Scotland, Wales, Northern Ireland and England.

Panel members are appointed by Ofcom in accordance with Nolan principles, and subject to approval by the relevant Secretaries of State. Ofcom also funds the Panel and provides a small support team, equivalent to four full time employees. Team members are Ofcom employees, but work for and in the interests of the Panel.

2. Summary

2.1 The importance of broadband

Our evidence shows that broadband is highly valued and will soon be essential for everyone.

There is broad support for Government intervention to ensure people can get access to broadband wherever they live

2.2 Universal broadband availability

Europe's new digital agenda should prioritise efforts to make broadband available to all citizens in Europe at a minimum speed. This should be a speed that allows everyone to use the online services and carry out the activities that they value in a reliable and consistent way.

The things people value will change as speeds increase, more people have next generation access and new services become available. Any investment in infrastructure should be future proofed to ensure the minimum speed does not become too far out of line with the average and continues to enable everyone to use the services and carry out the activities they value, including new services and activities.

2.3 Broadband speeds

Consumers need accurate information about the speeds they can expect. Currently there are considerable differences between the headline speeds advertised by many providers and the actual speeds consumers receive.

The EU has a role in ensuring consumers are not being misled about the kinds of services they can expect.

Any interventions that seek to provide universal broadband should be based on the minimum speed the user will receive, rather than on the advertised 'up to' speeds.

2.4 Digital participation

To get online and participate in a digital world people need to understand the benefits; be able to choose the products and services that best suit their needs; know how to use and maintain the equipment; and interact with and evaluate content online.

A new digital agenda for Europe should focus on supporting people to develop the skills and confidence that will allow them to fully digitally participate.

2.5 Illegal file sharing

In the UK, the Government is considering the introduction of technical measures to reduce file-sharing. Similar action has recently been taken in France.

Such action will gain public support only if people believe that their government is acting in the interests of consumers, citizens and content creators, and not just in the interests of content rights holders.

EU citizens need to be reassured that any process introduced to tackle illegal file-sharing is fair and reasonable. Action should be proportionate and focused on serious and persistent illegal file-sharers.

Consumers' and citizens' interests must be represented alongside those of industry in the development of any laws to reduce illegal file sharing.

2.6 The role of mobile

Mobile communications services are becoming increasingly important to consumers and businesses. However, consumers and small businesses experience problems with mobile coverage, many of them on a regular basis. These problems are experienced with mobile broadband coverage and basic voice services.

Mobile operators are continuing to roll out mobile broadband and there is still scope for the market to improve coverage. However, rollout of basic voice services provided by 2G technology has probably reached its commercial limit in the UK.

National roaming and increased network and infrastructure sharing could have value in enhancing coverage for voice. The EU framework must allow for such collaborative action where competition has delivered as much as it can.

Consumers and small businesses also need access to the best possible information about coverage, and should not be locked in to contracts that do not provide them with the coverage they need. The EU should encourage mobile operators and regulators across the EU to work together to address these issues.

3. The importance of broadband: evidence from consumers

The Panel has recently conducted research to get the views of UK consumers on the role of communications services, both now and in the future. This research was conducted in two phases. The first phase consisted of four day-long 20-person deliberative workshops conducted in October and November 2008. The composition of the workshops was broadly representative of the UK in terms of socio-demographics and technology usage and ownership.

The research was designed to find out about consumers' needs, the role of communications services and devices in meeting them, and how this picture is likely to change over time. It found that people in the UK have some clear requirements:

- They ask that future developments should be focused on their needs and wants, not the technological possibilities. Technology should be a means to an end.
- They ask companies to respect the pressure on their time and the complexity of the decisions that they have to make; they want services and equipment that are easy to use, efficient and reliable; and they want streamlined information that is concise, up-to date and relevant.
- They seek commitments from government and industry about privacy and security; they recognise the benefits that could come from data-sharing, but want to know that their personal information will be treated with care.
- They believe that converged communications are now so central to our lives that no-one should miss out; they ask that the potential advantages should be available to all.

The second phase was designed to investigate the idea that communications are now so central that no-one should miss out. It was designed to find out how widespread this belief is and why people think broadband is so important.

The research included both qualitative and quantitative components. The qualitative research comprised of 16 extended focus groups across the UK, while the quantitative research was a face-to-face survey (via a nationally representative omnibus) of more than 2,000 adults UK-wide.

Key findings from the research were that:

- Most people with broadband at home feel already that they could not be without it. 73 per cent of such people described it as essential or important.
- People with broadband at home value it more highly than their mobile phone, land line or digital TV.
- Most people (regardless of whether they have broadband or not) consider that it is essential for some groups of people to have broadband at home, notably people with school-age children and people who are physically isolated.
- Most people consider that in the near future it will be essential for everyone to have broadband at home. 84 per cent agreed (46 per cent strongly) that it should be possible to

have broadband at home, regardless of where people live. 81 per cent agreed (42 per cent strongly) that it is everyone's right to be able to have broadband at home.

- People who do not have it are expected to be at a significant disadvantage. This is because people expect that more vital services will be delivered solely online in the future, or be provided offline in a way that penalises people who access them in this way, perhaps at a higher cost or lower quality. It is expected that people will miss out in respect of a wide range of services and activities: shopping, banking, school work, public services, and downloading TV content.
- Of the activities that broadband is used for currently, people place most value on accessing information, communicating and carrying out transactions. These activities do not require a particularly fast broadband connection. But, a considerable proportion of people are now using the internet for relatively new entertainment services, such as downloading and streaming TV content. Activities such as these require a faster broadband connection of around 2Mb/s.
- There was broad support for Government to intervene to ensure that people can get consistent access to broadband wherever they live, and 80 per cent agreed (32 per cent strongly) that Government had a role to play in helping people gain the confidence and skills to make full use of broadband at home.

Our reports *No one should miss out: consumers say what they want from the digital future* and *Not online, not included: consumers say broadband essential for all*, set out the findings in detail and are available on our website:
http://www.communicationsconsumerpanel.org.uk/smartweb/research/research

4. Universal broadband availability

As set out above, the Panel's research shows that it will soon be essential for everyone to have broadband at home.

We believe that Europe's new digital agenda should prioritise efforts to make broadband available to all citizens in Europe at a minimum speed. This should be a speed that allows everyone to use the online services and carry out the activities that they value in a reliable and consistent way.

Our research in the UK shows that 2Mb/s is enough to support those activities and services that people value and are using at the moment: accessing information, communicating and carrying out transactions, and entertainment services, such as downloading and streaming TV content.

This suggests that people are, in the main, not using the internet to do new things. Rather, they are using the internet as a way of conducting the activities that they already do more quickly, more conveniently and often, in the case of their hobbies or their social networks, more expansively.

Initial evidence on the way in which people are using next generation access (NGA) to broadband seems to confirm this, with anecdotal evidence suggesting that the most common type of use is in families who use NGA to stream content on multiple screens simultaneously.

This is not to suggest that NGA does not bring benefits. Indeed, the Panel believes that this has the potential to deliver significant economic and social benefits for European citizens and consumers. These were described, in a UK context, in a report published by the Panel last year in collaboration with the Broadband Stakeholders' Group and the Department for Business, Enterprise and Regulatory Reform *A framework for evaluating the value of next-generation broadband*.[1] In particular, NGA is likely to be increasingly important if the trend towards delivering public service online continues, enabling a greater degree of sophistication in the kinds of services offered to European citizens.

Any investment in infrastructure designed to provide broadband access to those who will not be reached by the market needs to be future proofed. While 2Mb/s is sufficient to meet people's current needs, it will need to keep pace with technological developments as these needs change; as expectations are raised by the increase in availability and take-up of NGA; and as more services and applications rely on the delivery power of super-fast broadband. Future proofing would need to ensure that any minimum speed does not become too far out of line with the average and that it enables everyone to use the services and carry out the activities that people believe are necessary to participate fully in society.

5. Broadband speeds

Whether consumers are receiving 2Mb/s or superfast broadband it is also important that they have accurate information about the speeds they can expect. Currently there are considerable differences between the headline speeds advertised by many providers and the actual speeds consumers receive. The most recent research UK research, published by Ofcom in July this year[2] found that:

- The average broadband speed in the UK in April 2009 was 4.1Mb/s. This compares to an average 'up to' headline speed of 7.1 Mb/s.
- The actual speeds received varied widely. Fewer than one in ten (9 per cent) of the sample on 8Mb/s headline packages received actual average speeds of over 6Mb/s and around one in five (19 per cent) received, on average, less than 2Mb/s.
- Those living in urban areas received significantly faster speeds than those living in rural areas.
- Consumers with all ISPs experienced a slowdown in actual speeds during peak evening hours (8-10pm), with speeds in this period around 20 per cent slower than over a 24-hour period.

The report shows a variation of as much as 1.8Mb/s from the best to the worst speeds (excluding cable), almost as much variation as the Government's proposed universal service commitment (USC) of 2 Mb/s. We believe that this research provides a strong case for providers to use average rather than up-to-speeds when advertising broadband services.

The voluntary code developed by industry, and which came into force in January this year, is a welcome step, but the jury is still out on whether this will be sufficient.

The EU has an important role to play in ensuring that consumers across Europe are not being misled about the kinds of services they can expect.

[1] The report is on the Panel's website:
http://www.broadbanduk.org/component/option,com_docman/task,doc_view/gid,1009/Itemid,63/

[2] Available at: http://www.ofcom.org.uk/research/telecoms/reports/broadband_speeds/

This issue also has important implications for any government interventions that seek to provide universal broadband, as the speeds that are guaranteed by such schemes would need to be minimum rather than ‘up to’ speeds if they were to meet consumers’ needs and expectations.

6. Digital participation

Making services available is only part of the challenge of enabling everyone in Europe to use digital devices and services to participate fully in society. To get online and participate in a digital world people need to understand the benefits; be able to choose the products and services that best suit their needs; know how to use and maintain the equipment; and interact with and evaluate content online.

A new digital agenda for Europe should also focus on supporting people to develop the skills and confidence that will allow them to fully digitally participate. Research by Ofcom, the UK communications regulator, suggests that older people and people on low incomes are likely to be particularly in need of this kind of support[3].

The Panel has been developing a framework that, based on the available evidence, sets out what people themselves say they need to be able to get online and participate. This is set out below.

What people need to get online and participate

To get interested	To get online	To make it work	To stay safe and enjoy the benefits
I know what the internet is and what it can do	I know what kind of service best meets my needs	I can set up and maintain the equipment I need	I can interact with the content/services I choose
I know what the benefits are for me	I know what equipment I need	I know how to use the equipment I need	I can protect myself (and my children) from harmful/illegal content or activity
I have a reason to use it	I know how much it will cost	I can find the content / information I’m looking for online	I know what my rights are and how to exercise them
	The services/ equipment I need are available	I know how to get help when I need it	I know whether content and services are truthful and reliable
	The services/ equipment I need are affordable		I can protect and control my personal information (and that of my children)

We will be continuing to develop the framework, and will be publishing it, alongside a review of the available evidence, later this year. The publication will include details on the extent to which different groups in the population require support or intervention to help them achieve the different elements set out in the framework.

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[3] See in particular Ofcom (2008) *Media Literacy Audit: Report on UK adult’s media literacy.* London: Ofcom and Ofcom (2009) *Accessing the internet at home. A quantitative and qualitative study among people without the internet at home by Ipsos MORI.* London: Ofcom

7. Illegal file sharing

In the UK, the Government is considering the introduction of technical measures to reduce file-sharing, including bandwidth reduction and suspension of broadband access. Similar action has also recently been taken in France.

The fact that broadband now plays such an important part of people's lives makes this kind of action important. While it is not inconsistent with measures intended to reduce file sharing, it does mean that such action will gain public support only if people believe that their government is acting in the interests of consumers, citizens and content creators, and not just in the interests of content rights holders.

EU citizens need to be reassured that any process introduced to tackle illegal file-sharing is fair and reasonable. This means taking a phased approach that includes efforts to inform consumers about the impact of illegal file-sharing and the availability of legal alternatives, and does not move directly to measures to restrict or remove people's access to broadband. Action should be proportionate and focused on serious and persistent illegal file-sharers as opposed to people who copy content that they have purchased already or who access content that is not available commercially.

We also believe that it is essential that consumers' interests are represented alongside those of industry in the development of any laws to reduce illegal file sharing, either at a national or European level. We believe that the EU has an important role to play in ensuring consumer interests are represented in the development of any such laws.

8. The role of mobile

Mobile communications services, including voice and mobile broadband services, are becoming increasingly important to consumers and businesses. Recent research by the Panel found that consumers and small businesses rated coverage as more important than cost when choosing a mobile network provider[4].

Our research also shows that consumers and small businesses experience problems with mobile coverage, many of them on a regular basis. These problems are experienced at home, at work and on the move and include not only problems with mobile broadband coverage, but also basic voice services. Our research found that:

- Over half (56%) of UK consumers and 91% of UK small business respondents have experienced problems with mobile coverage, while 33% of consumers and 34% of small business respondents experience problems regularly
- 36% of UK consumers say they have experienced not-spots where they get no coverage at all, and 18% of consumers experience them regularly
- 80% of UK small business respondents say they have experienced not-spots and 24% have experienced them regularly

[4] The Panel's research on mobile coverage was published on 6 October 2009 and can be found on our website: http://www.communicationsconsumerpanel.org.uk/smartweb/research/mobile-coverage

It is widely acknowledged that coverage of newer services, like mobile broadband, is less extensive, but operators are continuing to roll out these services and there is therefore still scope for the market to improve coverage. However, rollout of basic voice services provided by 2G technology has probably reached its commercial limit in the UK.

Action is therefore required to improve voice coverage for consumers and small businesses. There are a number of potential areas that could have value in enhancing coverage, including national roaming and increased network and infrastructure sharing. It will be important that the EU framework allows for such collaborative action where competition has delivered as much as it can.

Action to improve coverage will take time. In the meantime, consumers and small businesses need to be sure that they are not entering into mobile contracts that cannot provide them with the coverage they need. Part of the solution is to ensure that they have access to the best possible information about coverage. The EU should encourage mobile operators and regulators across the EU to work together to ensure consumers have easy access to the best possible.

However, measuring coverage accurately is difficult, particularly indoor coverage. Even with the best quality information it is not possible to guarantee coverage in a particular location. It is therefore important that mobile operators and regulators across the EU work together to ensure consumers are not locked in to contracts that do not meet their needs. The Panel has encouraged all mobile operators in the UK to offer, and make their customers aware of, ‘try before you buy’ deals so that for both voice and mobile broadband services, consumers have the chance to check that they will be able to get coverage in the places where they need it.

9. Conclusions

As broadband is an increasingly essential part of the way that people live their lives, it is vital that everyone in Europe is able to use the services and carry out the activities that broadband makes available, and to do so in a reliable and consistent way.

A new European digital agenda must prioritise both the provision of infrastructure and support for people to develop the skills and confidence to use the infrastructure in a way that will allow them to fully participate in society.

A new European digital agenda must also engage with what people do when they are online. File sharing is a genuine problem for content owners. However, it is important that measures to combat illegal file sharing are developed with the interests of consumers as well as content owners in mind. The EU has an important role to play in ensuring that as the debate about this issue continues the interests of consumers as well as industry are considered and protected.

Mobile technology is also increasingly important, both as a way of accessing the internet and through its role in mobile voice communication. A new European digital agenda must recognise this. It must allow mobile operators to work collaboratively to improve coverage when the market has reached the limits of what it can deliver; ensure consumers and businesses have access to the best available information about coverage; and that they are not locked in to contracts in which providers are unable to deliver the coverage they need or were led to expect.

The Panel will continue to engage with the issues addressed in this paper, and welcomes the opportunity to respond to this consultation.

10. Contact details

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