

JANUARY 2016 BULLETIN

Update on Communications Consumer Panel and ACOD activities

The Communications Consumer Panel and ACOD have been highlighting a range of consumer issues with stakeholders this month, with a particular focus on the accessibility of services.

The Panel have been advising on the EU proposals for a digital single market.

Panel member Jaya Chakrabarti attended the Westminster e-forum on big data

We also attended Age Action Alliance's working group on money matters where one of the topics was the difficulties some older people have with switching providers across a range of sectors.

Consultation Responses

The Communications Consumer Panel and ACOD responded to the **House of Commons Science and Technology Committee's call for evidence in relation to Digital Skills**. In our response we highlighted that:

- We believe that all consumers should be able to benefit from the opportunities and enjoyment that communications services can bring, however 23% of UK adults still don't possess basic digital skills.
- It is our belief that unless fundamental action is taken, the digital divide risks becoming an ever greater digital gulf as the distance increases between those who are online and those who remain firmly anchored in the offline world.
- In terms of digital engagement support, we encouraged further consideration of the opportunity to consolidate and extend the availability of support at points of need, for example by strengthening the relationship between Job Centres and Benefits Offices and the providers of expert help.
- We highlighted that in the Panel's view, access to good quality services remains vital and welcomed the UK government's announcement for a Universal Service Obligation for broadband of 10 Mbps.
- We also highlighted that the needs of consumers and citizens must be central to policy making, so it is vital that delivery of a high quality service experience is consistently

achieved and consumers and citizens are not excluded or deterred from effectively participating in the digital world.

- We would encourage greater co-ordination, collaboration and transparency of existing government and industry initiatives.

You can find the full response [here](#).

The Communications Consumer Panel and ACOD wrote to the **European Commission in relation to the proposed merger between H3G and O2**. In our letter, we highlighted our concern that the position of all UK telecommunications consumers is not weakened in any way by the proposed merger.

Our response highlighted that the execution of this deal after the physical network sharing deals of the last decade means that there are very few legitimate cost efficiencies available that are beneficial for consumers. There is a danger that such mergers could be driven by a desire to reduce the competitive intensity of the UK mobile market, to allow prices and margins to rise for the benefit of operators and at a cost to consumers.

We also expressed that, in our view, beyond benefitting the companies involved - which should not alone be grounds for approving the deal, we have yet to see any credible reasons why this merger should be allowed to proceed.

The full response can be found [here](#).

The Communications Consumer Panel and ACOD also responded to **DCMS' call for ideas into a new digital strategy for the UK**. Our response focused on the fact that we believe government should be projecting and protecting the interests of consumers and citizens, including micro businesses. We highlighted that:

- We believe data protection and privacy issues should be a priority, so that consumers can have confidence that new developments will not leave them exposed to fraud, data misuse and nuisance.
- A new broadband Universal Service Obligation should be clearly defined and put in place promptly, with the flexibility to allow for rapidly changing consumer demands in a fast-paced sector; the aim should be ubiquitous coverage with no-one left behind.
- More investment in digital participation is needed, with assisted digital for those who are nervous about going online. Along with assisted digital support, there should still be an analogue provision that works, so that people can still use public services effectively.
- Digital participation is vital so everyone can benefit from the digital world and 'Digital by default' should mean access by default.
- We continue to encourage government to take the necessary steps to improve mobile coverage across the UK, including all modes of transport and hard-to-reach areas.
- The new digital strategy must include better availability (in terms of physical access and reasonable prices) of superfast broadband for small and micro businesses.

The full response can be found [here](#).

Inclusive Communications round tables

Following publication of our new qualitative research '[We're Not All the Same!](#)', which explores how accessible communications providers are to customers with additional communication support needs, such as people with disabilities and older consumers, we'll be hosting a series of roundtable events for stakeholders in March to discuss the issues we found and explore potential solutions.

The events will be held on:

- 2 March in Belfast
- 11 March in Glasgow
- 18 March in Cardiff

If you would like to attend one of these events, please contact Karen Keany for further information at media@communicationsconsumerpanel.org.uk

New Ofcom Code to provide businesses with better protection on broadband

In '[Realising the Potential: micro businesses' experiences of communications services](#)', the Communications Consumer Panel called for greater support for micro businesses from government, industry and communications providers to help them maximise the opportunities presented by communications services. Specifically, our recommendations included calls for information about contracts to be in unambiguous language; and transparency about key contract terms and conditions, price and any penalty clauses. We also called on Ofcom to use its resources to support micro businesses seeking information that enables them to assess and judge different providers' performance.

We therefore warmly welcome today's publication by Ofcom of a new [Code](#) that should mean that UK businesses will receive more accurate information on the broadband speeds they should receive.

Signatories to the voluntary Code have agreed to provide businesses with clearer, more accurate and transparent information on broadband speeds - before they sign up to a contract. The Code also commits providers to manage any problems that businesses have with broadband speeds effectively, and allow customers to exit the contract at any point if speeds fall below a minimum guaranteed level.

Seven of the UK's specialist broadband providers for businesses - BT Business, Daisy Communications, KCOM, TalkTalk Business, Virgin Media, XLN and Zen - have signed up to the Code. Cumulatively, they provide a service to around two thirds of SMEs who have standard broadband.

The new Code for businesses applies to all businesses, regardless of size, and to all standard business broadband services across all technologies (ADSL, Cable, Fibre to the Cabinet, Fibre to the Premises, Wireless and Satellite). It has also been tailored to meet the specific needs of businesses.

The seven internet service providers who have signed up promise to:

- provide businesses with an accurate estimate of their expected speeds when signing up. This covers both download and upload speeds, which are particularly important to businesses as they can send large amounts of data;
- manage their business customers' speed-related problems effectively, and offer them the right to exit their contract without penalty if speeds fall below the minimum guaranteed level;
- give additional relevant speeds information at the point of sale (for example, how the provider manages internet traffic on its network, and how this might affect a customer's speed); and
- provide further detailed speeds information in writing to the customer after the sale.

Ofcom's Voluntary Business Broadband Speeds Code of Practice comes into effect from 30 September 2016. Ofcom is inviting all providers of business broadband to [sign up to the Code](#).

British Infrastructure Group publish new report on UK broadband

The Panel considers that sub-optimal delivery of communications services as a result of inadequate infrastructure - be it a lack of fast broadband or the absence of mobile and/or data coverage - has long since ceased to be a matter of simple irritation for consumers and micro businesses, and is now an issue of real detriment.

The British Infrastructure Group, led by the Rt Hon Grant Schapps MP, has published a new report, [‘Broadbad’](#), which looks at the problems that the UK broadband network is facing.

Panel Chair, Jo Connell, said; “This report highlights the difficulties people experience in achieving 10Mbit/s but even reaching 2Mbit/s - the most basic broadband connection - is still not possible for far too many people. We continue to encourage government and industry to work together urgently to find a resolution.”

Ofcom publishes Quality of Customer Service Report

Since we published our report, [‘Going Round in Circles?’](#), about people’s experiences of dealing with problems with communications services, we’ve been urging communications providers to raise the level of customer service they offer.

At the time, Panel Chair, Jo Connell said; “Our research highlights that some consumers are suffering in silence while for others, the negative experience of contacting their provider - the time taken to resolve a complaint, the number of contacts required and the sheer level of persistence demanded to reach a solution - made the whole situation worse. This is simply unacceptable. That’s why we’re urging communications providers to provide better support for those consumers who are experiencing problems. We’d like to see providers review their processes and give consumers better, clearer information about service expectations. We’d urge providers to improve the customer contact experience through strengthening call centre staff training and achieving recognised accreditation.”

The Panel was therefore interested to read Ofcom’s [latest report on levels of customer satisfaction](#) with the service provided by landline, broadband, mobile and pay TV providers. We believe that such data can help can be helpful for consumers, particularly when choosing a communications service.

The report highlights:

- Around one-fifth (between 17% and 19%) of consumers in each of the broadband, mobile and pay TV markets had contacted their provider in the three month period in 2015 (landline was lower at 12%).
- Up to two in five consumers (between 27% and 37%) in each market who had contacted their provider said this was with a complaint.
- Dissatisfaction in relation to complaints was at least two times higher than for non-complaints across all sectors: landline (15% vs. 3%), broadband (19% vs. 6%), mobile (16% vs. 6%) and pay TV (9% vs. 4%).
- Contact via the phone remains the most likely method in all sectors, with 49%-60% of contact being ‘only on the phone’.
- Around half of general queries were reported as completely resolved in one contact in each sector (49%-60%). Compared to 2014, billing queries in the mobile sector were less likely to be completely resolved in one contact (42% vs. 51%), while faults/ repairs remain relatively unlikely to be completely resolved in one contact (26%-40%).
- Among those whose issue was completely resolved, providers achieved this resolution in less than one hour for between 51% and 66% of consumers across sectors.

BT's £12.5bn merger with EE cleared by the CMA

BT Group's takeover of EE Limited, Britain's biggest mobile operator, has been cleared by the Competition and Market Authority (CMA). You can read the Panel's views, which it submitted to the CMA in March last year [here](#).

The CMA approved the merger, which affects 31 per cent of UK mobile customers, after six months of deliberations. Further details can be found [here](#).

Broadband advertising to become clearer

The proliferation of communications services has brought an increasing level of choice for the consumer. But comparing the different options and tariffs available in this complex market is not straightforward. We have previously called on providers to ensure they give consumers clear and reliable information, and we remain interested in the potential provision of key contractual facts, presented in plain English, similar to those used in the financial services market.

We were therefore interested in the findings of joint [research](#) commissioned by the Advertising Standards Authority (ASA) and Ofcom which examined consumers' understanding of the true cost of broadband deals. The research objective was to test consumers' likely understanding, based on viewing current ads, of the presentation of pricing offers in typical broadband ads - most commonly those featuring the price of the broadband itself and the monthly line rental alongside it. It also looked at the presentation, and likely consumer understanding of additional pricing elements such as introductory deals, discounts, activation, delivery charges and the length of the contract.

The research revealed that the current approach to presenting pricing in fixed broadband advertisements is likely to confuse and mislead consumers about the true cost of broadband deals:

- 23% of participants correctly identified the total cost per month after the first viewing of an ad when asked simply to recall as much information as they could about the deal on offer without prompting.
- 22% of participants, were still not able to identify correctly the total cost per month after the second viewing (If this proportion were reflected across the population of fixed broadband subscribers, this would mean around 4.3 million UK households being unable to figure out what they would be paying).
- 64% of those who couldn't calculate the total cost per month, despite a second review, thought the headline price for the broadband element of a package constituted the total cost per month and that line rental costs did not apply.
- 81% of the sample was not able to calculate correctly the total cost of a broadband contract when asked to do so.
- 74% of the total sample believed that information about one-off and on-going costs after an introductory period was either fairly or very unclear.

The Panel supports the ASA's response, which is to raise these issues with broadband providers and suggest that they advertise:

- All-inclusive up-front and monthly costs; no more separating out line rental.
- Greater prominence for the contract length and any post-discount pricing.
- Greater prominence for up-front costs.

The ASA will decide on a final recommended approach on advertising pricing offers by 30 May 2016. Further details can be found [here](#).

Citizens Advice calls for mobile operators to allow customers to cap bills

Citizens Advice has urged mobile operators to provide all their customers with the ability to set monthly bill caps following its publication of a new report, [‘Falling Behind’](#) that found that mobile companies are not doing enough to stop customers from getting into financial debt. The report noted that many mobile phone customers pay in arrears for extras outside their contracts - like app purchases, texting a donation to a charity or calling premium rate lines such as directory enquiries - so bills can quickly spiral.

The report also criticises mobile phone companies’ bad debt collection practices, accusing them of ‘lagging behind’ other private sector companies like energy and banking.

As well as offering customers a bill cap, the report recommends:

- Ofcom should require mobile phone providers to publish the steps they will take to recover unpaid debts.
- Multiple attempts should be made to contact and negotiate with consumers before starting debt collection.
- Mobile phone networks should offer all consumers the opportunity to transfer to a pre-pay or basic monthly tariff as an alternative to full disconnection.
- No attempt should be made to collect any bills which are being queried until the dispute is officially resolved.
- Mobile phone networks should inform consumers of sources of free debt advice when they first experience financial problems.

ICO keeps an eye on mobile tracking

As the market for personal data becomes ever more complex and monetised, the Panel considers that it is increasingly important that people understand the implications of the consent they are giving organisations for the use of their data and, with regard to security, the precautions they can take. This becomes more important with the potential of the Internet of Things to collect and use increasing amounts and types of consumer information.

The Panel was therefore interested to read [a blog by Simon Rice](#), Group Manager for Technology at the Information Commissioner’s Office (ICO) on the technology that has been developed which could allow retailers to track people’s shopping movements using Wi-Fi on their mobile phones.

The issues surrounding Wi-Fi location tracking has, as Simon points out, important implications for data protection and privacy. It is the Panel’s belief that companies should improve consumers’ awareness of how their data are collected and used, and provide straightforward information for consumers.

We're currently undertaking new research examining online personal data and consumer concerns regarding privacy and security which we'll publish later in the year. The new research will also re-visit [Online Personal Data](#) research conducted for the Panel in 2011 for a comprehensive 5 year update.

World Bank report highlights the digital divide

For some time it has remained the Panel's belief that unless fundamental action is taken, the digital divide risks becoming an ever greater digital gulf as the distance increases between those who are online and those who remain firmly rooted in the offline world. We live in an era in which we are seeing many Government services become "digital by default" and when being online is becoming a necessity of life rather than an optional extra.

While the advantages of online connectivity apply to all groups in the community, they are especially relevant to disabled people, those on a low income and older people, many of whom may be less mobile than younger people. And yet we know that the take-up of the digital world is unequal amongst the population, with older people more likely to be excluded.

A new report published by the World Bank has stated that closing the digital divide should be a global priority to generate growth, jobs and improve services. '[Digital Dividends](#)', a survey of the latest research, data, and literature on the digital economy, says greater efforts must be made to connect more people to the Internet and to create an environment that unleashes the benefits of digital technologies for everyone.

The report highlights that while internet users have tripled in a decade to an estimated 3.2 billion, nearly 60% of people globally – some 4 billion people – are still offline. And despite the rapid adoption of mobile phones, nearly 2 billion people do not use one. Almost half a billion people live outside areas with a mobile signal.

The report also warns that people without access to digital technology and the education and skills to adapt will be increasingly left behind as the rest of the world advances. An overview of the report can be found [here](#).

ICO warns of more fines in 2016 for nuisance call companies

The Panel has welcomed the Information Commissioner's Office's (ICO) warning to companies making nuisance calls to expect more fines in 2016. The ICO imposed more than a million pounds worth of penalties for nuisance calls and text messages in 2015, with the same amount in the pipeline for early 2016. Last year, the ICO's fines included:

- £295,000 of fines for companies offering call blocking or nuisance call prevention services.
- An £80,000 fine to a PPI claims firm that sent 1.3million text messages.

- A £200,000 fine to a solar panels company that made six million nuisance calls.
- A £130,000 fine to a pharmacy company that was selling customer details to postal marketing companies.

Over £1.1m was issued in fines relating to nuisance marketing in 2015, including:

- £400,000 fines for nuisance texts.
- £575,000 fines for nuisance calls.
- £130,000 fine for selling customer records for marketing.
- £30,000 fine for sending marketing email.

Further details can be found on [the ICO website](#).

New evacuation app to help people with disabilities

A new mobile phone app developed by disabled access experts at the consultancy [Access and Evacu8](#), has been designed that could make it easier - and safer - for those with disabilities to evacuate public buildings.

The DirectMii app, due to be trialled at the Houses of Parliament and the Tower of London, allows disabled customers to use their mobile phones to view pictorial directions to a safe location within public venues such as cinemas or hospitals.

It can also alert staff that a disabled person is in the building, and provide a series of pictures that direct a disabled customer to the most appropriate emergency exit for someone with their access needs if there is an evacuation. It also allows the customer to contact the venue if their access needs are not being met.

Organisations pay a small fee to join the scheme (about £10 a year) whilst individual disabled users can access the basic service free of charge. In its first six weeks more than 5,000 people have downloaded the app. Blackpool Pleasure Beach, Liverpool airport, as well as several universities, hospitals and local authorities have all signed up to the app.

Further information and details on how to download the app can be found [here](#).

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