

## Protecting Vulnerable Consumers in the Switchover

In July of this year, the Ofcom Consumer Panel was asked by the Secretary of State for Culture, Media & Sport (DCMS) to consider what measures might be necessary to protect 'the most vulnerable consumers' during digital switchover.

In order to try to answer this question, we have spent more than three months researching and speaking with many interested stakeholders, and today we are publishing our report.

In the short time available this afternoon, I can do no more than summarise our main conclusions: but the full report, with supporting research, is available from now on the Consumer Panel website.

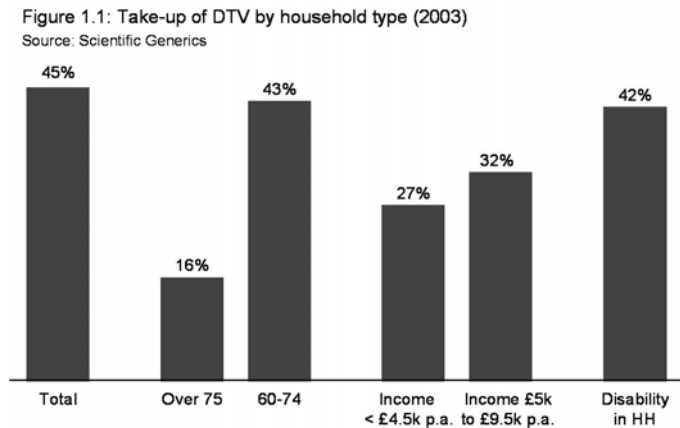
What follows is inevitably an extremely compressed summary of a large piece of work which will omit many points, so I do urge you please to look at the whole report.

The short answers to the question we were asked are:

- Yes, it is possible to identify who are likely to be the most vulnerable;
- They are likely to be those who are socially isolated;
- It may, with careful planning and a great deal of thought, be possible to mobilise the community to reach these groups;
- This will cost money;
- Money is not the whole, or indeed only, answer to this question of identifying and reaching out to the vulnerable; but
- It will cost money – somewhere in the region, we estimate, of £250m to £400m

Here are some of the key steps in the argument.

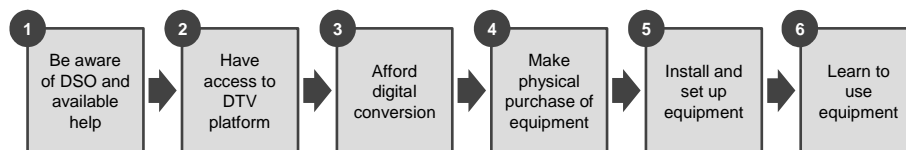
First, who is currently taking up digital television?



Note that the group with lowest take up by far is older people.

Second, what would people need to do to respond to the switchover?

Figure 2.1: The digital conversion process



Third, who are the people who are most likely to have problems at various stages? This is where, in the interest of sticking to my 15 minutes, I have to simply assert that the group who are most likely to have a problem with knowing DSO is going to happen, understanding what to do about it – and then doing it – are likely to be older people.

Not all older people, of course – but many.

Why? Because of the intrinsic difficulty of getting to grips with the new and the strange – and the likelihood that an older person may be socially isolated, i.e. without family, friends, neighbours or carers to help.

A couple of bleak statistics:

17% of people over 65 are in contact with friends, family or neighbours less than once a week.

For 11% of people over 65, contact is less than once a month.

Our analysis, therefore, is that it is this group who are likely to be the most vulnerable in switchover. ‘Vulnerable’ in the sense of finding it hard to do, and having no one to help.

Is this about poverty? We say it isn’t, primarily – but it is about isolation, which may of course be closely associated with poverty.

Our proposal – and what follows is, as we acknowledge, simple to say but difficult to execute: it is for SwitchCo to mobilise the third sector – voluntary groups, working with the second sector, local government, to identify people who are isolated in this way and link them up with an individual who can help them through the whole process.

Simple to say. Hard to do – but, we are convinced from discussion with many voluntary sector bodies, possible to do.

We go on to say that we also recommend that, in addition, households who are already receiving licence fee concessions – i.e. the over-75s and the partially sighted – should receive financial assistance at the switchover with the purchase of a set-top box, scart lead and, if need be, an aerial upgrade. Why? To extend the already-agreed principle that such groups should continue to receive financial support for the watching of television.

What would all this cost? We have had to make some extremely heroic assumptions to cost all this.

- We have had to estimate the cost of mobilising the voluntary sector in the way we have described – and one voluntary sector body, the Experience Corps, has helped us with this;
- We have had to estimate the number of households where people might be isolated – and we have used households containing a person over 75, or in receipt of Disability Living Allowance for this; and
- We have had to make some rather crude estimates of the likely cost of aerial upgrades.

Our cost assumptions look like this:

**Practical support scheme** – based on a proxy population and indicative estimates from The Experience Corps of a cost of £25 per household requiring help

Figure 4.1: Practical support scheme

Number of People	Number of Households	Take up (Dec 2003)	Households who may require support
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<b>Over 75s</b>	4.5m	3.8m	16%	3.2m
<b>Registered Blind</b>	62k	52k	42%	30k
<b>In receipt of DL</b>	2.4m	2.0m	42%	1.2m
<b>Total</b>				4.4m

Total cost for a national practical support scheme – £110m, excluding costs associated with SwitchCo activity.

**Financial assistance scheme** – based on providing full-cost assistance to people over 75, and half-cost assistance to people under 75 and registered blind.

Figure 4.2: Set-top box financial assistance

	Number of People	Number of Households	Cost	
			£25 voucher	£50 voucher
<b>Over 75s</b>	4.5m	3.8m	£95m	£190m
<b>Registered Blind</b>	62k	52k	£1m	£3m
<b>Total</b>			£96m	£193m

Figure 4.3 Aerial upgrade financial assistance

	Number of Households		Cost (Assuming avg £190 per upgrade)	
	5%	10%	5%	10%
<b>Over 75s</b>	0.2m	0.4m	£38m	£76m
<b>Registered Blind</b>	3k	5k	£0.5m	£1m
<b>Total</b>			£38m	£77m

These indicative calculations suggest that costs for providing financial assistance will be in the region of £134m to £270m.

When combined with indicative costs for practical assistance we suggest that costs may be in the region of

£250 and £400m.

In conclusion: we say: yes this can, with careful and intelligent planning and real will, be done. It will cost money. But it is possible.