

10 December 2007

Colette Bowe
Chairman
Ofcom Consumer Panel
Riverside House
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Dear Colette

Thank you for your letter of 20 November setting out the Consumer Panel's views on what should be Ofcom's priorities for the coming year.

You identify three principal issues: children and media literacy, broadband speeds and availability and next generation access (NGA).

I fully agree on the importance of media literacy and children's issues. The Consumer Experience research showed issues around protection of children were of very high concern for consumers. During 2007 we have been reviewing our priorities for media literacy with stakeholders. As a result of this review we hope to increase our investment in media literacy over the next three years and in the draft Ofcom Annual Plan to be published shortly we will outline our proposals to enhance and extend our work to promote media literacy. This is, of course, dependent to a significant degree on funding support from the Government.

Our work includes establishing with industry and the Home Office a British Standard for internet filters with the intention of making these software tools more effective and easier to use. The PAS 74 Kite mark will be launched in the New Year, and the first kite marked filtering products should be available a few months thereafter. We will also be submitting evidence to the Byron review assessing the risks to children from exposure to potentially harmful or inappropriate material on the internet and in video games.

We note the Panel's recommendation of creating a children's panel to ensure these issues are highlighted in Ofcom's policy development and activity which is something that we will want to consider carefully in Board discussion. We are now actively considering the options available to us in addressing these issues and welcome comments from all interested parties in the forthcoming consultation of the draft Annual Plan.

We also agree that concerns over advertised broadband speeds must be addressed as matter of priority and we welcome the Panel's initiative in this area with industry. We are taking forward the issue as part of our work on broadband quality of service. We are carrying out research and are in discussion with stakeholders including the Advertising Standards Authority. We are currently considering a range of possible measures, including different ways to improve the information available to consumers at point of sale and in advance of purchase decisions and aim to publish our proposals in the New Year. I believe the Panel has played a prominent and effective role in highlighting this important area of consumer concern.

A benefit of more accurate and transparent information on broadband speeds should be to provide greater focus on the issue you highlight around the data speeds that consumers need to be able to play their full part in today's society and the economy. Over the next year

we will be contributing to the debate at the European level about the future scope of Universal Service. Our work on access and inclusion will also look to quantify the benefits resulting from availability of digital services, with particular focus on the value to consumers of different broadband speeds.

NGA – your third priority area – will form a major part of Ofcom's future work programme. As you know we are currently consulting on options for the appropriate regulatory framework for NGA. We must ensure that regulation does not dis-incentivise efficient investment but also that it promotes strong competition. We fully recognise the importance of the issue you raise about geographic availability of these new services and disparities between rural and urban areas. We will want discuss these issues fully with industry, consumer and government stakeholders as part of the ongoing debate.

Beyond these three priorities you identified the Digital Dividend Review (DDR), consumer protection and services for disabled consumers as areas for Ofcom to focus on over the coming year. I entirely agree that these are important issues for us to address.

On the DDR we are grateful for the advice you provided on 28 November which sets out your views in detail, including on the innovation fund you mention in the letter. The Board has considered your submission in the process of reaching decisions on the DDR and we will respond fully to the points you raise. However, this may prove to be an area where the Board and the Panel must agree to disagree at certain times.

On consumer protection issues, the Experience report showed progress being made in several areas, in particular on silent calls and broadband switching, but with new problems such as mobile mis-selling emerging. We recognise that we need to reinforce our efforts over the next year to protect consumers from harm and to strengthen a culture of compliance within industry. With regard to the Telephone Preference Service, we welcome the Information Commissioner Office's (ICO) active enforcement programme established this year. The joint letter of understanding between Ofcom and the ICO published in September creates a good basis for our enhanced collaboration and we will continue to work closely with the ICO on areas where we have joint responsibility for enforcement.

Work on services for disabled consumers will be a particular focus for us. The research showed that some progress is being made with the increasing take-up of services by disabled consumers but that many barriers remain. We wish to understand and develop proposals to address these barriers over the next year. We will also extend our qualitative research programme to examine barriers for consumers with mobility, cognitive and visual impairments.

I very much welcome your letter and am pleased that we share your views on the challenges that face us and on the priorities that we should set ourselves. We strongly value the Panel's very positive input to policy making and in particular the tremendous contribution you have made personally to the successful establishment and operation of the Panel. We look forward to this constructive relationship with the Panel continuing in the future.

Ed Richards