

1 December 2006

Colette Bowe
Chairman
Ofcom Consumer Panel
Riverside House
2a Southwark Bridge Road
London SE1 9HA

Dear Colette

Ofcom's priorities for consumers

Thank you for your letter of 13 November setting out the Consumer Panel's views on Ofcom's priorities for consumers. I have always been a strong supporter of a frank and open relationship with the Consumer Panel which I believe has been a benefit to Ofcom. I have always taken a keen interest in the work of the Panel and in consumer issues, and look forward to continuing to work with the Panel in my role as Chief Executive.

Ofcom has made a step change in its approach to consumer policy and addressing the consumer interest across the organisation over the last year. We acknowledge the role the Consumer Panel has played in helping us to define how we as a regulator can best analyse, consider and implement policy that delivers positive outcomes for citizens and consumers in the communications sector. We intend to build on this approach, with consumer issues at the heart of Ofcom's recent work on developing our strategic framework for the next three years.

I would like to give you my initial response to some of the issues raised in your letter. You mention the Digital Dividend Review, in which Ofcom will set out the approach to managing the spectrum freed up by digital switchover. We have given a great deal of consideration to how best measure the social importance of this spectrum when assessing how to allocate it to future users. The consultation on our initial proposals will provide an opportunity for further debate on how to define the consumer and citizen interest in this area. We intend to ensure that the process of identifying and assessing the fullest range of potential value from the use of the released spectrum continues through next year.

The Consumer Panel has made a significant and important contribution to the digital switchover programme and has ensured that consumer issues are fully considered by all the parties charged with delivering this project. As you know, Ofcom's responsibilities in relation to consumers is mostly centred around our spectrum planning work and how it impacts on coverage and reception, and encouraging manufacturers to provide more easy to use digital TV equipment. We are therefore focusing our efforts on ensuring we deliver those

responsibilities in an effective and timely way. However, where we can, we will certainly contribute to the work of Digital UK and Government on broader consumer issues we are keen to offer assistance.

Ofcom, as an independent regulator, can often play a useful role in offering advice to Digital UK and Government on digital switchover. I note your call for Ofcom to be more vocal on issues, including making our views public. Where it is appropriate for Ofcom to comment publicly on issues, we always will. I am sure you are right in identifying this as one of the most important issues for consumers of the next few years.

You mention in your letter the challenges consumers face in an increasingly converged, competitive and complex communications market. We will need to consider carefully the roles consumer information and protection and enforcement measures play in providing consumers with clarity and security when dealing with communications providers. The Panel's advice on this will be crucial as our policy in this area is further developed. I would also like to note in this context that the Board has made clear that it sees a culture of business compliance with codes and regulatory obligations as being central to a well-functioning market. You will see this reflected in the draft Annual Plan for 2007/8.

Over the next year we are planning a number of projects around citizen issues, particularly focusing on access and inclusion. This will include work on examining obstacles to delivery and take up of essential services and examining vulnerability and disadvantage across Ofcom's work. We recognise that the Panel has done some valuable research in this area, and will be looking to address the issues you have highlighted.

While we have always tried to reduce burdens of regulation, we have also always said that we would not deregulate in areas where consumers and citizens relied on the protection of regulation. In our first statements on Ofcom's approach to regulation, we said that we would balance a "light touch" with industry with the need to take prompt and effective action where necessary to protect the interests of citizens and consumers. This balanced approach to regulation is sensible and we shall act decisively wherever we feel it is necessary to do so.

I would like to thank the Consumer Panel for the quality and substance of your contributions to Ofcom's work over the last three years and look forward to continuing that relationship moving forward.

Ed Richards