

Communications Consumer Panel Draft Work Plan 2010/11

Role

Through the advice that it gives, the Communications Consumer Panel seeks to persuade Ofcom, Government and industry to look at issues through the eyes of consumers and protect and promote their interests. The Panel pays particular attention to the needs of older people and people with disabilities, to the needs of people in rural areas and people on low incomes, and to the needs of small businesses, which face many of the same problems as individual consumers.

The Panel is made up of ten independent experts. They have experience from many different fields: consumer advocacy, regulation, the third sector, academia, the trade union movement, market research and industry.

The Panel is often described as a ‘critical friend’ to Ofcom. We provide robust and independent advice which we publish on our own website. At the same time, our advice is constructive, realistic and cognisant of the trade-offs that regulatory decisions often involve. This is made possible by the fact that Ofcom shares information and ideas with the Panel early on in the regulatory process before consulting formally with other stakeholders.

Impact

Over the last year the Panel has had a positive impact in a wide range of areas. The following paragraphs describe that impact, recognising that regulatory and policy decisions are influenced by a wide variety of factors and that progress made in the areas below is not solely the result of the Panel’s work.

The Panel has advised Ofcom on the processes for switching service provider, emphasising the need for more unified processes in response to increased bundling and the extra difficulty that this is likely to create for consumers wanting to switch. Ofcom is now giving greater priority to looking in a holistic way at how to improve and unify switching processes, alongside work to improve existing processes. The Panel welcomes the fact that removing barriers to switching is one of the priorities set out in Ofcom’s Draft Annual Plan 2010/11. The Panel Chair also chaired a workshop with industry and consumer groups that helped to stimulate more active industry engagement with the work that Ofcom is leading.

The Panel advised Ofcom on its review of complaints-handling, highlighting the importance of improving the way that service providers handle complaints so that all consumers, including those who are disadvantaged, are able to escalate complaints where

necessary and get them resolved. The draft code of practice that Ofcom published for consultation in December addressed many of the issues that the Panel identified.

In advising Ofcom on its Mobile Sector Assessment, the Panel recommended that mobile coverage should be a priority. This advice was based on the Panel's research to find out the views and experiences of consumers and small businesses. Ofcom responded to the Panel's advice and one of the priorities in Ofcom's Draft Annual Plan is to make progress on mobile and broadband not-spots. To this end Ofcom will be carrying out research to understand the nature of coverage problems better and explore how they can be addressed. The Panel also called on industry to improve coverage information and consumers' ability to cancel contracts if they are not able to get the coverage they need to 'try before they buy'. The Panel is continuing to pursue the issue of 'try before you buy' with the mobile operators.

The Panel has developed a framework for digital participation, which starts with the consumer experience and breaks down the journey that people make in getting online and then enjoying the benefits. The framework highlights the particular needs of key groups, including older people, younger people, parents and people with disabilities. It is based on a review of the relevant research literature and input from a broad range of stakeholders. It has also been tested through research with consumers. The Panel will publish the framework in the spring, alongside the literature review and consumer research. In the meantime, the Government has used the framework in developing the National Plan for Digital Participation and identifying the gaps in the delivery of services to increase the reach, breadth and depth of participation online.

The Panel commissioned research to inform debate about the universal broadband commitment proposed by Government during the Digital Britain review. The Panel's research showed that soon it will be essential for everyone to have broadband at home. This helped to make the case for a universal broadband commitment. Lord Carter acknowledged that, "The Panel's research was really valuable in assisting the policy development process for Digital Britain. It was central to our understanding of consumer and citizen interests and was one of the key sources of evidence we drew upon when developing the policy set out in the Final Report."

The Panel will describe its impact more fully in its Annual Report, which will be published at the start of the next financial year and will include the final version of the Work Plan for 2010/11.

The Panel has a memorandum of understanding (MoU) with Consumer Focus, which is the statutory consumer body that represents consumers' interests across all sectors of the economy. The MoU provides that the Panel will generally take the lead in relation to communications issues, with Consumer Focus adding its cross-sector expertise to issues such as switching and mis-selling. Over the last year the Panel has worked with Consumer Focus in a complementary way, particularly in relation to the mobile sector. In the context of the T-Mobile/Orange merger, the two bodies combined to send a joint letter to the European Commission calling for a detailed investigation of the potential impact on consumers and suggesting that this should be carried out in the UK. The Panel is currently

discussing with Consumer Focus how the two bodies will collaborate over the next financial year.

The Panel also engages on a regular basis with other consumer organisations, such as Which?, Age UK, Citizens' Advice, Consumer Expert Group, Consumer Forum for Communications, and RNIB.

Value for money

Ofcom is required by the Communications Act 2003 to fund the Panel. This means paying Panel Members' fees and expenses, funding consumer research and providing a small support team. As Ofcom has become more actively engaged with consumer issues, the role of the Panel has changed and therefore so has the level of funding. In particular, as Ofcom has done more consumer research itself, the need for the Panel to carry out such research has reduced. As a result, budget reductions do not impede the Panel in fulfilling its role and are consistent with good financial management.

The Panel's budget has reduced significantly over the last five years. The budget was £936k in 2006/7, £896k in 2007/8, £781k in 2008/09, £745k in 2009/10 and is proposed to be £743k in 2010/11. This is a 21 per cent reduction in nominal terms over the five years (more in real terms).

Work Plan

The Panel advises on a broad range of issues. The nature of our engagement varies, but we address issues in two main ways:

- Substantial proactive work to push an issue up the regulatory or policy agenda or seek a specific change in policy.
- Monitoring an issue, often where the Panel has previously raised concerns and stimulated action, and intervening where appropriate.

The Panel does around four pieces of substantial proactive work each year. These projects each take around six months. Generally, they will involve carrying out research to inform the Panel's position. The outputs from these projects will be staggered throughout the year, with the Panel aiming to have one significant output per quarter.

The nature of the Panel's engagement with an issue may change over time. For example, having done significant proactive work to highlight the need for a universal broadband commitment, the Panel is now monitoring the implementation of this commitment. Conversely, if insufficient progress is being made on an issue that the Panel is monitoring, it may decide to engage with it in a more significant and proactive way. The Panel also receives requests for advice in relation to issues that it has not included in its Work Plan. But we need to weigh such requests against other priorities before deciding whether to respond and if we decide that the issue should be given priority we may need to amend our Work Plan.

The Panel develops its Work Plan by applying two questions to the issues that it could possibly address:

- What is the scale of the issue?
- Can the Panel make a difference?

In the Panel's Work Plan for 2010/11, it is proposing to cover the following six areas:

1. Digital participation and inclusion

- Publishing the Panel's digital participation framework, together with the accompanying consumer research and literature review, to shed light on consumers' experiences of getting online and enjoying the benefits (*substantial proactive engagement*).
- Monitoring the ongoing work of the Digital Participation Consortium and Digital Inclusion Champion (*monitoring with engagement where appropriate*).

2. Mobile

- Working with Ofcom and industry to: explore how mobile coverage could be improved; make available better, more comparable information about coverage; and ensure that 'try before you buy' is available to consumers no matter how they buy their mobile phones (*substantial proactive engagement*).

3. Processes for making and evaluating regulation

- Carrying out a review of a sample of Ofcom projects to assess the extent to which consumers' interests are being taken into account in the way envisaged by the Panel's Consumer Interest Toolkit (*substantial proactive engagement*).
- Examining whether the principles of behavioural economics apply equally to the decision-making of disadvantaged consumers (*substantial proactive engagement*).
- Contributing to the development of Ofcom's guidelines on making and evaluating regulation (*monitoring with engagement where appropriate*).

4. Consumer protection and empowerment

- Engaging with Ofcom, industry and the EU to promote more easy-to-use communications services and equipment (*substantial proactive engagement with initial research on usability being followed by a second phase subject to the results of the first phase*).
- Advising Ofcom on: complaints-handling; and switching (*monitoring with engagement where appropriate*).

5. Consumer engagement with the internet

- Developing and promoting a better understanding of consumers' expectations of the internet and influencing the debate about future regulation and public policy (*possible substantial proactive engagement subject to progress with other areas of work*).
- Tracking the development and implementation of the Government's plans to tackle illegal peer-to-peer file-sharing and emphasising the need for proper consumer safeguards (*monitoring with engagement where appropriate*).

6. Universal service

- Advising Ofcom on its review of the current universal service obligation (*monitoring with engagement where appropriate*).
- Influencing the Government's implementation of the universal broadband commitment and its plans to stimulate investment in next-generation broadband (*monitoring with engagement where appropriate*).

The Panel will also keep other issues under periodic review, seeking updates at appropriate intervals and providing advice if this is warranted. These issues include:

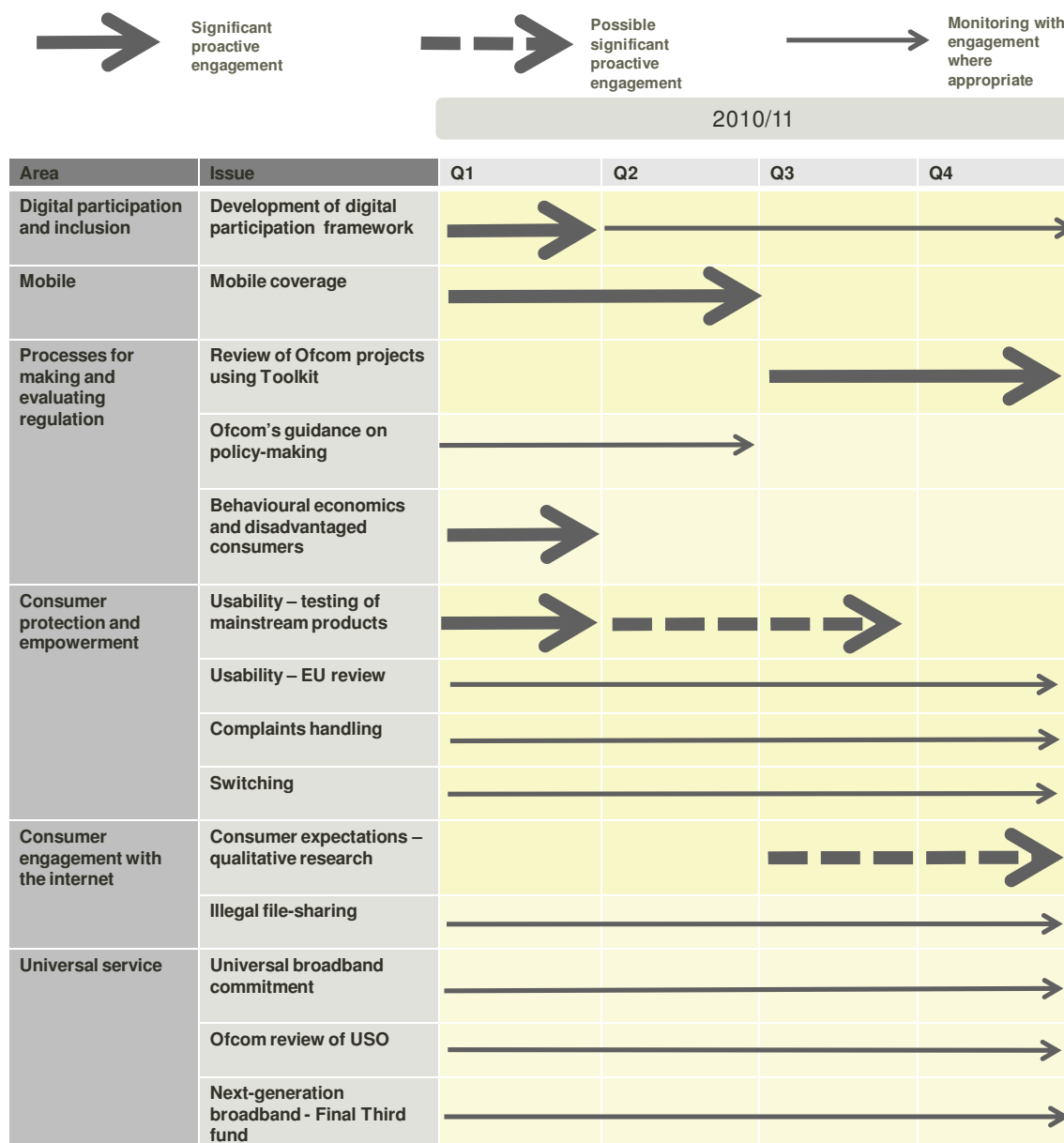
- broadband speeds;
- digital terrestrial TV clearance;
- rollover contracts;
- Ofcom's wholesale broadband access and wholesale local access market reviews; and
- European Commission's review of universal service.

Figure 1 on the next page summarises the Panel's Work Plan and indicates when the significant proactive areas of work are likely to be carried out.

The Panel will also be carrying out a number of governance-related pieces of work:

- reviewing the Panel's MoU with Ofcom;
- reviewing the Panel's MoU with Consumer Focus;
- carrying out its programme of stakeholder engagement; and
- improving its processes for informing stakeholders about the Panel's activities.

Figure 1: Proposed Work Plan 2010/11



Consultation

The Panel would like to hear your views on its proposed Work Plan. Please send your comments to alistair.bridge@communicationsconsumerpanel.org.uk by Friday 26 March 2010.

In particular, we would like to know your views on:

- whether the Panel has identified the right areas to address; and
- whether the Panel has identified the right action to be taken in each area.