

17 April 2013

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COLETTE BOWE
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Dear Jo,

Ofcom Draft Annual Plan 2013/14

Thank you for your very helpful letter detailing the Panel's response to Ofcom's Draft Annual Plan 2013/14. The Panel has made a number of points touching on issues of great importance to UK consumers and citizens in the sectors we regulate, which we welcome and with which we broadly agree.

As you know, our principal duties to further the interests of citizens and consumers are at the heart of all of our work, and this is reflected across our Strategic Purposes and activities in the Plan.

Communications services continue to grow, both in prevalence and in their importance to consumers and citizens enabling consumers to participate in wider society effectively. In support of this, we have a key focus on promoting opportunities to participate – seeking to ensure widespread availability of services and seeking to reduce barriers to their adoption and effective use by consumers.

The industries we regulate have delivered innovation and value to the benefit of consumers and citizens. Whilst we continue to ensure the right conditions for investment and competition, we will also remain vigilant for potential harm as the market and new services continue to develop.

We are of course always keen to continue our engagement with you in these important areas of our thinking.

In your response you mentioned several particular issues regarding consumer protection and empowerment. I address these below in the same order as they were raised in your response.

Confidence and trust

We believe that audience confidence in broadcasting includes trust as an outcome of continuing standards regulation and enforcement. In 2009/10 we delivered a work area on promoting trust in broadcasting which was taken forward by industry. Our current remit, as defined by statute, does not explicitly extend to promoting confidence and trust in other communications services, although we would suggest that our regulatory action in these other areas, such as postal and broadband services, promotes these qualities as a by-product.

The consumer journey

Thank you for your suggestion of further work on the 'consumer journey'. As you know, we have undertaken extensive work on complaints handling and this will continue, as will our research on quality of customer service. Our tracking of general consumer satisfaction is also relevant on this question. We agree with the Panel that this does not provide the whole story, and that there are aspects of the consumer experience which are less well understood – for example, the experiences of consumers who are dissatisfied but do not complain. We look forward to working with the Panel on this as you progress your own work in this area.

Working with other stakeholders

I note your call for us to do more to encourage or help other agencies to act where we cannot. We recognise that Ofcom research and analysis can be helpful to other stakeholders and we seek to work efficiently across agencies where our responsibilities overlap or are complementary. We will continue this. Current examples are our work on nuisance calls (with the ICO, OFT and MoJ) and video relay (with DCMS, the Equalities and Human Rights Commission, consumer stakeholders and industry).

Mobile coverage

Ofcom will track 4G roll out and coverage through our annual Communications Market and Infrastructure reports. We will continue to track technology developments that could help the market deliver better mobile services, such as developments in small cells. We will continually review whether there are alternative regulatory approaches that we could adopt which would result in better mobile services.

700MHz

As you suggest, learnings from the 800 MHz coexistence project will be used in our work on the 700 MHz release. Regarding your concern about emergency and defence services in this area, we are always mindful of the specific needs of these stakeholders and continue to ensure that their interests are well-served. In Section 7 of the Annual Plan (7.9), we also note that emergency services spectrum planning is likely to be an issue that will inform priorities in future Annual Plans.

Nuisance calls

As you are aware, Ofcom shares your concern about the consumer harm generated by nuisance calls and messages. Following your comments on the draft Annual Plan, we have broadened out the reference to our work in this area. Instead of focusing solely on silent calls, we now explicitly state that we are taking a wider range of actions to tackle nuisance calls and messages as a whole, and outline the key elements of our five-point action plan (see paragraph 4.44). One of those elements is coordinated action with the Information Commissioner's Office, Ministry of Justice and OFT and others. We are keenly aware of the need to work together closely on both policy and operational issues in this area, and working hard to do so.

Availability

Availability is a key part of our work on participation. As well as the work we are doing on rural network coverage, we will continue to work with stakeholders to facilitate understanding of availability, take-up and network performance in each of the Nations. We will also continue to work with stakeholders, including of course the Panel, on take-up where Ofcom research can play a very important part in identifying and diagnosing issues for policy makers and other stakeholders to consider.

SME business consumers

We outline our approach to business customers in Section 6 of the Annual Plan, updated since the draft document. We recognise the important role that businesses, including SMEs, play in the UK economy and are always mindful of their needs as consumers. We are undertaking several projects this year which have particular relevance here, most notably our work on communications service availability and the effect on UK cities. Furthermore, we are undertaking more research in this area to better understand the needs of business consumers. This will inform potential future work in this area.

Switching

I note your comments on switching in which you make a number of important points, including on bundling and the need for harmonised processes. We are continuing our work on switching which is a priority for us strategically. We plan to publish a statement on our review of switching processes in summer this year.

We agree that all of the above areas are important. In all cases we will play our part, in accordance with our statutory role, to secure positive outcomes for consumers.

I am very much looking forward to continuing to discuss all these issues with you in the future.

With best wishes

Yours ever,
Colette

cc. Ed Richards, Clive Carter, Claudio Pollack (Ofcom)