

Minutes of the meeting of the Communications Consumer Panel and ACOD

on 17 October 2019 at 10.30

Riverside House, 2A Southwark Bridge Road, London SE1 9HA

Present

Consumer Panel/ACOD

Rick Hill (Chair)

Kay Allen

Amanda Britain

Richard Spencer

Craig Tillotson

Apologies

David Holden

Karen Lewis

Richard Williams

In attendance

Jenny Borritt

David Edwards

Fiona Lennox

Chloe Newbold

Representatives from UKRN (item 6)

Ofcom colleagues

| Item |
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| <p>1. Welcome and introduction</p> <p>The Chair welcomed Members and attendees to the meeting.</p> |
| <p>2. Declarations of Members' interests</p> <p>Craig Tillotson declared his role as Chief Executive of the Smart Request Company Limited, a FinTech, and relevant to the later agenda item on scams.</p> |
| <p>3. Minutes of the meeting on 19 September 2019 and matters arising</p> <p>The minutes of the meeting of 19 September were APPROVED for signature by the Chair. Matters noted:</p> <ul style="list-style-type: none">• The Chair would be meeting Ofcom's Director for Scotland shortly and would raise the Panel's interest in network resilience (partly in the context of the recent power and network outage on the island of Colonsay).• A Member's request to schedule an update on mobile coverage and rural areas for the next Panel meeting.• A Member would share details of a contact to discuss accessible communications with the Panel. |

4. Consumer update

The Panel was updated on Ofcom's consumer priority work areas. Topics discussed by Members included:

- Fairness for customers; the Panel noted Ofcom's plans for reporting on CP performance and a Member suggested that Ofcom research/seek consumer views on fairness.
- Migration to VoIP; a Member commented that microbusinesses needed to be captured in Ofcom thinking.
- Switching; a Member highlighted the importance of CPs taking account of consumer vulnerability in the switching process.
- Format of consumer update report for the Panel; Members provided some feedback on the current format. Part of the current information package included data on consumer complaint trends and Ofcom was requested to provide supporting narrative.
- Other issues discussed included broadband USO; mobile handsets; standalone customers; ADR; and vulnerability.

The points raised would be fed back to the relevant Ofcom project teams.

5. Broadband Pricing Differentials

Ofcom had just published the initial conclusions from its review of broadband pricing practices and the Panel was briefed on findings and progress made to date. Members made a number of comments:

- CP practices meant that out of contract customers and those that did not engage with their providers were subjected to higher charges, ie inertia by some customers could mean a subsidy for engaged customers.
- Whilst a case could be made for contracts to cover the cost of a mobile handset, a Member argued that the contracting mechanism was distorting the fixed broadband market and was unjustified.
- Querying the degree to which out of contract pricing was acceptable, ie the metrics of customers experiencing detriment and its degree.
- Querying language, ie Ofcom's references to 'discounting' practices in Ofcom's publication when this was really acquisition pricing followed by a price rise.
- Members would feedback any additional comments by email.

6. UKRN update

The Panel was briefed on the progress of work to improve outcomes for vulnerable consumers undertaken by the UK Regulators Network (Ofcom being a member), in response to the Department for Business, Energy & Industrial Strategy Green Paper *Modernising consumer markets*. UKRN planned to publish a document on minimum standards. Issues discussed included:

- Loyalty premiums and concern that the same groups of consumers were continually being penalised.
- Progress in data collection/sharing in the energy and water sectors and amongst CPs, the Panel arguing for a consistent approach across sectors.

- Instances of temporary vulnerability due to consumers' changing circumstances.
- The importance of communications services for vulnerable consumers to report a breakdown in their utilities, eg a loss of power.

7. Scams

The Panel was updated on Ofcom activity to tackle nuisance calls and scams, including collaborative work with the Financial Conduct Authority and Stop Scams UK (the latter would be hosting a roundtable in November that the Panel Chair would attend). Topics discussed included Ofcom research plans; network blocking; SIM swap scams, Strong Customer Authentication; and reporting mechanisms for consumers.

8. Accessible Formats

As part of a November consultation to implement the new European Electronic Communications Code, Ofcom planned to consult on the extension of obligations on CPs for communications in accessible formats to any customer who might request this due to their disability and to cover a wider range of communications, i.e. beyond bills and contracts. Issues discussed included:

- Cost and proportionality of the proposed measures.
- CPs' apps, the Panel's view being that there should be a requirement that these be accessible.

A Member unable to attend the meeting had provided feedback on Ofcom's proposals by email, this would be shared with Ofcom, and included the following points:

- There was greater value in a CP conversation with a customer about meeting access needs rather than about disability.
- The suggestion of a core list of alternative formats, whilst retaining some flexibility for other options, and inclusion of Easy Read.
- A need to address requests by customers for their data to be sent by e-mail, there have been instances when requests have been refused by CPs on the grounds of data protection.
- It would be sensible to check Ofcom's approach for alignment with Equality Act obligations.

9. Personalised pricing

The Panel was briefed on personalised pricing, a form of price discrimination using data collection, e.g. customer usage patterns, and algorithms to set different prices for different customers, whether on an individual or on a group basis. Topics discussed included:

- Use of customer data, ethics and issues of consent.
- Algorithms and use of data on vulnerable customers that could indicate that a customer would "cost more" to a CP e.g. data on customers that complained more frequently.
- Potential erosion of consumer trust.

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| <ul style="list-style-type: none"> • Pricing, as only one part of the customer proposition - personalised servicing being the other part of the picture. |
| <p>10. Ofcom’s Annual Plan</p> <p>Members noted the proposed broad work areas of Ofcom’s 2020/21 Annual Plan. Members made comments including:</p> <ul style="list-style-type: none"> • The need to include Post in work on fairness. • Emphasis needed to be on CPs actively <i>treating customers fairly</i> rather than on the general concept of fairness for customers. • Ofcom sought to work with CPs to ensure that their networks were strong, secure and protected against outages or cyberattacks, what mattered were resilient and high integrity networks. • Automatic compensation should be available for network outages. • Ofcom work to improve mobile services needed to include both 4G and 5G. • Innovation of Ofcom’s approach to regulation should include steps to make its actions more timely and include new ways to gather consumers’ views. • Ofcom aimed to increase its diversity and inclusion, measurement of gender pay gaps was suggested as an element of this work. |
| <p>11. Panel internal discussion</p> <p>The Panel had undertaken a review of Ofcom’s consultation processes in 2014. It was proposed and agreed that the Panel re-do the review, five years on.</p> <p>Members discussed and agreed a proposal that the Panel scope and commission research on scams.</p> |
| <p>12. Any other business</p> <p>There was no other business.</p> |

.....ChairDate