MAY 2016 BULLETIN

Update on Communications Consumer Panel and ACOD activities

Ofcom launches consultations mailing list

In our review of Ofcom's consultations process one of the key recommendations from the Panel was for Ofcom to create a consultations mailing list, to enable interested parties to be notified of consultations it has underway.

We're delighted to report that Ofcom has now established such a mailing list which we hope will be useful for people to keep up-to-date with the issues that Ofcom is consulting on.

You can sign up to the consultations update mailing list at http://www.ofcom.org.uk/email-updates/'Consultations' is the bottom topic, click there to be taken to the email sign up page

Update on our 2016 Work Plan

Following publication of the Communications Consumer Panel and ACOD's work plan for 2016/17, the Panel has been discussing further detail with interested parties regarding implementation and areas of common interest.

Jo Connell, the Panel's Chair, has met with a number of stakeholders, including Action on Hearing Loss and the Consumer Forum for Communications, to discuss the critical areas that we intend to address. This year, our key areas of engagement are:

Broadband/mobile coverage and quality of service

Nuisance calls and ease of reporting

Treating consumers fairly including customer service and complaints handling

Digital engagement/detriment

Postal services

You can read our full work plan here.

In terms of research, we intend to focus on a new project in relation to access to broadcast and on-demand content. The delivery of audio-visual content has been transformed in recent

years. We believe that, as far as practicable, everyone should have the opportunity to take advantage of these developments and have equivalent access to both broadcast and on demand content. We continue to be concerned about the provision of access services and will undertake a study into the delivery and usage of services, people's attitudes to these and the barriers that stand in the way of better provision.

If you are interested in learning more about our planned work please contact us at media@communicationsconsumerpanel.org.uk

Internet of Things

Panel member Chris Holland has been continuing the Panel's research and contribution to the Internet of Things (IoT). This month he attended an informal meeting on the subject at the London School of Economics.

As meeting attendees recognised, the IoT potential opportunities and benefits are numerable, including safety and security gains, and increases in convenience and efficiency, but there are equally many unanswered questions in regard to accessibility, consent, ownership. Key issues raised during the discussions include privacy, security, and whether existing consumer protection law deals with IoT scenarios.

The Panel will continue to be involved in this issue and highlight consumer interests as policy develops.

Enabling Smart Cities: Big Data Conundrums

Mairi Macleod, Scotland Member for the Communications Consumer Panel took part in the 'Enabling Smart Cities: Big Data Conundrums' seminar at All-Energy, held in Glasgow earlier this month. The seminar looked at some of the digital challenges facing the energy industry. In particular the discussions were focused on how big data and the Internet of Things (IoT) can lead to efficiency and cost savings, new customer services and business models and help address environmental, health and human safety issues. Potential uses of energy data are to help householders optimise energy consumption via in-home monitors; change behaviour and shift demand, for example via variable tariffs; and to use data findings to educate and inform.

But big data also raises moral and ethical questions and there are data security and privacy implications. Mairi talked about IoT from the point of view of consumers and citizens, raising the issue that there is increasing public concern about data sharing and transparency. Focussing on smart meters in particular, concerns include citizens' privacy within their own homes, tracking occupants and data used for profiling, for example potentially resulting in price discrimination.

Possible solutions to these issues suggested during the discussion included data protection by design and default, new consent obligations, data breach notifications, better anonymisation, a council of data ethics, consumer education, and a tiered penalty regime.

Mairi also highlighted how disability can prevent people accessing some communication devices and services and argued that the development of IoT applications presents a great opportunity to design inclusively for all.

Ofcom stakeholder workshop: publicising services available to disabled communications consumers

On 3 May, Ofcom held a workshop for representatives of consumer stakeholder groups to gather input into a guide it is developing for Communications Providers (CPs) in relation to their obligation to publicise details of services they offer to disabled customers. Services include text relay; priority fault repair; third party bill management; free emergency SMS; free Directory Information and Directory Enquiry facilities; and provision of bills and contracts in alternative formats.

Ofcom sought input on the reasonable steps CPs could be expected to take to ensure that the above services are widely publicised, in appropriate formats and through appropriate channels: which includes by phone, in store and online.

On behalf of the Panel and ACOD, the workshop was attended by Panel members Bob Twitchin and . Chris Holland who made the point that CPs should provide training for all staff to ensure they are aware of what services they provide for disabled people, with enhanced training for front-line staff. Training needs to include sensitivity in trying to encourage disclosure of disabilities.

Panel Members and other attendees urged for more standardisation in regard to web accessibility, particularly navigation and search terms.

The guide will be published in summer 2016.

The Panel and ACOD's consultation responses

Response to PhonepayPlus' consultation on its Vulnerability Guidance

Overall, we welcomed this draft guidance, and fully support PhonepayPlus in its efforts to secure greater protection for consumers in vulnerable situations.

We are pleased that PhonepayPlus recognise that vulnerability has a fluid nature, rather than being a simple binary position, and we provided specific suggestions on defining vulnerability.
We also applauded the focus on outcomes and effects on the consumer, an approach which we maintain will benefit the industry and the consumers it serves.

However, in regard to premium rate services we have previously highlighted the benefits of spending caps – we have urged PhonepayPlus to consider including these in the guidance. Our response can be found here.

Response to Ofcom's call for input into managing the effects of 700 MHz clearance on PMSE and DTT viewers

Whilst the Panel and ACOD recognises the global harmonisation of 700 MHz for mobile broadband will potentially bring about benefits for UK consumers, in our response we stated that the underlying principle of intervention should be that viewers who currently receive a DTT service will continue to do so or be enabled to access an equivalent service following 700MHz clearance. The DTT platform has an important role in providing low-cost, near-universal access to the public service TV channels, contributing to inter-platform competition

and in sustaining viewer choice. Consumers who may need support in replacing or repointing aerials or retuning are not necessarily the same set of people who will benefit from the improvements to mobile networks.

Ultimately, the Panel believes that the costs associated with any change in spectrum allocation should be borne by businesses that benefit and/or Government rather than consumers. We stressed the importance, as in digital switchover, of working with consumer support organisations – particularly in relation to support for more vulnerable consumers. Consumer awareness of the issue is vital, so that people do not make hasty, ill informed decisions and incur unnecessary costs in order to restore their service. We also argued that support should not be restricted to the 'primary set', however that may be defined and should include households who use portable aerials.

We encouraged Ofcom to work with operators to ensure that they are using their allocated spectrum to best and most efficient effect as part of any process to make the reallocated 700 MHz band available and strongly urged Ofcom to impose very high, near universal coverage obligations for voice and data on the awards of 700 MHz spectrum, along with meaningful sanctions if they are not met.

Our consultation response can be found here.

Comments on the report of the working group on consumer and competition policy for Scotland and the Scottish Government's response

We are delighted that two Members of the Panel and ACOD have been involved in the development of the consumer and competition policy for Scotland to date. Our Member for Scotland, Mairi Macleod has taken part in discussions with officials and Rick Hill, the Panel and ACOD's Member for Northern Ireland, was appointed by Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy, John Swinney to chair the Working Group to consider these changes to the consumer and competition landscape in Scotland. Given his role in the development of the Working Group's report, Rick did not contribute to this response.

We recognised that consumer advocacy is not devolved for most of the telecommunications market but we considered that our experience of tackling a number of issues we discussed in the response could be of relevance to other areas where advocacy is devolved. Communications services, in all their forms, play an ever-important part in people's lives. Telecommunications is now rightly regarded as the fourth utility, but the market is undergoing significant change – and while many developments offer fantastic opportunities to benefit consumers, they also have the potential for confusion and consumer harm.

Trust is a therefore a vital component of an effective market. Consumers need to be able to trust their providers - trust that they will behave fairly; give a good service; be careful custodians of consumer data and protect consumer privacy etc. The four pillars identified in the report – advocacy, advice, enforcement and redress - are crucial in terms of underpinning that trust. The Panel supports fully any steps that help create a fair, inclusive and cohesive consumer policy framework that translates into accessible information and support for consumers.

We welcomed that advocacy and action on behalf of, and by, consumers and citizens are at the heart of the Working Group's report and the Scottish Government's response. We fully agreed that "An effective advocacy body must be capable of acting as a bridge between consumers, regulators and policymakers. It must be capable of communicating the consumer interest while also interpreting the language and context of regulation".

As the Working Group's report states, the new independent body should work to ensure "the voice of Scottish consumers is heard, informing debate in devolved and UK and European contexts with constant critical scrutiny which keeps asking the right questions". To be able to do this, it is vital that the new body commissions research, in addition to taking account of learnings from other data sources. As a Panel, we have also found that it is essential to be able to look forward and anticipate developments and their impacts as well as deal with current issues of consumer detriment.

Our response then highlighted a number of issues in more detail: market consolidation; switching; the provision of advice and information; postal services; customer service and treating consumers fairly and digital engagement.

Our response can be read here

Response to Ofcom's consultation into its Space Spectrum Strategy

Ofcom's consultation invited comment on its choice of strategic priorities covering the use of spectrum by the satellite and space science sectors, namely: broadband, earth observation and existing benefits/sharing.

We strongly supported the use of satellite technology to tackle the delivery of broadband to remote rural locations. Help is urgently needed to improve connectivity for the 9% of UK rural premises that are still unable to receive at least 2Mbps and 48% of UK rural premises (approximately 1.5 million households) unable to achieve download speeds of 10Mbps, as highlighted in Ofcom's Connected Nations report 2015.

We encouraged further investigation of easing mobile data "not spots". Lack of availability – or loss of service midway through a transaction – represents real consumer detriment so we recommended that this issue feature prominently within the strategy.

We underlined the importance of coverage to micro businesses, a problem both in rural and urban areas. When deciding upon strategic options, we urged Ofcom to consider exploring where satellite technologies may benefit small businesses.

We welcomed the objective to provide consumers and citizens with better, higher quality information about the world. The benefits set out in the consultation document are wide-reaching, from lifesaving up-to-the-minute emergency information, to understanding the weather-forecasting and preparing for flooding.

We agreed that Ofcom should keep under review the increased demands that may come from machine-to-machine communication via the Internet of Things. In our view this has potentially far reaching consequences.

Our consultation response can be found here.

Summary of responses to the Broadband Universal Service Obligation consultation

Last month we reported on our response to the DCMS's new Broadband Universal Service Obligation (USO) consultation. This month the UK Government published a summary of the responses it received, and its own response to these.

The Government states that there is broad support for universally available and affordable fast broadband access, and it has concluded that this is best delivered through a demand-led broadband USO. However, it states that this is not the only solution and that there is a need to ensure that the USO complements existing Government-funded and commercial roll-out schemes.

Provision will also be supported by the reform of the Electronic Communications Code (governing rights of access for providers to private land) as well as planning changes, all to be introduced in the Digital Economy Bill, announced in the Queen's speech.

The Government's response states that a USO will guarantee the right to request an affordable connection to broadband of a minimum specified speed, from a designated provider on reasonable request, but there may be exceptional circumstances when a request cannot be met, such as where the costs of the connection exceed reasonable cost thresholds, in which case the consumer will still be able to secure a connection but may be asked to contribute.

Ofcom has been asked to undertake an analysis of the factors that will help inform the design of the USO. The Government is asking Ofcom to report on its findings by the end of the year. In this regard, Ofcom has issued a call for inputs which is open until 23rd June, and is available here.

One of the key questions that Ofcom must consider is what might be defined as a "reasonable" request for a connection, and what might be an appropriate cost threshold. In our response to the DCMS' consultation we stressed that it is also vital that on-going costs are addressed for those who might encounter difficulty paying for the service.

Whilst the consultation document stated all homes and businesses can now access basic broadband of 2Mbps, we are conscious that Ofcom's Connected Nations Report still showed up to 9% of rural UK receiving speeds of less than 2Mbps (up to 2% of the whole of the UK). We therefore welcome that the Government response states that it will explore the role of different technologies as alternative connectivity solutions.

Our previously published consultation response can be found here.

A forthcoming consultation will cover the detail of the USO, and will provide an opportunity to comment on the design of the USO and how it is to be implemented.

Other news

Digital Economy Bill

The Queen announced the UK Government's programme of legislation for the coming year in her annual speech before Parliament on 18 May. This included plans to 'make the UK a world leader in the digital economy', in reference to a new 'Digital Economy Bill'.

Some critical issues that the Government has said it will address in the Bill include:

Better connectivity

Empowering consumers

Support of new digital industries.

Intellectual Property and online copyright infringement

Better use of data within Government

Strengthen protections for citizens in a digital world.

A key commitment is to deliver on the manifesto pledge to roll out universal broadband and better mobile phone connections, to ensure everyone is part of the digital economy. The measures that are being proposed to do this include:

A power for the Government to introduce a new Broadband Universal Service Obligation, which would give households and businesses the legal right to have a 10Mbps connection installed.

A new Electronic Communications Code, governing the rights of communications providers to build infrastructure on public and private land. Reforms are designed to cut the cost and simplify the building of mobile and superfast broadband infrastructure.

New and simpler planning rules for building broadband infrastructure.

There are also a number of proposals that relate directly to Ofcom's powers:

Reform of Ofcom's powers to ensure consumers have access to the data they need to make informed choices.

Clarification of Ofcom's power to require communications providers to offer automatic compensation to consumers when things go wrong.

Clarification of Ofcom's power to put in place rules on switching processes which providers must follow when a consumer wants to change their service.

Other important aspects of the proposed bill include protection for consumers from spam email and nuisance calls, by ensuring consent is obtained for direct marketing, and that the Information Commissioner is empowered to impose relevant fines. The Government is also seeking to introduce an age-verification for access to all sites containing pornographic material.

Calling all mobile users... text 78070 to reduce nuisance calls

Mobile phone users can now send a simple text message to opt out of unsolicited sales and marketing calls**.** The new 'text-to-register' service, launched by the Telephone Preference Service (TPS) and Ofcom, enables mobile phone users to add their number to the UK's official 'do not call' database by texting 'TPS' and their email address to 78070. It is illegal for organisations to make unsolicited sales and marketing calls to numbers registered with the TPS, unless they have a person's consent to do so.

According to Ofcom research, only half (48%) of people familiar with the TPS are aware that mobile numbers can be registered, compared to almost nine in 10 (88%) for landline phone numbers. This helps explain why only 2.9 million mobile numbers (around 3%) are registered on the TPS database, compared with 18.5 million landline numbers (around 85%).

To register, mobile customers simply text 'TPS', followed by their email address to the shortcode 78070. They will receive a text reply from the TPS confirming their number has been successfully added to its database. Registrants should notice a gradual reduction in

unsolicited sales and marketing voice calls after a few days, although it can take up to 28 days for the service to become fully effective. A study commissioned by Ofcom and the Information Commissioner's Office found people registered with the TPS saw a reduction in the monthly volume of live sales or marketing calls received of around a third (31%). Registering with the TPS, however, does not prevent spam text messages.

As well as registering with the TPS, people can tackle nuisance calls and messages in other ways. Ofcom's guides for consumers provide more information about other ways to protect against nuisance calls.

Review of the Regulation of Royal Mail

Following its review of the postal market, Ofcom has published a consultation on the regulation of the Royal Mail. The document set outs proposals for a future framework for post focusing on five key areas:

Maintaining a regulatory approach that recognises the structural decline in letters and

increasingly competitive parcels market, and extending the regulatory framework for a

further five years;

Supporting competition and innovation in the parcels sector;

Tightening rules on access competition;

Focusing mail integrity regulation on appropriate areas and securing good consumer

outcomes; and

Ensuring all regulatory conditions remain appropriate and fit-for-purpose.

The consultation, which is found here, closes on 3 August 2016. We will update our stakeholders on our own response in a future bulletin. Ofcom expects to publish a statement on its final decisions later this year.

Smartphone by default

Digital engagement and participation continue to be important areas of focus for the Panel. This month Ofcom published new Smartphone by Default research. This qualitative research report focuses on those people who conduct the vast majority of their online activities through their smartphone - either through choice or due to external factors limiting their access to alternative devices. Ofcom data show that approximately one in six adults now rely on devices such as smartphones and tablets for online access, and the trend is rising: at 16% in 2015, this is almost three times as likely as in the previous year (6%).

The research provides an understanding of the needs, experiences and characteristics of people who predominantly access the internet through their smartphone. The fieldwork involved 26 two-hour in-depth interviews in four UK cities: Glasgow, Leeds, London, Belfast and Cardiff. During these interviews, researchers explored the digital behaviour and skills of participants.

The study revealed that some consumers, especially those in more vulnerable circumstances are still struggling with computing skills.

2016 Internet Users bulletin reveals only marginal improvements

The Office for National Statistics (ONS) has also released its 2016 Internet users bulletin, which shows only marginal improvement in the numbers of disabled and elderly adults using the internet.

In 2016, 10.2% (5.3 million) adults had never used the internet compared with 11.4% in 2015. The ONS commented that: "While we have seen a notable increase in internet usage across all groups in recent years, many older and disabled people are still not online, with two-thirds of women over 75 having never used the internet".

Overall, internet use in over-75s has seen a substantial increase since 2011 (76.1% had never used the internet in 2011, compared to 56.5% now), but there is a trend developing in lapsed use in this age group, above other age groups. A lapsed user is defined as someone who hasn't used the internet in more than three months.

Of the 0.9 million lapsed internet users, 50% of that number were disabled people. Overall, 25% of disabled adults had never used the internet in 2016, a slight decrease from the 27.4% figure for 2015. On a more positive note, the number of disabled recent internet users has increased by 6.8%, to 8.6 million in the past year.

The ONS's Internet Users bulletin for 2016 can be found here: https://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2016

Study into value and use of mobile connectivity on trains

Consumers, citizens and micro businesses are more reliant than ever on communications services – mobile devices particularly have experienced an exponential rise in use. The Department for Transport (DfT) released a study this month aimed at understanding how rail users use and value mobile connectivity on trains.

Over 2,000 interviews were carried out with rail travellers between November 2015 and January 2016, using a mix of face-to-face interviewing and self-completion online interviews. The surveys were designed to capture a mix of journey purposes and journey lengths across the network.

Interviewees were given a series of choices between alternative scenarios, in which they were asked to make trade-offs between fares and varying service levels. The research indicated that people in all three travel groups (business, commuting, leisure) are, on average, willing to pay a significant uplift on their fare (13% to 17% more) to get mobile phone provision at 50% reliability.

The research can be found here.

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