Communications Consumer Panel and ACOD response to Citizens Advice’s Consumer Work Plan Consultation

The Communications Consumer Panel, established by the Communications Act 2003, is a group of independent experts with direct sectoral experience. We ensure the voice of citizens, consumers and micro businesses all over the UK is represented in communications policy development.

The Panel’s job is to ensure that the sector works for consumers, citizens and micro businesses - and in particular people who may be in a more vulnerable position in society. We carry out research, provide advice and encourage Ofcom, governments, the EU, industry and others to look at issues through the eyes of consumers, citizens and micro businesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of micro businesses, which have many of the same problems as individual consumers.

Four members of the Panel also represent the interests of consumers in England, Northern Ireland, Scotland and Wales respectively. They liaise with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel’s consideration of issues. Following the alignment of ACOD (the Advisory Committee for Older and Disabled people) with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

We act as a “critical friend” to Ofcom, rather than a campaigning organisation. Our unique relationship with Ofcom, made possible by a Memorandum of Understanding, gives us early, confidential access to the regulator’s thinking and means we can proactively influence decisions and advocate on behalf of the consumer interest. By Ofcom sharing information and ideas in confidence with us from the very start of policy making, we can make early, robust, high quality interventions, ensuring that consumer and citizen interests are at the heart of Ofcom’s thinking throughout. The level of trust we have fostered in the sector enables us to effectively influence communications providers and the regulator, and to hold Ofcom to account.

The Panel encourages Ofcom, other policy makers and industry to look at issues through the eyes of people who use - or are excluded from using - communications services. As well as commissioning research, we work collaboratively with an extensive network of stakeholders in all UK nations, including those representing older and disabled consumers and micro businesses, and in other sectors, and give insight to businesses, regulators and Government.

“Are consumer markets working as well as they used to?”

Citizens Advice’s draft consumer work plan opens by asking the question: “Are consumer markets working as well as they used to?” We wonder whether a better question might be: “Are consumer markets working as well as they could be, today?” The consumer
landscape is constantly evolving and policy makers and providers must look forward, not back, to keep pace with consumer needs and demands.

This is our approach in the communications sector. It means helping ensure that consumers and citizens can navigate a complex market of bundled and unbundled tariffs; understand what broadband speeds they should be expecting; and be informed and engaged enough to switch provider or make a complaint, if they need to. Some of this has been simplified or clarified by Ofcom, the Advertising Standards Authority (ASA) and industry, with expert input and support from the Panel in advising on matters such as the removal of non-coterminous contracts and the unfair notice periods associated with them; the need to change from the use of the term “up to” to “at least” in broadband speed advertising; reducing bills for “landline only” customers; free Calling Line Identification, to help consumers avoid nuisance calls; and improvements to switching processes.

Our unique position enables us to work collaboratively and constructively with those who have the power to shape consumer policy, while maintaining robust challenge.

We believe that current priorities in the telecoms sector include:

- to ensure consumers are billed proportionately for the services they are receiving - and are protected from unfair policies and practices;
- to protect loyal or vulnerable non-switchers from paying a ‘loyalty premium’, as highlighted by Citizens Advice;
- to improve standards in quality of service and quality of customer service; and,
- to make complaints and Alternative Dispute Resolution processes more efficient and transparent, so that all consumers and micro businesses can access their provider’s processes, and an ADR scheme if they need to, quickly and easily.

We will continue working with Ofcom, Government, industry and other consumer and citizen representatives such as Citizens Advice, to help make these and other changes a reality sooner rather than later.

Broadband Universal Service Obligation (USO)

The communications sector is fast-paced and a major improvement is on its way for all consumers, but especially those in vulnerable circumstances, in the form of a broadband USO. This should provide a legal safety net for consumers and will be implemented by Ofcom by 2020. Decent broadband is now essential to the UK’s consumers, citizens and micro businesses. Ofcom’s proposed Annual Plan highlights its finding that 75% of consumers view the internet as important to them. With the interests of people living and working in rural areas in mind in particular, we will be keen to see prompt progress in implementation and a review process put in place, to ensure the promised 10Mbps download and 1Mbps upload speeds remain relevant.

An important aspect for consumers will be knowing how to ask for broadband to be delivered to them under the USO and aggregating demand; and it will be essential that organisations that represent consumers and citizens at a national and local level work collaboratively to inform and educate consumers on how to do this.
In the past year, we have also welcomed other robust improvements for consumers in the communications sector. The Digital Economy Act 2017, for example, brings with it more powers for Ofcom to seek transparency in provider data, more powers for Ofcom in setting standards for access services provision across on-demand services and caps on mobile bills. The review of Ofcom’s rulebook, the General Conditions, will, we believe, strengthen and clarify the rights of consumers once published policies are implemented. The Panel engaged with the GC Review team at a number of points during the Review and we were glad to see our views reflected in the consultation document. We believe the revisions that will take effect from October 2018 will strengthen the consumer interest and avoid the risk of de-regulation undermining consumer protection.

Post

We welcome Citizens Advice’s proposed research into the impact on consumers of international changes to the USO in post. We look forward to working with Citizens Advice in supporting and strengthening the rights of consumers (including micro businesses) and citizens who depend on sending and/or receiving post. Given our unique and complementary roles within the sector, we will be able to avoid duplication to best serve the needs of those people most at risk of losing out - particularly people in more vulnerable circumstances.

Sending letters and paying bills by post is still very important to many people across the UK. Ofcom’s Communications Market Report 2017\(^1\) stated that there had been a volume of 11.8bn addressed letters in 2016 and £4.2bn in addressed letter mail volume in 2016; a decline of 4%.

However, the decline in the market overall can mask the importance of postal services to people in more vulnerable circumstances, including older people and/or those who are less likely to be digitally confident.

The Panel represents the most vulnerable members of the communications market who, by their very nature, do not form a majority. We are there to ensure that their voices are reflected in policy and that they are not forgotten or left behind when changes take place affecting the services they rely on, pressing for improvements in quality of service and ensuring that the service remains affordable. We will work directly with Ofcom and Royal Mail to understand any issues, look at the evidence and make recommendations for improvements where relevant to all, but particularly more vulnerable consumers.

Ofcom’s residential postal services tracker, published along with the Communications Market report 2017, showed that 60% of over 75s in the UK send as many formal letters to individuals or organisations by post as two years ago; 63% send as many invitations/greetings cards/postcards; 58% still send as many personal letters; and 58% still pay as many of their bills by post. Second class post is used more by over 75s than by any other age group, with 34% saying they use second class post most of the time and 11% saying they use it all of the time.

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\(^1\) [https://www.ofcom.org.uk/__data/assets/pdf_file/0022/105439/uk-post.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0022/105439/uk-post.pdf)
Parcels

We welcome Citizens Advice’s research to inform recommendations for improvements within the parcels market.

We agree with Citizens Advice that it is vital that consumers and micro businesses are able to navigate the market and find the best products for them at a price they can afford. Quality of service is incredibly important and must be consistently good, regardless of which providers are in the chain. Transparency and fairness of pricing is vital and where advertising is unfair we would engage with the ASA.

The complexity of the parcels market is in addressing all of the businesses involved in it, from retail providers to various parcel delivery companies, many falling outside of regulatory powers, as highlighted by Citizens Advice’s own research\(^2\). An area of concern to the Panel is parcel surcharging; the unfair practice of overcharging to deliver to rural areas, in particular where pricing is not transparent. This is major concern in the Highlands and Islands, Northern Ireland and some other locations across the UK and is an area our Nations Members are engaged in. We have noted with concern the research from Ofcom and Citizens’ Advice Scotland highlighting the challenges faced by some consumers in the unregulated parcel markets. We are keen to work with Citizens Advice, the General Consumer Council of Northern Ireland, Ofcom, the CMA, the ASA and others with similar interests in protecting and strengthening the rights of consumers (including micro businesses) and citizens, within our relevant remits.

The General Consumer Council for Northern Ireland, in its recently published work programme, highlighted that the UK Consumer Protection Partnership (CPP) is making parcel surcharging a priority project and this is most welcome. We have noted with concern the research from Ofcom and Citizens’ Advice Scotland highlighting the challenges faced by some consumers in the unregulated parcel markets. We look forward to outcomes from the CPP role in seeking possible mitigations for consumers.

Cross sector – identification of vulnerable consumers

It is not clear from the draft consumer workplan what Citizens Advice intends to do to identify consumers needing more support in the postal market.

In the wider communications sector, the Panel has advised Ofcom to make information on its Priority Services Register available to all, so that friends, family and carers of people who need extra support can find information on their behalf and help can reach those most at need. There is already a requirement under Ofcom’s General Conditions to promote widely those services.

We would also encourage Citizens Advice to engage with other providers of consumer information in essential services, particularly where consumers those in vulnerable circumstances are concerned.

A good example of this type of engagement can be found in the production of UKRN’s Access to Essential Services leaflet\(^3\), which Ofcom and other regulators contributed to.

**Summary**

- We welcome the four themes outlined in the plan;
- We urge Citizens Advice to not compare markets with those of the past, but to focus on what’s needed today;
- We support Citizens Advice’s work in post/parcels and look forward to working together as appropriate so that our unique but complementary roles can help get the best outcomes.

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