



Communications Consumer Panel and ACOD response to the Scottish Government's call for evidence on a Consumer and Competition Taskforce

The Communications Consumer Panel (the Panel) and the Advisory Committee for Older and Disabled People (ACOD) welcome the opportunity to respond to this call for evidence by the Scottish Government on the creation of a Consumer and Competition Taskforce.

The Panel works to protect and promote people's interests in the communications sector, including the postal sector. We are an independent statutory body set up under the Communications Act 2003. The Panel carries out research, provides advice and encourages Ofcom, governments, the EU, industry and others to look at issues through the eyes of consumers, citizens and microbusinesses.

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 with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Response

The Panel responded to the report of the Working Group on Consumer and Competition Policy for Scotland, and the Scottish Government's response, in May 2016¹ and we welcome the opportunity to comment further on the development of consumer and competition policy to protect Scottish consumers. Former Panel Member Mairi Macleod, and Panel Member Rick Hill MBE were pleased to be involved in the development of the policy prior to the publication of the report and we highlighted their involvement and our continued support of the Working Group's recommendations. Given his role in the development of the Working Group's report, Rick has not contributed to this response.

Remit and aims

We fully support the creation of a Scottish Consumer and Competition Taskforce (the Taskforce), with the overall aim of creating and maintaining a fair and inclusive market that serves consumers well and provides good consumer outcomes; its remit should be clear in support of this aim.

¹ <http://www.communicationsconsumerpanel.org.uk/downloads/scottish-government-consumer-and-competition-policy-for-scotland-6-may-2016.pdf>

The Taskforce should - we agree - be created and led by those on the front lines of consumer protection. They should have the expertise and experience to represent each of the pillars of consumer protection (advocacy, advice, information & education, enforcement and redress). Highlighted in the Working Group's recommendations, these underpin consumer trust. With this, it is vital that they bring not only an understanding of the benefits of competition, but also the knowledge and ability to speak up for consumers in the margins of the market, whose needs are unserved by competition - and this is particularly important when providing a voice for vulnerable consumers. Some of the areas of focus for the Panel across the UK - and for Ofcom's Advisory Committee for Scotland are: consumers receiving nuisance calls - including landline-only customers who may also be less likely to have access to the internet²; consumers with poor mobile and broadband coverage and no competitor to switch to; and rural consumers and businesses affected by parcels surcharging. There may be similar concerns for Scottish consumers in other sectors and we would encourage the Taskforce to engage widely with stakeholders across sectors, especially in devolved sectors.

Consumers in Scotland

We support the proposal that the Taskforce in Scotland would identify and plug the 'gaps' in consumer protection that single organisations have been unable to close. We trust that the Taskforce will seek to network with the full range of relevant consumer and competition organisations to help to identify those gaps. And while we agree that the Taskforce should have a clear focus on taking action to resolve issues that particularly affect Scottish consumers, we would urge that the members also keep a view of the wider UK consumer landscape. A breadth of knowledge gained from research (it's own and others'), and from collaboration on initiatives within and outwith Scotland, will help to target necessary action and avoid duplication of effort. We have interpreted that this is what is described in the cover paper as "active collaboration to enable intelligence exchange". We welcome the sharing of intelligence on policy initiatives, but would warn against the transferring of individual consumers' personal data. Protecting consumers' personal data is paramount, especially where consumers are in vulnerable situations and are more at risk of scams and the Taskforce must gain and maintain the confidence of consumers. In turn, this confidence will become the foundation of its credibility with stakeholders.

Our recent research 'Digital Footprints - a Question of Trust'³ looked at consumers' concerns and attitudes online. The research found that consumers are more concerned about privacy than they were five years ago, but are taking less action to protect themselves. When asked to select from a list the types of organisations they trusted with their personal data online, only 33% of those who took part said that they trusted the government and public services, compared to 56% for banks.

Holding the Taskforce to account

We note that the intention is to create a single Taskforce, with responsibility for both

² <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2016/landline-prices-review-to-protect-elderly-and-vulnerable>

³ <http://www.communicationsconsumerpanel.org.uk/research-and-reports/digital-footprints>

consumer and competition issues - and we can see that the two are inextricably linked. However, we believe there is still some merit in the idea of an advisory panel (or forum), as had been proposed, on the competition side. An independent body that is empowered to commission its own research and can hold the Taskforce to account can help to highlight issues and provide advice at an early stage of policy development. For example, the Customer Forum for the Scottish water industry⁴ is a very effective example of getting consumers' interests represented at an early stage of policy development.

The Communications Consumer Panel works across the UK communications sector, commissions research and has a Memorandum of Understanding with Ofcom which enables it to act as a 'critical friend', highlighting issues of concern to consumers, citizens and micro businesses early on. There are also statutory powers through Ofcom's General Conditions, requiring communications providers to meet the Panel from time to time (which Ofcom has recently proposed to strengthen to 'upon request'). In practice it has not been necessary to enforce these powers to date, as communications providers engage with us willingly and have told us that they find our research and engagement beneficial in improving their processes to benefit consumers.

The Panel publishes an annual report and an annual workplan (the workplan undergoes a public consultation)⁵. Our key areas of engagement in 2017/18 have been determined as follows:

- Nuisance calls
- Broadband/mobile coverage and quality of service
- Unfair policies and practices
- Customer service and complaints handling
- Vulnerability
- Access to broadcast and on-demand content

These are our top priorities and a number of other important issues are kept under review.

The Panel meets formally on a monthly basis (except in August) and separately to discuss ad hoc issues, also conducting much of its work electronically. We would recommend a mixture of scheduled meetings, which are useful to check progress and maintain momentum and ad hoc meetings as required.

We look forward to working closely with the new Consumer and Competition Taskforce in helping to provide a voice to consumers and citizens in Scotland - and would encourage the Taskforce to consider the needs of micro businesses part of its remit, as these businesses face many of the same challenges faced by individual consumers and are equally unable to draw on the resources held by larger businesses.

⁴ <http://www.customerforum.org.uk/our-work/>

⁵ <http://www.communicationsconsumerpanel.org.uk/downloads/final-workplan-17-18-280317.pdf>

Summary

- We fully support the creation of a Scottish Consumer and Competition Taskforce, with the aim of creating and maintaining a fair and inclusive market that serves consumers well and provides good consumer outcomes;
- We welcome the approach of collaboration between organisations to identify and close gaps in consumer protection that cannot be closed by a single organisation;
- We agree that the Taskforce should have a clear focus on issues that particularly affect Scottish consumers and would urge the Taskforce to keep a wider view of the UK consumer landscape, to collaborate in - and learn from - work already taking place to benefit Scottish consumers;
- While fully supporting collaboration between consumer-focused organisations, we would urge the Taskforce to think carefully about data sharing and intelligence exchange, to safeguard personal data - especially the data of more vulnerable consumers and citizens;
- We would suggest reconsidering the establishment of advisory panel or forum, which could be empowered to commission its own research and to hold the Taskforce to account;
- We would be keen to continue to work closely with the Taskforce in examining how best to achieve consumer protection in an open market.