# MARCH 2018 Panel Bulletin



## Update on Communications Consumer Panel and ACOD activities

Panel Chair, Jo Connell, accompanied by Fiona Lennox, Executive Director and Jenny Borritt, Panel Coordinator met with Three, O2 and BT-EE this month to discuss current issues and to hear updates on their work.

Jo, Fiona, Jenny and Chris Holland also met with Sky to discuss the Panel's research <u>Access to broadcast and on-demand content: Time to Catch Up!</u> and to hear an update from Sky on their progress in regard to accessibility. This research was also the subject of Chris's presentation to the <u>Consumer Forum for</u> <u>Communications</u>. In particular, the Panel are calling for an awareness campaign and a robust effective feedback mechanism.

Panel Member Chris Holland had a busy month. Accompanied by Jenny, Chris attended the <u>Essential Services Access Network</u> Conference on 12 March which explored what might be done to help consumers of essential services.

Chris represented the Panel at the roundtable on upcoming Consumer & Markets Green Paper, chaired by Gill Furniss MP, Shadow Consumer Protection Minister. This broad discussion centred around 5 areas: Enforcement, Consumer Representation, Vulnerable Consumers, ADR and Compensation.

The launch of <u>Ombudsman Services' Consumer Action Monitor report</u>; which looks at top-level complaints trends, was attended by Chris. The launch format included a panel, chaired by Harry Wallop, a consumer journalist and comprising of Lewis Shand Smith, CEO at OS; Martin Boon, Deltapoll; Yvonne Fovargue MP and Chair of the All Party Parliamentary Group for Consumer Protection; and Kirsty Good, Campaigns Editor, Money Saving Expert. The report has revealed that the most common sectors for complaint are: Retail (25%); Energy (12%); Telecoms (11%); Transport (9%) but too many consumers are resigned to poor service. Chris reiterated the Panel's view that the eight weeks wait period for ADR in the communication sector is too long and should be reduced.

Chris was also at the launch of 02's report on <u>the value of 5G for cities and</u> <u>communities</u>, chaired by Simon Jack, BBC Business Editor with a panel discussion that included Margot James MP, Minster for Digital; Mark Evans, 02 CEO and Derek McManus, COO Telefónica UK. The Panel's primary interest in the debate is to keep the consumer voice at the centre of discussions, and particularly to ensure providers don't detract from completing roll out of 4G, for example to rural areas and on transport networks.

Amanda Britain, Panel member for Scotland, attended <u>Citizens Advice</u> <u>Scotland's</u> parliamentary reception to hear about their current and future work.

This month's Panel meeting was attended, amongst others, by the <u>Competition</u> <u>and Markets Authority</u>, to discuss their recommendations for regulators regarding Digital Comparison Tools.

### **Communications Consumer Panel and ACOD Work Plan**

Following the consultation process, our <u>Work Plan for 2018-19 has been published</u> today.

The plan outlines our priorities for the coming year based on our assessment of the scale of the issue for consumers, citizens and micro businesses, and of the level of impact that the Panel and ACOD can make. Our key areas of focus will be:

- Broadband/mobile coverage and quality of service
- Nuisance calls and texts
- Unfair policies and practices
- Customer service and complaints handling
- Access services (subtitling, audio description and signing) on broadcast and ondemand content

• Future of voice calls – the migration from the public switched telephone network (PSTN) to voice-over internet protocol (VOIP)

## The Panel and ACOD's consultation responses

#### **Response to Ofcom's Diversity and Inclusion Programme, 2018-22**

In its capacity as ACOD, the Panel welcomed <u>Ofcom's Diversity and Inclusion</u> <u>Programme (DIP) for 2018-2022</u>, but in our response we outlined our view that Ofcom could be bolder in its aims and more detailed in its plans. In particular, we encourage Ofcom to have a Senior Sponsor for mental health and wellbeing and to supporting older workers' recruitment or progress, the omission of which we believe is an oversight in its plan that needs to be rectified. Ofcom should also we believe aim higher in the assurances it requires from suppliers, building user testing into its requirements where relevant and ensure it asks questions as an Intelligent Customer.

The Panel support Ofcom's goal to become a Disability Confident Leader and its benchmarking strategies. The Panel have previously urged Ofcom to sign up to the <u>Business Disability Forum's Accessible Technology Charter</u> so we are pleased to see this commitment. We support the review of Ofcom's workplace adjustments process and are pleased to see that external visitors are included, but we would like to see more detail on the actions Ofcom intends to take to strengthen its working culture, practices and colleague engagement.

Our response is here.

## Other news

#### Ofcom announces rule changes to protect consumers

Ofcom announced in September last year that it was changing the 'General Conditions of Entitlement' (the 'GCs') which are the regulatory conditions that apply to all providers of electronic communications networks and services that operate in the UK ('communications providers' or 'CPs'). At the same time Ofcom announced it was consulting on three additional changes: two of which directly affect consumers. It has now announced its decision following the consultations.

Firstly, under the new rules Ofcom will be able to take back blocks of numbers which are systematically used to cause harm or anxiety to people, such as to make nuisance calls or perpetrate scams or fraud.

Secondly Ofcom has also today published new guidance for phone, broadband and pay TV providers, providing examples of how they should handle customer requests to cancel their contract. Best practice includes offering customers different ways to contact their provider to cancel, such as via phone, webchat or email, and ensuring incentive schemes for customer service agents do not encourage poor behaviour.

The Panel have contributed to the review of the GCs throughout and welcome these new measures.

#### Read more here.

#### Broadband Universal Service Obligation (USO) moves one step closer

The <u>Government has announced</u> that the legislation has been laid setting the design of the broadband USO. The USO is intended to provide a "digital safety net" for those in the most remote and hardest to reach places.

The specification for the USO design includes:

• A download speed of at least 10Mbps, with quality requirements for upload speeds, responsiveness of connections, and data cap; this could be delivered by a range of fixed line and wireless technologies

• A per premises cost threshold of £3,400, enabling coverage to around 99.8% of premises. Consumers outside this threshold will be able to get a satellite connection, or would have the option to cover the excess themselves (in the same way the universal service right to a landline telephone works)

• A requirement for demand aggregation, so that people within an area can combine their per premise cost thresholds, to ensure that as many people who

want to get connected do get connected

- For it to be funded by industry rather than public funding; and
- Uniform pricing so that those connected under the USO do not have to pay more for similar services to consumers served commercially.

Ofcom now has up to 2 years to implement the scheme.

### **Ofcom publishes Annual Plan**

Ofcom has today published its <u>2018/19 Annual Plan</u>, which confirms the areas they will focus on for the next financial year. The Annual Plan follows consultation with a wide range of stakeholders and consumers, <u>including the Panel</u>.

## Behavioural Insights looks at switching in the energy market

In the UK, 9.5 million households can save over £300 a year by switching energy supplier. Despite what would be a significant saving on their household budget, the <u>Competition and Markets Authority (CMA)</u> found that 34% of consumers had not considered switching energy supplier.

In response to this, the CMA recommended a series of reforms to <u>Ofgem</u>, the energy regulator, including an Ofgem-led testing programme and a 'database remedy'. In the latter case, details from a selection of customers – those who had been on a default tariff for over three years and would save money by switching – were put in a secure database to allow rival suppliers to contact them by letter offering cheaper deals.

The aim was to understand the importance of the messenger; Ofgem or the customer's supplier or other suppliers. In the case of the Database Remedy trial, a single Best Offer letter from Ofgem performs almost as well as up to six marketing letters. In the larger CMOL trial, a letter presenting cheaper offers branded by a customer's own supplier is more effective than a letter sent from Ofgem.

The Panel have invited the team to talk more about this research at an upcoming Panel meeting.

Read more on the <u>Behavioural Insights Team's blog</u>.

### **Broadband Exit Fees**

Citizens Advice has published a helpful analysis of broadband exit fees.

The Panel has previously raised concerns with Ofcom about the issue of early termination charges for telecoms customers, in addition to the specific issue of Virgin Media's practice of charging termination charges when a customer moves to a new house, in an area not served by Virgin Media. We welcomed Ofcom's announcement in June last year that it is investigating early termination charges and separately investigating Virgin Media as to whether it has breached Ofcom's rules in regard to ensuring that the conditions or procedures for contract termination for do not act as a disincentive for end-users against changing provider, or if unfair are not binding on the consumer.

## Secure by Design

The Department for Digital, Culture, Media & Sport (DCMS) have published a report into the Internet of Things (IOT) advocating moving the burden away from consumers having to secure their devices and instead ensuring strong security is built into consumer IoT products by design. It also calls for greater action by Government and industry, and proposes a range of measures to better protect citizens and the wider economy.

The central proposal of this report is a draft Code of Practice aimed primarily at manufacturers of consumer IoT products and associated services. It has been developed through extensive engagement with industry and subject matter experts, including the Panel, and sets out thirteen practical steps to improve the security of consumer IoT. Further details on how to provide input on the proposed interventions are included in the report.

A representative from DCMS will be attending our next Panel meeting to discuss the next steps.

Read more here.

## Follow us on Twitter and LinkedIn

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This is the monthly bulletin of the Communications Consumer Panel and ACOD.

Established by the Communications Act 2003, the Panel consists of eight experts who carry out research, provide advice and encourage Ofcom, Government, the EU, industry and others to look at communications issues through the eyes of consumers, citizens and micro-businesses. The bulletin is an update on the Panel and ACOD's activities and developments in the sector.

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