

## MAY BULLETIN

### ONS publishes Internet Users Report for Q1 2015

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The UK Office for National Statistics has released its [latest report](#) into internet usage across the country, covering January to March (Q1 2015). The report finds that while 86% of adults (44.7 million) had used the internet in the last 3 months, 2% (1.1 million) last used the internet more than 3 months ago and 11% (5.9 million) had never used it.

The report reveals that people who are disabled are less likely to be recent internet users (68%), compared with those that are not disabled (92%). 0.5 million disabled adults last used the internet over 3 months ago, making up 48% of the 1.1 million lapsed internet users. 27% of disabled adults (3.3 million) had never used the internet.

A third (33%) of adults aged 75 years and over were recent internet users compared to almost all adults aged 16 to 24 years (99%). The proportion of adults aged 75 years and over who were recent internet users was also lower for those that were disabled (27%) compared with those that were not disabled (40%).

The report suggests that, although more adults aged 75 years and over are becoming internet users, they are not necessarily continuing to use the internet. Adults aged 75 years and over also had the highest rate of lapsed internet users at 6%, compared with 0.3% of adults aged 16 to 24 years.

Of the 5.9 million adults who had never used the internet in this period, just over half (3.0 million) were aged 75 years and over.

The south east of the UK had the highest proportion of recent internet users (90%) and Northern Ireland was the area with the lowest proportion (80%).

### Ofcom publishes third report on quality of live TV subtitles

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Ofcom has published its [third report measuring the quality of live subtitles in UK TV programmes](#) (PDF).

The BBC, ITV, Channel 4, Channel 5 and Sky are required by Ofcom to measure the quality of their live TV subtitles, to help identify improvements that could benefit those viewers who use subtitles.

The report shows that broadcasters are improving several aspects of subtitling. In October-November 2014, broadcasters delivered good accuracy rates (98% and above) across 77% of their programmes, compared to 76% in October-November 2013 and 74% in April-May 2014.

Average latency, the time taken between the words being spoken and the subtitles appearing on screen, has reduced by 0.6 seconds since April-May 2014, from 5.7 seconds to 5.1 seconds in October-November 2014. However, this figure remains significantly above the maximum three second delay Ofcom recommends.

Taking into account broadcasters' concerns about testing a new approach on prime-time TV, Ofcom has proposed that broadcasters consider trialing short delays in live subtitled programmes during off-peak times. The regulator will also ask broadcasters to consider re-editing subtitles that originally appeared live but are then repeated on time-shifted channels to reduce latency and improve accuracy of subtitles.

The final report is due to be published in October 2015, after which Ofcom will evaluate the progress made and consider whether any regulatory changes are necessary to ensure viewers benefit from high quality subtitling.

## Ofcom updates British Sign Language obligations for smaller TV channels

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Ofcom has updated signing obligations for smaller TV channels broadcasting in the UK to provide substantial benefits to deaf and hard-of-hearing viewers.

Since 2007, channels with an audience TV viewing share between 0.05% and 1% ('relevant channels') have been required to show 30 minutes of programmes each month presented in British Sign Language (BSL).

As an alternative, channels can choose to contribute a minimum of £20,000 a year to other arrangements that help make sign-presented TV programmes available. Most choose to support the British Sign Language Broadcasting Trust (BSLBT), which funds sign-presented content shown on the Community Channel and Film 4.

From January 2016, broadcasters' obligations will rise incrementally. There will be gradual increases to the amount of sign-presented programmes on relevant channels, reaching 75 minutes per month.

Alternatively, channels can continue to support alternative arrangements, such as the BSLBT. Minimum contributions will be based to reflect inflation. As with the obligation to provide sign-presented programmes, the amount of the minimum contribution will rise in real terms.

Channels with an audience share of 1% or more and the public service channels continue to be required to provide signing on a proportion of their programmes, rising over ten years from 1% to 5%.

Further details and a plain English guide to Ofcom's decision can be found [here](#).

## European Commission unveils Digital Single Market plans

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This month, the European Commission unveiled its plans to create a [Digital Single Market](#), which aims to move from 28 national markets to a single one. The European Commission suggests that a fully functional Digital Single Market could contribute €415 billion per year to the economy and create hundreds of thousands of new jobs.

The Digital Single Market Strategy sets out 16 key actions under 3 pillars which the Commission will deliver by the end of 2016. The pillars are:

**Pillar I: Better access for consumers and businesses to digital goods and services across Europe**

**Pillar II: Creating the right conditions and a level playing field for digital networks and innovative services to flourish**

**Pillar III: Maximising the growth potential of the digital economy**

These incorporate proposals by the Commission to:

- **make cross-border e-commerce easier.** This includes harmonised EU rules on contracts and consumer protection when you buy online.
- **enforce** consumer rules more rapidly and **consistently**, by reviewing the Regulation on Consumer Protection Cooperation.
- provide more efficient and affordable parcel delivery. Currently 62% of companies trying to sell online say that too-high parcel delivery costs are a barrier.
- end unjustified geo-blocking.
- identify potential competition concerns affecting European e-commerce markets.
- move towards a modern, more European copyright law: legislative proposals will follow before the end of 2015 to reduce the differences between national copyright regimes and allow for wider online access to works across the EU, including through further harmonisation measures.

- review the Satellite and Cable Directive to assess if its scope needs to be enlarged to broadcasters' online transmissions and to explore how to boost cross-border access to broadcasters' services in Europe.
- present an overhaul of EU **telecoms rules**. This includes more effective spectrum coordination, and common EU-wide criteria for spectrum assignment at national level; creating incentives for investment in high-speed broadband; ensuring a level playing field for all market players, traditional and new; and creating an effective institutional framework.
- review the **audio-visual media framework** to make it fit for the 21st century, focusing on the roles of the different market players in the promotion of European works (TV broadcasters, on-demand audio-visual service providers, etc.). It will also look at how to adapt existing rules (the Audio-visual Media Services Directive) to new business models for content distribution.
- comprehensively analyse the role of **online platforms** (search engines, social media, app stores, etc.) in the market. This will cover issues such as the non-transparency of search results and of pricing policies, how they use the information they acquire, relationships between platforms and suppliers and the promotion of their own services to the disadvantage of competitors - to the extent these are not already covered by competition law. It will also look into how to best tackle **illegal content** on the Internet.
- reinforce trust and security in digital services, notably concerning the handling of **personal data**. Building on the new EU data protection rules, due to be adopted by the end of 2015, the Commission will review the **e-Privacy Directive**.
- propose a partnership with the industry on **cybersecurity** in the area of technologies and solutions for online network security.
- support an inclusive digital society where citizens have the right **skills** to seize the opportunities of the Internet and boost their chances of getting a job. A new **e-government** action plan will also connect business registers across Europe, ensure different national systems can work with each other, and ensure businesses and citizens only have to communicate their data once to public administrations, that means governments no longer making multiple requests for the same information when they can use the information they already have. The Commission believes that this "only once" initiative will cut red tape and potentially save around €5 billion per year by 2017.

A press release providing full details and additional links to further information can be found [here](#).

## Ofcom publishes latest consumer complaints numbers

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Ofcom has [published data](#) on the volumes of consumer complaints made against major providers of telecoms and pay TV services.

The reports cover the nine months from April to December 2014. Over this period, telecoms and pay TV complaints made to Ofcom decreased slightly, continuing a long-term downward trend.

The report includes data for operators with a customer market share of at least 1.5% - a lower threshold than in previous reports. As a result, for the first time, EE, Plusnet and Post Office HomePhone are included in landline complaints; Plusnet is included in broadband; and Talk Mobile and Tesco Mobile are included in pay-monthly mobile figures.

### **Landline telephone services**

For landline telephone services, the inclusion for the first time of EE revealed it to be the most complained-about provider over the nine months, with complaints peaking at 0.33 per 1,000 customers in Q4 2014.

Complaints about EE's landline service mainly related to problems with changing provider; fault, service and provision problems; and customer bills.

Plusnet, TalkTalk, BT and Post Office HomePhone also consistently generated complaints per thousand customers that were above the industry average for their landline services.

Virgin Media and Sky both attracted below-average landline complaints per customer over the period, with Virgin Media finishing the year with the lowest number.

### **Broadband services**

EE generated the most complaints for broadband as a proportion of its customer base over the nine months, with 0.42 complaints per 1,000 customers by the end of 2014.

Complaints were mainly driven by faults, service and provision problems; complaints handling; and problems changing provider.

BT, Plusnet and TalkTalk also generated above industry average broadband complaints per 1,000 customers over the period.

Both Sky and Virgin Media both generated broadband complaint volumes below the industry average, both ending the year with 0.06 complaints per 1,000 customers.

## Pay-monthly mobile telephone services

In the most recent quarter, Vodafone was the most complained-about provider (with 0.15 complaints per 1000 customers in Q4 2014). However, EE was the most complained-about provider of pay-monthly mobile services over previous quarters.

The inclusion for the first time of Tesco Mobile showed it to generate the fewest complaints in the pay-monthly mobile market, finishing 2014 with 0.02 complaints per 1,000 customers.

## Pay TV services

Over the nine months, Ofcom received the most complaints about BT TV, although these declined slightly to reach 0.15 per 1,000 subscribers by the end of the year. This was five times the industry average. The main causes of complaints were service faults and provisioning; complaints handling; and problems changing provider.

TalkTalk's TV service also generated well above-average complaints, though these also declined to reach 0.10 per 1,000 subscribers by the end of 2014.

Sky continued to generate the lowest volume of pay TV complaints - 0.01 for every 1,000 customers at the end of the year.

A press release summarising the report can be found [here](#).

## Time spent online doubles in a decade new Ofcom research reveals

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People are spending twice as much time online compared to 10 years ago, fuelled by increasing use of tablets and smartphones, according to new Ofcom research.

Ofcom's [Media Use and Attitudes 2015 report](#), now in its tenth year, shows that internet users aged 16 and above claimed to spend nearly 10 hours (9 hours and 54 minutes) online each week in 2005. By 2014 it had climbed to over 20 hours and 30 minutes.

The biggest increase in internet use is cited among 16-24 year olds, almost tripling from 10 hours and 24 minutes each week in 2005 to 27 hours and 36 minutes by the end of 2014.

2014 saw the biggest increase in time spent online in a decade, with internet users spending over three and a half hours longer online each week than they did in 2013 (20 hours and 30 minutes in 2014, compared to 16 hours and 54 minutes in 2013).

## Antitrust: European Commission launches e-commerce sector inquiry

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The European Commission has today launched an antitrust competition inquiry into the e-commerce sector in the European Union. The inquiry will allow the Commission to identify

possible competition concerns affecting European e-commerce markets. It complements actions launched within the framework of the [Digital Single Market Strategy](#).

The sector inquiry will focus particularly on potential barriers erected by companies to cross-border online trade in goods and services where e-commerce is most widespread such as electronics, clothing and shoes, as well as digital content. Knowledge gained through the sector inquiry will contribute to better enforcement of competition law in the e-commerce sector.

More and more goods and services are traded over the internet but cross-border online sales within the EU are only growing slowly. The Commission's Digital Single Market Strategy has identified a number of regulatory barriers that hinder cross-border e-commerce. It proposes to address these and create an area where citizens and businesses can seamlessly access and exercise online activities under conditions of free competition, irrespective of their nationality or place of residence.

There are also indications that businesses may themselves establish barriers to cross-border online trade, with a view to fragmenting the EU's Single Market along national borders and preventing competition. Those barriers may include contractual restrictions in distribution agreements that prevent retailers from selling goods or services purchased online or cross-border to customers located in another EU country.

Therefore, the Commission's competition sector inquiry will gather market information in order to better understand the nature, prevalence and effects of these and similar barriers erected by companies, and to assess them in light of EU antitrust rules.

### **Next steps**

In the coming weeks, the Commission will be sending requests for information to a range of stakeholders throughout the EU. The companies concerned may include, for example, manufacturers and wholesalers as well as e-commerce retailers. Under EU antitrust rules the Commission can require companies and trade associations to supply information, documents or statements as part of a sector inquiry.

The Commission expects to publish a preliminary report for consultation in mid-2016. The final report is expected in the first quarter of 2017.

A [Factsheet](#) and further information can be found the [sector inquiry website](#).

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