

# Ofcom Consumer Panel News

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# Consumers and the Communications Market - Research

In the autumn of 2004, the Consumer Panel commissioned a major research exercise designed to increase our understanding of the experience that groups of consumers and small businesses have in the communications market. Our report “Consumers and the Communications Market: Where We Are Now” was published on the 10 May 2005 and it can be found on the Panel’s website [read it here](#) - as can ‘deep dive’ analyses for the nations, older people, people with a disability, people on low income, and rural v urban differences. The survey included over 2,500 interviews in 193 locations around the UK and will become an annual tracking exercise. The Panel will be holding a workshop with the communications industry on the 16 June 2005 to discuss the research findings.

Some of these findings are: that awareness and understanding of communications technologies declines significantly with age – by age 65 only one in five people keep themselves abreast of technological changes such as broadband and digital radio; that low income households have a higher reliance on mobile phones rather than fixed lines and are spending proportionally more than higher income households for their phone bills through prepayment deals; that disabled people under 65, for example, report twice the level of difficulty (26%) in using mobile phones compared to the UK average; that less than a third of UK consumers have heard the term ‘digital switchover’; that a significant proportion of consumers do not know where to turn for advice and are suffering from information overload; that 45% of small businesses say they do not need access to the internet. [read more of the report's key findings here](#)

## Consumer Panel's Annual Report

The Consumer Panel's Annual Report 2004 - 05 has been published and [can be found here](#). While it states what the Panel's work has been it also looks ahead to 2005 - 06 during which the Panel will continue to advise Ofcom on issues relating to the Strategic Review of Telecommunications and follow up on the practical issues for consumers identified in its report on digital switchover. The Panel also comments on the fact that its work is not solely about people as 'consumers' but also about access - or the lack of it - to communications that arise because of where people live or who they are. These issues are citizen issues.

## Ofcom's Annual Plan

We responded positively to Ofcom's plans for 2005 - 06 and the following two years. We encouraged Ofcom to consider its level of engagement and understanding of small businesses and welcomed Ofcom's objective to create an environment by the end of 2007- 08 that allows *"citizens and consumers (to be) better informed and have the option, via new technologies, labelling and price/quality information, to make effective choices about the content and services they use"*. Our response to the plan can be [viewed here](#).

## Consumer Interest Audit

**In March the Consumer Panel launched an audit that will assess Ofcom's processes and inputs in relation to consumer interests - concentrating on 'disadvantaged consumers' and their ability to access markets. The outcome of the audit will be a valuable 'tool kit' which Ofcom and others can use to check that Ofcom's policy making process pays adequate attention to the 'quieter voices'. The Panel's project steering board has now formally met twice with PricewaterhouseCoopers who are carrying out the audit for the Panel. We welcome Ofcom's support for the process and the outcome of the audit will be published in due course.**

# Review of the Universal Service Obligation in Telecommunications

The Consumer Panel responded to Ofcom's review of the universal service obligation (USO) at the end of March. In our response we provided detailed answers to a series of questions posed by Ofcom on issues including: special tariff schemes; public call boxes; services for customers with disabilities; and provision of a fixed line connection upon reasonable request.

We prefaced our response by putting down markers about wider issues that arise when considering the future nature and delivery of universal service. We will continue to devote further consideration over the coming year as to how universal service might best be delivered in the future and to move the discussion on from 'who pays for what' to a more people-centred approach, i.e. what do people need by way of access to affordable communication. This work will feed into our response to the European USO review published at the end of May. [read our response to Ofcom's consultation here](#). [read the EU's USO consultation here](#)

## Strategic Review of Telecoms

The Consumer Panel responded to Ofcom's Phase Two consultation document in February 2005. This was an important consultation for Ofcom as it determines its approach to future regulation in the telecommunications market. We argued that an approach that puts the consumer and citizen at the centre is fundamental to avoid detriment and that a basic safety net for affordable access to telephony services is essential in today's society.

[read our response here](#)

## Number Translation Services

In January 2005 the Consumer Panel responded to Ofcom's number translation services (NTS) consultation. NTS arrangements enable calls to 08 and 09 numbers to be used by businesses and other organisations to provide a variety of telephone services. We strongly advised Ofcom to reconsider its proposed regulatory approach, as we judged that the evidence base was not focused hard enough on what appear to be issues of consumer concern. In the light of the Consumer Panel's response and the lack of consensus amongst respondents Ofcom decided that further work was required to investigate and to build the evidence base and policy options.

[read our response here](#)

## Communications Regulation & Low Income Consumers

In our last issue we reported on our November 2004 seminar held between members of the Consumer Panel, Ofcom colleagues, consumer organisations and academics working in the area of low income and communications. A detailed report of the seminar can be [read here](#).

Professor Peter Golding of Loughborough University has prepared an overview of the research presented at the seminar. Peter Golding's paper can be [read here](#).

## Visitors from Home and Abroad

At our Consumer Panel meeting in January 2005, Paul Champsaur, Chairman of the French telecommunications regulator, the **Autorité de Régulation des Télécommunications** (ART), talked about the French telecoms experience. In France fixed line competition has been slower to develop, but France is ahead in local loop unbundling and has faster and cheaper access to broadband services (dependent on geographic locality). ART has an English-language version of its web site that can be [accessed here](#).

At our February 2005 meeting Elizabeth France, the Telecoms Ombudsman, joined us and explained the role and procedures of the Office of the Telecommunications Ombudsman (Otelo) in dispute resolution. Otelo was the first of two Alternative Dispute Resolution (ADR) schemes to be approved (the other is the Communications & Internet Services Adjudication Scheme - CISAS). This year Otelo expects to handle around 40,000 enquiries and process about 4,000 cases. Otelo's web site can be [accessed here](#). CISAS's website can be [accessed here](#).

## Representing the Nations

The Consumer Panel has members appointed to represent the interests of consumers in Scotland, Wales, Northern Ireland and England. These members attend the quarterly meetings of the relevant National Ofcom Advisory Committee.

We think it is not only essential to understand National concerns but to engage with stakeholders. Last October the Consumer Panel held its monthly meeting in Cardiff. In March 2005 we met in Edinburgh where Ofcom's Director of Scotland explained Scotland's communications issues and where we had discussions with a number of communications stakeholders. A visit to Northern Ireland is being planned.

## Consumer Forum on Communications

The Consumer Panel wishes to work closely with all relevant consumer bodies. To strengthen our ties we have agreed with the Consumer Forum on Communications that we will host Forum meetings. The Forum met on the 19 April 2005 - a note of the meeting can be [read here](#). Topics covered were: new voice services; the Consumer Panel's research project; and access issues in relation to broadcasting services over the internet and digital radio.

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