

Ofcom Consumer Panel News

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Ofcom's Annual Plan

In February the Consumer Panel responded to Ofcom's Draft Annual Plan. In the response the Consumer Panel said that it will be watching closely how Ofcom meets the challenge of Better Regulation and a light touch approach to the market while ensuring consumers are adequately protected and provided for. The Consumer Panel also said it was pleased to see that Ofcom has aligned its work on Better Regulation and Impact Assessments with our own work on the Consumer Interest Toolkit.

The Consumer Panel said it was surprised to see that Ofcom did not explicitly refer to Digital Switchover (DSO) and set it as its own priority for the forthcoming year. And while it noted Ofcom's Consumer Strategy policy it thought Ofcom should, over the coming year, develop and define its approach to citizen issues within a policy context. The Consumer Panel also said Ofcom should identify and focus on the needs of older people over the coming year and that a broad theme of Digital Inclusion should run through all of Ofcom's thinking for the 2006/7 year.

The Consumer Panel agreed that one of Ofcom's nine priorities for the coming year must be to ensure that the implementation of the Telecoms Strategic Review (TSR) is a success but disagreed with Ofcom's stand that targets, which are time specific, should not be set.

The Consumer Panel asked for Ofcom's own assessment as to whether or not it had set itself the correct priorities for 2005/6. By understanding what it got right or whether it had failed to recognise a regulatory workstream that arose can only help Ofcom set the right priorities in the future.

[please click here to read the full response](#)

Capturing the Consumer Interest: A toolkit for regulators and government

On the 2 February the Ofcom Consumer Panel launched a toolkit to help Ofcom and other regulators assess whether they have identified and addressed the consumer interests when developing and implementing policy. The toolkit covers a series of questions that regulators can ask themselves to ensure that consumers are appropriately considered throughout a particular project or by the organisation as a whole. The toolkit framework is based on defining, evidencing and communicating the consumer interest throughout the development of new policy. The Consumer Panel piloted the consumer interest toolkit with Ofcom looking at two different areas of policy: mis-selling to consumers and the Telecoms Strategic Review. The toolkit is flexible enough to be used by consumer stakeholders to review regulatory policies.

The toolkit launch was attended by an audience of senior representatives from regulators, government, Parliament, consumer bodies and industry. The toolkit was warmly welcomed by attendees who viewed it as a strong addition to their armoury when holding regulators to account and as part of the better regulation agenda. The National Audit Office (NAO), Office of Water Services (Ofwat), the Consumer Council for Water, the Food Standards Agency and the Financial Services Authority Consumer Panel all expressed strong interest in how they could incorporate the toolkit within their own work.

This new evaluative review of consumer-focused regulation has already helped Ofcom to re-address the balance and shape its consumer policy and we believe it will be of value to other economic regulators' work. And by using the toolkit, regulators across all sectors can ensure that the consumer's voice is heard as clearly as the voice of well resourced and powerful industries - this is the real test of whether regulators are making a genuine difference to consumers. A report on the toolkit event will be on our website shortly and will be found here:

[Capturing the Consumer Interest](#)

Ofcom's Consumer Policy

The Consumer Panel responded to Ofcom's Consumer Policy consultation in December 2005 by giving advice to the Ofcom Board on the policy. The consultation follows strong representation by the Panel to Ofcom to undertake such work.

In the response the Consumer Panel was concerned with 4 key areas: the distinction between the consumer and citizen; information provision to consumers; proposal on the PASS scheme; the proposals for monitoring and enforcement.

In general the Consumer Panel disagreed with Ofcom about the practical significance of the distinction drawn between "consumers" and "citizens". The Consumer Panel is concerned that Ofcom is making the distinction between consumers and citizens too elaborate and thus losing sight of its practical significance. Most of the Consumer Panel's work is concerned with the "citizen" space and its primary concern will be to ensure that the work of "consumer policy" continues to give full weight to the needs of vulnerable people however they are defined.

Together, with Ofcom, the Consumer Panel has identified a number of gaps in Ofcom's evidence base on the consumer experience in the market place, detriment and how people absorb and retain information. Ofcom is undertaking research at the Panel's suggestion to fill in these knowledge gaps.

[please click here to read the Consumer Panel's advice to the Ofcom board](#)

Consumer Panel's Low Income Seminar

On the 28 March the Consumer Panel held its second Low Income Seminar. The seminar brought together regulators, government policy makers, academics and consumer groups in one room to discuss how best an inclusive communications agenda can be set for the future, which takes into account the needs of those on low incomes.

Graham Murdock from the Communications Research Centre, Loughborough University; Andy Carter, Head of Broadband Policy, at the DTI, Communications, Content Industries Directorate and Dougal Scott of Ofcom opened the discussion on, "How Can We Ensure Consumers are Digitally Included – Both for Internet and TV?"

Professor Cosmo Graham, Professor of Law at the University of Leicester, Heinrich Otruba, an Adviser to the EU Information Society and Alan Pridmore of Ofcom opened the discussion on, "How Does the Universal Service Obligation Need to Evolve?"

Professor Sylvia Harvey from the University of Lincoln, Khalid Hayat of Ofcom and Claudio Pollack of Ofcom opened the afternoon session with a debate on Consumer Detriment, Empowerment & Protection. A report on the Low Income Seminar will be on our website shortly and will be found here:

[Low Income Event](#)

Digital Switchover

The Consumer Panel continues to work closely on the issue of digital switchover and regularly meets with Ofcom, Digital UK, DCMS and DTI in bilateral meetings to ensure that the socially isolated are not being left behind. We have discussed extensively with these groups: the governments support package; the communications information plan for switchover; and the usability of equipment for those with special needs. Additionally, the Consumer Panel attends the Consumer Expert Group meetings which helps feed in a coherent message from consumer stakeholders into the DCMS and DTI on what people need to help them through switchover.

On the 29th of March the CMS Select Committee published its second report on switchover, 'Analogue Switch-off: A signal change in television'. The Consumer Panel had given evidence to the Select Committee in September 2005. The Consumer Panel welcomed the Committees recommendation that the scope of the assistance programme needs to be widened and as a high priority a grassroots action plan is needed to help vulnerable people through the switchover process. Previously, in a report for the Secretary of State the Consumer Panel warned that vulnerable consumers who do not benefit from the support network of friends, families or carers, must be given practical support to enable them to participate in the digital switchover. The Consumer Panel's report sets out a model of practical support for socially isolated people to be delivered by local grassroots organisations.

[please click here to read the report](#)

[please click here to read the evidence given to the Select Committee](#)

Consumers and the Communications Market: where we are now

In May 2005 the Consumer Panel conducted qualitative and quantitative research to establish:

- What was the level of consumer knowledge about the communications market and the choices/alternatives consumers have now and will have in the future?
- What was the current consumer experience in the communications market?

The research focused on consumers' experiences of telecommunications (fixed and mobile), the internet (including broadband), broadcasting (including digital switchover) and use of technology. It was conducted in two phases – an initial qualitative study (conducted by MORI) followed by a quantitative study (over 2,500 residential customers and 300 SMEs were interviewed).

This year's research has just been completed. The research will again be published in May of this year.

[please click here to read the May 2005 publication](#)

Attitudinal Research into Older People

The Consumer Panel's research 'Consumers and the Communications market: where we are now' published in May 2005 showed that awareness, understanding and ownership of Internet and digital television (DTV) services were significantly lower among older people (aged 55+ - which is the age that people's awareness and understanding of communications technology markedly declines) when compared with the national average. In particular, the results pointed to higher levels of 'voluntary exclusion' from these services among older consumers, particularly in the case of Internet services – 58% of people aged 65+ 'voluntarily excluded' compared with the national average of 26%.

To understand why older people are less likely to own Internet and DTV services the Panel commissioned a qualitative research piece to provide a detailed analysis of older people's profiles and characteristics, comparing those who have purchased Internet and DTV services with those who have not. And amongst other things what the key triggers are for take-up for the services. The results will feed into the Consumer Panel's future policy recommendations to Ofcom, government, Digital UK, and other relevant bodies.

The research will be published in early summer.

Consumer Forum on Communications

The Consumer Panel wishes to work closely with all relevant consumer bodies. To strengthen our ties we now host the Consumer Forum on Communications. The Forum last met on 21 March, 2006. The topics that we covered were: the upcoming Consumer Panel research, Digital Switchover and Ofcom's Consumer Policy. If you would like to attend the next meeting [please click here and contact us](#)

[notes of the Forum meetings can be read here](#)

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