

JANUARY 2014

Panel bulletin

This month...

Jo Connell presents Panel's view at Consumer Experience launch

Panel Chair, Jo Connell, spoke at Ofcom's launch of its annual Consumer Experience Report (CER). She shared some of the findings from the Panel's own research into consumer complaints [Going Round in Circles?](#), highlighting that this year's statistics from the CER suggested that more consumers in the mobile and broadband sectors had cause to complain than last year, and that around 3 in ten consumers in these sectors who felt they had cause to complain did not do so.

Jo commented; "The Panel believes that if the communications sector is to truly serve its customers well, then communications providers need to do more to improve customer service for those consumers who contact them to complain."

Along with the [Consumer Experience Report 2013](#), Ofcom published its programme of work to ensure that consumers receive value for money and a good quality of service from their communications providers. While customer satisfaction with communications services is generally high, Ofcom said it is focused on further improving consumers' experiences across the sectors it regulates. Consumer satisfaction ranges between 82% and 90% across communications sectors (Digital TV - 90%, landline telephone - 89%, mobile - 88%, and broadband - 82%); dissatisfaction ranges between 5% and 11% across communications sectors (landline telephone - 5%, Digital TV - 6%, mobile - 6%, and broadband - 11%).

Alongside the Consumer Experience Report, Ofcom published an analysis of price and quality trends over the past 10 years, [the Cost and Value Report \(pdf\)](#). This reveals that consumers have benefitted from significant reductions in prices across most communications services and that the UK compares favourably against international comparators.

At the same time, consumers say that landline phone, broadband, mobile, and pay TV compare favourably on value for money relative to other services. The main findings of the report are:

Mobile Phones:

- The average monthly spend by individuals on mobile services declined by 23% in real terms between 2003 and 2012 (from £24.99 to £19.13), while the market has seen dramatic changes in the capability and use of mobile phones
- Over the same period, the volume of calls has more than doubled from 54 billion minutes per year to 125 billion, SMS volumes have increase from 24 billion to 172 billion, while 92% of adults now use a mobile phone. In addition, consumers' use of mobile data doubled between 2011 and 2012 alone

Fixed broadband:

- The average amount spent on a residential fixed broadband connection has decreased by 48% over eight years (from £31.79 in 2004 to £16.38 per month in 2012)
- This decline has occurred against a backdrop of increased broadband take-up (6% in 2003 compared to 72% in 2013) and wider availability and take-up of higher speed broadband packages
- Since November 2008, the average UK residential fixed line broadband speed has increased from 3.6Mbps/s to 14.7Mbps/s in May 2013

Landline Telephone:

- The average spent on landline services per month fell by 28% between 2003 and 2012 (from £29.71 to £21.47). Over the same period there has been a significant reduction in landline call volumes from 88 billion per year in 2003 to 60 billion per year in 2012.
- Ofcom has identified rising prices for some stand-alone landline packages over the last year, and although most UK landline users purchase landline services as part of a 'bundle', Ofcom is monitoring these prices to ensure that they remain affordable

Pay TV:

- Average spending on pay TV services among households that subscribe to them has remained consistent in real terms over the last decade at around £40 per month
- Some pay TV customers have, however, experienced real-time price increases for certain packages. At the same time, the choice of pay TV offerings has expanded with new high-definition, 3D TV and online TV services

Ensuring high quality services and value for money

Ofcom noted that its work is focused on further improving the value and quality of communications services and helping consumers to make informed purchasing decisions. This includes:

- Ensuring landline and broadband customers get **installations and faults repaired quickly by Openreach**, which manages access to the UK's copper telephone

network. Ofcom is consulting on performance targets that Openreach would have to meet or face possible fines.

- **Implementing new measures to help customers switch their landline and broadband provider more easily**, while protecting them from having their lines switched accidentally or without their consent. In the coming months Ofcom will be looking at how to improve switching for other services.
- **A review to assess whether key communications services are affordable, particularly for the least well off consumers.** Ofcom wants to ensure that the cost of certain communications services is not a barrier to people having access to them. The review will look at which telecoms services consumers think are essential to their communications needs.
- **Publishing quality of service information to help consumers compare the performance of mobile networks and to incentivise providers to improve.** Ofcom will be carrying out research into the quality of mobile reception and coverage. Ofcom will also publish new data revealing 3G and 4G mobile broadband performance and will ensure near-universal coverage of 4G mobile, up to 98% outdoors by 2017 at the latest.
- **Protecting consumers from harm.** Ofcom is ensuring consumers are better protected against unexpected mid-contract price rises. And working with industry, Government and other regulators, Ofcom is also focused on tackling nuisance calls and bill shock.
- **Monitoring Royal Mail's performance** following its failure to achieve delivery targets in 2012-13. Should Royal Mail fail to improve its delivery performance, Ofcom can open an investigation, which could result in enforcement action, including the possibility of fines.
- **Publish information on the best and worst performing providers and ensure consumers have complaints dealt with effectively.** Consumers can seek redress if they have a problem with their provider through Ofcom's approved Alternative Dispute Resolution Schemes. Ofcom is working to increase consumer awareness of ADR and has opened a monitoring and enforcement programme to ensure providers' complaints handling processes are working well for consumers. Ofcom will also continue to publish complaints data to help consumers compare providers' performance.
- **Providing information and advice** to help protect consumers and enable them to make informed choices about services, products and providers. Ofcom has recently published a number of new consumer guides on topics including: [managing the costs of communications services](#); [services that can help protect against nuisance calls](#); [how to prevent bill shock](#); and [using a mobile phone \(pdf in 'Easy-Read format'\)](#).

Reliability of communications service

Customer satisfaction with service reliability is highest for landline telephone (94%) and digital TV (93%), unchanged over the past 12 months. Satisfaction with reliability of broadband services is lower and has declined from 88% in 2012 to 83% in 2013.

For mobile phones, the proportion of consumers who are satisfied with reception and ease of accessing the network is 82% and is unchanged since 2012.

The highest levels of dissatisfaction with reliability is among consumers living in rural areas. Seventeen per cent of rural consumers are dissatisfied with the reliability of their broadband service and 19% with the reliability of their mobile service - significantly higher than the averages for these markets (11% and 12%).

Nuisance calls

After reaching a peak of 3,900 in April 2013, complaints to Ofcom about silent and abandoned calls fell to 2,857 in October 2013 - a 27% decrease.

Ofcom's consumer research also found that the proportion of consumers experiencing a nuisance call on a landline phone fell from 82% in February 2013 to 68% in July 2013. Since then, levels have remained broadly stable.

Ofcom said it is working closely with the Government, UK and international regulators and consumer groups to tackle the issue of nuisance calls. Ofcom will shortly publish a full update on its joint action plan with the Information Commissioner's Office.

[The Consumer Experience Report and an evaluation of Ofcom's policies are available here.](#)

MPs debate nuisance calls

On Thursday 16 January, MPs took part in a debate on nuisance calls. The debate was scheduled by the Backbench Business Committee following representations from Mike Crockart and Alun Cairns. During the debate, the Minister noted that the Government's strategy document on nuisance calls was now ready for publication but awaiting a publication slot. In his overview of the strategy, the Panel was pleased to note that, amongst a range of points, he made reference to planned legislation to address a lower threshold of evidence required by the ICO for enforcement, and for Ofcom and the ICO to share data more easily, in addition to a review of consent. The Minister also highlighted his hope that, following Ofcom's publication of a [table setting out the cost of landline privacy calling features](#) and moves within the market in relation to charging for these, that "other telecoms companies will have noted the clear, strong steer from Members in the debate today that charging for those services is not a good idea."

As Mike Crockart MP concluded "This is a complex area, but it is clear that there is willingness across the House to see action. I am confident that we will see that, but I urge the ministerial team to be bold and ambitious..." The debate can be read in full at Hansard [here](#)

Next Generation Intermediaries

Panel Member, Chris Holland, attended a Consumer Futures seminar on 'Next Generation Intermediaries' (NGI's). The seminar provided an opportunity to review two papers published by Consumer Futures that examined the potential for a new generation of consumer intermediaries to transform how people engage with complex and essential markets, and help drive competition in a more effective way than the conventional approach to switching.

NGI's will be able to go further than the first generation intermediaries, such as price comparison sites, by accessing an individual's data to present impartial offers, identify and source complementary products and services, as well as helping implement decisions.

The attributes of NGIs were listed as:

- Realistic - based on human behaviour (behavioural economics rather than "rational" decision making)
- Easy - like a concierge service that can make and implement decisions for the consumer
- One stop shop - holistic
- All round information - not partial
- Personal - based on individual data
- Trustworthy - transparent
- Powerful - bargaining/negotiating leverage
- Interesting, useful and fun - a path to self-knowledge

The model is predicated on the notion of "profitable disengagement" - where consumers have access to a wealth of supplier information but no time to use it profitably thus they disengage with markets and suppliers.

Commenting on the seminar, Chris said, "Next Generation Intermediaries is an interesting area of growth, but it is still in its infancy with a number of questions in relation to data security, regulation and consumer trust."

Both papers are available from Consumer Futures [Website](#)

3G mobile coverage requirements now met

Ofcom has confirmed that all the UK's major mobile phone networks are now meeting their 3G coverage obligations.

In November, Ofcom announced that mobile operators EE, Three and O2 had all met an obligation to cover 90% of UK homes by June 2013. However, Vodafone had failed to meet the obligation, reaching 88.66%.

Vodafone subsequently agreed plans with Ofcom to bring itself into compliance with the 3G coverage obligation by the end of 2013. Following a further coverage assessment, Ofcom has now found that Vodafone met its obligation ahead of this deadline.

Ofcom stated that it takes the requirements of its licensees very seriously, and breaches of these obligations can incur a penalty. In this case, once informed by Ofcom, Vodafone

provided a plan to address the shortfall. This involved work to upgrade 129 mobile transmitter sites, which was completed on time.

Having taken these factors into account, and the margin by which the target was missed, Ofcom decided that it will not take any further action on this occasion.

Mobile coverage is as a priority area for Ofcom, which is leading and supporting several initiatives to improve mobile coverage and provide consumers with high-quality information on reception, as part of a [five point plan](#). Ofcom has published an [online guide](#) (pdf) on how consumers can maximise their mobile coverage.

Further details on Ofcom's commitment to improving mobile coverage can be found [here](#)

Wealth of the Web: Broadening Horizons Online

The Panel has welcomed the launch of a new report by Age UK London outlining recommendations for getting more of the 2.1 million older people in London online. 78% of Londoners aged over 75 are not online and a total of 661,000 people over the age of 55 in London have never used the internet. [Wealth of the Web: Broadening Horizons Online](#) (pdf) tackles the issue of how to decrease these figures. Specific recommendations are made for older people themselves, the Age UK London Network, voluntary sector organisations, regional and local government, funders and those in the private sector.

The report looks at the obstacles to older people being online, which range from lack of interest to financial cost and lack of training and support as well as the drivers behind getting older people online which include family support and specific interests and hobbies.

Some key recommendations are:

- Regional and local government should provide funding for adult learning so that older Londoners can have affordable computer-training
- Funders should support research designed to further understand motivational and behavioural elements of decisions to use online technologies
- Private companies should incorporate older people as co-designers and testers of products to ensure user-friendly operation
- Suitably skilled older computer-users can act as 'digital champions', offering case-study evidence that older Londoners can relate to, giving greater understanding of potential barriers and drivers and potentially assisting in co-design and delivery of support programmes
- Voluntary sector organisations should develop and trial initiatives to support all older Londoners to get online if they wish to do so

The report also looks at four key groups of older people in relation to being online: those who are offline and uninterested, offline but interested, restricted use but online,

expansive use and online. The report recommendations aim to support older people move into the latter groups.

The launch, which took place at a Positive Ageing in London event, also incorporated a workshop for older people who were either not online or else had restricted use online with the aim to identify specific drivers for individuals.

Safer Internet Day

Safer Internet Day 2014 will take place on 11th February, with this year's theme being "Let's create a better internet together".

The day offers the opportunity to focus on both the creative things that children and young people are doing online, as well as the role and responsibility that all stakeholders have in helping to create a better internet.

Activities are held across the UK and the Safer Internet [website](#) provides information and support material to help get involved.

Consumer Rights Bill

In January the Government introduced the Consumer Rights Bill to Parliament. The text of the Bill can be accessed here: [consumer rights](#). A [Statement on Policy Reform and Responses to Pre-Legislative Scrutiny \(pdf\)](#) has been published alongside.

The Panel's response to the draft Bill earlier in its development can be found [here](#) (pdf)

Online games industry given two months to get house in order following OFT investigation

The OFT has published its [finalised principles for online and in-app games \(pdf\)](#), and given games producers a deadline of 1 April to ensure that their games do not breach consumer protection law.

The OFT principles state that consumers should be told upfront about costs associated with a game or about in-game advertising, and any important information such as whether their personal data is to be shared with other parties for marketing purposes. The principles also make clear that in-game payments are not authorised, and should not be taken, unless the payment account holder, such as a parent, has given his or her express, informed consent.

Failure to comply with the principles could risk enforcement action.

The OFT has also published [guidance for parents](#) that will help make sure that children are not pressured into making in-game purchases and reduce the risk of their making unauthorised payments. Nearly 90 per cent of children aged between seven and 15 have played online games in the past six months, with half paying to play at least once.

Specifically, the OFT advice suggests that parents:

- Check the 'payment options' settings on their device. One option is to make sure that a password is required for every purchase, rather than opening a 'payment window' in which the password will not be needed for any further payments.
- Check whether there are any in-game purchases or whether the game contains a social element by looking at its description on the app store or the game's website.
- Play the game themselves to understand what children will see.
- Be aware that game content could change via automatic updates, so check regularly that they continue to be happy with their children playing a game.

The OFT welcomed the positive engagement by the games industry with the OFT's investigation, and the significant improvements to its practices that have already been made by many firms since the OFT launched its investigation.

Many games are produced abroad and the OFT has been leading the global debate on these issues. By working closely with international partners, the OFT has ensured that the principles are consistent with the laws of most key jurisdictions to help to raise standards globally.

Citizens Advice has incorporated the OFT's advice into its new page on online and in-app games. See its [AdviceGuide](#) website for more information. Consumers can also get advice or complain to Citizens Advice about online or in-app games by telephone or by visiting a Citizens Advice Bureau. The OFT, and the CMA from 1 April 2014, will have access to complaints and may use them in deciding whether to take enforcement action. Ofcom has produced [comprehensive video guides](#) outlining the steps parents and others can take to protect against the main causes of mobile phone and tablet 'bill shock'. These include help on how to turn off or password protect in-app purchases.

Visit the Panel's website to read our [response to the OFT's investigation \(pdf\)](#) and our [response to the consultation on the principles \(pdf\)](#).

Broadband boost for travellers on land, sea and sky

Passengers on boats, planes and other vehicles could enjoy superfast broadband speeds when travelling in the UK, following a decision by Ofcom. The regulator has approved the use of 'earth stations', devices which, when mounted on moving vehicles, can provide an internet connection to passengers by connecting to a 'geostationary' satellite on vehicles. The decision means that airlines and other transport operators could in future use satellite-based technology to offer customers broadband speeds up to 10-times faster than those they currently experience.

Ofcom expects to be able to accept applications to license ship-mounted earth stations by February 2014, and is working with the Civil Aviation Authority to make licensing for aircraft-mounted devices available in a similar timeframe. Regulations covering the exemption from licensing for land-based earth stations are expected to be in force by the summer of 2014. The first commercial deployments of the technology on vehicles in the UK are likely to begin later this year. Ofcom is also working with international telecoms authorities to promote the use of earth station technology globally.

Ofcom's [statement](#) can be found here.

Protection for consumers against unexpected mid-contract price rises

Consumers and small businesses taking out new landline, broadband or mobile contracts should be allowed to exit them without penalty if their provider increases the monthly subscription price agreed at the point of sale.

This follows an Ofcom review into the fairness of contract price terms which found that many consumers, in particular, were caught unawares by price rises in what they believed to be fixed price contracts.

To improve protection for consumers and small businesses, Ofcom has issued new [Guidance](#) for providers which took effect from 23 January. It sets out that if a provider wishes to increase the monthly subscription price (or prices) agreed by the customer at point of sale, customers should be given at least one month's notice of the increase and be allowed to exit the contract without penalty.

It also states that any changes to contract terms, pricing or otherwise, must be communicated clearly and transparently.

Checklist for consumers

Ofcom has also published advice and information on the factors consumers might want to consider before signing up to a new landline, broadband or mobile phone contract. It also sets out what Ofcom's new Guidance means for consumers.

The guide includes a checklist of information that consumers should receive from their provider at the point of sale and is available to download via the Ofcom website [here](#)

Government Urges People to be 'Cyber Streetwise'

The government has a 'Cyber Streetwise' campaign to change the way people view online safety and provide consumers and businesses with the skills and knowledge they need to take control of their cyber security. The campaign includes a [website](#) offering a range of interactive resources and advice for staying safe online.

Advice includes using strong, memorable passwords, installing anti-virus software on new devices, checking privacy settings on social media, checking online retail sites are secure and downloading software and application patches when prompted.

Initial funding for the campaign will be allocated from the government's National Cyber Security Programme. Over 20 industry members are also providing support and investment. Further details of the campaign can be found on gov.uk: [Government launches Cyber Streetwise](#)

Don't get spoofed by phone number scams

In response to the growing instances of nuisance callers and criminals deliberately changing their Caller ID, a practice known as 'spoofing', Ofcom has produced a [guide](#) for consumers and small business to help protect themselves against such calls.

The guide provides an overview of what is being done to combat such calls, as well as advice as to what you should do to protect yourself and what action to take should you think you have been a victim of Caller ID spoofing.

Mobiles and tablets drive rapid growth in online shopping

The latest data from the IMRG Capgemini e-Retail Sales Index has revealed that retail sales via tablets and smartphones rose by 138 per cent last year with online sales now accounting for 21 per cent of the total retail market.

The increase in m-commerce has been supported by the growth of services such as click/reserve and collect, According to the Index, purchasing/reserving online and collecting in store, now accounts for 25% of multichannel retailers' sales.

More information and an executive summary of the research can be found on IMRG's [website](#)

New Superfast Broadband Announced for Thousands of Scottish Homes and Businesses

More than 39,000 homes and businesses across Scotland will be next to get fibre broadband as part of the £410 million Digital Scotland partnership.

People in 37 places across the country - from Aberdeenshire to Dumfries and Galloway and from Perth and Kinross to Argyll - will be able to access fibre broadband services at speeds of up to 80Mbps* by Summer 2014. Some of the places announced- such as Bridge of Allan, Castle Douglas, Findhorn, Fochabers, Kintore, Melrose, Scone and Taynuilt - will receive high speed technology for the first time, while others will see additional premises connected as a result of building upon their existing, or planned fibre broadband.

The Digital Scotland Superfast Broadband initiative consists of two projects - one covering the Highlands and Islands area and the other covering the Rest of Scotland. The first locations in the Highlands and Islands, in Inverness-shire and Moray, were announced in October 2013. The latest announcement includes the first locations to be named for upgrade as part of the Rest of Scotland project and further locations in the Highlands and Islands. In total, more than three quarters of a million homes and business premises are expected to benefit from the Digital Scotland Superfast Broadband initiative.

More locations will be announced quarterly for the life of the projects as the fibre network rolls out across Scotland. Full details can be found on the Digital Scotland [website](#)

Ofcom issues information for consumers on inadvertent roaming in Northern Ireland

Ofcom has issued [a new guide \(pdf\)](#) to help consumers in Northern Ireland understand the different options available to help them reduce or avoid expensive inadvertent roaming charges.

Mobile phone users in Northern Ireland, particularly in border regions, may incur international roaming charges without ever leaving the country. This is called inadvertent roaming. It occurs when the signal from your domestic UK network is weak or unavailable and your phone picks up a stronger signal from a mast in the Republic of Ireland. In these cases, rather than paying domestic rates, mobile phone users are charged more expensive international roaming rates that can lead to unexpectedly high bills.

The information sets out mobile providers' tariffs, advice and other options available to customers to help them reduce or avoid expensive inadvertent roaming charges.

Operators have tackled the problem for customers living and working in affected areas in a number of different ways. Some offer special tariffs and apps that can help reduce inadvertent roaming costs. Operators also provide specific advice to their customers about reducing the exposure to these charges, including on their websites.

Further details can be found on the [Ofcom website](#)

New school resource to teach children about mobile phone security and fraud awareness launched

The first specialised teaching resources aimed at educating young people about mobile phone crime, online security and the threat of fraud have been launched by the Telecommunications UK Fraud Forum (TUFF) and Financial Fraud Action UK (FFA UK).

Out of Your Hands is a tailored set of teaching resources aimed at primary and secondary school pupils which bring to life the distinction between risky and protective behaviour, while placing advice in an educational context that can support teachers. The initiative was originally launched in 2004 by TUFF and the Home Office with a specific focus on educating young people about the responsible ways to own, operate and safeguard a mobile phone.

With almost two-thirds (64%) of children having their first bank or building society account by the time they start secondary school, experts have stressed the need for young people to be aware of simple fraud prevention advice at the earliest opportunity. 44% of 16 to 18 year-olds now use internet banking, while 78% have a card they can use at a cash machine.

Many young people are carrying mobile phones to make and receive calls and texts, for personal safety, to use mobile phone apps and to access the internet. Although just 17% of the mobile phone owning population was accounted for by 14 to 24 year olds in 2011/12, this group experienced 37% of mobile phone thefts.

The *Out of Your Hands* resource is available for free at <http://www.outofyourhands.com>.

The new resources include new materials for PSHE, ICT, Maths, Business Studies, English and Drama, featuring example scenarios of typical fraud scams and guidance on how to stay safe when making online transactions, as well as helping young people consider the risks of sharing their personal information with others. The campaign website also includes real-life mobile phone crime and fraud case studies and short films which raise awareness of mobile phone theft and scams such as ‘Vishing’, Money Muling and courier fraud.

The *Out of Your Hands* website provides:

- free National Curriculum resources and downloadable worksheets
- real-life victim and perpetrator case studies and short films
- the latest tips and advice for staying safe online and on the streets
- key features of what to look for in common scams
- links of where to register your mobile device, report issues or get further help

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