

Communications Consumer Panel and ACOD response to Ofcom's consultation on an Approval Logo for the Metering and Billing Scheme and a modification to the Ofcom Metering and Billing Direction

Introduction

The Communications Consumer Panel (the Panel) and the Advisory Committee on Older and Disabled People welcome the opportunity to respond to Ofcom's consultation on the introduction of an Approval Logo for the Metering and Billing Scheme and a modification of the Metering and Billing Direction.

The Panel works to protect and promote people's interests in the communications sector. We are an independent statutory body set up under the Communications Act 2003. The Panel carries out research, provides advice and encourages Ofcom, governments, the EU, industry and others to look at issues through the eyes of consumers, citizens and micro businesses. The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of micro businesses, which have many of the same problems as individual consumers. There are four members of the Panel who represent the interests of consumers in England, Northern Ireland, Scotland and Wales respectively. They liaise with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel's consideration of issues.

There is also cross-membership with Ofcom's Advisory Committee on Older and Disabled People (ACOD). This means that Members, in their ACOD capacity, provide advice to Ofcom on issues relating to older and disabled people including television, radio and other content on services regulated by Ofcom.

Response

The Panel strongly supports the introduction of an Approval Logo, to support consumers' awareness of Ofcom's Metering and Billing Scheme (the Scheme).

We believe this is a prime example of a positive step that can be taken to inform and assist consumers and micro businesses, which can also benefit communication providers (CPs).

Currently, the onus is on the consumer to find out whether their CP is compliant with the Scheme. If a consumer wants to check that their CP's metering and billing processes have been independently audited, they have to search for information on their CP's website and/or the website of the Approval Body (AB) responsible for the audit. Not only is this time-consuming, but it also relies on the consumer having a level of understanding about the processes involved before looking for confirmatory information. This could make it difficult for consumers to benefit from the facility to check that they are not being overcharged.

It is crucial that the assumption is not made by CPs that consumers - particularly people on lower incomes - are active in the market and aware of CPs' billing processes. Ofcom's Consumer Experience 2014 report¹ found that only 10% of consumers in socio-economic group DE were 'engaged' in the market (down from 23% in 2013), while 40% of that group were 'inactive'.

We believe that the introduction of an easily-recognisable Approval Logo - such as the examples shown in Ofcom's consultation document - will increase consumer awareness of the existence of the Scheme. In turn, consumer confidence in the CPs displaying the logo will grow, reinforcing the benefits to CPs in complying with the Scheme.

We note that Ofcom's proposal is that use of the logo by CPs is voluntary - and it is reasonable that the impact of using the logo should be assessed by the CPs. However, we would urge CPs to consider using the logo and to balance any operational costs of updating webpages and communications against the reputational benefits that using the logo may bring, as a symbol of trust and transparency that consumers can depend on and use as a point of 'like-for-like' comparison when comparing CPs.

We believe it is vital that the Approval Logo is only displayed on the websites and communications materials of CPs who have received approval to use it - and importantly - those who *maintain* that approval. We note that where approval is withdrawn from a CP, the AB is required to inform that particular CP that they must cease using the Approval Logo. We would firmly recommend that checks are then in place to ensure that the logo is removed as promptly as practicable, within an agreed timescale, to prevent the risk of misleading consumers.

To give further power and security to the consumer, we also recommend that the logo - when used on a CP's website - links back to the relevant accreditation page of Ofcom's website. That way, consumers can be protected from fraudulent use of the logo and can find out more detailed information easily. Other protection measures could also be considered, such as the use of a bespoke font to make the logo easier to track and more difficult for fraudsters to copy. We would also recommend that the

¹ http://stakeholders.ofcom.org.uk/binaries/research/consumer-experience/tce-14/TCE14_research_report.pdf (page 159)

logo contains the year to which the approval relates, to encourage CPs to maintain accreditation.

The ultimate success of the Approval Logo as a tool for raising consumers' awareness will depend on whether CPs choose to use it - and whether consumers recognise it and know what it means. We would therefore recommend the promotion of the logo through social and other media, on price comparison and switching sites and via consumer groups - not forgetting consumers who are not regular internet users or who never go online.