

CONSUMER
PANEL

Ofcom
OFFICE OF COMMUNICATIONS

Annual report 2005-06

June 2006

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This report can be found on the publications page of the Consumer Panel website in English and Welsh at: <http://www.ofcomconsumerpanel.org.uk/publications.htm>

It can be provided in alternative formats on request (see Contact Us).

Foreword

The Ofcom Consumer Panel began its work in February 2004, and this is our second annual report.

As in our first year of work, we have handled a number of big strategic issues as well as commenting to, and working with, the Ofcom board on a number of important but more tactical regulatory issues. We have used extensive consumer research to create an evidence base to support our advice. All of this is set out in the body of this report.

Two major themes have dominated our work this year. One is - how can all consumers really benefit from the changes in the rapidly-developing market for communications? Developments in this market place are frequently, and rightly, discussed in terms of their ability to enhance people's enjoyment of entertainment, their access to information and news and their ability to enhance rapid, cheap and frequent personal communication. But for some big groups in our society, these benefits are difficult to access – either because of who people are, or because of where they live.

In the year just passed we have become increasingly interested in deepening our understanding of how and why some people in our society find this market a daunting place to be. We have become particularly interested in understanding older people's experience of this market. Older people are of course a large and growing part of the population and their issues are becoming more and more central. In this coming year, we will be working to come to gain a better understanding of the variety of issues that affect older people's ability and willingness to engage with communications, and to understand what the policy implications of such understanding might be.

The second major theme for the Panel is more inward-looking but nonetheless important. We have worked this year to help Ofcom develop its internal capability to understand, give due weight to and deliver outcomes that serve the consumer interest. We developed our *Capturing the consumer interest* toolkit to do just this.

Partly in response to the Panel's evaluation of the regulator's work, Ofcom is now giving greater prominence to its consumer policy work – strengthening its consumer policy team and conducting a major review of its regulatory approach to consumer and citizen issues.

The Panel will continue to share its experiences of the " toolkit" with other regulators, government, private sector providers and consumer organisations as our contribution to the delivery of better regulation.

The Panel is very grateful to its staff: Georgia Klein; David Edwards; Dominic Ridley and Julia Guasch - for their hard work and commitment. And I am very grateful to my colleagues on the Panel for their hard and effective work.

A handwritten signature in black ink that reads "Colette Bowe". The signature is written in a cursive, slightly slanted style. There is a small horizontal stroke under the letter 'e' in "Bowe".

Colette Bowe

Chairman, Ofcom Consumer Panel

June 2006

Section 1

About the Ofcom Consumer Panel

Our statutory basis and purpose

1. The Ofcom Consumer Panel was established in early 2004 by the Office of Communications (Ofcom) under Section 16 of the Communications Act 2003. The Panel's primary function is to advise the board of Ofcom on the consumer interest in the telecommunications, broadcasting and spectrum markets (with the exception of content issues) and in addition other persons as the Panel thinks fit.
2. The Panel is concerned with access to communications regardless of whether this affects people as citizens or consumers. We represent the interests of people living in different parts of the United Kingdom and give informed advice about matters relating to the interests of older people, people with disabilities, low-income households, people living in rural and urban areas and small businesses in addition to other consumer groups.
3. We are independent of Ofcom, setting our own agenda and speaking out publicly on issues where we consider this to be appropriate but work constructively with the Ofcom board and other relevant bodies. The Panel has a memorandum of understanding with Ofcom that defines the relationship between the two bodies.¹
4. The Panel consists of 12 part-time members with substantial knowledge of and expertise in consumer issues in the electronic communications sector. Amongst the Panel are members representing the interests of consumers in Scotland, Wales, Northern Ireland and England². Ofcom appoints members in accordance with Nolan principles.
5. The Ofcom Board approves the Panel's annual budget, including remuneration of members and to allow the Panel to carry out research.

Our strategic vision

6. The Ofcom Consumer Panel wants to see a marketplace where all consumers have sufficient knowledge, understanding and confidence to choose and use communications products and services that are appropriate to their needs and lifestyle. Where the market fails to meet the needs of consumers the Panel wants to see that adequate measures are taken to ensure the satisfaction of these needs.

How we go about our work

Evidence-based policy-making

7. The Panel bases its advice on evidence drawn primarily from research but also from representations made to it from: its strong network of links with smaller, specialised consumer advocacy bodies in the sector; complaints data; and its contacts with the industry.

¹ <http://www.ofcomconsumerpanel.org.uk/mou.htm>

² <http://www.ofcomconsumerpanel.org.uk/members.htm>

8. We conduct a substantial programme of research, including a major annual exercise in “tracking” the experience of consumers in accessing and using electronic communications, right across the UK and across all age groups. We also conduct individual research exercises into single topics of major significance, such as how the roll out of the digital switchover might affect vulnerable people. All of the Panel’s research is published³.
9. The Panel runs a network of specialised consumer groups, the Consumer Forum on Communications, which meets regularly and which feeds into the Panel’s work.
10. The Panel tries to ensure that it reflects the widest range of views from UK consumers. It therefore supplements the work of our regional representatives by meeting from time to time outside of London with key local stakeholders.

Work plan principles

11. There are a huge number of potential issues on which the Panel could carry out research and offer advice. As a consequence, the Panel could spend all its time on wide-ranging but superficial opinion-giving. In order to be effective therefore, the Panel is selective. To enable it to do this, the we have developed and apply a set of principles that we use to direct how we set our priorities. The principles are:
 - **Relevance:** is this an issue which consumers have identified as a relevant concern in our annual consumer survey, or which for other reasons we believe is important for consumers?
 - **Detriment:** is there evidence of a real and significant risk of consumer detriment?
 - **Practicality:** is this a matter to which the Panel could add value (i.e. others are not already engaged on the consumer issue) and for which some practical solution can be found?
 - **Vulnerable groups:** would tackling an issue address the requirements and needs of those vulnerable consumer groups listed in the Act?
 - **Communications Act themes:** The Act requires that the Panel is able to give advice on the interests of domestic and small business consumers in relation to the following matters:
 - the provision of electronic communications networks, services and facilities and relevant apparatus;
 - directories to enable their use;
 - the financial and other terms on which such services or facilities are provided;
 - service standards;
 - complaints-handling;

³ <http://www.ofcomconsumerpanel.org.uk/publications.htm>

- dispute resolution;
- redress;
- information about service standards and the rights of consumers; and
- any other matters the Panel considers to be necessary for securing effective protection of communications consumers.

Early intervention

12. In order to give advice to Ofcom, the Panel is kept closely informed about Ofcom's work and has constant access to Ofcom at all levels. The Panel gains early sight of Ofcom policies and in this way assists Ofcom to factor in consumer concerns into their policies before they are publicly consulted on. A team of Ofcom colleagues provides support to the Panel and facilitates this.

Transparency and accountability

13. The Panel is fully transparent in its operation. We publish annual reports on how we carry out our functions, research findings, policy analysis and advice, agendas and minutes of our meetings. The Panel maintains a website to inform consumers of our activities on a continuous basis and issues a newsletter to a wide variety of interested parties.

Section 2

Review of the year

14. During 2005-06 the Panel engaged in four major areas of work: our tracker research; consumer-focussed regulation including Ofcom's consumer policy review; digital switchover and Ofcom's strategic review of telecommunications. We also pursued a range of other important issues related to Local Loop Unbundling; Next Generation Networks; Ofcom's Communications Act 2003 Section 10 duty to encourage availability of easily usable apparatus; publication of BT financial reports; and Wholesale Broadband Access.

Understanding consumer concerns

15. The Panel's work is evidence-based. We committed to an ongoing programme of research to generate evidence about consumer concerns and the state of consumer information in the communications marketplace. During the year, we discussed the implications of our 2004-05 tracker research in workshops with Ofcom, industry and consumer groups. Age was found to be the most significant factor in consumer participation in communications markets.
16. Our May 2005 research finding that one third of people had not heard of 'digital switchover' reinforced the strong need for Digital UK to run a major public information campaign. We had numerous meetings and discussions with Digital UK, the Government and Consumer Expert Group on digital switchover to stress the importance of a public information campaign and to see that it was prioritised. DUK has since dedicated considerable efforts to developing their communications work in partnership with consumer groups.
17. In 2005 we commissioned a revised version of last year's research to enable us to track how changes in the market and regulation had impacted on consumers. This year's research will be published in June 2006.

Consumer- focused regulation

18. There are a huge number of issues which the Panel could engage in. In order to be as effective as possible, the Panel limits itself to advising the board of Ofcom and others (e.g. the government on digital switchover) on strategic matters. We are also guided by the findings from our independent research. This highlights the issues which concern consumers and this in turn drives the Panel's own work programme.
19. In the second year of its existence, the Panel decided that it should, as an important part of its statutory duties, consider how Ofcom handles the identification and analysis of consumer interests in framing its regulatory judgements. The real test of whether a regulator is delivering and can go on delivering outcomes that serve the consumer is whether the regulator itself has a fully developed internal capability to understand, and give due weight to consumer interests along with industry interests.
20. After a competitive tender process, the Panel commissioned Pricewaterhousecoopers LLP to carry out an exploratory study to develop a consumer interest toolkit. The aim of this approach was to enable an objective

assessment of how effectively a regulator takes consumer interests into account when forming and implementing its policies. This piece of work was conducted with the help of the National Audit Office and was based on a close analysis of what Ofcom actually did in its first year. As part of its assessment, the Panel looked at two Ofcom 'case studies' – its strategic review of telecoms and its regulatory approach to telecoms misselling.

21. The *Capturing the consumer interest*⁴ toolkit itself consists of 31 questions, which can be applied to a particular area of work or to an organisation as a whole. This new evaluative review of consumer-focused regulation has already helped Ofcom to re-address the balance in drawing up its consumer policy work programme for 2006. It published its response to the toolkit alongside our report, highlighting seven recommendations to fill in the gaps identified in the Panel's 'audit' and is developing a framework to ensure that the consumer interest is appropriately taken into account in planning, projects and communications. It has committed to, for example, establishing a consumer interest early warning system, an Ofcom consumer policy-training programme, revising its Impact Assessments and to publishing periodic consumer policy progress reviews.
22. We believe that this toolkit will be of use to other industries and for government. This opinion was confirmed at the launch of our toolkit in February 2006 to an audience of senior representatives from regulators, Government, Parliament, consumer bodies and industry. Ofwat, Food Standards Agency, Consumer Council for Water and Financial Services Consumer Panel. all showed an interest in using the toolkit and learning from Ofcom's experiences.
23. Participants felt the toolkit was a valuable contribution to the better regulation agenda and would have wide applicability for both public and private organisations. Delegates were interested in seeing the toolkit be applied to citizen issues and supporting policy-making when trade-offs need to be made for different consumer groups. Our work in this area is widely considered to be complementary to the Department of Trade and Industry's (DTI) current proposals for enhancing consumer representation.
24. An additional contribution made to enhancing consumer-focused regulation was the early advice the Panel gave to Ofcom on its development of its annual plan. We also responded to Ofcom's draft plan for 2006-07 consultation and helped to shape its annual plan for the forthcoming year. In our response, we were broadly supportive of Ofcom's plan and especially welcomed the fact that consumer protection will be one of its nine priority areas.
25. We highlighted several areas where we thought Ofcom needed to have particular focus. We suggested, for example, that Ofcom should identify and focus on the needs of older people and that a broad theme of Digital Inclusion (including digital switchover and digital TV) should run through all of Ofcom's thinking for the year 2006-07. We suggested that digital switchover (DSO) should be one of its priorities. The Panel called for the Annual Plan to be more explicit about issues that affect disabled and younger people and for Ofcom to develop its approach to citizen issues and differing consumer concerns in the nations and regions. We again urged Ofcom to set time-

⁴ http://www.ofcomconsumerpanel.org.uk/publications/capturing_the_consumer_interest.pdf

specific targets against which it could evaluate whether the telecoms market provides a fair deal for all.

26. In our response we also expressed interest to know Ofcom's own assessment as to whether or not it had set itself the correct priorities for 2005-06. We believe that understanding what Ofcom got right or whether it had failed to recognise a regulatory work stream that arose can only help the regulator set the right priorities in the future. The Panel asked Ofcom to review its own annual plan for 2006-07.

Ofcom's consumer policy review

27. This year we welcomed Ofcom's review of its approach to consumer policy making. Following strong advice from the Panel, Ofcom gave greater prominence to its consumer policy work and made consumer protection one of its nine key priorities for the coming year. The Panel's recent work to develop a consumer interest toolkit for regulators and government has played an important role in this change.
28. The Panel believes, however, that more work is needed to shape Ofcom's policies on information provision to consumers. We have had a number of discussions with Ofcom on this theme. We want to see improvements in the provision of accessible, reliable information on individual technologies, price and quality of service delivered by suppliers to enable consumers to make informed purchasing decisions. We are also arguing for improvements in the provision of information about consumers' rights, particularly around the switching process and where to go if things go wrong.
29. As a result of our advice, Ofcom is currently undertaking a study into how different types of consumers use information about price and other factors in their purchasing decisions and what information they like to have access to. We will work with Ofcom to analyse and shape its information policies on the basis of these findings.
30. The Consumer Panel and Ofcom have discussed the practical significance for Ofcom's work programme of the distinction drawn in public policy discussion in communications between "consumers" and "citizens". During the year we have expressed our concern that the work of 'consumer policy' needs to give full weight to the needs of vulnerable people, however they are defined. The discussion continues between us.

Supporting consumers through digital switchover

31. The switchover from analogue to digital signal by 2012 has continued to be an important area of the Panel's work. This year we have focussed on the needs of socially isolated people through switchover; people without an adequate network of friends, family, neighbours or carers to turn to for support. The Panel previously called for a process to be developed by Digital UK, working with the voluntary sector and local government, to provide a practical support scheme⁵. Digital UK has taken on board our recommendations and we are supporting their regional work to see that practical support programmes are developed which reflect our recommendations. However, the Panel is still concerned that the Government's proposed support package does not meet our criteria and that

⁵ <http://www.ofcomconsumerpanel.org.uk/dso/dsoreport.pdf>

vulnerable consumers will be left without TV and be targeted by rogue traders.

32. The Panel has also voiced its concern about the Government's proposed levels of financial assistance around DSO. The Government is proposing to offer free installation, equipment and instructions only to older people if they are also claiming pension credit. We believe this represents a move away from the principle of free TV reception for everyone over the age of 75 regardless of income - a policy that commands widespread public acceptance. Many pensioners who are entitled to pension credit but who do not claim it will not get help with the switchover. These people should be offered financial assistance to meet the costs of one-off purchases of equipment and any necessary aerial upgrade work.
33. During this working year, we have continued to contribute actively to the public debate on this subject by giving evidence at the Government Select Committee hearing, meeting with the DTI and Department of Culture, Media and Sport (DCMS), consumer groups and Digital UK and commenting within the UK's media. We are pleased to note that the recommendations of the select committee regarding the nature of assistance and who should be eligible for additional help reflect the advice we gave.

A fair deal for all in telecommunications: Ofcom's Strategic Review of Telecommunications

34. The Panel has engaged with Ofcom throughout the year to encourage them to put consumer interests at the heart of its Telecoms Strategic Review (TSR). This work is aimed at tackling BT's position of significant market power on fixed line phone provision. How this policy evolves is important in terms of what benefits the new regulatory environment will deliver to consumers.
35. The Panel welcomed the ability of Ofcom and BT to reach agreement on legally binding and enforceable undertakings regarding the provision by the company of genuine equality of access to its network by competitors. Equally we welcomed the support given to this agreement by so many important players in the market. The undertakings should provide the basis for early and significant increases in the choice and innovation available to consumers, together with lower prices and better quality of service, in an increasingly competitive marketplace.
36. After numerous meetings with the TSR teams and difficult discussions with the Ofcom Board, Ofcom's consumer policy review explores the demand-side aspects the Panel called to be included in the TSR. In addition, Ofcom has agreed to consider commissioning an independent audit as well as looking at using international comparators and innovation benchmarks as part of a number of metrics to measure the success of the TSR policy. However, we continue to disagree with Ofcom's stand that targets that are time-specific should not be set. We think Ofcom should be addressing these issues to ensure that the telecoms market provides a fair deal for all and are actively discussing this with them.

Number Translation Services

37. We have worked extensively this year through meetings, discussions and responses to encourage Ofcom to focus on consumer interests in relation to

Number Translation Services (NTS). In our response to their briefing on NTS, *Options for the Future*, we stressed the need for transparency in this area.

38. NTS calls are made to phone numbers that mostly begin with 08 and 09 (09 numbers are more commonly known as 'Premium Rate Services'), and usually offer access to information and entertainment services, and pay-as-you-go internet access. We asked Ofcom questions about how it would ensure that ICSTIS would be properly resourced and organised to undertake its new proposed responsibilities and what view Ofcom has to enforce the revised Condition 14 - as such amendments are ineffective unless backed by appropriate enforcement.
39. We also asked the regulator to strengthen its stance on chargeable numbers and support the enforcement of Central Office of Information (COI) guidelines (though the Panel does recognise Ofcom has limited powers in this area). The Consumer Panel rejected Ofcom's conclusion that pre-announcement of call costs would be excessively high in relation to the benefits. The Panel believed that a cost benefit analysis had only been defined for industry and not for consumers.

Public body use of revenue sharing services

40. In the aftermath of the London bombings in July 2005, we wrote to the Minister to complain about the use of a premium rate number for the helpline for friends and families of victims. Further to dialogue with Government on this issue, a public apology was made. This year, we also raised concerns with Ofcom about the lack of price transparency of revenue sharing services and their use for public services such as GP surgeries as this could put people off using these services.

Mis-selling of fixed-line telecoms services

41. This year the Panel has expressed concern about people's fixed-line services being switched to another supplier without their consent. We have also recommended a single customer-owned code that works across all communications services to enable consumers to switch more easily and control the practice of 'slamming'. Ofcom has since adopted a mandatory code of practice and in Spring 2006 it is consulting on the implementation of a single code.
42. The Panel also expressed concern that Ofcom's monitoring and enforcement practices has to date concentrated on investigating smaller rather than larger companies. We welcome the greater priority Ofcom is now giving to strengthening its investigations work on behalf of consumers.

Alternative Dispute Resolution schemes

43. In the Panel's response to Ofcom's consultation on the Review of Alternative Dispute Resolution Schemes, we defined what the consumer priorities should be. The Panel's advice was that the regulator needs to focus on the enforcement and protection of consumers. Consumer disputes with suppliers should be resolved by the supplier before they get to Otelo (the ombudsman) or CISAS. It is Ofcom's responsibility to ensure that the industry complies with the code of practice. To be effective, the scheme must be accessible, easy to follow and transparent. We stressed that it must be widely publicised to consumers so that they are aware of it.

44. The Panel commented that Ofcom's current research base into the ADR consumer experience was based on a sample size which was too small. We recommended that the research should be repeated within the next 12 months with a larger sample of people and Ofcom is conducting ongoing research in this area.
45. Our recommendations to make the process easier for consumers included the suggestion that communications providers should record and monitor their complaints process so that Ofcom can evaluate which providers are resolving complaints well or badly. We also suggested that ADR schemes should publish performance indicators in relation to staff competence, timeliness of decision-making and overall customer satisfaction. They should also publish regular reports that show the breakdown of complaints received.

Universal Service Obligations

46. Throughout the year we engaged with Ofcom on the Universal Service Obligations review and helped to ensure that the interests of vulnerable groups were not lost. As a result of our and others' engagement with Ofcom, the regulator expanded its terms of reference in researching what communication services should be made available to those with a disability. Also, from discussions with Ofcom and BT, the eligibility criteria for the low income scheme was changed. First the income threshold was removed following our advice that there was a misunderstanding as to how the government defined poverty and the difficulty BT would have in correctly determining a household's income. Further, our rejection that eligibility should be tied to Pension Credits and Housing Benefits because people may own their own home but actually be cash poor was listened to and the policy dropped. We also requested that BT should record data on all requests for connections that exceed the £3400 threshold, including those declined for cost reasons and details of how much it cost (or would have cost) to provide those connections, for a period of one year. This will help inform Ofcom, ourselves and other stakeholders as to whether the threshold should exist. Ofcom has asked BT to record the data.
47. In July 2005 we responded to the European Review of the Scope of Universal Service. We said that it is imperative for the Commission to ensure that the Universal Service Directive (USD) does not concern itself with technology specific access to the communications market or with the services that are offered by operators – these will be myriad in form. We called for the USD to be technology neutral which will ensure that the directive focuses on 'access' itself as this is essential for a citizen centred approach to the communications market and one which promotes real equality of access to the communications network.

Section 3

Stakeholder issues

Engagement with stakeholders

48. The consumer Panel works with a broad range of consumer groups, politicians, organisations and industry representatives to discuss and advance consumer (and citizen) interests in the communications market.
49. This year Panel Members have continued to prioritise building links with consumer and disability organisations and other stakeholders. Our Members have spoken at a range of events and seminars including the Westminster eforum in October 2005 on industry, corporate social responsibility and the digital divide. We also, for example, participated in a Consumer Action Network seminar on Improving Consumer Representation in the UK. The Chairman of the Consumer Panel was also called to give evidence to the Culture, Media and Sport Select Committee, about analogue switch off. We spoke on the needs of vulnerable consumers and what more needed to be done to help them prepare for switchover.
50. Following the launch of this year's consumer tracker research, the Panel held a seminar with industry and consumer groups to discuss the implications of the findings and what action needed to be taken. This work was then continued through meetings with individuals. In February 2006 we launched our consumer interest toolkit to stakeholders interested in the better regulation agenda. The Panel organised a low-income seminar in March 2006 and speakers included academics, Ofcom representatives from DTI and the European Commission and explored issues such as digital inclusion and the future of the universal service obligation.

Consumer Forum on Communications

51. The Panel hosts meetings of the Consumer Forum for Communications. The Forum meets approximately three times a year and is made up of consumer groups, disability organisations and others. The members meet to debate, discuss and share information. Through this group, we identify key concerns of different consumer groups and facilitate dialogue between them and Ofcom, improving the links between consumer groups and Ofcom and help them understand how the regulator works. This year, key issues raised and discussed during the Forum meetings have included DSO, internet inclusion and media literacy. We held bi-lateral meetings with Forum members to help us improve the operation of the Forum and our work with stakeholders outside Ofcom.

Panel activity in the Nations of the United Kingdom

52. The Panel meets monthly (minutes of meetings from December 2005 onwards are available and for previous meetings notes of meetings are available, all on our website), usually at Ofcom's headquarters but also outside London. This year we met in Belfast in October 2005. As a Panel we set ourselves the task this year of developing closer links with the Nations and regions. Particular Panel members have been active in developing relationships and discussing consumer priorities throughout Scotland, Wales, England and Northern Ireland. For example, Panel members have met with

the Scottish Consumer Council, with members of the Welsh Assembly, with local councillors in Northern Ireland, with Community Service Volunteers and Timebank (to discuss how volunteering could help address the digital divide). Panel members for the Nations and the member for the English Regions attend meetings of their respective Ofcom Advisory Committee for Scotland, Wales, England or Northern Ireland (the Panel member that leads on disability issues attends meetings of the Ofcom Advisory Committee on Older and Disabled People).

International work

53. It is essential that the Panel seeks a wide range of opinions from not just within the UK but also internationally to maintain a keen understanding of key issues. Professor Edda Müller, Executive Director of Germany's vzbv – the Federation of German Consumer Organisations – and members of her team, visited the Panel in September 2005 to share experiences of consumer challenges in the German communications market. Commissioner Mike Byrne of the Republic of Ireland's Commission for Communication Regulation (ComReg) joined us at an event in Belfast in October 2005 to exchange our respective views and experiences. We met with the Australian Communications and Media Authority in October 2005, as well as New Zealand's Regulatory Authority in November 2005.
54. Attendees at the launch of our Consumer Interest Toolkit in February 2006 included representatives from a number of European communications regulators, including the French post and telecoms regulator, the Autorité de Régulation des Communications Electroniques et des Postes (ARCEP), Spain's Comisión del Mercado de las Telecomunicaciones (CMT), ComReg, Onafhankelijke Post en Telecommunicatie Autoriteit (OPTA) from the Netherlands and Autoritatea Nationala de Reglementare in Comunicatii from Romania.

Section 4

Looking Ahead

55. We will continue to adopt a strategic approach and be selective about the issues we deal with in order to be as effective as possible. This section of the document gives a brief overview of some of our key priorities for 2006-07.

Tracking consumer issues, especially those for older people

56. Besides our annual tracker research, we will conduct and publish research to understand our consistent finding that older people have lower levels of engagement in digital TV and the internet. In particular, we will focus on what attracts, deters and enables older people to use these communication tools. Working with Ofcom, the All Party Internet Group, Office of the Deputy Prime Minister and others as appropriate we will seek to influence the policies and practices of government, manufacturers and marketers in light of our findings.

Digital inclusion

57. Digital switchover will continue to be a very important theme as the switchover date draws closer. We will continue to push forward the consumer agenda in this area. For example, we are seeking clarity about who is accountable for the success of digital switchover and its components and will make sure they are held responsible for funding and delivery.
58. We will continue to lobby DCMS to see that socially isolated people receive adequate practical assistance to purchase, install and use digital TV equipment and that those on low incomes receive the necessary financial assistance. The Panel will continue to work closely with Digital UK to develop its regional support structure and improve their current work in delivering practical assistance to vulnerable consumers who do not have a network of family, friends and carers to assist them. We will work closely with all stakeholders, including the Consumer Expert Group on DSO to see that everyone has access to usable digital TV equipment.
59. The Panel is also concerned to see that the spectrum released as a result of DSO is put to uses that maximize the benefits to consumers and citizens. We will work closely with Ofcom's policy teams to develop this work.

Broadening the consumer focused regulation debate

60. During 2006-07, we will continue to pursue the need for consumer-focussed regulation. We will support and monitor the progress Ofcom makes in improving the way it identifies and takes into account consumer interests in framing regulatory judgements. Ofcom committed to a series of timetabled actions in response to evaluations made using our toolkit and we will work with Ofcom to ensure that a report of their progress is published in winter 2006.
61. We will continue to promote the toolkit widely and support other bodies that have already demonstrated an interest in using the toolkit in their sector. We will again use the toolkit to evaluate Ofcom's success in capturing the consumer interest in carefully selected policy areas and to help further refine

and develop it, particular with reference to “citizen” issues. The findings of this work will be published in Spring 2007.

62. The DTI’s current proposals for restructuring consumer representation raise important issues for debate. As one of only a few consumer organisations created to inform a regulator’s thinking, the Panel has a different perspective to bring. We will continue to feed in our experience and work with the DTI, DCMS, regulators, consumer bodies and parliament to increase understanding of the critical contribution a sector-specific consumer panel operating as a “critical friend” to an economic regulator can make.

Telecoms: a fair deal for all

63. The Panel will continue to seek refinements in the regulation of telecommunications to get better results for consumers. Our focus will be to encourage and support Ofcom to monitor real benefits to consumers through cheaper, improved services. We want to see them develop clear measures to assess how well the telecoms market is delivering benefits to consumers and to use these to enable an independent evaluation of the effectiveness of their regulatory approach.
64. Building on our work this year, we will evaluate and advise Ofcom on its work to improve companies’ own complaint-handling procedures and alternative dispute resolution schemes.
65. Future priorities around mis-selling and switching for the Panel will include simplifying the switching process, improving the communications of consumer rights and advising Ofcom on the measures needed to enhance its investigations and enforcement work.

Annex 1

Members of the Panel

Colette Bowe (Chairman) is Deputy Chairman of Thames Water, a board member of the Yorkshire Building Society, Morgan Stanley Bank International and AXA Framlington, member of the Statistics Commission and chairman of the Council of Queen Mary, University of London

Ruth Evans (Deputy Chairman) is a Lay Member of the General Medical Council and Chairman of its Standards Committee. She is Chairman of the Bar Council Standards Board and holds a number of other public appointments.

Azeem Azhar is a writer and analyst focussing on economic and social effects of new technologies. He is Head of Innovation at Reuters.

Fiona Ballantyne is an experienced Director in the field of Marketing and Business Development. She is managing director of Ballantyne Mackay Consultants and a director of 4-consulting Ltd represents the interests of people in Scotland.

Nainish Bapna is managing Director of Pharmacy Channel and the founder of the Asian Professionals Network (resigned June 2005).

Roger Darlington is a member of the Council of Postwatch, a part time consultant to the communications union Connect and a part time trainer with the consultancy Lamont Associates. He represents the interests of those living in England.

Simon Gibson OBE is Chief Executive of Wesley Clover Corporation, a private equity fund. He represents the interests of people in Wales.

Graham Mather is President of the European Policy Forum and a member of the Competition Appeal Tribunal.

Kevin McLaughlin is a freelance trainer and consultant on disability issues. He represents the interests of people in Northern Ireland.

Jeremy Mitchell is a founding Council member of the Telecommunications Ombudsman Service, Otelo, and a member of the Scottish Solicitors' Discipline Tribunal (appointed February 2006).

Kate O'Rourke is a solicitor and Deputy Chair of the London Regional Council of Arts Council England.

Bob Twitchin is an Associate of the Employers' Forum on Disability and has a wealth of experience in telecommunications.

Allan Williams is currently working on a PhD. He was Senior Policy Advisor at Which? – formerly Consumers' Association – until 2005, where he was responsible for telecoms, broadcasting and e-commerce issues (appointed February 2006).

Members were appointed by Ofcom with the approval of the Secretary of State. In appointing members to represent Scotland, Wales and Northern Ireland the relevant Secretaries of State for those parts of the United Kingdom were consulted.

We conduct a 'stock-take' of how well we are performing as a Panel on an annual basis. More detailed member biographies can be found on the Panel website⁶.

⁶ <http://www.ofcomconsumerpanel.org.uk/members.htm>

Annex 2

Panel resources: budget and spend for 2005-06

Under Section 16(1) of the Communications Act 2003, Ofcom has a duty to maintain effective arrangements for consultation about the carrying on of their functions with consumers. The arrangements must include the maintenance of a panel of persons - referred to in the Act as "the Consumer Panel". Ofcom agrees a budget for members' remuneration, expenses and any work we commission. Neither Ofcom nor Ofcom's Accountable Officer approves the expenditure met within that overall provision – authority and the Panel exercises control. Our budget for the 12 months ending 31 March 2006 was £920,184 - see the table below. Non-audited expenditure for this period was £805,326. In the table we have included the cost of the team of Ofcom colleagues that support the Panel.

	Budget April 05-March 06 (12 months) £000	Actual April 05-March 06 (12 months) £000
Panel members fees, expenses and support		
- Fees	212.1 (1)	202.3
- Expenses	50.3	27.8 (2)
- Ofcom colleagues	190.0 (3)	161.0
Professional fees		
- Research	280.0	218.7 (4)
- Consultants	62.0	132.3 (5)
Sundries	125.8	63.2 (6)
Total	920.2	805.3

Notes:

1. Panel members were paid flat fees as follows:
 - the Chairman whose commitment is up to 3 days a week - £51,400 per annum
 - the Deputy Chairman whose commitment is up to 2 days a week - £30,840 per annum
 - members whose commitment is up to 1 day a week - £12,336 per annum

The figure for fees includes employer's National Insurance.

2. There was an underspend on expenses. The Panel expected to meet on two occasions outside London but met on all occasions in London apart from its visit to Belfast in October 2005. The Panel was also able to take advantage of low cost airline fares.
3. During the period of the report the number of Ofcom colleagues in the Panel support team was four. The budget figure was based on Ofcom's staff cost model.
4. Includes the Panel's tracker research and research on older people.
5. Includes consultants who worked on the Panel's *Capturing the consumer interest* report and in providing ongoing communications support and advice. Part of the cost of consultants was met from funds originally allocated to research.
6. There was an underspend on Panel publications and website development.

Annex 3

Contact us

The Panel can be contacted via the support team:

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The Panel has a website at www.ofcomconsumerpanel.org.uk

The content of the website is up-dated regularly and we hope that readers of this report will be frequent visitors to the site. We publish an e-newsletter and you will be able to register to receive it and notification of updates to the site.