

1st Ofcom Consumer Panel meeting, 23 February 2004

Note of the First Meeting of the Ofcom Consumer Panel, held at Ofcom, London, 23 February 2004

Introduction

1. The Chairman welcomed members to the first meeting of the Ofcom Consumer Panel. All ten members appointed to date were present, an 11th member would be appointed on return from abroad. Graham Howell (Secretary of Ofcom), Julie Myers (Adviser to the Panel) and David Edwards (Secretary) were present throughout the meeting. Ed Richards (Ofcom Board member), Ann Foster (Chairman of the Financial Services Consumer Panel), David Fisher (Secretary of the Financial Services Consumer Panel) attended for part of the meeting. David Currie, (Chairman of the Ofcom Board) attended at the start of the meeting to welcome members to Ofcom. The Panel would be important for Ofcom, acting as its 'conscience'. It would be crucial for the Panel to be independent and there would not always be agreement, when this occurred it would be important for each to understand why.

The work of the Consumer Panel

2. The Panel's task was potentially enormous and would need to be made manageable. It was agreed that the Panel should be selective about the consultations it responded to. A priority should be the commissioning of research on consumer concerns, revisited each year and managed by Ofcom's Director of Research. The Secretary and the Panel's Adviser would act as channels of advice on what was happening at Ofcom, in the communications world at large and as a 'filter' to ensure the Panel was not overwhelmed with requests to consider papers, attend meetings etc. There would need to be realistic expectations of what the Panel was able to take on.

3. Members would need to 'own' particular areas of work and a research proposal would add to the Panel's knowledge base. The Deputy Chairman would lead on Ofcom's telecoms review. Issues affecting young people should be included in the Panel's brief. It was agreed that the Panel would devise principles to judge whether markets were fair and competitive for consumers, ie whether it should become involved in a particular issue or not. Principles could include access to information and to services, choice, safety, redress etc.

4. Additional issues were proposed for consideration by the Panel. Ofcom's review of public service broadcasting would cover content issues outside the Panel's remit but would have high visibility for consumers and there could be pricing and access issues; privacy could become a big issue and the Panel would need to be clear about its level of engagement; urban, rural and small business issues would all be important; research would need to take account of people who were older or disabled and could assess consumers' current level of knowledge of services; collective responsibility should be a feature of the Panel's

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activities; issues like take-up and data speed could be as important as roll-out of broadband.. It was agreed that the Chairman, assisted by the Deputy Chairman, would be the public voice of the Panel, with the website as its public face and that Panel members would not speak for the Panel unless on an issue that the Panel had agreed a view..

5. It was agreed that members would take the lead on areas of the Panel's work as follows:

- Colette Bowe - digital switchover; and older people;
- Ruth Evans - consumers on low incomes; and the telecoms review;
- Roger Darlington, Fiona Ballantyne, Simon Gibson and Kevin McLaughlin - England, Scotland, Wales and Northern Ireland respectively, including work with Ofcom's advisory committees for the nations;
- Bob Twitchin - disability issues and work with Ofcom's advisory committee for disabled and older persons;
- Roger Darlington and Fiona Ballantyne - on how to communicate with consumers, eg via the Panel website;
- Nainish Bapna - small businesses (Fiona Ballantyne to assist) and ethnic issues;
- Kate O'Rourke - urban issues;
- Simon Gibson and Kevin McLaughlin - rural issues;
- Simon Gibson - spectrum issues (Nainish Bapna and Fiona Ballantyne to assist where small business issues arose);
- Graham Mather - public service broadcasting (Kate O'Rourke to assist) and Europe;
- and the yet to be appointed 11th member would be asked to lead on issues affecting young people.

6. It was agreed that the Panel would issue a public statement on its way of working; that it would commission research and announce it in due course. In July the Panel would publish a report on its work.

Memorandum of Understanding (MoU) with Ofcom

7. An MoU was intended to enshrine the Panel's independence and lay out the spirit in which the Panel would work with Ofcom. It would have to be agreed by the Panel and the Ofcom Board. The Chairman had discussed resources with Ofcom and was assured that resources would be available to allow the Panel to do its job, including an appropriate research budget. When agreed the MoU would be posted on the Panel website.

Ofcom's (proposed) Annual Plan

8. Members had received copies of the Annual Plan consultation. Ed Richards spoke about his role on the Ofcom Board, which included responsibility

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for Ofcom's relationship with the Panel. He wished to meet the Panel on a regular basis and saw it as a critical friend to Ofcom, for it to advise, challenge and criticize as the need arose. He spoke briefly about Ofcom's Mission and Regulatory Principles. He would lead on Ofcom strategy and strategic market reviews: on telecoms, spectrum and public service broadcasting. As a new organization Ofcom needed to take a fresh look at these sectors. Another reason for the reviews was the pace of technological change.

9. On telecoms, Ofcom would be keen to have the Panel's views. Phase 1 of the review would look at the current position and prospects. The hard work would be in phase 2 on options for regulation and phase three on proposals would be in late Autumn/Winter this year. Trading in spectrum could not take place unless a property right had been established. The spectrum framework joined up telecoms and broadcasting. Digital switchover would be a critical issue at all levels. It would be looked at strategically this year, implementation would be over a number of years. The Consumer Panel's role would be important and there were access and other consumer issues.

The Financial Services Consumer Panel (FS-CP)

10. Ann Foster and David Fisher spoke informally about the FS-CP. The FS-CP appeared to be the closest analogue of the Ofcom Consumer Panel and members could learn from the way the FS-CP operated.

Directory Enquiries (DQ)

11. The question for the Panel was how high DQ should be on its agenda. Ofcom was about to conduct a mystery shopping exercise and then determine the need for further regulation. The Panel could be asked for an early view. Members commented that DQ could be an area for intervention by the Independent Committee for the Supervision of Standards of Telephone Information Services (ICSTIS); not enough consideration appeared to have been given to the advantages and disadvantages of the DQ regime prior to liberalisation; this could be a market where competition did not deliver the best deal to consumers; there may have been insufficient benchmarking and public information had been left to DQ operators. Members agreed that the Panel should await the results of Ofcom's mystery shopping exercise and then decide how to proceed.

Code of Conduct

12. A Code of Conduct had been drawn up based on the Code for the Ofcom Board and the Ofcom Content Board. The Chairman proposed and members agreed that the Panel should operate according to 'Higgs guidelines' and appraise its own performance on an annual basis.

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Consumer Panel meeting dates and procedures

13. Meetings up to 20 July 2004 would be at Riverside House. Thereafter meetings would be held in the nations and regions from time to time. Members agreed that the Panel should work towards transparency. Minutes would be drafted within a week of each meeting and approved at the subsequent Panel meeting.

Any other business

14. On the evening of 15 March 2004, the eve of the next meeting, there would be a facilitated training event to assist members work together as the Panel.

Date of the next meeting

15. The next meeting would be held on 16 March 2004 at Ofcom in London.