

## **5<sup>th</sup> Ofcom Consumer Panel meeting, 10 June 2004**

### **Note of the Fifth Meeting of the Ofcom Consumer Panel, held at Ofcom, London, 10 June 2004**

#### **Introduction**

1. The Chairman welcomed members to the fifth formal meeting of the Ofcom Consumer Panel. Fiona Ballantyne and Kate O'Rourke sent apologies. All other members were present. Julie Myers (Adviser to the Panel), David Edwards (Secretary) and Flora Demetriou (Panel Executive Support) were present throughout the meeting. The following Ofcom colleagues attended for part of the meeting: Neil Buckley, Nicholas Good, Matt Peacock, Peter Walker and Caroline Wallace.

#### **Previous minutes and matters arising**

2. Minutes were agreed with minor amendments. Julie Myers had written to Ofcom on the Panel's behalf on Ofcom's consultation process. The Chairman had met Philip Rutnam, Ofcom Partner, Competition and Strategic Resources. He raised the difficulty of gaining views from small businesses. The Panel would consider how it could assist. Members' biographies had been posted on the Panel website and layout had been improved.

3. There was discussion of the wider issue of information for consumers. An 'information gap' appeared to exist but it was beyond the Panel's resources to fill it. The Chairman proposed dialogue with Ofcom about information and the Ofcom website. Matt Peacock and Neil Buckley would be invited to attend the next Panel meeting.

4. Rather than formally endorse them, CA and the NCC had given broad support to the principles that the Panel would use to determine its priorities. The Panel research agency would be appointed shortly. The field had been narrowed down to two. The idea of a standing group or forum of statistically representative UK consumers would be raised with the chosen agency.

5. Meeting dates for 2005 had been agreed and would be circulated. A response to Ofcom's consultation on mis-selling of fixed-line telecoms had been submitted.

#### **Chairman's report**

6. A number of issues had already been dealt with under matters arising. Following discussion it was agreed that the Panel would be briefed on 'next generation networks' immediately prior or post the next meeting. The briefing would cover both incumbent and competitor perspectives.

**Ofcom's numbering strategy**

7. Panel members had received a draft of Ofcom's numbering strategy. The Numbering Strategy Team would welcome Panel input to numbering initiatives as they arose. It was argued that, wherever possible, the options in proposed numbering changes should be tested out on consumers. The Strategy team said that with some number changes there was not a range of options. Concern was raised about the erosion of a link between dialing codes and call charges. The Team commented that numbering policy was independent of operators' charging policies and that emphasis should be on operators taking steps to ensure that customers understood their call charges. Consumers would benefit if they were aware of the range of charges that calls with a particular code could attract.

8. Panel members argued that: when making a number change Ofcom should assess how successfully it had been communicated; Voice over Internet Protocol (VoIP) would have an impact on numbering policy; there were Northern Ireland/Republic of Ireland cross-border numbering issues to resolve; and pre-call announcements could inform customers of call charges.

9. The numbering team was aware of numbering issues around VoIP. It had to be borne in mind that Ofcom did not have powers with respect to Internet addressing and this was managed on a self-regulatory basis by ICANN (Internet Corporation for Assigned Names and Numbers) and RIPE (Réseaux IP Européens). The Independent Committee for the Supervision of Standards of Telephone Information Services (ICSTIS) already mandated pre-call announcements on calls to high charge premium rate service numbers. It would be very difficult to implement an announcement regime with customers with different operators and on different call packages. Ofcom had plans to look at Northern Ireland numbering issues.

10. The Chairman welcomed the numbering strategy, it appeared coherent and comprehensive and allayed some concerns raised in earlier Panel discussions. She would write to the Ofcom Chairman to express the Panel's view that numbering work was progressing positively. The Panel's adviser would write to Ofcom with the Panel's detailed comments on the numbering strategy.

**The telecoms review**

11. Members had received a paper with a suggested Panel approach to the Ofcom strategic review of telecoms. The most recent news was that Ofcom would be updating its research on switching behaviour and was considering updating research on consumer detriment. The Chairman commented that the form of the Panel's response would help define the Panel's role. It should be an 'audit' of the relevant questions for Ofcom rather than a traditional attempt to provide answers. The Chairman's view was that, whilst it was the role of the Panel to opine on what consumers might want or think, this did not include

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producing ungrounded or unsubstantiated assertions as to consumers' views. The Panel had already agreed to embark on a major annual consumer research exercise, to rely on evidence rather than supposition. The view was expressed that consumer organisations would expect the Panel to provide answers to the questions raised by Ofcom.

12. It was agreed that the Panel would have to do two things: state robustly its 'audit' approach explicitly at the beginning of the response and be prepared to take criticism. The response should include: brief information about the Panel and its function; a statement re-affirming that access to telecoms services were essential for everyday living and a lifeline for some; strong support for innovation and market development whilst not forgetting that there were important social policy considerations; and reference to the well established consumer principles of access, information, choice etc. Another review would be unlikely within the next decade and so getting regulation wrong could be costly to consumers and to the UK, ie there was scope for regulatory failure and a case to be made for Ofcom not to rush to regulate when the future was unclear.

### **VoIP**

13. Immediately prior to the meeting members had attended a demonstration and briefing on VoIP and Ofcom would shortly issue a consultation document. It was agreed that the Panel should host a consumer workshop/debate in September. This would assist the Panel to reach a view on VoIP services.

### **The Public Service Broadcasting (PSB) review**

14. A draft response to the Phase 1 consultation had been circulated to members. It commented on Ofcom's ten key propositions and addressed shortcomings in relation to vulnerable or disadvantaged consumers. Other issues included how to broaden market contribution to PSB, the full significance of Freeview and the BSkyB announcement to launch a free-to-air satellite package.

15. Members commented that: however PSB was defined, it was the kind of programming that would not survive without regulatory intervention; there was legitimate concern about the erosion of certain genres; 'dumbing down' could be about giving consumers what they wanted; PSB seemed to have greater relevance to the regions than to ethnic minorities; there was a danger of the Panel's response drifting into issues of content, which were outside its remit; the future of PSB could not be left solely to competition law remedies; and the section on the licence fee should be revisited.

### **Members' workstreams**

16. Members' workstreams were progressing. Members with an interest were invited to become involved in the workstream on rural issues. There was an issue

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about digital switchover in Northern Ireland where many people were able to enjoy programming from the Irish Republic. The Republic had no plans for digital switchover.

### **Other matters to note/agree**

#### **Consultations and approaches to the Panel**

17. The contents of the monthly report to members was noted.

#### **Panel mid-year report**

18. Members were asked to forward comments on the draft report to the Secretary. The Chairman and Secretary would revise the draft for circulation with July meeting papers.

#### **Any other business**

19. RADAR (the Royal Association for Disability and Rehabilitation) had requested an article on Ofcom, its advisory committees and the Panel. SCOPE (a Northern Ireland review of voluntary action and social policy) had requested a similar article.

20. Wales' First Minister had expressed interest in meeting the Panel but was not available in September 2004 when the Panel planned to hold its meeting in Wales. It was agreed that the Wales meeting should be postponed until October 2004 if that would facilitate a meeting with the First Minister.

#### **Date of the next meeting**

21. The next meeting would be held on 20 July 2004 at Ofcom in London.