

## **6<sup>th</sup> Ofcom Consumer Panel meeting, 20 July 2004**

### **Note of the Sixth Meeting of the Ofcom Consumer Panel, held at Ofcom, London, 20 July 2004**

#### **Introduction**

1. The Chairman welcomed members to the sixth formal meeting. Azeem Azhar, Simon Gibson and Bob Twitchin sent apologies. All other members were present. Julie Myers (Adviser to the Panel), Vicki Treherne (Ofcom Secretariat) and Flora Demetriou (Panel Executive Support) were present throughout the meeting. The following Ofcom colleagues attended for part of the meeting: Gareth Davies; Clive Hillier; Ritu Manhas; Matt Peacock; Alan Pridmore; Tim Suter; and Caroline Wallace. Allan Williams of Consumers' Association attended for part of the meeting.

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

2. Minutes were agreed, subject to minor amendment. It was agreed that it would be useful to have meeting notes reviewed by a non-Panel member to ensure that they would be readily understood by consumers. There was discussion of the inclusion of briefing notes on the Panel website but it was questioned whether publishing on an ad hoc basis might raise expectations about the purpose of the site. It was Ofcom's (not the Panel's) role to be a consumer information resource. The quality of the Ofcom website should be a priority for Ofcom, an issue which would be raised with Matt Peacock later in the meeting. The Panel concluded that it should consider whether it was worth publishing on its own website particular documents which it thought might be useful to consumers.

3. The Chairman had written to Lord Currie about Ofcom's numbering strategy; the Panel's comments appeared to have been taken 'on board'. Recent press reaction to Ofcom's approach to telephone numbering had been very good, and it was thought that the Panel's intervention had a positive effect on this. The Panel's telecoms subgroup would be meeting Ofcom colleagues the following morning for more brainstorming on the telecoms review.

4. The Secretary would organise a Panel seminar on Voice over Broadband for the afternoon of 21 September 2004, which would fit in well with Ofcom's consultation timetable. Panel members would give presentations. There was a brief report on recent seminars on Public Service Broadcasting (PSB) where two main issues had arisen. The first related to consumer reaction; it was being suggested that digital services meant that the audience was becoming fragmented, with a reduction in younger peoples' viewing hours and a consequential impact on the effectiveness of advertising, leading to a reduction in advertising itself. The second issue related to the European aspects, in particular competition and other legal issues.

## **6<sup>th</sup> Ofcom Consumer Panel meeting, 20 July 2004**

5. It was reported that Ofcom was analysing the submissions made in response to its consultation on mis-selling of fixed-line telecoms; it was anticipated that a proposal would shortly be presented to the Ofcom Board.
6. There was an update on progress on the Panel's research project; it was to be conducted in two stages, qualitative followed by quantitative. Qualitative research would be used to structure the quantitative research. The quantitative research would include a significant sample of people from age 9 upwards, including the following categories - older, rural, non-white, long-term disabled, low income and regional, as well as small businesses; the questionnaire would be piloted before it was finalised. The results of the quantitative research were expected by the end of November 2004, and the final report would be available for the Panel at the end of the year. It was noted that the research would create a basis for contacting consumers in the future and for the Panel's annual work plan.

### **Chairman's report**

7. A number of issues had already been dealt with under matters arising. The Chairman reported that Ofcom was reviewing the regulation of premium rate services, including options to strengthen the powers of ICSTIS (the Independent Committee for the Supervision of Standards of Telephone Information Services). Some of the issues were outlined, in particular the problems associated with the sheer volume of people trying to contact ICSTIS. The Chairman reminded members that part of the Panel's remit was to advise Ofcom on the handling of consumer complaints, which covered ICSTIS, Ofcom's Contact Centre, and the two industry-backed telecommunications dispute resolution schemes; at some point the Panel ought to review all of these areas. It was understood that Ofcom might be proposing to establish targets for complaints handling; if this was the case, then the Panel ought to discuss it. After the Summer, the Panel Adviser would consider how best the Panel could discharge its remit to advise Ofcom on the handling of complaints.
8. It was reported that DTI (Department of Trade and Industry) and the Treasury had conducted a review of consumer representation. They had recently published a report, which contained recommendations about bodies working together strategically. It was reported that, ultimately, the Government was considering the creation of a single utilities consumer body.
9. The Chairman reported on discussions with Barry Cox, the DTI and DCMS (Department of Culture, Media and Sport) concerning Digital Switchover (DSO). She supported the concept of DSO and considered it to be an important issue which could deliver tremendous benefit to consumers, although there were problems to be resolved (such as consumers not knowing how, or being able to afford, to convert). She had confirmed to DTI and DCMS officials that involvement in this issue was a proper undertaking for the Panel, since its remit

## **6<sup>th</sup> Ofcom Consumer Panel meeting, 20 July 2004**

included advising the Government, although it would require resources and support; the Panel agreed the Chairman's approach.

### **Number Translation Services (NTS) framework**

10. Caroline Wallace, Gareth Davies and Clive Hillier joined the meeting and gave a presentation giving an initial view on the options for the NTS framework. The team emphasised that the presentation represented Ofcom's early thoughts, and that the information-gathering process was still under way so, for example, consumer opinion about Ofcom's posed concerns was still being tested, and information on the breakdown of 0845 users was still being gathered. The Panel would be interested to see the research once completed, and noted that this would include information about small businesses and government departments. It was keen to ensure that the impact on small and medium enterprises (SME) usage of 0845 numbers was fully brought out in Ofcom's thinking. It was also interested in where to strike the right balance between the inevitable consumer confusion on transition and the nature of benefits on the other side of transition - clear information was of the essence for consumers. The Panel urged the team to think very hard about how the ground was to be laid for consumer information; there was potentially a large gain from clarity in the way this was explained - it was not simply a matter of one hit of media briefing.

### **Consumers' Association**

11. Allan Williams, of the Consumers' Association (CA) and Chairman of the Consumer Expert Group advising Ministers on DSO, addressed the Panel. He explained that CA had been very keen for the Panel to be established; there were huge consumer issues associated with communications, but CA's resources had been too limited for it to be sufficiently involved in this area. In future, CA expected to have even less involvement in communications but was keen to assist the Panel in assuming the communications agenda. He had already had useful meetings with the Panel's Chairman and Deputy Chairman to discuss an overview of relevant issues. This morning he proposed to focus on DSO on which the Consumer Expert Group was about to publish its report. CA's view was that the current Government position of simply setting the date for switchover was not sufficient and there was a need to address the many outstanding consumer issues (such as cost, coverage and confusion about the policy) before switchover. The Expert Group argued that there were two sets of such issues, those that needed to be resolved before switchover was announced and those to be resolved before it was effected.

12. The Chairman emphasised that the Panel agreed with CA that there were many important practical issues to resolve before implementation, particularly given the potential for detriment to certain consumer groups (such as older people and those on low incomes). The Panel's view was that unless and until the timetable was announced, there would be insufficient effort put into effecting

## **6<sup>th</sup> Ofcom Consumer Panel meeting, 20 July 2004**

switchover, and that certainty on timing was therefore required. The Panel was very keen to pick up the outstanding practical issues and work with other consumer bodies to resolve them. The Panel looked forward to following up these issues with CA.

### **Ofcom and consumer information**

13. Tim Suter, Ritu Manhas and Matt Peacock joined the meeting. Ritu Manhas gave a presentation on the latest initiative for Ofcom's consumer information strategy. The team had reviewed current and planned workstreams with consumer implications and had given consideration to a more evidence-based approach to provision of consumer information. The aim was a public statement on strategy in September or October 2004, clarifying Ofcom's role when there was an established need for information, i.e. when Ofcom would encourage or require the market to provide information and when it would provide it itself.

14. CA and the National Consumers Council were both withdrawing from the communications area which meant that it would become more difficult to engage with the consumer world. The Chairman pointed out that Ofcom and the Panel had a common interest in working out how to deal with this, and Ritu Manhas confirmed that this was to be discussed internally at Ofcom.

15. The Deputy Chairman questioned Ofcom's proposed position of not necessarily being proactive in providing information, and of leaving information provision to the market unless this would lead to serious consumer detriment. The Panel, and others it appeared, had wanted Ofcom to consider this further, but Ofcom had maintained its approach. The team confirmed that Ofcom recognised that it had a role to play, but that expectations of Ofcom had to be managed, and in many cases industry was better placed, or indeed had obligations, to provide information. The team emphasized that Ofcom would be proactive in identifying where gaps existed in the provision of appropriate, accurate information to consumers; the issue was, who should provide it.

16. Matt Peacock gave a short presentation on communicating with consumers. One important next step was the rebuild of Ofcom's website, a step which the Panel endorsed, and the Chairman referred to the Panel's discussion on this subject earlier in the meeting. The Chairman confirmed that the Panel would like to work closely with Ofcom on its (Ofcom's) website in the Autumn, and noted that the Panel needed to revamp its own website as well. She noted that most calls received by the Ofcom Contact Centre were quite easy information calls; there was a 'disconnect' between public awareness of Ofcom and the volume of calls being received – although she added that this appeared to be the same across the whole public sector.

**Universal service review**

17. Ritu Manhas and Alan Pridmore attended for this item; a Panel briefing paper had previously been circulated. The Panel was advised that the timetable had slipped due to pre-consultation discussion with stakeholders including BT. The Ofcom team considered the comments in the briefing note to be generally fair; most of these would be taken on board.

18. There was discussion of the role proposed for the Panel in Section 15.1 of the General Conditions, ie telecoms operators were obliged to consult with the Panel on services for disabled users. The team proposed substituting an obligation for the operators to consult with Ofcom, which was agreed on the basis that the Panel considered the current proposals to be unworkable; Ofcom would then seek input from the Panel and the Advisory Committee on Older and Disabled People.

19. It was agreed that the briefing paper would be converted into a policy submission to Ofcom; this should emphasise the importance of ensuring that communication in this area was focused on groups needing special support and should include points concerning more emphasis on low income groups (such as information about disconnection, affordability and access) and the issue of usage for reverse charge calls. The need to consider non-English speakers was raised but, since the relevant EU Directive referred to special social needs (ie disabled people and those on low incomes), it was concluded that this issue would be more appropriately dealt with under the Ofcom Communications strategy.

**Panel mid-year report**

20. The Chairman explained that she had added an introduction to the report. It had been copied to senior staff at Ofcom so that they had advance notice of what the Panel was about to say. It would be published on the Panel website.

**Any other business**

21. There was no further business.

**Date of the next meeting**

22. The next meeting would be held on 21 September at Ofcom in London.