

8th Ofcom Consumer Panel meeting, 19 October 2004

Note of the Eighth Meeting of the Ofcom Consumer Panel, held at Ofcom, Cardiff, 19 October 2004

Introduction

1. The Chairman welcomed members to the eighth formal meeting of the Ofcom Consumer Panel. Apologies were sent by Roger Darlington. Julie Myers (Adviser to the Panel), David Edwards (Secretary) and Flora Demetriou (Consumer Panel Executive Support) were present throughout the meeting. Matt Ashworth of Human Capital attended for the item on Digital Switchover (DSO). He remained with Andrew Dumbreck and Rhodri Williams, from Ofcom, and Emry Byron Hughes, trial Project Director, for the item on the technical switchover trial in Ferryside and Llansteffan.

Previous minutes and matters arising

2. Minutes were agreed with a minor amendment. A disability awareness/equality training event would be held in January 2005. A member had met the Countryside Alliance to discuss rural communications issues. Julie Myers gave an update on Ofcom's work on mis-selling.

3. There was discussion of Number Translation Services (NTS). There appeared to be ongoing consumer harm where consumers were unable to contact large organizations via a geographic number and were required to dial 0845 numbers. It was queried whether some organizations were using 0845 numbers to raise revenue. It was suggested that additional consumer detriment was experienced by the exclusion of NTS numbers from call allowances in many residential and mobile tariffs; that most consumers appeared to believe that 08 calls were free; that awareness of 0845 call charges was poor; that it would be difficult to influence the practices of large firms like banks and that government departments should be pressurized to act fairly. Many of these points had been made to Ofcom's NTS team but an additional note would be sent to request a response on the issue of inclusion of 0845 in call allowances.

4. By the next meeting the Secretary would provide details of political contacts and relevant speeches or debates on citizen issues that occurred during passage of the Communications Bill. The majority of Panel discussions involved citizen issues although this did not include content issues. Some citizen issues would have consumer protection solutions. Ofcom appeared to have had debates about citizens and consumers and the term 'citizen-consumer' appeared to be embedded in the organization. At the January 2005 Panel meeting the main item would be a stock-take of the Panel's remit and appraisal of how well as a board it was fulfilling that remit. This could be followed up with a note to the Ofcom Board.

8th Ofcom Consumer Panel meeting, 19 October 2004

5. There was discussion of the Panel's relationship with Ofcom's advisory committees. The Chairman would meet with Tony Stoller, Ofcom's External Relations Director, to discuss this.

Chairman's report

6. The Chairman and Deputy Chairman reported on Ofcom's strategy day, held on 7 October 2004. It was attended by the Ofcom Board and representatives from the Content Board, Ofcom advisory committees, Ofcom's Spectrum Advisory Board and senior Ofcom colleagues. Each body spoke about its work, past and future. The Chairman had raised the Panel's 'audit' project, with the focus on a major Ofcom project and development of a 'toolkit' to look at how Ofcom had organized itself to identify the consumer interest and to take it into account in regulatory decision making.

7. The previous day the Chairman had addressed Ofcom's Strategy and Market's Group at its 'away day'. She had commented that only one member of that team had a 'consumer' job title and that was the Panel's adviser. It would not be sufficient for Ofcom to leave it to the Panel to pursue the consumer interest.

Panel research

8. On 30 September 2004 MORI made a presentation to members on the Panel's qualitative research. It would form the basis of the quantitative stage with feedback for members due in December 2004. Paring down the questionnaire had been a difficult exercise and a decision had been taken to exclude children aged 9 – 15 from the research sample. Those in that group were not decision makers and had constantly deferred to adults during the pilot phase of the quantitative interviews. Work with such a group would require a different research exercise and by excluding them slightly longer interview times for the main group could be accommodated. The qualitative findings had shown that currently digital switchover remained unimportant for consumers. Lack of awareness and understanding was likely to be the explanation. The Chairman confirmed that the research findings would be shared as widely as possible and could be used, for example, as the basis for a workshop with consumer groups and/or the communications industry.

Other Panel initiatives to be reported

9. The Deputy Chairman had had an introductory session with Ann Heal, BT Director of Regulatory Affairs, and Panel members had been invited to visit a BT exchange. The Chairman and Deputy Chairman, with Ofcom colleagues, had met the Mobile Broadband Operators' Group. A member had attended a meeting of the Telecoms Industry Forum on Disability and Ageing. Forum members had expressed a desire to meet with Ofcom and consumer representatives to discuss the universal service consultation, once published, and this had been raised with

8th Ofcom Consumer Panel meeting, 19 October 2004

Ofcom's external relations team. A Panel seminar on low incomes and communications would take place on 29 November 2004. After papers had been presented there would be a 'panel of respondents' and Consumer Panel members would be asked to volunteer to join the panel.

Issues in Wales

10. Members had received a briefing note on communications issues in Wales and general background information. The previous evening there had been discussion with Andrew Davies, Wales' Minister for Economic Development and Transport, on issues to do with distribution of income, public provision of payphones, terrain and mobile coverage. There had been successes on the supply side partly as a result of public funding but there remained a number of 'roadblocks', eg EU rules set limits on further public intervention. From discussion it was clear that there were limits to 'one size fits all' regulation. Exploration of specific problems in the nations and solutions - potential solutions and those already in place - could be a project to work on with the Ofcom advisory committees.

11. Wales was different, with particular characteristics; unemployment appeared to be low but this masked the reality of areas where many in the population were economically inactive; some of the UK's poorest local authorities were in the Welsh valleys; there was a different dynamic and a 'have and have not' culture. Much of what had been said about Wales could have been said about Scotland, Northern Ireland and some of the English regions. The picture in England was distorted by the south-east but in that region there also remained pockets of deprivation. It was understood that Ofcom would be wary of different regulatory regimes for different parts of the UK but it was important to identify differences that mattered for communications regulation. It was suggested that an issues based approach could be productive. It would be necessary to come up with a 'checklist' of issues for each of the nations. The Chairman would raise this at her next meetings with Stephen Carter, Ofcom CEO, and David Currie, Chairman of Ofcom.

Telecoms review

12. The Deputy Chairman gave an update on the review. The Phase 2 consultation was expected to be published in November 2004. The review team had worked through more than a hundred responses to Phase 1 and had held discussions with BT. Phase 2 would propose a new settlement where BT was required to offer genuine equivalence to operators competing with BT Retail. The main issues for consumers were around information, eg price transparency, and the scope of universal service.

Digital switchover

13. The Chairman summarised the work already done to produce the report requested by the Culture Secretary on protection of the most vulnerable consumers. To ensure successful switchover it would be necessary to mobilise communities. The report team were talking to the Experience Corps and the Women's Royal Voluntary Service. There were debates to be had about delivery of support to vulnerable people. The Panel's report would be important for political decision making, eg on confirming the timetable for switchover. There would be a cost for assistance to switchover and although delivery mechanisms remained to be decided some potential elements could be costed.

14. Matt Ashworth gave a presentation on the switchover project. The brief was to consider measures that might be needed to protect the most vulnerable consumers during switchover. There were four main questions to consider: who the most vulnerable groups were and how to target them; what help should be offered; whether help should be automatic or on-demand; and how far the Panel wanted to comment beyond the report remit. There were also two issues to consider: the financial problem of affording conversion and the practical problem of fitting and using equipment.

15. Panel members made comments and raised questions: consumers in low income households appeared to be relatively high users of multi-channel television and it would be useful to know more about use of different platforms; take up was relatively low amongst older people, social isolation could be a critical factor and some older people might not be caught by help to switchover were it to be offered in the future; adoption of digital television, as with other new technologies, was less about the technology itself and more about the consumer benefits derived from it; it would be helpful to spell out the benefits of digital TV, eg home shopping; there was the question of whether a subsidy should apply to the different digital platforms; it would be in the Government's interest to promote switchover actively to save on the scale and cost of any future subsidy to vulnerable consumers; concern was raised about a dogmatic approach to assistance with 2nd TV sets, particularly in households where someone was confined to bed; the latter could be tackled separately by a specialised charity; and eligibility criteria for financial support based on receipt of state benefits would not capture people who were eligible for benefits but were not receiving them.

16. The Chairman commented that a key question for the Panel was where to 'draw the line' on who should be targeted; there were other questions about the practicalities of reaching different groups. All members were asked to provide further comments by the end of the week. Solutions would include targeted financial support and practical delivery mechanisms.

Technical trial in Ferryside and Llansteffan

8th Ofcom Consumer Panel meeting, 19 October 2004

17. Emry Hughes made a presentation on the trial, which was governed by a Memorandum of Understanding between Government and broadcasters. He outlined its objectives, which included testing the switchover scenario; practical experience of consumer communications for switchover and the process of converting consumers' equipment; an assessment of aerial work needed; and the extent and type of support and installation assistance. Site selection was based on a well-defined, self-contained transmitter service area with a community of 500 homes; the aim was to make Ferryside the first all-digital UK transmitter site.

18. A member asked whether issues had arisen concerning digital text and screen readers. So far it had not been an issue, there were differences between analogue and digital teletext but it would be difficult to assess reactions until the analogue signal was switched off. Audio description had been demonstrated using video. Initial findings on the practicalities of switchover would emerge in November 2004 when digital signals would be switched on. It remained a task to identify and follow-up the 15% of the community who had not responded to the initial consultation. The consultation was undertaken to explain the purpose of the trial, make clear the intention to switch off the analogue signal and ensure willing participation. In answer to the question of which benefits of switchover had been stressed Emry Hughes explained that it had not been a difficult 'sell'. Trialists saw switchover as being inevitable, they were being supplied with free equipment and the real issues were around installation and use. An early question from many people had been "Will I need a new TV?", to which the answer was no.

Date of the next meeting

19. The next meeting would be held on 18 November 2004 at Ofcom in London.