

Note of the Nineteenth Meeting of the Ofcom Consumer Panel, held at Ofcom, Belfast, 13 October 2005

Introduction

1. The Chairman welcomed members to the nineteenth formal meeting of the Ofcom Consumer Panel. Apologies were sent by Fiona Ballantyne and Ruth Evans. Flora Demetriou (Consumer Panel Executive Support), David Edwards (Secretary), Georgia Klein (Consumer Panel Manager) and Dominic Ridley (Policy Executive to the Panel) were present throughout the meeting. Ofcom Northern Ireland colleagues attended for part of the meeting.

Northern Ireland Issues

2. The meeting began with a discussion of Northern Ireland (NI) issues with Ofcom NI colleagues. There was agreement that a NI digital switchover (DSO) 'champion' was required, a major issue being co-ordination of DSO on both sides of the border with the Republic of Ireland. Ofcom had held a NI DSO stakeholder event in June 2005 which SwitchCo (now Digital UK) had attended but there appeared to be little activity locally 'on the ground'. This could be because analogue switch-off in NI was not expected until 2012, ie it would be one of the last regions of the UK. The Chairman said that there was a strong case for NI and the Republic of Ireland to 'go digital' on the same day and digital television was one of a number of markets where developments seemed to suggest an all-Ireland solution. Some people had argued that NI should be at the forefront of developments in digital TV, eg capitalising on its target of 100% NI broadband rollout by the end of 2005. Others were unsure of the economic benefits of being the first to switch off analogue signals, for example, surplus spectrum would not be auctioned off until DSO was complete throughout the UK. The Chairman agreed to raise DSO cross-border issues at her next meeting with Digital UK. The Panel would also maintain links with the Republic of Ireland's Commission for Communications Regulation (ComReg) and this could be helpful.

3. Since the inception of Ofcom, inadvertent mobile roaming had taken up much of the time of the Ofcom NI office but consumer detriment remained to be quantified. Manual selection of a home network could prevent inadvertent roaming but could result in no signal at all in areas where there were gaps in NI mobile coverage. The Ofcom/ComReg Joint Working Group had conducted research and more than 43% of NI mobile phone customers surveyed had reported that they had received a Republic of Ireland signal whilst still in NI. All-Ireland tariffs for all mobile users were a solution but operators had argued that there were technical barriers and had concerns about the implications for their businesses in other European border regions.

4. There was discussion of broadband take-up in NI, the latter at 27% of households. There were numerous Internet Service Providers but not players like Easynet, for reasons of scale and likely returns on investments. NI had a larger proportion of people on state benefits or who were disabled compared with the UK as a whole and the economy was based on small businesses, most with ten or fewer employees. A Panel member said that low take-up of broadband was not peculiar to NI. Operators were marketing broadband in terms of speed when this meant little to many consumers, instead services needed to be sold in terms of the benefits they could offer. He emphasised the important first step of going on-line, ie via broadband or narrowband. It was reported that the Education Guidance Service for Adults would be sending every NI household a CD on making the internet easy.

5. The Chairman thanked Ofcom NI colleagues for their contribution to the meeting and for their hospitality. She asked that they keep the Panel's member for NI informed about DSO and inadvertent mobile roaming developments.

Previous minutes and matters arising

6. Minutes were agreed subject to minor amendments. There was a brief discussion of the Panel's working relationship with Ofcom. One member advocated early and detailed dialogue with Ofcom project managers, for example on Ofcom's policy on consumer information. The Chairman said that it was important for the Panel to intervene in policy formation in the right way and at the right time. She was seeking more formal interaction with Ofcom. The Panel would have to devise the right processes to enable it to focus on a small number of important issues and ensure it had a manageable workload. This would include engagement with consumer stakeholders and industry and steps to raise the Panel's profile. David Currie, Chairman of Ofcom, would attend a working lunch with the Panel on 17 November 2005. In advance of that meeting the Chairman would write to alert him to the Panel's thinking on processes for input to/working arrangements with Ofcom. The Chairman would produce a draft note, which would be copied to Panel members.

Chairman's report

7. The Chairman reported that she had attended meetings of the Ofcom Board and Content Board on 11 October 2005 to discuss the Panel's consumer interest audit report produced by consultants. The Deputy Chairman and a Panel member were present. The latter's view was that the report had been well received and it had been agreed that the Panel would return to the Board in six months' time to discuss how audit issues have been addressed by Ofcom. The Chairman said that a communications plan would be required to publicise the audit, inside and outside Ofcom, and to explain which Ofcom activities would be

audited. The Chairman would meet with Ofcom colleagues to discuss the audit and how it would be 'socialised' within Ofcom.

8. At the previous Panel meeting a workshop had been proposed to discuss issues arising from an Ofcom consumer strategy paper. It was subsequently decided not to proceed with the workshop as a number of Panel members were not available to attend but a paper would be drafted to provide the Panel's views. The finished paper would be submitted to the Ofcom Board for discussion at its meeting on 8 November 2005. [Note: It was subsequently decided that the note would be submitted for discussion at the Board's meeting on 6 December 2005.]

Members' updates

9. The Panel member for NI and the member that leads on disability issues would meet RNIB immediately after the Panel meeting. Two members had attended an Ofcom 'blue skies' event on 28 September 2005.

10. A member had made presentations to the Ofcom Board and Content Board on 'social media'. He would be meeting the National Consumer Council, to discuss the work it was doing on the 'creative consumer'. He had met an Ofcom colleague to discuss Ofcom's numbering strategy and would send Panel members a note on numbering issues.

11. The Panel's member for England had prepared a briefing paper on the telecoms review (TSR). He agreed to bring it up-to-date and copy it to Panel members. He briefly summarised the main points: BT had announced the name of its new stand-alone division (openreach) and the organisation's senior management team; it had announced the names of the five members of the Equality of Access Board; the new division must be operational by 22 January 2006; Ofcom had not yet accepted the Panel's view that there should be specific performance measures of the effectiveness of the TSR settlement; on consumer information, options were reduced to information provision by service providers, independent intermediaries or by Ofcom itself, a separate review of consumer policy was expected to result in a consultation document by the end of 2005.

12. The Panel's member for Wales had met with the Wales Electronics Forum. He had also met with the Welsh Development Agency and would have a catch-up meeting with Ofcom's Director for Wales on 16 November 2005.

13. A Panel member had worked with Dominic Ridley on a Panel response to Ofcom on its review of Alternative Dispute Resolution schemes and she had spoken at a September 2005 Consumer Action Network seminar on 'Improving Consumer Representation in the UK', also attended by Georgia Klein.

14. The member that leads on disability issues had a catch-up meeting with Kevin Carey of the Content Board, both attend meetings of Ofcom's Advisory Committee on Older and Disabled People as observers. Kevin Carey had produced a paper on accessible broadcasting and the member would discuss that with the Panel Chairman. He had attended a meeting of the Telecoms Industry Forum on Ageing and Disability. Industry members of the Forum were keen to follow-up Panel research findings and suggested that future research could include the issue of how consumers preferred to receive information. He commented that the Panel had provided views to Ofcom on its responsibilities under Section 10 of the Communications Act 2003. Echoing a comment made by a member in relation to numbering, he said that Ofcom appeared to consider talking to the Panel about Section 10 as being its consumer consultation exercise in this policy area.

Workstreams/workplan

15. The Chairman introduced a discussion of the Panel's future workload and priorities. She began with three dominant themes: digital exclusion; information for consumers; and information from consumers. To engage with these themes the Panel needed to: know who were its stakeholders and maintain links with them; commission consumer research; and consider how it communicated with the wider world, eg raising its profile and making greater use of its website. Other 'important topics' were: spectrum and development of the Panel's understanding of it, eg spectrum trading and spectrum abuse; and assessment of Ofcom's critical success factors using the Panel's consumer audit 'toolkit'.

16. The following comments were made on the dominant themes,:

- consumer behaviour was changing, consumers were becoming active participants in the 'media space', regulation had been designed with consumers at the end of the value chain but they were moving towards the middle of that chain;
- topics under digital exclusion would include the 'digital divide', DSO and media literacy;
- consideration would need to be given to the positive developments of convergence in the communications market, ie the Panel would need to keep pace with new services and understand consumer benefits;
- a wealth of information on consumers was already available, some was research held by Ofcom, it could be 'mined' to help build a 'big picture' analysis;
- a number of industry models were under pressure, incumbent operators were likely to behave defensively and regulatory capture was a possibility; the Panel would need to define its role in this context.

17. Comments were made on engagement:

- building relations, research and communicating, these were activities to underpin the Panel's work;
- there were various ways to make better use of the Panel website and develop the Panel's e-newsletter, it needed to be borne in mind that some consumers were not on-line;
- a stakeholder conference could build links between the Panel and stakeholders, and between stakeholders;
- careful thought should be given to the language of Panel publications and audiences;
- the Panel required a clear sense of its role in relation to advocacy on behalf of consumers.

18. There was discussion of other 'important topics':

- benchmarking markets was another means to evaluate success, eg if small businesses or residential consumers were not getting the best deal it would be important to ask why?
- but a vision of what the market should look like could lead to a skewed market and inappropriate investment decisions in a context of continuous innovation, it could be dangerous to suggest that the Panel knew the correct market structures and the choices that players should make;
- part of the Panel's role was to press Ofcom on how it benchmarked its own success.

19. The Chairman made a number of concluding comments. The Panel was already engaged in a number of workstreams and could decide not to pursue some of them; it was trying to do too much and not being as effective as it could be; and it was necessary to stand back and discuss the 'big picture'. One output would be a revised list of members' responsibilities/roles. Georgia Klein was already looking at the workings of the Panel support team and about processes of engagement with Ofcom; she would act as a 'gatekeeper', deciding which issues were to come to the Panel. All today's issues would be taken away and worked on and there was more thinking to be done. Further discussion would take place at the next two Panel meetings to produce a revised workplan, which would be made public in due course. The Chairman and Georgia Klein would produce a 'work in progress' note for the November Panel meeting.

Consumer representation

20. The Chairman spoke briefly on the background and Government thinking on reform of consumer representation, which could lead to the creation of a National Utilities Consumer Council. It was possible that the Panel could be

drawn into the debate, despite the arguments that communications was not a utility like post or energy. A member commented that if it was appropriate to bundle consumer bodies, the same arguments could be applied to regulatory bodies. A DTI consultation was expected later in the year.

Other matters to note/agree

21. Members had been provided with a report on meetings, consultations and approaches to the Panel; its contents were noted.

Any Other Business

22. There was no other business.

Date of the next meeting

23. The next meeting would be held on 17 November 2005 at Ofcom in London.