

Minutes of the twenty-seventh meeting of the Ofcom Consumer Panel

Thursday 15 June 2006 at 10.00 hours

Ofcom, Riverside House, 2A Southwark Bridge Road, London SE1 9HA

Present:

Consumer Panel

Colette Bowe (Chairman)
Ruth Evans (Deputy Chairman)
Fiona Ballantyne
Roger Darlington
Simon Gibson
Graham Mather
Kevin McLaughlin
Jeremy Mitchell
Kate O'Rourke
Bob Twitchin
Allan Williams

In attendance

David Edwards (Consumer Panel Secretary)
Julia Guasch (Consumer Panel Support Executive)
Georgia Klein (Consumer Panel Manager)
Dominic Ridley (Policy Executive to the Panel)
and Ofcom colleagues (items 3 and 4)

1. Welcome and introductions

1.1 The Chairman welcomed members to the meeting. It would begin with discussion of Ofcom's Nations and Regions policy phase and Digital Inclusion issues, followed by the normal order of agenda items. Member appraisal sessions could not be held the previous day and would be rescheduled.

AP1 Julia Guasch to rearrange appraisal sessions, giving priority to members for the four Nations.

2. Declaration of members' interests

2.1 There were no declarations.

3. Communications Market: Nations & Regions – Policy Phase

3.1 Members had received a discussion paper and an Ofcom colleague made some introductory comments:

- there had been a successful and simultaneous launch of Ofcom research reports on each of the Nations and the English Regions on 26 April 2006; with stakeholder events held in different parts of the UK and audiences that included representatives from the devolved administrations;
- further stakeholder events were taking place;
- the policy phase of the Nations and Regions (N&R) audit was expected to result in an Ofcom publication after the Summer; it would draw out implications from the research and determine responsibility for various actions;
- the main conclusion of the exercise was that the N&Rs were facing similar issues but in differing degrees;
- mobile coverage remained a concern in Wales, and, in particular, access to 999 services via a mobile in the absence of national roaming;
- broadband access was an issue in some areas, due to the quality of copper in BT's local loop or a customer's distance from the local exchange;
- there were concerns about choice of broadband and LLU (local loop unbundling) service providers;
- a general concern was the increasing divide between consumers who were happy with traditional telephone services and those taking up new services.

3.2 Panel members made a number of comments:

- Simon Gibson said that take-up of digital television was high in Wales, reasons included poor analogue TV reception and the limited choice of analogue channels;
- Jeremy Mitchell commented that of the many policy issues arising from the N&R audit, Ofcom should focus on three: take-up of services, including the internet and mobiles, amongst older people and low income groups; the need for clearer understanding of affordability for low income consumers; and understanding of those voluntarily and involuntarily excluded from digital TV, internet, DAB digital radio and mobile services;
- Fiona Ballantyne said that consumers in different parts of the UK would want parity but in some geographical areas it would be more difficult to find solutions; the audit could create opportunities to involve local and Nation policy makers to solve problems in their respective areas;
- Kevin McLaughlin raised the continuing issue of international roaming for mobile users in border regions of Northern Ireland (NI) and also commented that NI had lower income levels;
- Roger Darlington said that he understood the reasons for looking at issues from a N&R perspective but that this was not always a useful approach; consumer profiles could be more productive, eg by age, education and literacy levels or income; his concern was internet and broadband take-up, the former had plateaued and on broadband the UK was lagging behind a

number of other industrialised countries; internet take-up amongst older people and consumers on low incomes was a particular concern; he commented that inadvertent roaming and mobile access to 999 were issues for a small minority of consumers and that these were access issues, by contrast lack of take-up of the internet and access to the Government's online services would cause significant social disadvantage;

- Allan Williams suggested that it would be productive to segment data using multiple indices of exclusion.

3.3 Ofcom colleagues responded:

- a N&R audit had been undertaken in response to arguments from stakeholders from different parts of the UK that Ofcom did not understand the issues they were facing;
- on inadvertent mobile roaming in NI, Ofcom, the NI Department for Trade and Enterprise and the Irish regulator ComReg were working towards a solution but progress was slow; and the cost of services did not appear to be the main reason for lower take-up of services in NI.

3.4 The Chairman summed up discussion by saying that the Panel would submit a formal advice note that would say:

- the Panel understood the motivations behind the Ofcom N&R audit;
- it was now important to move on from the N&Rs to consider what were the important underlying issues, eg a mixture of geography, rural and low income issues;
- delivery of solutions had to happen 'on the ground' and with the involvement of local and devolved governments; it was important to move into a delivery phase;
- the Panel noted the policy issues that Ofcom had identified but felt that Ofcom had to focus on those that were most important and devote resources to finding solutions; inadvertent roaming and unavailability of mobile access to a 999 service were particularly detrimental to consumers;
- there had been discussion of pockets where multiple forms of detriment coincided, the Panel would like to work with Ofcom to identify them.

AP2 Dominic Ridley to draft a Panel advice note – to be sent to Ofcom's Policy Executive and main Board – on Ofcom's Nations & Regions audit.

4. Co-ordination of Digital Inclusion issues

4.1 Members had received a discussion paper and an Ofcom colleague made some preliminary comments:

- Ofcom was engaged in numerous projects and it was working to co-ordinate them effectively and maintain consistency;

- it was necessary to determine which services were of intrinsic social value, eg whether lack of access to the internet had an impact upon the ability to be an integral member of society;
- it was necessary to understand when a particular service mattered and people were being left behind;
- technology offered opportunities to break down barriers, including the design phase;
- Ofcom wished to identify actions and the agencies responsible for them.

4.2 Panel members made a number of comments:

- Jeremy Mitchell commented that Ofcom's Access and Inclusion project should cover exclusion relating to age, in addition to income, disability and geography;
- Graham Mather commented that Ofcom had set out a number of challenges but it was not easy to determine the policy outcomes;
- Ruth Evans said that it was necessary for Ofcom to identify its role in addressing the digital divide, it would have to balance issues of innovation and universal access; determination of the circumstances that required Ofcom to address lack of availability or a lack of take-up would be a central issue; Ruth Evans encouraged Ofcom to gather more international data to understand why other countries with lower GDPs were ahead of the UK on broadband take-up;
- Simon Gibson commented that part of the explanation was the ability of some countries to take advantage of falling costs and the latest high speed networks, ie pioneers did not always win the race;
- Graham Mather said a comparison could be made between take-up of broadband and digital television via Freeview, the success of the latter had benefited from both decisions taken/promotion by the BBC.

4.3 Ofcom colleagues responded:

- the Access and Inclusion project would look at issues of age, including those affecting young people, and advances in technology;
- on policy outcomes, there would be some areas where Ofcom had regulatory powers; it would have an impact through projects like the Digital Dividend Review and on Wholesale Broadband Access and there was value in the exercise of leadership, ie identification of the issues and initiation of debates across different agencies;
- Ofcom could more easily tackle access as opposed to take-up of services; it would be a matter of helping consumers to understand how services could be beneficial to them;
- Ofcom planned a consumer outcomes event and the agenda was expected to include discussion of international comparisons.

4.4 The Chairman summed up discussion by saying that the Panel wished to

continue to have discussions of this kind and to maintain contact with Ofcom's steering group set up to coordinate its digital inclusion projects. Sara Nathan, Ofcom Board member on the steering group would be invited to meet the Panel. Digital inclusion could also be a topic for engagement with Ofcom's Advisory Committees. The Panel would submit a formal note covering the issues raised in discussion, key points would be the need to:

- determine Ofcom's locus;
- look at international comparisons beyond benchmarking;
- look at lessons from promotion and take-up of Freeview.

4.5 There was insufficient agenda time to discuss fully Ofcom's Citizen Interest project. As a brief introduction an Ofcom colleague said that Ofcom was working to define its role in relation to citizen interests. The regulator had to be clear about the rationale for interventions. There could be tensions between consumer and citizen interests and on occasions the need for trade-offs. It was agreed that the Panel would return to the Citizen Interest project at a future Panel meeting. In the meantime the Panel applauded Ofcom's efforts to deal with significant issues for consumers and citizens.

AP3 Dominic Ridley to draft a Panel advice note on digital inclusion projects.

AP4 Secretary to invite Sara Nathan to meet the Panel to discuss digital inclusion issues.

AP5 Georgia Klein to have a discussion with Ofcom colleagues about attendance at a future Panel meeting to discuss Ofcom's Citizen Interest project.

5. Minutes of the meeting on 23 May 2006 and matters arising

5.1 The minutes of the previous meeting were agreed subject to minor amendment.

5.2 The Chairman would meet Ofcom's Graham Howell, Secretary to the Corporation, to discuss Panel appointments. After consideration Georgia Klein had concluded that there did not appear to be a rationale for a Panel project on broadband speeds and the way they were marketed. One reason was that Ofcom would be conducting research in this area. Georgia Klein would circulate the basis of her conclusions and the terms of reference of Ofcom's research.

AP6 Secretary to amend minutes.

AP7 Georgia Klein to forward to members the basis of her conclusions that there did not appear to be a rationale for a Panel project on broadband speeds and the terms of reference of Ofcom's research in this area.

6. Chairman's report

6.1 The Chairman reported that the Panel had successfully published its research report *Consumers and the communications market: 2006* and its

Annual report 2005-06, accompanied by news releases and on 1 and 8 June 2006 respectively. She had met Philip Graf, Ofcom Deputy Chairman, and he would meet the Panel on 17 July 2006. One talking point would be Content Board issues related to areas that the Panel is also interested in. It was noted that Stephen Carter, Ofcom Chief Executive, had announced his resignation on 26 May 2006. The Chairman, Deputy Chairman and Georgia Klein were working on an advice note to Ofcom on consumer priorities arising from Digital Switchover (DSO) – Ofcom had shared a paper containing its thinking with the Panel. The advice note would make a number of headline points rather than respond to Ofcom's paper line-by-line. The Chairman would attend Otelo's 'Strengthening Standards for Consumers' event at the House of Commons on 24 July 2006. Julia Guasch was asked to circulate details of the event to Panel members.

AP8 Julia Guash to circulate to members details of Otelo's 'Strengthening Standards for Consumers' event.

7. Members' updates

7.1 Simon Gibson reported that the Panel's spectrum sub-group had met with Ofcom the previous day. There was a danger of being prescriptive about filling spectrum released from DSO. It would be important to consider the delivery of some services via other mechanisms like the internet. The Chairman asked Simon Gibson and Bob Twitchin to exchange views on the use of avatars for signing for people who were deaf and to consider whether a demonstration would be appropriate for a future meeting of the Consumer Forum on Communications. There would be a wider Panel spectrum discussion in the afternoon following the 18 July Panel meeting. That afternoon would also include a discussion of the specification for the Panel's 06-07 research. There would be consecutive or simultaneous discussion sessions. The Secretary would reserve meeting rooms.

7.2 Allan Williams had met Ofcom colleagues to discuss issues related to young people and its Knowledge Centre had agreed to conduct a literature review. The Panel would be able to provide views before the research on young people that Ofcom was expected to conduct in the Autumn. Some issues could be for the Ofcom Content Board to pursue rather than the Panel.

7.3 Graham Mather continued to be involved with the Panel's work on the consumer interest toolkit. He was following up his approach to the Swedish regulator to meet with the Panel later in the year and working on an essay on the lessons to be learnt from European Regulation for a forthcoming Ofcom study on approaches to regulation. Following on from earlier discussion about access and inclusion he highlighted the wealth of on-line databases available via public library websites.

7.4 Roger Darlington reported that he had spoken at a Better Regulation Commission event on the relationship between regulation and innovation. He and

Fiona Ballantyne had attended Digital UK's conference on DSO held in Carlisle. On the topic of Carlisle the Chairman confirmed that the Panel would hold its monthly meeting there in October 2006 and that the Panel should use the visit as an opportunity to talk to local organisations working on delivery of DSO in the Borders.

7.5 Ruth Evans reported that:

- informal contact had been made with Shaun Woodward MP, the new Minister for Creative Industries & Tourism at the Department of Culture, Media and Sport responsible for switchover, and was being followed up by a letter requesting a meeting;
- arrangements for HelpCo remained unclear;
- the previous day she had met Department of Trade and Industry (DTI) officials responsible for digital inclusion; she had learnt about the cross-departmental Programme Board for the Digital Strategy and would be meeting that body to discuss the Panel's research on older people – the Chairman said that the Secretary should look into a possible joint meeting between the Panel and the Programme Board for the Digital Strategy;
- the Chairman and Deputy Chairman wished to meet Margaret Hodge MP, Minister of State for Industry and the Regions at DTI, to discuss usability and accessibility of consumer equipment for DSO – the Secretary was asked to pursue this;
- as mentioned earlier, an advice note to Ofcom on consumer priorities arising from Digital Switchover (DSO) would be submitted;
- the Government had published its response to the recent report on analogue switch-off of the House of Commons Committee for Culture, Media and Sport;

7.6 The previous day Bob Twitchin had attended the DTI seminar Usability for Switchover. Attendees were mostly from industry but useful research had been presented and he would make relevant papers available to Panel members via the Secretary. The DTI would be convening a small working group the following week to devise an action plan. Fiona Ballantyne had taken part in an interview on BBC Three Counties Radio and spoke about the Panel's new research report. She had already met Ofcom research colleagues to discuss the Panel's next research project. Ofcom would be hosting events to discuss its switching research, dates would be circulated to members by Julia Guasch.

7.7 Kate O'Rourke and Georgia Klein had attended a meeting with Ofcom's consumer policy and consumer protection teams. On consumer protection, there had been discussion of Ofcom's review of Alternative Dispute Resolution schemes; its consumer protection project; how Ofcom could make its procedures work better; and whether it had adequate powers and they were being used effectively. Ofcom had produced a useful summary report on consumer protection cases and this would be circulated to Panel members by Georgia

Klein. The consumer policy team was at the early stage of a consumer information project.

AP9 Bob Twitchin and Simon Gibson to exchange views on avatars.

AP10 Secretary to reserve a second meeting room for the afternoon of 18 July 2006 to allow the Panel hold two simultaneous discussion sessions (on spectrum and next year's tracker research).

AP11 Secretary and Julia Guasch to liaise with members on the logistics of the Panel's meeting in Carlisle in October 2006.

AP12 Secretary to explore the possibility of a meeting between the Panel and the Programme Board for the Digital Strategy.

AP13 Secretary to arrange a meeting between the Panel and DTI minister Margaret Hodge MP on usability/accessibility issues, including Kate O'Rourke if available.

AP14 Bob Twitchin to make relevant research papers, arising from a recent DTI usability seminar, available to members.

AP15 Julia Guasch to circulate to members details of Ofcom's switching research events.

AP16 Georgia Klein to circulate to members Ofcom's consumer protection report for comment.

8. Toolkit proposal

8.1 Members had received a paper on Ofcom projects for evaluation and timelines. It was proposed that the Digital Dividend Review (DDR) be the first, with a second project to be selected for case study in the Autumn. A tendering exercise to contract consultants to do the work would begin later in the month. Allan Williams said that evaluation of the DDR would be valuable but he raised a cautionary note by saying that it could take some time for the outcomes of the DDR to become fully apparent. The Chairman said it would be important to confirm that the DDR project was well conceived from the outset and Graham Mather argued that it was vital for consumer interests to be factored into the DDR. There was agreement to the proposals in the paper, including a letter to be sent to the Ofcom Board setting out Panel proposals and a publication and launch event in early 2007.

9. Panel communications strategy

9.1 Members had received a paper on the Panel's communications strategy. Georgia Klein explained that a two-pronged approach was proposed: political engagement and a media strategy. The following comments were made:

- Ruth Evans said that proposals could be resource intensive to implement;
- the Chairman said that it would be necessary to cost the proposals but she was confident that resources would be available;
- Roger Darlington made a number of points: it was important to make greater use of the Panel's website; to monitor the number of 'hits'; he

proposed a weblog; the Panel's newsletter should be published more frequently and could be more effective and would increase the number of visitors to the website; and the Panel could consider an event with stakeholders;

- Fiona Ballantyne said that the Panel should have a protocol for members when dealing with the media;
- the Chairman confirmed that when members were approached by the media they should make contact with Georgia Klein before speaking for the Panel;
- Bob Twitchin said that resources were required to allow the Panel to meet requests for articles, eg from disability groups;
- the Panel was about to contract a new media support consultant and it would be necessary to determine her work capacity; it would also be important to manage up-to-date details of Panel contacts;
- Allan Williams was not convinced that the media outlets suggested would be productive;
- Graham Mather said that the national media would remain important;
- Georgia Klein encouraged members to make use of the Panel's own information leaflet by taking copies to the various events they attended.

9.2 The Chairman concluded discussion by saying that there was broad agreement on the proposals. She would discuss resourcing and related issues with Georgia Klein.

AP17 Chairman and Georgia Klein to discuss resourcing and issues related to the Panel's future communications strategy.

AP18 Members to distribute Panel leaflets at their various meetings.

10. Other matters to note/agree

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

11. Any other Business

11.1 There was no other business.

.....Chairman

.....Date