

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

Tuesday 18 July 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

Julia Guasch (Consumer Panel Support Executive)
Georgia Klein (Consumer Panel Manager)
Dominic Ridley (Policy Executive to the Panel)
other Ofcom colleagues (items 6 and 7)

1. Welcome and introductions

1.1 The Chairman welcomed Panel members to the meeting. There were no apologies.

2. Declaration of members' interests

2.1 Simon Gibson said that he had been asked to chair a Welsh Assembly panel that will evaluate how intellectual property can be exploited from higher education programmes.

3. Minutes of the meeting on 15 June 2006 and matters arising

3.1 The minutes of the previous meeting were agreed. Julia Guasch was asked to organise Panel members' appraisal sessions and to ensure that the Nations members' sessions occurred before the end of the Summer. It was agreed that Sarah Nathan, Ofcom Board member, would be invited to meet the Panel in November 2006. The Chairman asked members to forward any comments on the briefing paper they had received on broadband and speeds directly to Dominic Ridley. The Chairman reminded the Panel that Otelo – the Office of the Telecommunications Ombudsman – would be holding an event to launch its annual report on 24 July 2006 and all members were encouraged

to attend. There was a brief discussion of Alternative Dispute Resolution (ADR) schemes.

AP1 Secretary to invite Sara Nathan to the Consumer Panel meeting in November 2006.

AP2 Members to send any comments on the broadband briefing paper to Dominic Ridley

4. Chairman's update

4.1 The Panel's press release of 12 July 2006 about digital switchover (DSO) had been sent to Tessa Jowell MP, Secretary of State for Culture, Media & Sport. It stated that the Panel believed that DigitalUK was under-resourced and that the organisational structure for management and delivery of DSO was too complicated. As yet there had been no response from the Department for Culture, Media and Sport. The Panel had received good media coverage in response to its news release and details had been circulated. The Chairman added that she had been interviewed by a trade magazine and had taken part in a Media Guardian podcast on DSO.

4.2 The Chairman and the Deputy Chairman had met with Shaun Woodward MP, Minister for Creative Industries and Tourism, to discuss DSO. A meeting would be arranged with Margaret Hodge MP, Minister of State for Industry and the Regions, to talk about DTI's responsibilities in this area. A meeting with David Hendon, Director, Communications and Information Industries at the DTI, would be arranged to discuss digital inclusion issues.

4.3 The Chairman would be speaking about the Panel's Consumer Interest Toolkit at a meeting in Brussels on 14 November 2006 at the invitation of the EU DG Consumer Health and Protection. Presentations from consultants tendering to undertake the Panel's audit of Ofcom's Digital Dividend Review using the Toolkit would be held the following week. Interviews for a new Panel member would take place after the Summer.

AP3 Julia Guasch to arrange a meeting with Margaret Hodge MP, the Chairman and Deputy Chairman would attend.

AP4 Julia Guasch to arrange a September meeting with David Hendon of DTI, the Chairman and Deputy Chairman would attend.

5. Members' updates

5.1 The Deputy Chairman reported that she had met with the Chief Executive of Digital UK and had separate meetings with other executives from the organisation to discuss DSO, including schemes to assist people with switchover, Digital UK's research and Whitehaven, the first area to switch to digital television in the UK.

5.2 Bob Twitchin and Simon Gibson had considered the possibility of avatars delivering a signing service for people with hearing impairments. It was felt that the technology to deliver a satisfactory service was not presently

available but that the speed of technological change may allow a service to be delivered in the near future. They would keep abreast of developments. It was reported that Sky had published some research into the subtitling or signing preferences for TV programmes of people with a hearing impairment. Bob Twitchin and Roger Darlington had met BT to discuss the implementation of its new social telephony scheme. Details of the scheme would be shared with Panel members. The Panel's universal service sub-group would continue to meet BT on a quarterly basis.

5.3 Fiona Ballantyne had given a presentation to the Telecoms Industry Forum on Disability and Ageing (TIFDA) on the Panel's research on older people and communications technology. Bob Twitchin had given a presentation to TIFDA on the Panel's communications market research. Simon Gibson had given a presentation to Ofcom colleagues in Wales on Next Generation Networks and Futures. Graham Mather had met and invited the Swedish Communications regulator, Marianne Treschow, to meet the Panel at its December 2006 meeting. He reported briefly on the European Commission's position on mobile roaming within the European Union. Dominic Ridley would circulate Commission roaming proposals to Panel members. There was brief discussion about BEUC - the European consumers' organisation Bureau Européen des Consommateurs – and if possible the Panel Chairman would meet with the organisation during her visit to Brussels on 14 November 2006. Allan Williams had attended an Ofcom workshop on the Digital Dividend Review and met with Ofcom to review research published on youth issues in the communications market.

5.4 The Chairman, Fiona Ballantyne and Jeremy Mitchell had attended the Panel's Connecting Older People event held on 5 July 2006. It had been a success. The Panel support team would be producing a paper on the themes of the day and the policy recommendations that had emerged from the event. It would be distributed to the delegates for comment and then published. The Panel research on older people and communications technology was launched on the same day and had received good media coverage.

AP5 Roger Darlington to circulate details of BT's social telephony scheme.

AP6 Julia Guasch to arrange for the Swedish communications regulator to attend the December Panel meeting and to work with Ofcom colleagues on a programme of same-day meetings between the Swedish regulator and Ofcom.

AP7 Dominic Ridley to circulate the EU Commission's proposals for regulating international roaming charges.

AP8 Julia Guasch to set up a meeting between BEUC and the Panel Chairman on 14 November 2006.

6. Update on Ofcom's consumer related work

6.1 Members had received a briefing paper. Ofcom colleagues explained that there were two parts to their work, the Consumer Policy Review and a Consumer Outcomes publication. The review would result in a statement and the Consumer Outcomes work was seeking to measure as many relevant

consumer metrics as possible, related to issues including access, choice, consumer protection and empowerment. Ofcom colleagues expected to return to the Panel in September 2006 when Ofcom's Consumer Decision Making research has been fed into the Consumer Policy review. Ofcom would also use the Decision Making research to consider whether there was a problem related to consumers' access to reliable information and, if there was a problem, what would be the best way to solve it. Digital inclusion is considered to be a separate project and is not included in the Consumer Policy review. A project looking into complaints handling in telecoms has recently started. It will depend on the availability of market research to what extent the results of this project can be fed into the Consumer Policy statement.

6.2 The Panel's view was that Ofcom needed to consider carefully what it was seeking to achieve in addition to the promotion of competition. Some Panel members had concerns about consumer information. They did not accept that it could be assumed that information provision could be left to the market and argued the need for an evidence base to allow Ofcom to understand what the market was providing before it issued its Consumer Policy statement. It was felt that Ofcom needed to set out clearly in the statement both the policy implications and what it intended to do about them.

6.3 Ofcom explained that Consumer Decision Making research was part of its consumer empowerment workstream. One of the key findings from the qualitative phase was about consumers' mindsets, some had a relationship with their supplier and some were transactional consumers. Attitudinal factors were key to how an individual engaged with the communications market. The second phase of research was to quantify the number of people who did not participate in the market and what, if any, intervention was required to aid them to do so. The research provided a baseline to track future consumer developments. Ofcom colleagues said it had added the concept of time by undertaking attitudinal research. It revealed that it was not just cost that encouraged people to switch and there was a group of people with no interest in switching or participation in the market - this could be a perfectly rational decision. The research would also feed into Ofcom's Consumer Outcomes work.

6.4 Members agreed that it could be rational behaviour to be inactive in the market. With tariff reductions, issues like the bundling of products and the length of contracts could be more significant for some consumers. Ofcom colleagues said that these factors had been included in the research. Specific research projects were being scoped out with the Ofcom Advisory Committee for Older and Disabled People. The Consumer Outcomes project would assess the state of the UK Communications market and there would be three benchmarks: development over time; UK comparisons across companies and perhaps different industries; and internationally. Ofcom would not be setting targets. There would be a Consumer Outcomes event on 16 November 2006, from 10.30am to 12.30pm.

6.5 Members welcomed the Consumer Outcomes event – which would be held on the day of the November Panel meeting, allowing members to attend - and for some time had argued for a set of metrics to understand market outcomes. As to whether there was a need for consumers to know about ADR procedures, this only mattered when a dispute arose. The Panel's view was that the obligation to provide ADR information should be on the operator. One of the proposed metrics was to understand how well Ofcom was known by the public. Panel members felt that it was less important that people knew about Ofcom but that the complaints process had to work well. Discussion closed and Panel members were requested to forward additional comments to Georgia Klein.

AP9 Members to attend Ofcom's Consumer Outcomes Event on 16 November 2006.

AP10 Members to forward additional comments to Georgia Klein.

7. Ofcom Consumer Protection and Complaints projects

7.1 Ofcom colleagues introduced the discussion, based on a briefing paper that members had received on Ofcom's Consumer Protection and Complaints projects. In relation to consumer protection, there were three areas of particular importance: the prevention of scams and unfair practices; improvement in enforcement procedures; and the importance of communicating information about scams and unfair practices effectively to consumers and intermediaries such as the media. In relation to complaints, a key issue Ofcom was looking at was the effectiveness of complaint handling by communications providers. The Panel stated that it had commented on this in its response to Ofcom's ADR review last year. Dominic Ridley would forward a copy of the Consumer Panel's response to Ofcom's earlier ADR review to Ofcom colleagues.

7.2 In response to a member's question about whether there was a cost effective way to quantify consumer detriment in the communications sector, an Ofcom colleague said that Ofcom had discussed this with research companies but had concluded that it was not feasible to conduct cost-effective research that would be sufficiently rigorous. The issue of mystery shopping was raised but it was pointed out that this would not give evidence of detriment but of the quality of consumer information/advice at retail outlets. Panel members suggested that Ofcom should build contacts with journalists into its Early Warning System to help prevent scams and unfair practices - they could be helpful in signalling problems. An Ofcom colleague stated that a series of meetings had been arranged with journalists over the summer and early autumn.

7.3 When discussing the work on complaints, a Panel member stated that when considering the economic benefits of complaints handling, Ofcom should also look at the benefits to consumers. An Ofcom colleague said that colleagues at Leicester University were reviewing the literature on the benefits of good complaints handling. The Chairman asked why a complaints review was being undertaken so soon after the last ADR review. Ofcom said it

wanted to understand better consumer dissatisfaction with the complaints process and to include convergence in its thinking. The Chairman summed up by saying that the Panel agreed with Ofcom's priorities and would continue to engage with Ofcom.

AP11 Dominic Ridley to forward a copy of the Consumer Panel's response to Ofcom's last ADR review to Ofcom colleagues.

AP12 Georgia Klein to facilitate meetings on Consumer Protection work between relevant Ofcom colleagues and Kate O'Rourke, with attendance at Panel meetings by the former when required.

8. Ofcom/Consumer Panel Memorandum of Understanding (MoU)

8.1 The Chairman said that the MoU had been discussed with Ofcom and colleagues in the Panel support team felt that arrangements were working well. There was brief discussion about information provision and confidentiality. The Panel agreed that Ofcom should continue to publish details of the Panel's work in its Annual Report.

AP13 Georgia Klein to speak to Ofcom colleagues to ensure that a requirement to summarise the Panel's work in Ofcom's annual plan remained in the Ofcom/Panel MoU.

9. Other matters to note/agree

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

10. Any other Business

10.1 There was no other business.

.....Chairman

.....Date