

Minutes of the thirty-sixth meeting of the Ofcom Consumer Panel

Tuesday 24 April 2007 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)
Dominic Ridley (Acting Consumer Panel Manager)
Ben Wallis (Policy Executive to the Panel)
Panel research manager and a colleague from Ipsos MORI (item 8)
Suzy Brain Engand, Chairman, Advisory Committee for England, (item 11)
Peter Philips, Ofcom Partner, Strategy and Markets (item 12)
and other Ofcom colleagues (item 2)

1. Welcome and introductions

1.1 The Chairman welcomed Panel members to the meeting. Ben Wallis was attending his first Panel meeting in his role as Policy Executive to the Panel. Dominic Ridley had taken on the role of Consumer Panel Manager.

2. Pay TV

2.1 Members had received an information paper. There was discussion with Ofcom's Pay TV market investigation team covering background to the investigation, scope of the review, possible outcomes, remedies and timescales. The investigation would include a consumer research exercise. The Chairman said that the Panel would welcome the opportunity to comment on the research specification and Ofcom agreed that it would be shared with the Panel.

AP1 Ofcom to share its Pay TV consumer research specification with Dominic Ridley who would quickly consult Panel colleagues and provide feedback.

3. Declaration of members' interests

3.1 There were no declarations.

4. Minutes of the meeting on 20 March 2007 and matters arising

4.1 Minutes were agreed subject to minor amendment. The Secretary would continue to pursue arrangements for a joint session between the Panel and the Ofcom Content Board in July 2007 – participation TV could be a topic for discussion on that occasion. The redesign of the Panel's website, publications and stationery was well advanced. The 2007 tracker research report would be the first Panel publication in the new format. The Panel had considered holding a meeting in Wales in November 2007, immediately following an October meeting in Scotland. Instead the November meeting would take place in London. It was agreed that there would be a Panel visit to Wales, for those members available, to gain first-hand experience of BT activity to roll out its 21st Century Network (21CN).

AP2 Secretary to amend Panel minutes.

AP3 Secretary to pursue arrangements for a joint Panel and Content Board session in July.

AP4 Secretary to arrange a 21CN trip to Wales for interested Panel members.

5. Chairman's report

5.1 The Chairman had met the Ofcom Board and given a report on Panel activities during the previous year. There had been discussion about future Panel appointments – in less than a year appointments of the Deputy Chairman and three members would end, the Chairman's term would end in December 2008 and the terms of the four members representing the Nations and the English regions would end in February 2009. In stages the Panel would reach the end of its original membership. Ofcom would need to consider the new appointments it wished to make, using the opportunity to review the current Panel set-up, eg conditions and terms of appointment, frequency of meetings, remuneration etc. Members could contribute to Ofcom's deliberations by providing views on what had worked well and their thoughts on the future shape of the Panel. They were asked to communicate on this matter with the Chairman.

5.2 The Chairman had met HDforAll, a group campaigning for high definition TV on Freeview, ie for some of the spectrum to be released subsequent to the digital dividend review (DDR). She said that the Panel would need to form a view on what was a difficult and possibly contentious issue. Dominic Ridley would consider how the Panel could equip itself to contribute to HD debates. The Chairman, Graham Mather and Ben Wallis would be meeting the European Commissioner for Consumer Protection at the end of May 2007 to discuss the Panel's Consumer Interest Toolkit.

AP5 Members to consider their experience on the Panel, eg what has worked well and why, and communicate with the Chairman face-to-face or by email over

the coming weeks.

AP6 Dominic Ridley to consider the issue of HDTV in the context of DDR.

6. Members' updates

6.1 Simon Gibson had a catch-up meeting with Ofcom's Director for Wales and he had discussed digital switchover (DSO) and Ofcom's DDR with Adam Price, MP for Carmarthen East and Dinefwr (Plaid Cymru) and a member of the Parliamentary Culture, Media and Sport Committee. The Deputy Chairman had met colleagues from the National Audit Office engaged in evaluations of the DSO pilot in Whitehaven and the Government's targeted help scheme. She had been invited to Whitehaven by Digital UK.

6.2 Graham Mather provided a brief update on events in Europe; including discussions in the European Regulators Group on regulators' powers and what would happen if/when a National Regulatory Authority failed to act; and moves in the European Parliament and the Commission that were expected to result in reduced mobile roaming charges. He cautioned that once a retail price cap was applied to roaming charges it could prove to be very difficult to remove it in the future.

6.3 Later in the meeting there would be discussion of the Panel's 2007 tracker report, based largely on Ofcom data. Prior to that Fiona Ballantyne reported on the Panel's other research activities. Feedback on the children and the internet research would be given to the Panel's research sub-group the following day. Emerging issues included children's perceptions of disadvantage if they did not have home access to the internet, related issues of self-esteem and the ability of, or lack, parents to follow their children in their internet worlds. A Panel event based on the children's research was being planned for June 2007 and Ben Wallis would circulate an event outline to members. The sub-group had discussed 2007-08 research plans and felt that continued tracker work did not make the best use of the Panel's research budget, instead it could be productive to report on research 'highlights' arising from Ofcom's research. Research on specialised and mainstream equipment was planned. There had been discussion of a project that looked to the future, eg with new-adopters, or to consider future potential for consumer harm – a research brief was being worked up on the latter.

6.4 Jeremy Mitchell reported briefly on a discussion with Ofcom also attended by Allan Williams and Roger Darlington, held immediately prior to the Panel meeting, to discuss issues related to quality of service (QoS) in telecoms. Current outcomes included two information websites, Topcomm and TopNetUK, for fixed and mobile telecoms suppliers respectively. There has been limited publicity of the sites and neither has had high volumes of users. Ofcom's options appeared to be to abandon its QoS efforts or to devote more resource and energy to this, eg with a similar site for broadband suppliers. Jeremy Mitchell argued that irrespective of use of QoS data by consumers, a requirement to produce it was a useful discipline on suppliers. A long-term objective could be integration of both QoS and price information. Ofcom had appeared keen to have

the Panel's support behind current QoS initiatives, including the suggestion that a Panel representative attend, with Ofcom, a future meeting with the industry players that run the websites. Jeremy Mitchell and Ben Wallis would discuss how the Panel might encourage QoS initiatives.

6.5 Kate O'Rourke said that Ofcom had published *The Future of Radio*, a consultation on radio regulation and licensing. Kate O'Rourke would prepare a note on any consumer issues for discussion at the May 2007 Panel meeting. Roger Darlington had attended two events on Next Generation Access (NGA), a seminar at the London Business School and meeting with the Broadband Stakeholder Group. The key question appeared to be whether the UK should invest in a new fibre local loop. Dominic Ridley would monitor NGA debates and determine when/whether the Panel should become involved. Kevin McLaughlin had attended a meeting of Ofcom's Advisory Committee on Older and Disabled People, the meeting had included discussion of DSO with Digital UK and media literacy with Ofcom. He had attended a Voice of the Listener and Viewer conference at which Ofcom's Chief Executive had been a speaker.

6.6 Bob Twitchin had met Ofcom to discuss its usability audit, a report was being drafted and it could feed into the Panel's research planning on mainstream and specialist equipment. He had held a discussion with Ricability, the latter would welcome feedback on its digital TV products website. Bob Twitchin would provide members with details of the site. He reported that the switched-on website has been launched to provide consumers with information about migration to BT's new 21st Century Network. He and Kevin McLaughlin had met an Ofcom colleague and discussed the text relay service. On the latter there were outstanding issues which Dominic Ridley would discuss with Ofcom, involving the Chairman if necessary.

AP7 Ben Wallis to share with members details of the Panel's children and the internet event.

AP8 Jeremy Mitchell and Ben Wallis to discuss QoS and how the Panel might encourage initiatives.

AP9 Secretary to put *The Future of Radio* on the agenda and Kate O'Rourke to prepare a note for the May Panel meeting.

AP10 Dominic Ridley to track NGA, determining when the Panel should intervene/provide advice.

AP11 Bob Twitchin to share with Panel members details of Ricability's digital TV products website.

AP12 Dominic Ridley to discuss text relay issues with Ofcom and if required Julia Guasch to arrange a meeting between the Chairman and Ofcom.

7. Update from Consumer Panel Manager

7.1 Dominic Ridley reported that there had been activity to license the Panel's Consumer Interest Toolkit, although no licenses had been issued as yet. There had been discussions with Government officials to discuss the web portal to assist older people to get on-line but there appeared to be some difficulty in finding a Government department to take ownership of the portal. The Chairman

and Jeremy Mitchell would discuss how best to take this forward.

AP13 The Chairman and Jeremy Mitchell to discuss how best to take forward the Panel's web portal proposal.

8. Panel tracker research

8.1 Members had received a draft of the Panel's tracker report *Consumers and the communications market: 2007*. A colleague from Ipsos MORI gave a short presentation on the key findings. These were:

- mobile phone ownership had increased in Scotland and Northern Ireland;
- the proportion of mobile only households was increasing among some vulnerable groups;
- broadband ownership had increased, but there was still a gap between vulnerable groups and the rest of the UK;
- older consumers were the least likely to have ever switched supplier;
- older consumers were less likely to think it was or would be easy to switch supplier;
- there had been a rise in reasons to complain about suppliers;
- around one in ten consumers had or would be likely to have difficulties with mobiles; TVs and landlines;
- there were indications of a rise in concerns about the internet, mobiles and digital TV;
- ownership of digital TV had increased but there was still a gap with vulnerable groups;
- awareness and understanding of digital switchover was highest among consumers living in rural areas;
- awareness and full understanding of digital switchover was lower among consumers in analogue-only households;
- analogue-only households and older consumers showed greater uncertainty about converting their TVs to digital;
- levels of ownership and involvement in communications was lower among consumers aged over 65;
- there were gaps in ownership among consumers in low income households under 65, but more confidence than amongst older consumers in switching and comparing suppliers;
- consumers under 65 with a disability had higher levels of ownership than other groups, but were more likely to have difficulties using technology;
- and consumers living in rural areas were more likely to be dissatisfied with communications services.

8.2 The published report would contain a Chairman's foreword and there would be news releases to publicise findings. Members were asked to flag what they considered were the key messages and did so, with other comments, as follows:

- difficulty in using equipment amongst consumers with hearing difficulties;

- issues could be 'teased out' in relation to the different Nations;
- a digital divide was still apparent but if internet take-up was increasing then that was encouraging; the Chairman asked the Panel's research manager to confirm the internet figures contained in the report;
- the gap between the communications enfranchised and disenfranchised did not appear to be diminishing, the low income variable appeared to be more important than Nations analysis;
- there were benefits from competition for consumers, with a rise in switching;
- consumers' concerns had risen, with an interplay between technology and concern about its use;
- there had been a rise in reasons to complain about suppliers, particularly in rural areas; the Chairman said that as consumers became more knowledgeable their dissatisfaction about services could increase.

8.3 Members were invited to elaborate further on any comments on the research, or on points for inclusion in the Chairman's foreword, and to email them to Dominic Ridley. Key points were that consumer behaviour and the market were in motion, take-up of services was less about geography and more about availability, there were issues around age and more work to be done on the digital divide.

AP14 Research manager to confirm internet penetration figures contained in the 2007 tracker report.

AP15 Members wishing to expand on thoughts on the tracker to forward details to Dominic Ridley by the end of the week.

9. Other matters to note/agree

9.1 Members had been provided with a written report on Panel activities, Ofcom publications, policy projects and events and approaches to the Panel; its contents were noted.

10. Any other Business

10.1 The Panel had received an information paper from Ofcom in answer to questions on premium rate call services (PRS) in television programming. Jeremy Mitchell said that there had been considerable consumer detriment, eg as a result of TV quiz shows, and raised further questions: what action would be taken by Ofcom; what redress was feasible; and had there been regulatory failure? The Chairman and Dominic Ridley would discuss these matters further.

AP16 The Chairman and Dominic Ridley would discuss PRS and issues related to TV programming.

11. Engagement with Ofcoms' Advisory Committee for England

11.1 Suzy Brain England, Chairman of Ofcoms' Advisory Committee for England (ACE), spoke about the work of her committee, its membership,

planning and method of working, and its Ofcom support arrangements. She reported on issues ACE had engaged with, including Number Translation Services and universal service in telecoms. The committee, unlike Ofcom's committees for Wales, Scotland and Northern Ireland, had found it difficult to find specifically English issues. Discussion points with the Panel included the ability of ACE and the other Ofcom advisory committees to add value to Ofcom when they had fairly limited resources to do that; findings from Ofcom's Nations and regions research had indicated that issues for consumers were more to do with living in a rural area or being on a low income than the National dimension and the committee in Scotland pursued some issues on that basis; appointment of independent Chairman had made the committees more effective; and some of the committees' members had considerable communications expertise, that contributed to informed discussion with Ofcom.

12. Peter Phillips

12.1 There was discussion between Peter Phillips and the Panel. Prior to appointment as Ofcom's Chief Executive, Ed Richards had led Ofcom's Strategy and Market Developments group. Ofcom Partner Peter Phillips now had that role. Discussion covered four topics:

- how Ofcom tackled access and inclusion issues;
- policy on switching and migrations in telecoms service;
- transparency and additional charges levied on consumers by communications providers, eg charges for payment by methods other than direct debit;
- and engagement with citizen and consumer stakeholders.

.....Chairman

.....Date