

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

Tuesday 12 June 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
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)

1. Welcome and introductions

1.1 The Chairman welcomed Panel members to the meeting. Apologies were received from Kate O'Rourke. The meeting would be followed by a meeting of the Panel hosted Consumer Forum on Communications (CFC). The Chairman would have to leave part-way through the Panel meeting and the Deputy Chairman would chair the remainder and the subsequent CFC meeting.

2. Declaration of members' interests

2.1 Bob Twitchin had become a member of the TAG relay funding sub-group. TAG is an organization that promotes access to electronic communications for deaf people. Roger Darlington is a member of the Council of Postwatch and had increased his time commitment from 2 to 2½ days per week. Alternative Dispute Resolution (ADR) schemes would be discussed under item 8 – it was noted that the Chairman and Jeremy Mitchell were formally the chairman and a member, respectively, of the Council of the Office of the Telecommunications Ombudsman (Otelco). Simon Gibson had become a board member of Newport Unlimited - an urban regeneration company limited by guarantee and a partnership of the Welsh Assembly Government, Newport City Council and the private sector, to promote investment and regeneration in Newport, South Wales.

AP1 Secretary to update register of members' interests.

3. Minutes of the meeting on 16 May 2007 and matters arising

3.1 Minutes were agreed subject to minor amendment. It was proving difficult to find a date for a joint session of the Panel and Ofcom's Content Board. The Chairman would discuss this with the Content Board chairman. Ofcom was undertaking a review of the Consumer Panel in anticipation of 'Panel Mk2', ie a new line-up of members once all current appointments expire. Members were invited to give their views to the consultant conducting the review. The Chairman, Simon Gibson and Roger Darlington had not yet begun their online discussion about how the Panel could engage with next generation access (NGA) debates. The draft of the Chairman's letter to Ed Richards, Ofcom Chief Executive, on issues arising from the Panel's recent discussion with the Ofcom Board on consumer priorities had been finalised. Ben Wallis would arrange for the letter to be sent to Ed Richards and would copy it to Panel members. Fiona Ballantyne would be attending the June 2007 meeting of Ofcom's Advisory Committee for Scotland and would discuss the Panel's Scottish small enterprise research.

AP2 Chairman to discuss a joint session between the Panel and the Content Board at her next meeting with the Content Board chairman.

AP3 Members to advise Julia Guasch as soon as possible if they wished to meet the consultant conducting Ofcom's review of the Panel.

AP4 Simon Gibson, Roger Darlington and the Chairman to have an on-line discussion about how the Panel can engage with NGA debates.

AP5 Ben Wallis to copy to members the Chairman's letter to Ed Richards.

4. Chairman's report

4.1 The Chairman, Graham Mather and Ben Wallis had met Commissioner Kuneva and a number of senior European Commission officials in Brussels to discuss the Panel's Consumer Interest Toolkit. There had been keen interest in the Toolkit and its application to the work of the Commission, initially in DG SANCO (the Directorate General for Health and Consumer Affairs) and with the Commission's Impact Assessment Board. Ben Wallis was working on a report of the meeting and this would be shared with the Commission and the Ofcom Board.

4.2 The Chairman had drafted a foreword to the Panel's annual report, it would be published on 25 June 2007. The Panel's *Children and the internet* research report would be published on 28 June 2007 and arrangements were in hand for the roundtable event to be held on that day to discuss the social effects of the lack of internet access for children living in low income households. The Chairman had discussed Ofcom's Advisory Committee on Older and Disabled People (ACOD) with David Currie, the Ofcom Chairman. Part of thinking behind linking age and disability in a single committee were the notions of a spectrum of disability and tendency for people to gain impairments with age. Ed Richards would attend the Panel's September 2007 meeting to discuss 'Panel Mk2' and issues raised in the Panel Chairman's letter to him on consumer priorities,

referred to earlier.

5. Members' updates

5.1 Simon Gibson had met Rhodri Williams and had attended a meeting of Ofcom's Advisory Committee for Wales. The Committee had discussed Ofcom's *The Future of Radio* consultation, NGA and BT's 21st century network, amongst other issues. He had met with colleagues at Cardiff City Council to discuss Digital Cities. Bob Twitchin, with Kevin McLaughlin and Ben Wallis, had attended a briefing session on *Digital Television Switchover and Disabled, Older, Isolated and Low Income consumers*, a research report commissioned jointly by ACOD and Digital UK. It was qualitative research based on focus groups and interviews with individuals and the results appeared to confirm findings in earlier Panel research. Ben Wallis would copy the report's executive summary to Panel members.

5.2 Allan Williams had met Topcomm - the co-regulatory group that has designed a set of quality of service measures and a website designed to help fixed line telecoms customers to make informed decisions on which supplier to use. The next day he would meet TopNetUK – the group pursuing a similar mobile quality of service initiative – and would discuss some of the Panel's mobile research findings. Fiona Ballantyne had attended a briefing session on the Panel's research on supporting consumers through digital switchover (DSO). The research included 41 qualitative tracking interviews with consumers undertaking the switching process, with participants from across a range of different 'vulnerable' audience types and a control group of 'mainstream' consumers. The research underlined findings contained in the Panel's November 2004 report *Supporting the most vulnerable consumers through digital switchover*. In particular, people aged 75 faced difficulties in making the switch to digital TV and certain vulnerable groups, even if small in numbers, would require technical support. The report on the Panel's new DSO research was being finalised and would be discussed by the Panel at its July 2007 meeting. Graham Mather had discussed NGA with colleagues from BT. Fibre to the home would have a very high deployment cost; fibre to the kerb, ie to the street cabinet, could be easier to achieve and at much lower cost. He had provided written evidence on self- and co-regulation to the House of Commons' Culture, Media and Sport Committee.

5.3 The Deputy Chairman had met Digital UK. She reported that Capita Group plc had been selected as the supplier to deliver the Digital Switchover Help Scheme in Whitehaven. The procurement process for selecting the supplier to deliver the UK-wide Help Scheme was ongoing. The Chairman said that the Panel should meet with Digital executives to discuss the Panel's new DSO research, followed up by a meeting with the Digital UK board. The Deputy Chairman and Dominic Ridley would be meeting consultants at the end of the afternoon to discuss the concept of a children's panel and how best to represent the issues children faced in the communications market. It would be possible to report further at the next Panel meeting. Allan Williams would also be involved in discussions. Roger Darlington had attended an Ofcom stakeholder event on the

Ofcom consultation *The Future of Radio*. The turnout at the event had been low and Roger Darlington had raised the issue of Ofcom engagement with consumers - the Chairman said that it would be useful to have a dialogue with Ofcom on that topic. Roger Darlington and Dominic Ridley had met the Australian Productivity Commission and had discussed consumer representation models.

AP6 Ben Wallis to copy to members the executive summary of ACOD/Digital UK research.

AP7 Chairman and Deputy Chairman to meet Digital UK executives, ideally by the end of July, and the Digital UK board, in September.

AP8 Colette Bowe and Dominic Ridley to talk to Ofcom about its consumer engagement activities.

6. Consumer engagement

6.1 Members had received a discussion paper from Dominic Ridley on Panel consumer engagement activities and containing a number of recommendations. The paper built on earlier Panel papers by Roger Darlington and Georgia Klein. Initial and general reactions to the paper were discussed with the Panel Chairman. Discussion of the detail of the paper (and the remainder of the meeting) was chaired by the Deputy Chairman. Comments in the general discussion were:

- the Panels' willingness to look at new forms of consumer engagement was welcomed but the Panel's approach would depend on its attitude to engagement and its ability to deliver it; a number of proposals would not be costly to implement, some might or might not work and it would be a matter of trying them out;
- there was a divide between Roger Darlington's original suggestions and the proposals in the paper under discussion, the latter appeared to propose a cautious approach;
- attitude could be affected by resources, and vice versa; bold engagement activities could occupy a lot of the time of the small Panel support team;
- the Chairman said that the focus of Panel consumer engagement would not be to raise the Panel's media profile;
- the Deputy Chairman said that the paper confirmed that the Panel was not a traditional consumer lobby group, the proposals would ensure that the Panel had a better feel for what was going on in communications markets and enhance its ability to influence the regulator; a significant strand of that would be a continuing role for a research manager; the proposals in the paper would match the Panel's aspirations to its resources;
- it was argued that the paper did not go far enough, ie it concentrated more on improving what the Panel was already doing rather than extending its range of engagement activities;
- the paper contained many good ideas, a number that would involve the CFC and could resonate with the Panel's policy and research work;
- the Deputy Chairman's view was that the ongoing success of the CFC would require more Panel members to be regular participants;
- it was argued that the paper contained realistic and effective proposals for

- consumer engagement;
- in addition to the proposals in the paper, the Panel could make greater use of consumer complaints data from Ofcom's Contact Centre and other sources; Citizen's Advice Bureaux and trading standards departments could both provide complaints information as a proxy for consumers' views; the Panel's research manager could include in their role the identification of sources of information;
- there was a range of views amongst Panel members, one was that the Panel's overwhelming role was to influence the regulator; having persuaded Ofcom to make positive changes in the way that it approached its work with consumers, perhaps it was now time for a change of Panel emphasis on engagement.

6.2 The Chairman summed up the general discussion. All on the Panel were committed to working for consumers and the Panel's most important resource was its members. It would be a mistake to launch engagement activities that became the domain of only one or two members or that fizzled out. The Chairman's view was that the Panel was working at full capacity and it was important to recognise the constraints upon members' time. The proposals in the paper represented a good place to begin to enhance the Panel's engagement activities. Work could begin to implement some of them by the Autumn, when they could then be reviewed and the Panel would have a better idea of what was deliverable. The Panel was resource constrained, the paper offered a practical way forward. As part of an Autumn review members might wish to argue for an increase in the time commitment specified in their terms and conditions as members of the Panel or that members of 'Panel Mk2' should be appointed with an increased commitment.

6.3 There was discussion of the detail in the paper, in particular the series of recommendations it contained. The latter were generally accepted and discussion focussed on proposals related to use of the Panel's website and to the CFC – it would be important to discuss any proposals with the groups that attended CFC meetings. Allan Williams agreed to write a short paper on future options for the CFC. Roger Darlington agreed to write a short paper on how a weblog could work with 'Panel Mk2'.

AP9 Support team to act on recommendations in Dominic Ridley's consumer engagement paper.

AP10 Allan Williams to write a paper on future options for the CFC.

AP11 Roger Darlington to write a paper on how a weblog could work with Consumer 'Panel Mk2'.

7. Migrations, switching and mis-selling

7.1 Members had received an Ofcom information paper and a supplementary paper on migrations process options. Members made comments as follows:

- consumers were confused, mis-selling continued, systems to allow switching needed to be simplified;

- Ofcom had asked consultants to develop a broad picture of the costs and benefits of the changes required to deliver a single migrations process for all transferable telecoms products; it was difficult to comment on migrations policy until the consultant's report was available;
- in the absence of 3rd party management of the provision of Migration Authority Code's (MAC's) on behalf of industry, it would be preferable if the new supplier could resolve issues when customers switched broadband supplier;
- Ofcom could require competition in 3rd party validation, a Panel member was not convinced that it would be a sensible option and cited difficulties for consumers arising from having more than one Alternative Dispute Resolution scheme in telecoms;
- members felt that the customer experience principles described in the Ofcom paper were the right principles but that it was silent on promoting consumer awareness of what was involved in migrations and on the issues of monitoring and enforcement.

8. Complaints handling and dispute resolution schemes

8.1 Members had received an Ofcom discussion paper and made a number of comments:

- significant numbers of consumers who complained to their telecoms provider remained dissatisfied with the way that their complaint had been handled;
- there were difficulties in disassociating the outcome from the way that a complaint was handled;
- a significant number of telecoms consumers did not appear to know how to escalate a complaint if their provider failed to resolve it – signposting ADR schemes would be the key; in financial services, complainants must be told about the Financial Ombudsman Service;
- consumers should also have the right to approach their trading standards department;
- Ofcom's preference was for a single Communications Code on complaints handling, it was not clear whether compliance with the Code would be monitored nor the range of sanctions for breaches; any monitoring should be carried out by Ofcom rather than the ADR schemes;
- one of Ofcom's options for consultation would be to require providers to work with the British Standards Institution (BSI) to develop an industry standard for complaints handling – such a process could take a number of years;
- Ofcom did not propose to consult on whether more than a single ADR scheme was valuable but had not explained why; Ofcom should at least seek views on the performance of existing schemes; it was argued that the case still had to be made for a plurality of ADR schemes.

8.2 The Deputy Chairman drew discussion to a close. Jeremy Mitchell would work with Dominic Ridley on a Panel advice note in response to the Ofcom paper.

AP12 Dominic Ridley to draft an advice note to Ofcom on complaints handling and ADR schemes, with input from Jeremy Mitchell.

9. Update from Consumer Panel Manager

9.1 Dominic Ridley had attended the National Consumer Council's 'Consumer Policy - the future' event at which the Consumer Minister, Rt Hon Ian McCartney MP, had set out a new consumer strategy. The Government was proposing a digital strategy review. The following day Dominic Ridley would attend a Digital Inclusion Portal Workshop with officials from a number of government officials and others.

10. Other matters to note/agree

10.1 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.

11. Any other Business

11.1 The Panel had received from Ofcom information papers on the Telephone Preference Scheme (TPS) and on Additional Charges. Graham Mather agreed to draft a response to the TPS paper.

AP13 Graham Mather to draft a note in response to Ofcom's information paper on the Telephone Preference Service.

.....Chairman

.....Date