

Minutes of the forty-first meeting of the Ofcom Consumer Panel

Tuesday 16 October 2007 at 09.00 hours

Inverness Marriott Hotel, Inverness IV2 3LP

Present:

Consumer Panel

Colette Bowe (Chairman)

Fiona Ballantyne

Roger Darlington

Simon Gibson

Graham Mather

Kevin McLaughlin

Jeremy Mitchell

Kate O'Rourke

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 Ruth Evans (Deputy Chairman) and Bob Twitchin. The previous evening members dined and had a discussion about communications issues in Scotland, in remote and rural areas in particular, with Danny Alexander (MP for Inverness, Nairn, Badenoch and Strathspey), Stuart Robertson (Highlands and Islands Enterprise), Thomas Prag and Andrew Muir (respectively the Chairman and a member of Ofcom's Advisory Committee for Scotland) and Vicki Nash (Ofcom's Director Nations, Scotland).

2. Declaration of members' interests

2.1 There were no declarations.

3. Minutes of the meeting on 18 September and matters arising

3.1 Minutes of the previous meeting were agreed. The previous evening Simon Gibson had given members an update on the Utopia next generation access project in the United States. In Bob Twitchin's absence it was agreed that discussion of relay services would be held-over until the next meeting. The Panel had received an information paper with an update on BT's 21st Century Network Pathfinder Trial – it would be discussed under any other business. The Chairman

and Deputy Chairman had attended Ofcom's annual strategy meeting for boards, panels and committees and had raised Panel issues, in particular the proposal for an Ofcom children's panel. Members had provided Dominic Ridley with comments on Ofcom's stakeholder report on the Consumer Panel, these would be revisited once a new Panel chairman had been appointed. A letter to the Ofcom Chairman had been drafted as the Panel's substantive response to the report.

AP1 Relay issues to be re-visited at the November Panel meeting, under matters arising when Bob Twitchin is present.

4. Chairman's report

4.1 The previous day the Chairman had announced in a news release that she would be stepping down in 2008. She had advised the Ofcom Chairman that she would be happy to do that when a new chairman has been appointed or alternatively stay on briefly to allow a smooth transition. An advertisement would appear in the 21 October 2007 edition of the Sunday Times and details would be posted on a number of websites, including the Public Appointments site. The role as advertised would involve up to 6 days a month and remuneration of £30,000. The current Chairman's time commitment was up to 3 days a week. The Deputy Chairman had a time commitment of up to 2 days a week. Members' commitment was up to 1 day a week. Once appointed and established in the role, the new chairman would be involved in recruitment of a new Deputy Chairman and new members. The time commitment of the new deputy chairman would be determined in due course. To facilitate the appointment of a deputy chairman and members, once a new chairman is in place, current appointees with terms ending in February 2008 would have their appointments extended until mid 2008. An option for consideration to balance a reduced time commitment from the new chairman and deputy chairman would be changes to the current Panel staff support arrangements. A likely outcome would be an initial learning phase for the new chairman, requiring greater time commitment in the early days.

4.2 The Chairman had written to the top 6 UK Internet Service Provider (ISP) chief executives about consumer concerns about advertised broadband connection speeds. The "up to" speeds advertised in broadband packages were often different from the actual, lower speeds experienced by many customers. The Chairman also discussed these concerns in radio broadcasts. A number of ISPs had already contacted the Panel to request meetings to discuss matters further. The Chairman would also be meeting the Advertising Standards Authority. The Panel's news release was picked up by the BBC News website and generated a large volume of comments from visitors to the BBC site.

4.3 At the previous meeting the Chairman had raised the issue of a public event in Scotland covering communications in rural areas, including next generation access (NGA), and issues of public value that would take place in Spring 2008. It was likely that a new Panel chairman would be in place at that time. Members confirmed that they were still very much in support of an event. It would be underpinned by a piece of qualitative Panel research that could be

launched at the event. The event could also consider solutions that had worked in other parts of the world. The Panel would be pleased to involve Ofcom's advisory committees (ACs) and the Chairman had raised the idea of the event at Ofcom's annual strategy meeting held the previous week when the chairmen of the AC's were present. The Chairman would discuss the event with the Broadband Stakeholder Group (BSG) and hoped to raise it at the high level broadband summit expected to take place later in the year and to be chaired by Minister for Competitiveness Rt Hon Stephen Timms MP. She would also discuss the event with colleagues at the Department for Business, Enterprise & Regulatory Reform (DBERR). The Panel's research sub-group would be meeting in early November 2007, partly to discuss the qualitative research related to the event. It was agreed that Roger Darlington would develop an event outline and share it with Panel members.

AP2 Chairman to raise the Panel Scotland event with the BSG, DBERR and at the high level broadband summit.

AP3 Roger Darlington to produce an outline for the Panel's Scotland event and share it with Panel members.

5. Members' updates

5.1 Fiona Ballantyne reported on Panel consumer research plans. She said that the Panel's 2008 tracker report would pick up on a range of Ofcom research studies to bring together findings on consumer segments of particular interest to the Panel. The Panel's "Looking ahead" project was underway, talking to 'savvy' - more advanced users - alerting the Panel to communications issues at an early stage. "Looking ahead" findings would be presented to the Panel at its next meeting. The Panel would no longer pursue a research project on mainstream and specialist equipment; upon reflection and after dialogue with Ofcom's Advisory Committee on Older and Disabled People it was felt that education and awareness raising were required rather than more research.

5.2 Roger Darlington had met with BT colleagues and discussed BT Basic, mis-selling and gains from trade related to mobile call termination. He provided the Panel with an update on BT Basic - BT's new social telephony product - and reported that the service was yet to launch, although a service trial was taking place. There was brief discussion about how customers would be informed about the service. Understandably, BT appeared to be reluctant to embark on an information campaign whilst the final details of the offering remained to be agreed, including the launch date. BT had also to deal with some complex IT changes as part of the undertakings it had agreed with Ofcom - the settlement arising from Ofcom's strategic telecoms review - and this appeared to be a cause of delay in the launch BT Basic. It was agreed that Ofcom would be asked whether it had a reliable timetable for the launch of BT Basic.

5.3 Roger Darlington said that mis-selling remained a significant concern for consumers, with a large volume of complaints being raised with Ofcom. The Secretary was asked to ensure that Panel members receive monthly complaints data from Ofcom's Contact Centre (OCC) on the occasions that it becomes

available. There was brief discussion about publication of complaints statistics, the effects of 'naming and shaming' suppliers and lack of signposting to the dispute resolution schemes. It was agreed that the Panel would raise with Ofcom the issue of publication of data on consumer complaints. It was further agreed that a representative from Ofcom should be invited to discuss the work of the OCC at a Panel meeting. The issue of gains from trade had arisen in discussion with BT about mobile call termination. It was agreed that Dominic Ridley would enquire about Ofcom's thinking on gains from trade and share this with Panel members.

5.4 Kevin McLaughlin had attended a meeting of Ofcom's Advisory Committee for Northern Ireland. He commented that Ofcom had appointed new members to that committee, including a former Commissioner of ComReg (the communications regulator in the Republic of Ireland) and the Director of Communications for the Equality Commission for Northern Ireland. Allan Williams commented that he had recently returned from a trip to Newfoundland where mains electricity, paved roads and broadband had all become available in remote rural communities over the last ten years and achieved as a result of public investment. Simon Gibson commented that in Canada 90% of the population lived within 30 miles of the border with the United States. Canadians appeared to accept that people living in remote areas required and would be provided with support. Allan Williams also commented that the telecoms industry 'switched-on' campaign had been discussed at the 18 September 2007 meeting of the Consumer Forum on Communications. The campaign aimed to inform consumers about migration to BT's 21st Century Network (21CN). The information campaign would be a large undertaking and Allan Williams was concerned that there could be a danger of complacency.

5.5 Simon Gibson had attended a meeting of Ofcom's Advisory Committee for Wales. He commented that with changes of government in Wales and in Scotland there could be pressure to make broadcasting and telecommunications devolved matters and the appointment of Ofcom Board members to specifically represent the different Nations. Graham Mather reported that in November 2007 Viviane Reding, the Commissioner for Information Society and Media, was expected to announce proposals for a European communications regulatory body. National Regulatory Authorities, like Ofcom, were not all expected to welcome the proposals. Graham Mather and the Chairman had met with senior Ofcom colleagues to discuss the Ofcom projects for study using the Panel's consumer interest toolkit, with results available in the Spring. Panel members were in agreement with the list of projects that had been proposed. The Panel and Ofcom were close to agreement on a shared process when undertaking toolkit studies. There were also toolkit related developments at the European Commission and Graham Mather and Ben Wallis would take part in a meeting in Brussels later in the week. In light of the Panel Chairman stepping down, Graham Mather would lead on the Panel's toolkit work.

AP4 Secretary to enquire with Ofcom about the launch timetable for BT Basic.

AP5 Secretary to ensure that Panel members receive regular reports of complaints handled by the OCC as soon as reports become available.

AP6 Ben Wallis, in consultation with Kate O'Rourke, to make enquiries about Ofcom's policy related to publication of complaints data.

AP7 Secretary to ensure that the OCC is an item on the Panel's December meeting agenda.

AP8 Dominic Ridley to enquire about Ofcom thinking on gains from trade.

AP9 Dominic Ridley to advise Ofcom that the Panel has formally agreed projects for toolkit studies.

6. Update from Consumer Panel Manager

6.1 There were no items to report that were not covered elsewhere on the meeting agenda.

7. Access and inclusion: digital services and availability

7.1 Members had received a summary paper and a draft of the project requirements document (PRD) for Ofcom's Availability of Digital Services workstream, one of five workstreams that make up Ofcom's Access and Inclusion programme. Members made a number of comments as follows:

- members were in agreement that 500Kbps fixed broadband was insufficient to achieve access and inclusion objectives;
- the project contained consumer research elements and it would be useful for the Panel to remain abreast of findings;
- there remained a lack of spatial/mapping information combining all the gaps in coverage of different services;
- it would be useful to define isolation in terms of consumer detriment;
- Ofcom's document emphasised best practice as opposed to intervention and encouraged efforts by regional development agencies; a national approach could be more productive;
- Ofcom had commissioned reports related to GSM availability in rural areas; Julia Guasch would obtain the executive summaries and share them with Panel members;
- Ofcom's PRD did not appear to refer to 999 roaming; the Secretary would check with Ofcom to confirm whether it had a project covering that issue.

7.2 The Chairman drew discussion to a close. It was agreed that the Panel would respond to Ofcom with an advice note saying that the Panel supported Ofcom's structured approach to the availability of digital services; that the Panel would like a summary report on Ofcom's 'Digital Landscape' workstream; that a fixed broadband speed target of 500Kbps was too low; and asking why local as opposed to national solutions were being proposed. The Panel applauded Ofcom's aims but felt they were too modest in their aspirations.

AP10 Julia Guasch to obtain the executive summaries of GSM reports and copy to Panel members.

AP11 Secretary to confirm that Ofcom has a workstream on 999 issues.

AP12 Dominic Ridley to draft a Panel advice note in response to Ofcom's paper on access and inclusion.

8. Consumer experience – Ofcom initial findings

8.1 Members had received a 40 slide pack setting out the research highlights and findings from Ofcom's 2007 Consumer Experience research. The research would be launched at an Ofcom event on 20 November 2007. Panel members would attend and the Panel Chairman would be a speaker. Members discussed each slide, making a number of comments, including:

- total internet take-up was only slowly edging up, with a third of households without a connection; take-up appeared to have plateaued earlier in the UK than in a number of other countries;
- fixed line phone service had not dropped away as quickly as anticipated, with more people using mobiles;
- take up of digital TV had increased markedly since 2004;
- internet access for 15 – 24 year olds had fallen over the last 12 months; this could be because of their early adoption of mobile internet access;
- concerns about affordability as the reason for non-ownership of an internet connection appeared to have decreased; an issue here was that in self-reporting many people were reluctant to admit that they could not afford a service;
- some people might subscribe to satellite TV without necessarily being able to afford it;
- Ofcom data indicated varied levels of take-up of different services amongst different ethnic minority groups; research in this area was sometimes difficult due to small sample sizes;
- there remained much to play for in markets like India and China where service penetration levels were still low;
- it would be a mistake to assume that affordability was no longer an issue; as Ofcom's findings indicated, for a significant minority there remained a number of inter-related issues creating barriers to take-up;
- it was important to look at a number of characteristics at the same time, eg hearing impairment, income and age;
- 'snap shots' based on a single characteristic were not necessarily helpful; this raised the question of whether Ofcom had the necessary data sets to allow regression analysis;
- Ofcom's concept of 'participation' in communications markets could be explained with greater clarity;
- there was a problem about asking consumers about the ease of an activity they were not engaged in, ie switching services;
- quantitative research was useful but did not allow an understanding of how consumers were thinking;
- it could be useful to compare Ofcom research with data from other sources, eg the Oxford Internet Institute; with an increase in public services on line there was increased scope for detriment;
- Tania Byron was conducting an independent review, looking at the risks to children from exposure to potentially harmful or inappropriate material on the internet (and in video games); it was expected that Ofcom would submit views; the Chairman said that the Panel's proposal of an Ofcom

- children's panel could contribute to work in this area, allowing children a role in developing solutions;
- action by Ofcom appeared to have reduced the levels of complaints about silent calls;
 - Ofcom's mystery shopping exercise suggested that the level of incorrect advice from retailers about high definition TV (HDTV) was not unusual compared to advice given on other similar services; despite that finding the Panel felt there was cause for concern.

8.2 The Chairman said that it had been productive to go through the slide pack in detail and that Dominic Ridley would communicate Panel comments to Ofcom.

AP13 Dominic Ridley to communicate Panel comments on Consumer Experience findings to Ofcom.

9. Ofcom priorities for consumers

9.1 As in Autumn 2006, the Panel planned to write to Ed Richards, Ofcom Chief Executive, outlining the important issues affecting consumers that the Panel believed should be high on Ofcom's agenda. A news release would make the letter public and the Chairman planned to speak about some of these issues at Ofcom's Consumer Experience event. Issues that could be included in the letter were: broadband speeds; next generation access; digital switchover; a spectrum bank related to Ofcom's digital dividend review (DDR); consumer complaints; and an Ofcom children's panel.

AP14 Dominic Ridley to draft a letter on Ofcom priorities to go to Ed Richards in advance of Ofcom's Consumer Experience event.

10. Consumer Forum on Communications

10.1 Allan Williams had written a discussion paper on the Consumer Forum on Communications (CFC). The Panel had been hosting CFC meetings since November 2004. The paper set out some background, reviewed the Panel's relationship with the Forum and considered the form this could take going forward. It would be important to discuss the future working of the CFC with its members; the Chairman said that in advance of that the Panel should agree a favoured view. The Chairman would also meet with Claudio Pollack, Ofcom's Director of Consumer Policy to discuss this matter. Allan Williams' paper could also be part of that discussion.

AP15 Chairman (and any interested Panel members) to meet Claudio Pollack to discuss the CFC.

11. DDR and social value

11.1 The Panel had received papers for discussion from Ofcom. It was expected that Ofcom would issue a DDR consultation document in December

2007. It was agreed that the Panel should advise senior colleagues at Ofcom of its views as soon as possible and the Chairman would email Ofcom's Chief Executive. Dominic Ridley would make enquiries about whether DDR proposals had already been submitted to the Ofcom Board.

AP16 Chairman to email Ed Richards about Panel concerns about the DDR.

AP17 Dominic Ridley to enquire about whether DDR proposals have been submitted to the Ofcom Board.

12. Other matters to note/agree

12.1 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.

13. Any other Business

13.1 Members noted the contents of an information paper providing a summary of Ofcom's spectrum work. Members had received a factual update on BT's 21CN Pathfinder Trial in South Wales. It was agreed that Ofcom would be asked to provide the Panel with an assessment of the progress of 21CN roll-out and its impact on consumers.

AP18 Dominic Ridley to respond to Ofcom's information paper on BT 21CN asking for Ofcom's assessment of roll-out and its impact on consumers.

.....Chairman

.....Date