

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

Tuesday 20 November at 13.00 hours

Mermaid Conference Centre, London EC4V 3DB

Present:

Consumer Panel

Colette Bowe (Chairman)
Ruth Evans (Deputy Chairman)
Fiona Ballantyne
Roger Darlington
Graham Mather
Kevin McLaughlin
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)
Philip Rutnam, Partner, Spectrum Policy, Ofcom (item 2)
An Ofcom colleague (item 2)
Colleagues from Sparkler (item 8)

1. Welcome and introductions

1.1 The Chairman welcomed members and Ofcom colleagues to the meeting. Apologies were received from Simon Gibson and Jeremy Mitchell.

2. DDR

2.1 There was discussion with Philip Rutnam and an Ofcom colleague on the digital dividend review (DDR). The DDR team had held similar discussions with Ofcom advisory committees. Dominic Ridley would copy advisory committee views to Panel members. Ofcom expected to issue a statement in mid-December 2007 but prior to publication the Ofcom Board would have further discussion. It was agreed that the Panel would provide an advice note to feed into Board discussions.

AP1 Dominic Ridley to share Ofcom advisory committee views on the DDR with Panel members.

AP2 Dominic Ridley to draft a Panel DDR advice note and share for comment with the Chairman, Graham Mather, Kate O'Rourke and Ruth Evans prior to submission.

3. Declaration of members' interests

3.1 Roger Darlington reported that in a personal capacity he was doing work on next generation access (NGA) on behalf of two trade unions.

4. Minutes of the meeting on 16 October 2007 and matters arising

4.1 Minutes of the previous meeting were agreed subject to minor amendment. The Chairman would attend a broadband high level summit on 26 November 2007, to be hosted by Stephen Timms MP, Minister of State for Competitiveness. Ofcom's Director of Consumer Policy, Claudio Pollack, had responded to Panel enquires related to consumer complaints data and there was expected to be further discussion at the December 2007 Panel meeting. The Chairman would also meet Claudio Pollack to discuss the Consumer Forum on Communications (CFC). Members had received a copy of Ofcom's *Determinations to resolve mobile call termination rate disputes* document, providing details of Ofcom's thinking on gains from trade issues.

AP3 Secretary to amend 16 October Panel minutes.

AP4 Chairman to provide members with a note after attendance at the broadband high level summit.

AP5 Chairman to agree a date with Julia Guasch for a meeting with Claudio Pollack to discuss the CFC.

5. Chairman's report

5.1 In October 2007 the Chairman had written to the top 6 UK Internet Service Provider (ISP) chief executives about consumer concerns about advertised broadband connection speeds. The Chairman had since met a number of the ISPs and met the Advertising Standards Authority (ASA) She would have a further meeting with the ASA. The Chairman had met Lord Whitty, the Chairman of the National Consumer Council (NCC), to discuss cross membership for an individual who would sit on both the Ofcom Consumer Panel and the new NCC. In response to her announcement that she would be standing down as Chairman of the Consumer Panel, the Chairman had received a warm letter from the chairman of the Consumer Expert Group on Digital Switchover (CEG) thanking her for her input on digital switchover and on the assistance that would be available to vulnerable and socially isolated consumers during switchover. The Secretary would copy the letter to Panel members and the Chairman would send a reply.

AP6 Julia Guasch to provide the Chairman with contact details for the ASA.

AP7 Secretary to copy CEG letter (in response to Chairman's decision to stand down) to Panel members.

AP8 Chairman to respond to CEG letter.

6. Members' updates

6.1 Bob Twitchin had attended a meeting of Ofcom's Advisory Committee on Older and Disabled People and a meeting of the TAG Relay Services subGroup. Graham Mather and Ben Wallis had attended a meeting in Brussels with colleagues at DG SANCO (the European Commission Directorate General for Health and Consumer Affairs) and others to discuss the Panel's Consumer Interest Toolkit. DG SANCO proposed to adopt a cut-down version of the Toolkit and apply it to a number of specific policy areas. Graham Mather reported that Viviane Reding, the information society commissioner, remained committed to the proposal of an EU-level regulatory agency as part of reforms in the new European Union communications framework. The proposal for such an agency had received mixed responses from National Regulatory Authorities, eg Ofcom advocated close working between the Commission and the European Regulators' Group as opposed to the creation of another European bureaucracy. The new European framework was expected to be clearer by the 2nd quarter of 2008.

6.2 The remaining analogue channels were switched off as part of Project Copeland (Whitehaven) on 14 November 2007. It was agreed that in the New Year the Panel would re-visit the Whitehaven switchover experience, in particular to consider how it would play out in the Border and Granada ITV regions. The Deputy Chairman and Ben Wallis had met with the National Audit Office (NAO). The NAO was undertaking a study of the effectiveness of the Whitehaven switchover help scheme. The Deputy Chairman reported that Ford Ennals, Chief Executive of Digital UK, had resigned and a successor was expected to be appointed. Fiona Ballantyne said that the Panel's *Going digital* qualitative research report would be published on 3 December 2007. She reported that the Scottish Consumer Council (SCC) would publish related research on switchover on the same day. She had attended an event on 'Choosing Scotland's Future – A National Conversation'.

6.3 Allan Williams had begun his new job as Head of Policy and Research at Action with Communities in Rural England (ACRE) and was becoming immersed in rural issues. He expressed interest in contributing to planning the broadband event the Panel expected to stage in Scotland in Spring 2008 and the specification for the event would be shared with him. Roger Darlington reported that he had met with Fiona Ballantyne, Dominic Ridley and Ben Wallis to discuss planning of the event. The event would launch Panel qualitative research on how consumers make use of broadband in rural areas and would be discussed in more details at the Panel's meeting in December 2007. Roger Darlington had attended a meeting and related events in Manchester with members of Ofcom's Advisory Committee for England (ACE). The Chairman said that she would attend the next meeting of ACE on 5 December 2007. The Northern Ireland Assembly was restored in May 2007 and Kevin McLaughlin reported that politicians in Northern Ireland were taking an interest in communications issues.

AP9 Panel to review the Whitehaven switchover experience in the New Year.

AP10 Roger Darlington to share the Panel Spring event specification with Allan

Williams.

AP11 Secretary to ensure that the Panel Spring event is an item on the December Panel meeting agenda.

7. Update from Consumer Panel Manager

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

8. “Looking ahead” research findings

8.1 Colleagues from Sparkler had conducted qualitative research for the Panel’s “Looking ahead” project and had talked to ‘savvy’ - more advanced - users of communications services as a way of providing the Panel with early warning about potential communications issues for consumers more generally. Members had received a detailed pack of slides covering the research and Sparkler colleagues briefly explained findings, having begun the project by asking “How does communications technology fit with people’s lives?” Consumers were able to use services in different ways and there were a number of ways to satisfy particular communications needs, with the indication being that the communications market was likely to become increasingly fragmented. Panel members made a number of comments followed by responses from Sparkler as follows:

- the rate of market penetration and use of digital technologies appeared to be an upward curve - consumers needed to build up a level of knowledge, younger people were usually less resistant to change and the first to take up new services; for individuals who were not online the likelihood was that they could not afford the internet or they were not interested in it; however, the internet was becoming a citizen technology; ISPs were becoming better at saying what the internet did than what it was;
- as consumers got used to current communications technology, would they become better and better at using other communications technologies? – having mastered some communications tasks consumers gained in confidence and could do similar things in other contexts; once a particular service reached a threshold most people wanted or needed it;
- with increasing fragmentation of technology it became more difficult to deliver certain goals with a single policy mechanism or lever – technologies often had a long pre-history, eg when the internet was conceived as a military technology no-one knew about its future value to consumers/citizens, people themselves decided the value of services, if a communications solution could be found to meet a particular need and fit with people’s lives there was a good chance that it would take-off;
- this was the first occasion that the Panel had researched ‘normal’ consumers, previously the focus had been on vulnerable or specific consumer segments, eg older people or children.

8.2 The Chairman drew discussion of this item to a close. Sparkler would make a research presentation to Ofcom colleagues in the following week. There

would be further discussion with Sparkler outside the Panel meeting on the format of the research report that was due to be published very early in the New Year.

9. Co- and self-regulation

9.1 Members had received a paper from Ofcom on its co- and self regulation project. There was brief discussion of incentive-based approaches to regulation. The paper provided an overview but Ofcom's detailed thinking did not appear to have been shared with the Panel. A Panel member said that the paper suggested that self-regulation did not work, whilst another said that the Panel should be in favour of self-regulation where it could be made to work. Some self-regulation existed in areas where Ofcom lacked powers, eg the work of the Internet Watch Foundation, and in such areas Ofcom could promote best practice. It was agreed that Dominic Ridley would determine the latest position of this project with Ofcom.

AP12 Dominic Ridley to determine the stage Ofcom had reached is in its project on co- and self-regulation.

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 Ofcom had issued a consultation on NGA. The Panel had provided advice to Ofcom in August 2007 during the pre-consultation phase of Ofcom's NGA project. In response to a suggestion that the Panel respond to the consultation it was agreed that Dominic Ridley would confirm that the Panel's NGA advice note had covered the main consumer issues raised by the consultation.

AP13 Dominic Ridley to confirm that the Panel's NGA advice note to Ofcom cover issued raised in Ofcom's *Future broadband - Policy approach to next generation access* consultation.

.....Chairman

.....Date