

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

Tuesday 20 May 2008 at 10.00 hours

Ofcom, Riverside House, 2A Southwark Bridge Road, London SE1 9HA

Present:

Consumer Panel

Anna Bradley (Chair)
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)
Georgia Klein (Consumer Panel Manager)
Dominic Ridley (Policy Executive to the Panel)
Ben Wallis (Policy Executive to the Panel)
Other Ofcom colleagues (items 6 and 13)

1. Welcome and introductions

1.1 The Chair welcomed members to the meeting. Apologies were received from Kate O'Rourke. A number of other announcements were made in relation to changes in the Panel support team. Thanks were extended to Dominic Ridley for all his efforts has acting Consumer Panel Manager during 2007-08. The meeting would be followed by a short Ofcom presentation on the 'Digital home'.

2. Declaration of members' interests

2.1 Ruth Evans would be joining the board of PhonepayPlus [Note: appointments announced on 28 May 2008; effective from 1 September 2008].

3. Minutes of the meeting on 22 April 2008 and matters arising

3.1 Minutes of the previous meeting were agreed subject to minor amendment. Next steps related to the Panel's paper on online consumer activism were under consideration in the context of plans for rebranding the Panel and were expected to be discussed further at the June Panel meeting. Ben Wallis had discussed the Panel's paper on communications, consumers and the EU with Graham Mather and it would be revised for publication on the Panel website.

- AP1 Secretary to amend Panel minutes.
- AP2 Secretary to ensure that consumer activism returns to the Panel shortly.
- AP3 Ben Wallis to revise the Panel's EU paper by 6 June 2008.

4. Panel Annual Report

4.1 Panel members had received an information paper on the structure and content of the Panel's 2007-08 annual report. The report had been drafted. It was being edited by Siân Evans, the Panel's communications adviser. It would contain a joint foreword from the Chair and Deputy Chairman. Members' comments would be taken into account in finalising the report for early June publication. Discussion focussed on the Panel's headline story, for inclusion in the foreword and/or in a news release. It was agreed that year highlights were the Panel's Consumer Interest Toolkit study of three Ofcom policy projects and the Panel's work on broadband speeds. In December 2007 the Panel had called on Ofcom to work with industry to produce an enforceable code of practice on broadband speeds. Broadband speeds would be the headline to announce publication of the annual report but there could be a timing issue. Ofcom was due to publish a voluntary code of practice on broadband speeds, also in early June 2008, and the Panel would issue a media response. The top six internet service providers (ISPs) were expected to sign up to the code but the smaller ISPs could require encouragement and mobile broadband would not be covered. David Edwards would work with Siân Evans to publish the annual report. It was agreed that Ben Wallis would consult with the Deputy Chairman, Jeremy Mitchell and Roger Darlington to formulate the Panel's line and response to publication of the code of practice on broadband speeds.

- AP4 Secretary to work with Siân Evans to publish the Panel Annual Report.
- AP5 Ben Wallis, with Deputy Chairman, Jeremy Mitchell and Roger Darlington, to formulate a Panel line on the code of practice on broadband speeds.

5. Economic and social value of next generation broadband

5.1 Dominic Ridley gave an update on the drafting process for the Broadband Stakeholder Group's (BSG) report on value, written from an economist's perspective. Progress was being made but there was more to do before publication, which would coincide with the BSG conference on 9 June 2008. It was suggested that additional international comparisons could be made, eg developments in countries like New Zealand and Pakistan. Simon Gibson would provide Dominic Ridley with further details on Pakistan and related developments in other countries. The latter could be used as part of the Panel's contribution to discussion at the BSG conference. The current draft of the report made no mention of the Panel but members agreed that although it would be a BSG branded publication it should acknowledge the Panel's contribution as a part-funder of the study. Dominic Ridley would feed back Panel comments to BSG.

- AP6 Simon Gibson to provide details of next generation developments in Pakistan/elsewhere to Dominic Ridley.

AP7 Dominic Ridley to feed back Panel comments to BSG and request acknowledgement of the Panel's contribution as a funder of the study on value.

6. Ofcom's consumer economics project

6.1 Panel members had received an information paper on Ofcom's Consumer Economics project to improve understanding of the way that consumers make decisions and the challenges presented to them in the communications sector. An Ofcom colleague was present for discussion. Members reacted positively and raised some issues for consideration. These included notions of risk in switching services or in relation to web content - and whether the latter was a matter of personal responsibility or to be managed by regulation. Economic and non-economic transaction costs could be explored and the 'stickiness' of consumers - their willingness to stay with services they already knew rather than opt for other bundled offerings and/or complex tariffs. Increased understanding of consumer behaviour could lead to adjustments in the marketplace to enable more rational decisions, for example by focussing on 'rules of thumb' or 'signs and signals' to give consumers an indication of better rather than best outcomes. It was suggested that Ofcom could examine issues of behavioural economics in the context of consumer detriment and in relation to the widespread use of mobiles - with handsets often as much a fashion accessory as a communications device. It was agreed that the Panel would remain in touch with the Ofcom project.

AP8 Georgia Klein to maintain contact with Ofcom's work on consumer economics.

7. Reflections on April 2008 discussion with Ed Richards

7.1 At the April 2008 Panel meeting Ofcom's Chief Executive had met with the Panel and discussed challenges posed by vested interests in the communications sector. There was further discussion of some of the issues that had been raised and the role that the Panel could play on behalf of consumers.

AP9 Chair to feed back to Ed Richards the Panel's thinking on vested interests.

8. Panel input to digital strategy

8.1 Members had received a discussion paper on the Panel's input to the Government's digital strategy and its fit with other Panel workstreams on next generation infrastructure, media literacy and geographic exclusion. Digital inclusion was an important issue for the Panel but any decision to work to influence the digital strategy would impact on Panel resources. It was agreed that the Panel would commission a short consultancy study to revisit the Panel's previous thinking and proposals in this area and that workstreams on media literacy and geographic exclusion would be put on hold until Autumn 2008, and by which time new Panel members will have been appointed. The study would assist the Panel to decide on any work it chose to do on the digital strategy.

AP10 Georgia Klein to commission a consultant to revisit the Panel's work on

digital inclusion issues.

9. Chairman's report

9.1 The Chair reported briefly on recent meetings and speaking engagements. She had met Lord Whitty, Chairman of the current and 'New' National Consumer Council (NCC), and discussed issues related to 'New' NCC/Panel cross-membership. In the afternoon following the Panel meeting she would meet Ed Mayo, Chief Executive of the 'New' NCC, to discuss a 'New' NCC/Panel Memorandum of Understanding. The Chair had made a speech at the Apek [Note: the Slovenian telecoms and post regulator] conference on 'Transparency and Choice for End-Users' in Ljubljana on 12 May 2008. A number of European regulators were represented at the conference, including some delegates that had attended the Panel's March 2008 Toolkit event. The Chair had attended meetings in Glasgow and Belfast, with Ofcom's Advisory Committees for Scotland and Northern Ireland respectively - on those occasions she was also able to meet with a number of local stakeholders/organisations. Related to the advisory committees, the Secretary would provide members with web links to minutes of committee meetings.

AP11 Secretary to provide members with web links to Ofcom Advisory Committee minutes.

10. Members' updates

10.1 Allan Williams had been in contact with ruralnet about a presentation he had attended on provision of communications technology in rural areas. He would copy it to Panel members when it became available. Jeremy Mitchell had attended the Voice of the Listener and Viewer conference "Broadcasting, Scotland and the Future". The keynote speaker had been Blair Jenkins, Chair of the Scottish Broadcasting Commission. Jeremy Mitchell had also met Dave Rushton, Director of the Institute of Local Television. Fiona Ballantyne had attended a meeting of Ofcom's Advisory Committee for Scotland (ACS) and a separate ACS meeting to discuss public service broadcasting and the work of the Scottish Broadcasting Commission (SBC). The SBC would publish its 3rd report at the end of May [Note: Interim Report on Democratic Phase published 30 May 2008]. Roger Darlington had met BT and discussed Phorm [Note: an online advertising company], next generation access (NGA) and the BT Basic social telephony scheme. BT Basic was yet to launch and was tied work on WLR3 [Note: the next development of the BT Openreach Wholesale Line Rental portfolio]. The undertakings agreed between Ofcom and BT had resulted in benefits but had impacted on BT processes and innovation. It was agreed that the Chair would raise issues related to undertakings at a senior level in Ofcom. Dominic Ridley would enquire with Ofcom's policy manager about progress and launch of BT Basic. Roger Darlington had discussed the NGA review being led by Francesco Caio with a member of BERR working on the review and had provided the Chair with a note of the discussion. Francesco Caio was leading the Government's independent review of next generation broadband. There was insufficient time for remaining members to report on their activities and they were

invited to circulate a brief report by email.

AP12 Chair to raise issues related to BT undertakings with Ofcom.

AP13 Dominic Ridley to raise BT Basic with the relevant Ofcom policy manager.

AP14 Members, if they so wished, to email a report on their recent activities.

11. Update from Consumer Panel manager

11.1 There were no items to report not covered elsewhere on the agenda.

12. Other matters to note/agree

12.1 Members had received a written report on Panel activities, Ofcom publications, a summary review of policy projects and details of conferences; its contents were noted.

13. Ofcom mobile sector assessment

13.1 Members had received a discussion paper on Ofcom's mobile sector assessment (MSA). The Ofcom team, present for discussion, was engaged in a scoping exercise and expected to publish initial findings in the Summer. Panel members raised some issues for consideration and these included access and inclusion for consumers with disabilities; the potential for mobile services to deliver universality; and issues related to mobile termination rates. Mobile traffic over IP networks was growing and consumers could increasingly fall pray to Spam and Spit [Note: Spam over internet telephony]; these and other scams would merit attention. The Chair suggested that behavioural economics was relevant to MSA work; going beyond issues of consumer education to explore how the mobile market could help consumers by giving them the information they needed to make informed purchasing decisions. The Panel would keep in touch with MSA developments.

AP15 Panel support team to ensure that the MSA returns to the Panel before publication of initial findings or as a separate discussion with the Ofcom team.

14. Any other business

14.1 An update was requested on progress of roll-out of BT's 21st century network (BT 21CN) and enquiries would be made in Ofcom. A number of Panel members would be attending events organised by the NCC in different parts of the UK, as part of NCC's 'Rating regulators' project. They would be provided with any relevant background information.

AP16 Dominic Ridley to make enquiries about BT 21CN with Ofcom colleagues.

AP17 Ben Wallis to provide members with background related to NCC's 'Rating regulators' events.

.....Chairman

.....Date