

21 December 2009

Guy Parker
Advertising Standards Authority
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Dear Guy

Thank you for attending the Communications Consumer Panel's December meeting. It was very useful for the Panel to hear about the activities and priorities of the ASA. There are clearly a number of areas in which the Panel and the ASA have a shared interest, and we hope that the December meeting will be the beginning of a productive dialogue between the two bodies.

Of particular interest to the Panel was the discussion about broadband speeds advertising. As you know, we believe that this is an increasingly important issue to consumers. In particular:

- The Panel is concerned that advertising that focuses on 'up to' speed is misleading for consumers as these speeds are generally unobtainable. For instance, while ISPs advertise headline speeds of 'up to' 8Mbit/s, the maximum speed that a customer will be able to receive is actually only 7.2Mbit/s, as some capacity is reserved for technical reasons.
- In addition, few consumers are achieving even the technically possible top speeds. Research by Ofcom¹ found that in April 2009 average broadband speeds in the UK were 4.1Mbit/s, which was equivalent to 57% of the average advertised headline speed.
- This is an issue that matters to consumers. Research by Ofcom² found that more than one in five consumers (21%) expressed dissatisfaction with broadband speeds, and over a quarter of consumers (26%) said that the speeds they received were not what they expected when they signed up for their broadband service.
- The roll out of cable and fibre services makes this an increasingly important issue. Cable and fibre services are not slowed down by distance from the exchange and are therefore able to provide more consistent speeds that are closer to the advertised headline speeds than DSL services. Unless consumers are clear that the headline speeds on 'up to' 20Mbit/s DSL services are unlikely to be received by the vast majority of users, then there is a risk that they will make a choice between DSL and cable services which is based on the wrong premise. This could inhibit the development of the cable and fibre broadband market, to the potential detriment of consumers.

¹ Available at http://www.ofcom.org.uk/research/telecoms/reports/broadband_speeds/broadband_speeds/

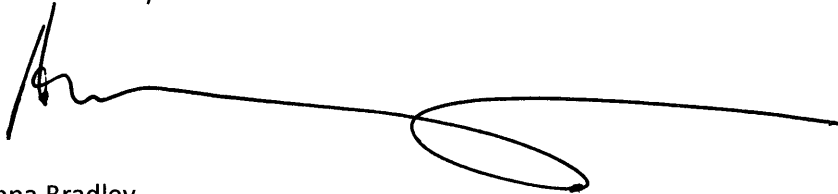
² Available at http://www.ofcom.org.uk/research/telecoms/reports/broadband_speeds/broadband_speeds/

- The Panel understands the complexities of providing accurate information about broadband speeds, particularly for DSL. However, we also think that the current system is misleading and has the potential to distort the market, resulting in less choice for consumers. Given this, we believe that there may be a value in a wider debate, including industry, about how broadband services should be advertised. Perhaps a more productive approach would be to move away from 'up to' speeds in favour of a focus on the activities people can carry out using the advertised service.

We hope that the ASA will continue to keep the advertising of broadband speeds under review to ensure that the use of the "up to" reference is not misleading for consumers and look forward to discussing the issues further with the ASA in future meetings.

We look forward to continuing to discuss these, and other relevant issues with the ASA. We would be very pleased if you were able to return to the Panel in the second half of next year. Nicola Ebdon, Secretary to the Panel, will be in touch with your office shortly to discuss possible times and dates for our next meeting.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Anna Bradley', with a long horizontal flourish extending to the right.

Anna Bradley

Chair, Communications Consumer Panel