



## **Communications Consumer Panel response to the Digital Britain final report**

### **Introduction**

This paper sets out the Communications Consumer Panel's response to the Digital Britain final report. With this report, the Government has made a substantial and welcome commitment to enabling people throughout the UK to use digital devices and services to extend their participation in society and so reap the economic and social benefits. The report covers a very wide range of issues and the links between them are not always obvious. This can make it easy to overlook the real benefits that could potentially be delivered for consumers and citizens. Given the magnitude of the changes that the Government is seeking to facilitate, often involving significant investment in infrastructure, these benefits could be realised over a relatively short period.

- By 2012 we can expect to see 2MB/s broadband and digital terrestrial TV available throughout the UK.
- By 2012 we can expect more public services to be available online.
- By 2015 we can expect everyone in the UK to have the extra choice which digital radio provides.
- By 2017 we can expect the rollout of next-generation super-fast broadband to 90 per cent of the UK, which would be a substantial improvement on what the market alone is likely to deliver.
- We can also expect to see the more widespread rollout of 3G mobile services, as well as the rollout of the next-generation of mobile services.

From the perspective of consumers and citizens, these initiatives add up to a significant package that includes many of the things that the Panel has been arguing for over the last few years and particularly during the Digital Britain process. But in many cases, we have yet to hear the Government's detailed implementations plans and the Panel will be examining these plans closely to ensure that the interests of consumers and citizens are protected and promoted.

## **Universal broadband commitment**

The Panel's recent research report *Not online, not included: consumers say broadband essential for all* showed that it will soon be essential for everyone to have broadband at home. This highlights the importance of making broadband available throughout the UK at an adequate minimum speed of 2Mb/s and so the Panel welcomes the Government's universal broadband commitment. It will now be necessary to ensure that the commitment is implemented effectively and Ofcom will play an important part in this process. In the Panel's view, the key test of success will be whether in practice people everywhere in the UK will be able to use the online services and carry out the activities that they value in a reliable and consistent way. And it should be the Government's responsibility to ensure that 2Mb/s is available to everyone; it should not be up to consumers to show that they cannot get it.

It will also be important to make sure that the commitment to deliver a 2Mb/s universal service does not become outmoded. We appreciate that the Government's plan to stimulate the rollout of next-generation super-fast broadband should hopefully mean that this does not happen. But a contingency plan is needed and the universal 2 Mb/s service should be procured and delivered in a way that enables the level of service to be reviewed at a defined point and increased easily and efficiently should this prove necessary. The review should take account of the criteria suggested by the Panel previously, i.e. the level of service should not become too far out of line with the average speed and should enable people to use the services and carry out the activities that are available to most.

The Government should also ensure that the universal service commitment has legal force and that if its chosen supplier does not deliver the requisite level of service at a reasonable price, then consumers can get redress. The Panel will be engaging with the Network Design and Procurement Group that will be responsible for implementing the universal broadband commitment to encourage it to make the interests of consumers and citizens central to its work, including setting the service quality requirements that will be placed on the operator or operators that are contracted to implement the commitment.

## **Next-generation broadband**

The Panel welcomes the Government's plans to encourage greater investment in next-generation super-fast broadband. The Panel believes that this has the potential to deliver significant economic and social benefits for UK citizens and consumers. These benefits were described in the report published by the Panel last year in collaboration with the Broadband Stakeholders' Group and the Department for Business, Enterprise and Regulatory Reform *A framework for evaluating the value of next-generation broadband*.<sup>1</sup> We believe that the question of how to deliver next generation broadband to the third of the population likely to be outside private sector investment plans – the Final Third – should not be left until some indeterminate point in the future. But the fund proposed by Government to stimulate rollout to the Final Third should not be used as a substitute for, or to subsidise, market-led roll out of next-generation broadband, and should be deployed only in those areas that commercial companies would not reach otherwise.

---

<sup>1</sup> The report is on the Panel's website:

[http://www.broadbanduk.org/component/option,com\\_docman/task,doc\\_view/gid,1009/Itemid,63/](http://www.broadbanduk.org/component/option,com_docman/task,doc_view/gid,1009/Itemid,63/)

We note the proposal to subsidise this investment through a 50 pence tax on the monthly price of fixed line phone rental. However the investment is funded, consumers and citizens will ultimately foot the bill and in the current economic climate, the 50 pence tax may be the only viable option. So the key question is how equitable is this funding mechanism compared with other viable alternatives.

Before the Panel takes a firm view on this particular approach, it would like to see the Government's detailed assessment of the impact that this funding mechanism will have on consumers and citizens, especially those who are most vulnerable. 50 pence a month does not sound much, but for people on very low incomes it could be significant. People in this group may well be eligible for BT's social tariff, BT Basic. But people will not necessarily be aware of BT Basic, so steps should be taken to raise awareness of it.

The Panel would also like to understand the likely impact on fixed-mobile substitution. If the trend towards people giving up their fixed line is exacerbated by the introduction of a tax, this could have an impact on efforts to get more people connected to current-generation broadband.

We think it is also important to consider the fairness of the proposed funding mechanism. For example, older people are more likely to have a fixed line and less likely to have broadband than other groups so will effectively be subsidising the rollout of services that they may not use. Also, one of the potential benefits of next-generation broadband that might justify public subsidy is better, more interactive public services. But under the Government's plans, next-generation broadband would probably be available to only 90 per cent of the population.

So there are a variety of reasons for thinking that it may not be appropriate to impose a tax on all fixed phone lines, and fixed lines only. Before taking a view, the Panel believes it is important to understand all the likely impacts and consider how they could be mitigated.

There is also the question of who would own the network once it had been built with the help of public subsidy. Although the Government is not proposing to build a new network itself, should the public have a share in the network they have subsidised?

## **Mobile coverage**

The Panel's research report *No one should miss out: consumers say what they want from the digital future* showed that being able to communicate on the move will be increasingly important, for both social and work reasons. The Panel welcomes the Government's plan to stimulate greater rollout of mobile broadband services, but believes that the current level of mobile coverage is inadequate. In particular, there is an unacceptable gap between official data, according to which 2G coverage is near universal, and the reality experienced by consumers, which is that there are a great many not-spots and areas where the quality of coverage is poor. The market is very unlikely to deliver improved 2G coverage so the Panel would like Ofcom and industry to give this greater priority. It has carried out research to understand better consumers' and small businesses' experiences of mobile coverage. We will be publishing this research in September and hope that it will lead to further debate about how mobile coverage could be improved.

## Digital participation

Making services available is only part of the challenge of enabling everyone in the UK to use digital devices and services to participate fully in society, and in the process boosting the economy. We agree that there needs to be a stronger focus on promoting digital participation, which is defined in the report as:

“Increasing the reach, breadth and depth of digital technology use across all sections of society, to maximise digital participation and the economic and social benefits it can bring.”

We think this is a much better term than media literacy in that it gives room to focus on the full range of consumers’ and citizens’ needs. In particular, the Panel believes that consumer empowerment should be viewed as a key element of promoting digital participation. For example, people need to be able to choose the right services and equipment and then switch provider easily, people need equipment that is easy to set-up and use, including for those with disabilities, and people need to be able to control the use of their personal information.

The Panel welcomes the Government’s decision to set up a Consortium to promote digital participation, and support it with funding for the next three years. We support the Consortium’s planned social marketing programme and it will be important for this to be linked to the delivery of services at community-level that are tailored to the needs of those people that need most help – the six million people at risk of both social and digital exclusion. We look forward to contributing to discussions about:

- the priorities that the Consortium should adopt;
- how its success will be measured;
- how its activities will be overseen by Government;
- how its activities will be co-ordinated with those of others involved in promoting digital participation, including the Digital Inclusion Champion and Taskforce, and the grass roots and community organisations who are often best placed to deliver targeted interventions for vulnerable groups.

In the Panel’s view, it would be desirable for Government to establish a mechanism for overseeing the work of the Consortium, including setting priorities and measuring progress. This would give the Consortium a clear focus on delivery. The oversight and priority-setting role could be carried out by a steering group that would include the Ministers who hold the purse strings. But the best way of carrying out this role should be considered as part of the wider debate about the institutional arrangements needed to implement the Digital Britain report. The Panel will continue to engage with this debate as it unfolds. The main objective should be to ensure that the Consortium has a mandate for the priorities that it chooses to adopt and is accountable for the expenditure of public money.

The Consumer Expert Group will also make a significant contribution to promoting digital inclusion. It has been asked by Government to report on the particular issues that people with disabilities face in using the internet. This report will be very valuable in targeting help for this group of people and

so increase their ability to participate digitally. And let us not forget that as an ageing population, more and more of us will reap the benefits of services and products that are easy to use.

### **Digital switchover of public services**

The Panel welcomes the Government's intention to improve online public service delivery. The heaviest users of public services are less likely to be online than other people. So providing better, more convenient access to public services via the internet may encourage more people to engage with digital services, as well as leading to savings for tax payers. But we are not convinced that the improvement of public services should be linked to the switch-off of traditional face-to-face services. Everyone will need to have the digital participation skills to use online services effectively and since this is unlikely to be the case, there will need to be fallback options for vulnerable people who are not online. Plus, the Government should guard against the risk of social isolation for people whose use of public services provides an important way of interacting with people face-to-face. This is not to say that public services should be delivered face-to-face just to avoid social isolation, but the Government needs to put in place mechanisms to ensure that social isolation does not increase if face-to-face services are withdrawn. The Government should also make sure that services are easily accessible, especially for people with disabilities, and should build this in to its procurement and delivery processes. In order to protect vulnerable consumers, there should be criteria that would need to be satisfied before a public service could be 'switched-off'.

### **Illegal file-sharing**

Now that Ofcom is likely to have a role in addressing the problem of illegal file-sharing, the Panel will be examining the issue carefully. There needs to be a strong articulation of the interests of consumers and citizens, and creators of content, as well as the interests of the content rights holders. Participation in society and the exercise of fundamental rights increasingly depend on people being able to access the internet. Rights holders should have to obtain a court order before any action is taken to restrict or suspend anyone's broadband access. And before such an order is granted, consumers should be given ample opportunity to make representations. Although following due process inevitably imposes costs, the need for fairness should be paramount. Another important principle is that we should not treat everyone the same. People who copy content that they have purchased already or who access content that is not available commercially should not be treated the same as persistent illegal file-sharers.

### **Digital radio switchover**

The Panel's welcomes the Government's intention to carry out a full analysis of the costs and benefits of digital radio switchover, which it recognises has the potential to provide increased choice for consumers. The Government should set a date by which the cost-benefit analysis will be completed and ensure that it includes a thorough assessment of the environmental impact of switchover. Unless the Government is able to provide robust evidence that switchover will provide an overall benefit for consumers and citizens throughout the UK, and not disadvantage vulnerable groups of people, it will be hard to generate public support for the Government's vision of switchover by 2015.

In planning for switchover, the Government should pay particular attention to the interests of vulnerable people, including older people, people with disabilities and people on low incomes. In doing so, it should draw on the report produced by the Consumer Impact Group for the

Government's Digital Radio Working Group in November 2008. The Panel has not considered in detail the practical action that would be needed to make switchover successful, assuming that the case for switchover was established more firmly. But the Government should at least:

- consider the need for a help scheme similar to the help scheme for digital TV switchover;
- ensure that there is firm evidence of consumers' needs to underpin information campaigns, product labelling and the development of easy-to-use devices; and
- examine the need for a kitemark or logo scheme to build consumer awareness and confidence.

## **Delivery**

The Government's vision for Digital Britain will not have the desired effect unless the various components are implemented effectively. This will require clear political direction and extensive co-ordination across Government. Given the complex web of institutions that will be involved in implementing the Digital Britain report, this will be a substantial challenge.

All the organisations involved in delivery need to be clear about their roles and Government needs to ensure that these roles do not overlap. The Panel believes that delivering a significant improvement in the current level of digital participation will be a particular challenge and the Consortium will require effective political oversight and governance. At the moment, there are many areas where it is not clear how the Government's plans will be delivered and this is particularly the case in relation to delivery in the Devolved Nations. There is not an explicit statement of the extent to which the recommendations in Digital Britain will be applicable to the devolved Nations, or of the extent to which there is buy-in to the recommendations from the devolved administrations. Clearly there should be a consistent strategy for the whole of the UK, but actual delivery must use the devolved agencies and structures. Otherwise, there is potential for duplication and confusion.

Clarity across the board is needed as a matter of urgency and, as the report suggests, there may be a case for a single digital delivery agency. This could enable a more co-ordinated approach, improved accountability and potentially, efficiency savings. Government should also ensure that there is clarity for consumers and citizens about who they should contact with enquiries or complaints about digital services.

## **Conclusions**

The Panel believes that it is essential to view the initiatives flowing from the Digital Britain report as a package of measures that are interlinked. For example, the Government has committed to funding investment in next-generation broadband in parallel with market-led rollout. If this commitment were to waiver this would have significant implications for the commitment to the universal rollout of current-generation broadband with a downstream speed of 2Mb/s; it would make it more important to make provision for the level of this commitment to be upgraded when necessary. As broadband is an increasingly essential part of the way that people live their lives, it is vital that everyone in the UK is able to use the services and carry out the activities that broadband makes available, and to do so in a reliable and consistent way.

Similarly, efforts to make communications services available must be accompanied by work to encourage digital participation. This means addressing a very wide range of needs and the Digital Participation Consortium and Digital Inclusion Taskforce will need to work effectively with each other, and with the many different groups involved in delivery at local level.

The Panel will continue to engage with the issues addressed in this paper and will be holding a series of seminars to ensure that the perspective of consumers and citizens is factored into the continuing debate.