

16th Ofcom Consumer Panel meeting, 14 June 2005

Note of the Sixteenth Meeting of the Ofcom Consumer Panel, held at Ofcom, London, 14 June 2005

Introduction

1. The Chairman welcomed members to the sixteenth formal meeting of the Ofcom Consumer Panel. Apologies were sent by Nainish Bapna and Kevin McLaughlin. Flora Demetriou (Consumer Panel Executive Support), David Edwards (Secretary), Julie Myers (Adviser to the Panel) and Dominic Ridley (Policy Executive to the Panel) were present throughout the meeting. Ofcom colleagues Kip Meek and Chinyelu Onwurah attended for part of the meeting.

Previous minutes and matters arising

2. Minutes were agreed. The following day the Chairman would meet David Currie and propose a 'social media' presentation to the Ofcom Board. Since publication on 10 June 2005, the Chairman had continued to speak to the media about Panel research. A member requested that the audit project 'problem statement' be copied to members. Ed Humpherson of the National Audit Office would attend the July 2005 Panel meeting. The next meeting of the Consumer Forum on Communications would take place at Ofcom on 20 July 2005. Further to discussion at the May 2005 meeting on how to take forward Panel work on a number of telecoms related fronts, it was agreed that this should be an agenda item at an Autumn 2005 Panel meeting. As previously agreed, it was confirmed that members would revisit their workstreams for discussion at the July 2005 meeting. The Chairman and Julie Myers had not had an opportunity to discuss the most appropriate way to handle/record responses from Ofcom to Panel advice but this would be pursued. A member reported that he had commissioned work on a UK spatial mapping exercise, on availability and take-up of telecoms and broadcast services. Some of the data was presented in a spreadsheet and it could be possible to assemble it pictorially. The data was not thought to be commercially sensitive and could be shared with the Panel. It would be taken forward in discussion with Helen Normoyle, Ofcom's Director of Market Research. Helen Normoyle had agreed to prepare an outline Panel research brief on young people and mobiles.

Chairman's report

3. The Chairman reported that sound progress was being made with the Panel's audit project. On Thursday 16 June 2005 the Panel would be hosting an industry workshop on its research report. The Panel's member for Wales had discussed the research with Andrew Davies AM, Welsh Assembly Minister for Economic Development and Transport. Within the next few weeks Ofcom was expected to make an announcement on the Strategic Review of Telecommunications (TSR). If an undertakings type of solution was proposed for BT, it was agreed that the Panel would respond publicly with a news release and state what it expected to be delivered for consumers, eg more choice, cheaper

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prices, more players in the market, and good/clear information for consumers to act upon etc. Julie Myers, working with the Panel's media advisor, would draft a news release in anticipation of Ofcom's announcement. Members would have the opportunity to comment on the draft if timing permitted.

Kip Meek on the European Regulators' Group

4. Kip Meek spoke about the role he would soon take up with the European Regulators Group (ERG), comprising the heads of National Regulatory Authorities (NRAs). The ERG met quarterly and for the first time in October 2002. It was set up to formally advise the European Commission. It had a membership of 25 NRAs, plus accession countries as observers. Before the introduction of the current EU communications framework Heads of NRAs had met informally as the International Regulators Group (IRG). The IRG continued to meet immediately after ERG meetings and discussed a similar agenda. The ERG had a huge agenda and had to develop as an institution and in its activities between its quarterly meetings. In addition to his role at Ofcom, Kip Meek would become ERG Deputy Chairman from 1 July 2005, Chairman during 2006, and act as Deputy again during the first six months of 2007. The appointment came at a time when Ofcom would be engaging in more international work and Kip Meek's role in Ofcom would change to reflect that.

5. There was brief discussion of how convergence was being handled by the Commission. The new Commissioner for Information Society and Media had a wide brief, including an interest in content issues and regulation of the internet. A member expressed scepticism about regulation of the internet and another commented that it could lead to draconian or arbitrary penalties. A member suggested that Ofcom could show leadership in relation to internet issues by proposing a middle way between industry's call for no regulation and those who wanted broadcasting rules to apply to the internet. Another member said that eventually content would be meta-tagged and could be sourced. The Chairman said that consumers required clear information and labelling to make informed choices.

6. Brief reference was made to the TSR. The Chairman said that the Panel had discussed how it would respond to the Ofcom announcement that was expected shortly. In summary, the Panel would be asking how the proposed settlement would deliver for consumers.

European review of scope of universal service

7. Dominic Ridley summarised the questions raised in the European Commission's Communication on the review of scope of universal service. Responses were due by 15 July 2005. He would meet and discuss the detail of a response with the Panel's universal service subgroup. In the meantime, members commented as follows on the Communication and the 'skeleton response' that had been circulated:

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- the Commission documents made little or no reference to disabled people and the work of INCOM [Note: INCOM – the inclusive communications subgroup of the Commission’s Communications Committee (COCOM)] appeared to have been overlooked;
- the Panel should raise caveats about the Commission’s conclusions, eg on real equality of access to services, broadband and its potential to deliver equivalence to people with certain disabilities; and the Panel’s response should be forward looking and argue for the development of services for disabled people;
- the review documentation said a lot about competition and little about consumer benefits;
- much of universal service was being achieved by falling prices;
- the Deputy Chairman said that the Commission had not provided much evidence to support its case and that it was important to look at universal service from first principles; the Panel’s consumer research was highlighted, it had indicated low penetration of mobiles amongst older people and the question was whether this was an issue for universal service or a lack of take-up for an affordable service;
- the Chairman said that it was important not to focus on technical delivery mechanisms;
- by 2010 the emphasis would be on access to Internet Protocol (IP) packets;
- the Commission was not conducting a fundamental review and as such it was not a matter of challenging the principles; there appeared to be no need to mandate provision of mobile or broadband services, for the latter there was insufficient take-up but it was important to understand why that was the case;
- IP was going to be the future means of access but current universal service obligations included services for disabled people and some requirements were still unmet;
- existing funding arrangements for universal service were mechanistic and predicated on a dominant BT, something that would change with time; as competition increased there would be a need for a single ‘pot’ of tax revenue to meet the cost of universal service.

8. It was agreed that the Panel would respond to the specific questions raised by the Commission Communication. The response would include reference to the rapidly changing market and technology.

Ofcom’s numbering strategy

9. Chinyelu Onwurah introduced discussion of Ofcom’s review of numbering by outlining a wide range of changes affecting the numbering environment, including technological, business model, service and consumer changes. The review involved taking a step back to assess strains in a range of dimensions

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and consideration of how Ofcom should respond, current and medium term actions and options and hypotheses for the longer term. The longer term direction would influence medium term decisions. Chinyelu Onwurah reported on the current status of the review and referred to a number of Ofcom projects that included numbering issues, eg Number Translation Services policy and Premium Rate Services (PRS) reviews, and Ofcom consumer research plans.

10. A member said that telephone numbers were legacy features of telephony; IP addresses did not contain geographic features and consumers appeared to find this acceptable and presence on-line could add geographic information. Another member raised the analogy of car number plates; car registrations had lost geographic information but had not evolved into universal personalised registrations. It was suggested that, for comparison purposes, it could be useful to look back ten years to users' attitudes towards web addresses and that numbering changes in the UK could raise issues about interoperability with other countries.

11. Chinyelu Onwurah said that numbers could convey geographic information, Ofcom research showed that consumers liked to understand when a call was local, or otherwise; cost was another concern. Ofcom was using focus groups, there would be qualitative and quantitative research findings; the aim was to understand consumers use of, attitudes to and wants from numbers; the latter could help drive the direction of numbering policy. Future technical and service developments could lead to handsets displaying call charges, ie the decoupling of numbers and prices. Qualitative research was expected to be completed by the end of June 2005; quantitative research was expected by the end of July 2005. The Chairman said that consumer information was of particular interest to the Panel and proposed a meeting to discuss this further in relation to numbering.

Members' updates

12. A member had attended a telemedicine demonstration and proposed a similar demonstration for the Panel. Another member had met with the Panel Chairman to discuss issues around PRS. It was agreed that the Panel would keep implementation of recommendations of the Ofcom review of regulation of PRS under review. Panel members had met with Ofcom's Rosalind Stevens-Strohmann to discuss the Ofcom review of alternative dispute resolution schemes and telecom operators' complaints codes of practice. A member had met the Chief Executive of Arts Council England, and discussed the work of MEdia, and met SAGA, whose research on people aged 50 and over would be available in September 2005. A member reported briefly on his recent 'uneven' experience of obtaining a fixed telecoms service and commented that, if his experience was common, consumers were some way from an adequate situation. It was agreed that a representative from the Telephone Preference Service would be invited to talk to the Panel.

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13. A number of Panel members would be attending a lecture [the European Media Forum ITN 2005 Lecture] to be given by Barry Cox, Chairman of SwitchCo, on 12 July 2005 and Professor Müller, the Executive Director of the Federation of German Consumer Organisations, had agreed to meet the Panel at its 22 September 2005 meeting. A member had attended an Ofcom consumer information workshop on 1 June 2005. He attended an Organisation for Economic Co-operation and Development (OECD) Roundtable on Communications Convergence on 2 and 3 June 2005 at the Department for Trade and Industry; he was a speaker at a round table entitled "Digital Inclusion and Older People" which was organised by Help the Aged and attended part of a Westminster Media Forum seminar on the BBC Green Paper, both on 24 May 2005. Another member had been working on a paper on Ofcom's handling of disability issues; he would be speaking to PhoneAbility on 22 June 2005 about Panel research. The Panel Chairman would meet the Chairman of Ofcom's Advisory Committee on Older and Disabled People in the afternoon.

14. The Deputy Chairman gave an update on plans for a second Panel low income seminar. After discussion with Professor Peter Golding, of Loughborough University, the event was expected to be on 7 February 2006. At that time a number of important Ofcom reviews will have been completed, including the TSR and the universal service review. It would provide an opportunity to review the first two years of Ofcom activity, ie how low income issues had been handled/Ofcom had used research to influence regulatory decision making.

Other matters to note/agree

15. Members were copied a report on meetings, consultations and approaches to the Panel; its contents had been noted.

Any other Business

16. Members had not received recent consumer complaints data reports; the Secretary would remedy that. Feedback was requested on Ofcom's handling of requests for information under the Freedom of Information Act 2000, including details of how many requests had been received; how many had been granted/refused; the general nature of requests; and details of the grounds when requests had been refused. A BBC 'Daily Life' presentation would be held on the afternoon of 4 July 2005 at Ofcom; members were invited to attend.

Date of the next meeting

17. The next meeting would be held on 21 July 2005 at Ofcom in London.