

**CONSUMER  
PANEL**

**Ofcom**  
OFFICE OF COMMUNICATIONS

## **Culture, media & sport committee inquiry into analogue switch-off**

**A response from the Ofcom Consumer Panel**

**September 2005**

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## **About the Consumer Panel**

The Consumer Panel has been established to advise on the consumer interest in the markets regulated by Ofcom – a requirement of Section 16(2) of the Communications Act 2003. The Panel is independent of Ofcom and sets its own agenda. It has a responsibility to understand consumer issues and concerns related to the communications sector (other than those related to the content of programmes and advertising) and to help inform Ofcom's decision-making by raising specific issues relevant to the consumer interest.

## **About our response to this inquiry**

The Committee is focusing its inquiry on four areas:

- I. Policy objectives and economic benefits of digital switchover, and the relative roles of the different platforms in the delivery of digital television
- II. The feasibility of, and the steps needed towards achieving switchover to the Government's timetable and with sufficient geographical coverage;
- III. The costs associated with the digital switchover process and how these are to be met.
- IV. The protection of vulnerable groups in terms of financial and practical assistance.

The Consumer Panel's evidence relates to the fourth of these areas of inquiry.

## **The Panel's priority: assisting the socially isolated**

1. In July 2004, the Secretary of State for Culture, Media and Sport asked the Ofcom Consumer Panel to consider what measures might be necessary to protect the interests of “the most vulnerable” consumers during digital switchover. In response, in November 2004 the Panel published, *Supporting the most vulnerable consumer through digital switchover*<sup>1</sup>. This report focused on identifying who might be vulnerable in the switchover process and understanding their needs for support. We also discussed practical ways in which this support might be delivered.
2. The Consumer Panel starts from a position of support for the principle of digital switchover. It takes the view that there are potentially significant benefits to people at large in the UK from a switchover to digital television. But the full value of these benefits will only be realised if the route to switchover is managed in such a way as to minimise the risk of detriment to vulnerable people.
3. We have concentrated on two key principles. First, our belief that what people need is practical, on the ground help. Second, that conversion of a single television set to digital in a household ensures continued access to television. Our estimates of costs are therefore based on single-set conversion.
4. The key finding from our research into digital adoption and our analysis of the process of take up of new technology is that those who are likely to be most vulnerable are people who need help in effecting the practical changes that digital television adoption requires and who have no-one to whom they can turn for support. That is, that digital switchover presents the biggest challenges for those who are socially isolated – people who will have difficulty in finding out about switchover, in understanding what it means and hence who are unable to take effective steps to deal with it. People without an adequate network of support from friends, family, neighbours or carers will therefore be particularly vulnerable.

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<sup>1</sup> *Supporting the most vulnerable consumers through digital switchover: A report by the Ofcom Consumer Panel* (November 2004). This can be found on the Panel's website at <http://www.ofcomconsumerpanel.org.uk/dso/dsoreport.pdf>

5. 'Social isolation' does not map easily onto concepts of vulnerability that can be captured by, for example, the benefits system. It will be related to age, and possibly to various kinds of disability and to low English literacy.
6. Our main recommendation to deal with this is that the body charged with implementing the switchover, Digital UK, should develop a process – working closely with the voluntary sector and local government – to help identify people who, for the reasons stated, will be vulnerable to the effects of switchover and support them through it. We estimate that the cost of such practical support, delivered with the involvement of the voluntary sector, could be in the region of £110m.
7. We recommend that financial assistance should be offered to people currently eligible for TV licence fee exemptions or concessions (people over 75 or registered blind) in order to meet the costs of one-off purchases of equipment and any necessary aerial upgrade work. We estimate that the cost of such financial assistance will be approximately between £134m and £270m. In total, the cost of all we are recommending is therefore within a broad envelope of £250m - £400m.
8. We recommend that the particular requirements of people with disabilities, especially those with sight or hearing impairments, should be looked at quickly and in more depth in order to ensure that, in particular, suitable equipment at reasonable cost will be readily available for these groups.
9. We recommend that manufacturers and retailers should urgently be pressed to make sure that all equipment on sale is clearly labelled with its digital capabilities so as to prevent people making expensive mistakes in their purchases between now and the switchover date.
10. We recommend that manufacturers be pressed to continue to develop easy-to-use sets and remote controls for those people who do not want complicated functionality.

11. We believe that it is extremely important that an effective public information campaign about the “What?”, the “How?”, (including the “How much?”), of digital switchover should begin at the earliest opportunity. This will be integral to ensuring that the widest possible number of people understand and are able to deal with the full implications of digital switchover.

### **Consumer Panel’s response to the Secretary of State’s announcement of 15<sup>th</sup> September 2005**

12. The Consumer Panel expressed strong disappointment that the Government’s action plan did not reflect the analysis of vulnerability stemming from social isolation which the Panel had, at the Government’s request, produced some 10 months earlier. The Panel’s report had set out a model of practical support to be delivered by local grass roots organisations and we urged the Government to push the delivery of this support to the top of its list of priorities.

13. The Panel also noted that the Government is proposing to offer free installation, equipment and instructions only to older people if they are also claiming pension credit. We believe this represents a move away from the principle of free TV reception for everyone over the age of 75 regardless of income - a policy which commands widespread public acceptance. Many pensioners who are entitled to pension credit but who do not claim it will not get help with the switchover.

14. Finally, the Panel was disappointed to learn that most consumers will be charged for calling the switchover helpline. We asked why should people pay for advice about switchover when they have no choice but to switch? The plans to make 0800 calls available on a selective basis are impractical.

15. Digital switchover can bring significant consumer benefits. The Consumer Panel believes that the Government needs to think harder about how to make sure that people who might get left behind are helped to make this huge and important change.