

## Note of meeting from the Ofcom Consumer Panel: advice to Ofcom

CONSUMER  
PANEL

**Ofcom**  
OFFICE OF COMMUNICATIONS

<b>Title of Ofcom Project:</b>	Nations & Regions Policy Phase
<b>Date:</b>	
<b>Author:</b>	Dominic Ridley
<b>Advice given at meeting</b> <b>Date:</b> <b>Attendees: Ofcom Panel</b>	Consumer Panel Meeting 15 June 2006 Xxxxxx Xxxx, XXXXXXXX XXXXXXXX
<b>Paper no.</b>	AO/60
<b>Ofcom milestone(s)</b>	

1. Ofcom presented a discussion paper on the Nations and Regions policy phase to the Consumer Panel on the 15 June 2006 (paper CP/2006/22). The Panel made comments on the paper and said it would relay them to the Ofcom board.

### Key Points

2. The Panel has five key points:

- Ofcom should refocus its policy-making activities from the Nations and regions segmentation used in the research to what would seem to be a more meaningful segmentation that is based on rural and urban areas. Using this segmentation Ofcom is likely to find access to services or comparative access to services between those who live in rural or urban areas as being the key policy driver.
- However, Ofcom must retain its national and regional focus for the purposes of delivering solutions and build, strengthen and nurture its relationships within: government; the national parliaments; the regional development agencies; and local governments. It is these organisations that will be tasked to deliver a number of the policies on the ground.
- Over the next few months Ofcom should be clear about what it thinks the problems arising from this research actually are. The Panel suggests that Ofcom should prioritise low take-up amongst 45+ age groups and C2DE social groups and affordability.

- Ofcom should continue its analysis of the possible outcomes of geographic de-averaging within the communications market. It should push for an acceptable and speedy outcome on inadvertent roaming and national 999 access and identify policy options to close the gaps in mobile network coverage. It must identify, as best it can, where the DTT signal coverage gaps are likely to occur in the UK and what can be done to close them.
- Ofcom should focus its regulatory activities in areas where consumers face multiple access problems and find the communication black holes in the UK and Northern Ireland. This work is likely to provide the strongest indicator to Ofcom as to what policies it should undertake or recommend the Government to take.

### **Ofcom should refocus its policy making activities to a rural / urban segmentation**

3. We understand Ofcom's rationale for commissioning the audit along the lines of the Nations and regions. Ofcom has a political dimension to consider - a dimension that is part of its statutory duties and obligations. We also recognise it is important for Ofcom to show that it is not solely a London based regulator but understands and takes into account national and regional issues when developing policy.
4. However, we think the Nations and regions segmentation is an artificial demarcation of borders and in reality the segmentation has little practical use. The evidence suggests that physical access to the communications market is not about where a person lives in the Nations and regions but whether a person lives in a rural or urban area - and that those people who live in rural areas are likely to suffer multiple forms of consumer detriment.
5. In contrast, for Ofcom to understand the overall level of digital inclusion in the UK and Northern Ireland (i.e. the take-up rate of communication products) it has to include in its analysis other factors, such as: socioeconomic groups; age; and education.
6. In our view we think the key policy driver for Ofcom will be to ensure access to services is comparable between those who live in rural and urban areas.

### **Ofcom should nurture its stakeholder relationships**

7. However, the solutions to many of the policy implications Ofcom has identified will be delivered on the ground. It is therefore important for Ofcom to build on, strengthen and nurture its relationships within: government; the national parliaments; the regional development agencies; and local government. It is these organisations that will be charged with achieving many of the identified social policies.

## **Prioritising its 21 policy issues**

8. After such a comprehensive audit of the communications market in the Nations and Regions, Ofcom needs to move quickly from the analysis of the situation to the delivery of solutions.
9. The 21 policy issues identified to the Panel should be prioritised. In our view the policy issues numbered between 18 and 20 should be at the top. These are listed by Ofcom as:
  18. **Overall:** *(to understand)* Take-up: internet, mobile and PC take-up is systematically lower amongst 45+ age groups and C2DE social groups across the UK.
  19. **Overall:** Need for a clearer understanding of affordability of communications services for low income consumers.
  20. **Overall:** Need to understand further those voluntarily and involuntarily excluded from ownership of digital TV, internet, DAB and mobile services.

## **Geographic de-averaging**

10. To ensure that the digital divide is not exacerbated because of where a person lives Ofcom must be alive to the possible outcomes of geographic de-averaging within the communications market. For example Ofcom should have a view as to what a standard communications package or broadband speed would look like because people in rural areas will expect comparable services to the rest of the UK. Ofcom should also develop a view on whether funding (private, public or if any) is required, for example, to enable exchanges to be upgraded to deliver services found in urban areas.

## **Inadvertent roaming, national 999 access and mobile operator coverage obligations**

11. The issues of inadvertent roaming and national 999 access have been well documented and discussed and we think it is time that these issues are resolved. We understand the political environment that these policies sit in and Ofcom's limited powers in this area but Ofcom should use its influence to push the relevant stakeholders towards an acceptable and timely solution.
12. We would like Ofcom to review the coverage obligations on mobile operators and look at what can be done to close the gaps in the mobile network. It is clear that in many rural parts of the UK people find themselves without network access when travelling between areas in their local vicinity. Consumers in these areas are facing a clear form of detriment and we would like Ofcom to set out what possible policy options there are to resolve the issue.

## **Digital Terrestrial Television (DTT)**

13. Ofcom must clearly understand the implications that 1.5% of households will not receive a DTT signal after switchover and that these households may well be homes that presently receive a television signal. Further, Ofcom's estimation of 1.5% households actually translates to a large number of homes - nearly 400 000. Therefore Ofcom should identify (as best it can) where the coverage gaps are likely to occur and what can be done to close them. We have previously raised this issue in our advice note to Ofcom (number A059) and said:

*The Panel is concerned that the paper gives this issue insufficient attention. We understand that Ofcom is currently working to identify where these households are. But when will it know this? How will consumers know if they cannot receive DTT? How can we ensure these consumers do not buy the wrong equipment? How will government respond when households realise they do not have access? What needs to be done about it?*

## **Multiple forms of consumer detriment**

14. Finally, we recommend that Ofcom looks to segment its research to reveal where and how many people in the UK have multiple forms of detriment i.e. a poor mobile signal, a poor television signal and low broadband speeds. We also recommend Ofcom understands where the communication black holes exist in the UK. It is our view that by understanding where the black holes exist and what the multiple forms of consumer detriment are will provide the strongest indicator as to what policies Ofcom should undertake.

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