

**MINUTES OF THE TWO HUNDRED AND FIFTY-FIRST MEETING OF  
THE OFCOM BOARD HELD ON 17 APRIL 2018**

**Present**

Terry Burns	Chairman
Sheila Noakes	Deputy Chairman
Sharon White	Chief Executive
Bob Downes	Member
Graham Mather	Member
Jonathan Oxley	Executive Member and Group Director, Competition
Nick Pollard	Member
Tim Suter	Member
Steve Unger	Executive Member and Group Director, Strategy, International, Technology and Economists
Ben Verwaayen	Member

**In attendance**

Kevin Bakhurst	Group Director, Content Media Policy (minute 1)
Lindsey Fussell	Group Director, Consumer (minutes 7-8)
Polly Weitzman	General Counsel
Steve Gettings	Corporation Secretary
Jenny Leyland	Assistant Secretary to the Corporation

Other Ofcom Colleagues

<p><b><u>Declaration of Members’ Interests – oral</u></b></p> <p>1. There were none to report.</p>
<p><b><u>Broadcast Licences – Board Paper 58(18)</u></b></p> <p>2. As the UK’s independent broadcasting regulator Ofcom has a statutory duty to be satisfied that broadcast licensees are fit and proper to hold their licences. Following the Prime Minister’s statements about Russia in the House of Commons on 12 and 14 March 2018, Ofcom had been considering the implications of those events for the broadcast licences for RT. The Board discussed the position. The Board noted that following the events in Salisbury Ofcom had observed a significant increase in the number of programmes on the RT service warranting investigation – following a period of overall compliance not materially out of line with other broadcasters – and that Ofcom would be opening seven new investigations into due impartiality of RT news and current affairs programmes. The provisional and final decision on each investigation would be provided to a panel of Ofcom’s Content Board members for their advisory opinion before the final decision was made by a senior member of Ofcom’s executive with appropriate Board-delegated authority. The Board discussed publishing an update and</p>

agreed that the Chairman and Chief Executive would approve the update for publication.

**Minutes of the meeting held on 20 March 2018 and matters arising – Board Minutes 250(18)**

3. The minutes of the Ofcom Board meeting held on 20 March 2018 were **APPROVED** for signature as an accurate record. There were no matters arising.

**Chief Executive’s Report – Board Paper 50(18)**

4. Sharon White presented her report which included key developments since the last Board meeting. These included the following:

- 4.1 2.3 GHz and 3.4 GHz Auction: The auction had been completed with the total value raised being £1.4bn. The auction process had run smoothly. A lessons learned exercise would be undertaken.
- 4.2 Trinity Mirror takeover of the Express: The Secretary of State was considering whether to make a public interest referral in relation to the merger of the Trinity Mirror Group and the parent company of Express and Star newspapers following advice from the Competition and Markets Authority.
- 4.3 High fat, sugar, salt (HFSS) food product advertising: DCMS was considering the extension of TV advertising restrictions for HFSS food products to cover content which airs before the 9pm watershed. The Government, led by the Department of Health, was looking to extend the ban as part of its broader work on childhood obesity.
- 4.4 Universal Service Obligation (USO): The Secretary of State had written to Ofcom confirming that Government was laying the Universal Service Order relating to the implementation of the broadband USO and requesting that Ofcom provide an implementation plan. As set out in the Government consultation, the implementation period would be two years. The Scottish Government had raised concerns about a lack of coordination by the UK Government with the Scottish Government’s R100 programme.
- 4.5 Cyber Security: The DCMS Minister of State had written to Sharon White on 28 March 2018 setting out the conclusions of a report DCMS had commissioned on Ofcom’s role with respect to cyber security in the telecoms sector. The executive was considering the implications of the report in the context of planning for the increased role which Ofcom had been asked to take in this area. An update would be provided to the Board in the coming months. In discussion the need for clarity about Ofcom’s potential role in relation to cyber security was emphasised. Reference was made to a recent letter sent by the National Cyber Security Centre (NCSC)’s Technical Director to the UK telecoms companies, Ofcom and ZTE.

**Reports from other Non-Executive Members – oral**

5. Graham Mather reported on a recent meeting with the Chairman of the Communications Consumer Panel/ACOD. The CCP felt Ofcom had had a good year on consumer policy and enforcement, with some detailed points made that Graham would forward to the team, for example, subtitling on catch-up programmes.

6. Bob Downes reported on recent meetings with STV and BBC Scotland.

**Consumer Enforcement – Board Paper 51(18)**

7. The Board discussed an update on Ofcom’s Consumer Enforcement work. The paper set out the approach taken to identifying the problems consumers are facing or are likely to face and how the issues to be addressed are prioritised. The paper also set out the impact of some of the work done over the years, as well as current and future priorities.
8. Discussion covered several areas:
- 8.1 In response to a question about progress made tackling nuisance calls reference was made to quarterly industry meetings with the major communications providers which maintains a focus on this issue. Evidence suggested that the use of technical solutions such as network-level blocking of calls was making a positive difference.
  - 8.2 Reference was made to the potential use of social media to broaden the understanding of issues affecting consumers. This was a source which the team was looking to develop further as there was a growing trend for consumers to complain about issues via web forums rather than complain to Ofcom.
  - 8.3 In answer to a question it was confirmed that the review of information connection and signposting services (ICSS) using 084x number ranges was now a high priority issue. ICSS provide consumers with customer service numbers for organisations but typically using premium rate (PRS) numbers. The Phone-paid Services Authority (PSA) had previously taken cases in this area when 090 and 087x numbers were used, so ICSS were now migrating to 084x numbers which are not currently covered by the PSA’s regulatory remit. As a result, the team was planning to review the scope of the existing regulations to consider whether there was a case for extending regulation to cover ICSS using 084x numbers. In the meantime, steps were being taken to mitigate the harm, including contacting government organisations and charities to make sure they are registered with Google to stop third parties making changes to contact numbers via Google Places.
  - 8.4 Reference was made to the Government’s Green Paper “Modernising Consumer Markets”, published on 11 April 2018.
  - 8.5 Reference was made to continuing work to improve the way the Alternative Dispute Resolution (ADR) services work and, in particular, whether eight weeks was too long for consumers to refer their complaints to ADR for unresolved complaints. This was something the team had looked at during the recent review of General Conditions and it was currently collecting industry data to inform its further thinking on this issue. In addition, Ofcom recently reviewed the performances of both ADR schemes as part of the approvals process and, as part of this, had looked to strengthen their KPIs, including quarterly publication of them on the Ofcom website.
  - 8.6 Figure 1 in the paper which summarised consumer complaints made to the Ofcom Consumer Contact Team (CCT) had a line on the graph “customer services” which included complaints handling. It would be helpful to break out the different elements under this heading to give a clearer picture of the cause of complaints to the CCT. Following targets set for the major communications providers for complaints handling and customer services it was anticipated that the figures would improve over the coming months, although the figures would tend to vary over time for different providers depending on events, eg, the introduction of a new billing system.

- 8.7 Reference was made to the work planned on early termination charges. Information had been gathered from mobile, fixed and broadband providers. Ofcom was currently investigating Virgin Media with a provisional decision due in early May. Further investigations might follow the assessment of information gathered.
- 8.8 Ofcom had contributed to the Scottish Government's consultation on options for consumer advocacy in Scotland and would work with whichever model was chosen, whether within Government or as a separate body. Enforcement powers remained with Ofcom and had not been devolved.

#### **Nations Representation – Board Paper 52(18)**

9. The Communications Act 2003 establishes Advisory Committees for each Nation. With the appointment of Nations Members to the Ofcom Board (Bob Downes for Scotland, Tim Suter for England), and an appointment for Wales anticipated later in 2018, it was timely to consider whether the current operating model was the most effective way to keep the executive and Board Members informed of Nations' views. The paper set out several options.

10. The Board discussed a variety of options for how they might give effect to this. The Board considered a number of matters, including meeting frequency, membership, role and how the organisation should engage most effectively with Committee members. This would be discussed with the Advisory Committee Chairs and the Committees themselves with a view to returning to the Board with a recommended way to proceed by July 2018.

11. Considering the current situation with the government of Northern Ireland it was unlikely that a Board Member for Northern Ireland would be appointed this year. The Board **AGREED** that Tim Suter should attend the Advisory Committee for Northern Ireland until a Northern Ireland Board Member had been appointed.

12. Following an oral update, the Board **AGREED** that Liz Leonard should be appointed as the Chair of the National Advisory Committee for Scotland.

#### **Reappointments to the Board of MG ALBA – Board Paper 53(18)**

13. The Board **APPROVED** the recommendation made in Board Paper 53(18) to reappoint two members of the MG ALBA Board. The recommendations would be submitted for Scottish ministerial approval.

#### **Information items**

14. The following information papers were noted:
- Board Forward Agendas – Board Paper 54(18)
  - Comparing Service Quality Report – Board Paper 55(18)
  - Channel 4 Corporation: Statement of Media Content Policy 2017/18 – Board Paper 56(18)
  - Colleague Survey Results 2018 – Board Paper 58(18): A breakdown of the results by Group was requested to be provided to the Board between meetings.

- Minutes of the National Advisory Committees for England (22 November 2017); Ireland (23 November 2017); Scotland (8 November 2017); Wales (9 November 2017); Nations Committee (5 December 2017); Risk and Audit Committee (4 December 2017); Communications Consumer Panel/ACOD (22 February 2018).

**Any Other Business**

15. There were no other matters raised.

**Date of the Next Meeting**

16. The next scheduled Board meeting will be held on Tuesday, 22 May 2018.