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Dear Pernille

Regulated Industries Unit draft work programme for consultation

Thank you for the opportunity to comment on the draft RIU work plan. We are happy to contribute the following comments which I hope are helpful.

Firstly, and as we said in our response to consultation on the RIU design principles, we think that the RIU is a key component of the new regulatory landscape. Effective consumer representation is essential in all markets. Particular knowledge and capacity are necessary to understand real and potential sources of consumer harm which arise only in essential markets subject to economic regulation. Each of these markets is different, and it is appropriate that expert consumer advocacy will continue for each. However, there are also a number of cross cutting issues and, on these, there are real benefits to development of a model which allows for cross-sectoral thinking.

The RIU will be an important stakeholder for Ofcom in both contexts and, in its work on postal and electronic communications communication, will inherit a strong legacy from Consumer Focus. On post, the RIU will continue the work of Consumer Focus as the statutory representative of postal consumers. As postal regulator, it is therefore important for us to have a strong relationship, and for the 'challenge' function of the RIU as consumer advocate to be effective.

Postal regulation

Ofcom has a statutory duty to ensure the provision of a financially sustainable universal postal service across the UK. The postal industry is experiencing, and will continue to experience, change. The challenges in this sector are different to other regulated industries, and so expert consumer representation is particularly key. An effective RIU is therefore essential for the postal industry.

In this context we particularly value Consumer Focus' research to inform its response to our review of users' needs, and other initiatives such as Royal Mail's Delivery to Neighbour policy and changes to Royal Mail's various product schemes. We are pleased to note that the draft work programme proposes that the RIU takes a leadership role to ensure that consumers across the UK, including those in remote and rural communities in the different nations, get the universal service that they need.

Cross cutting issues

On the cross-cutting agenda, there are a number of consumer issues which are relevant between the sectors Ofcom regulates and other regulated industries. We discussed some of these in our response to the Design Principles consultation and we are pleased to see overlap between these ideas and items in the draft work plan. For example, on **consumer vulnerability** where we think there are common questions across regulated markets on accessibility of regulated services and opportunities to participate for vulnerable consumers. In addition, it is true that the experience of certain types of vulnerability (e.g. income related) may be better understood by looking at essential services together. The RIU will have a role to look at generic and combinatorial vulnerability issues.

We are also pleased that the work plan consultation has recognised and articulated some of the challenges facing consumers in **digital markets**. Technology is an enabler, but can also be daunting for some consumers and so creates new risks of exclusion. We acknowledge the link between digital communications services and postal services, and recognise the role of the RIU to understand how electronic communications affects consumers of postal services. We support the proposal that the RIU undertake a UK wide review of mail and post office services to understand use of these services in the context of the wider communications market. As the regulator for both post and telecommunications we expect to be able to make a helpful contribution to the review and that it will, in turn, be a useful input to our work.

Working across the UK

The RIU will have a different scope of operation in each of Scotland and Northern Ireland, compared to Wales and England. In addition, the transition from Consumer Focus to RIU and subsequently into Citizen's Advice will be different in each nation because of different starting points. We think it is essential that the RIU maintains the best knowledge, skills mix, and stakeholders networks from the current regulatory landscape in each nation. Some national variations are valuable, and should not be subjugated to a one-size fits all model.

In this context, it is encouraging to note that the work plan makes reference to some national level issues. In Scotland particularly, these are about rurality, remoteness and exclusion of consumers at the 'end of networks'.

Ofcom has offices in Belfast, Cardiff and Glasgow as well as Advisory Committees representing each of the nations. We hope this structure will enable us to develop helpful relationships with the RIU in each nation as well as centrally.

As the regulatory body for both post and telecommunications we hope and expect to be able to work effectively with the RIU, building on the strength of our relationship with Consumer Focus. We are looking forward to working with the RIU in 2013/14 and beyond.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C Taylor'. The signature is written in a cursive style with a large initial 'C' and a stylized 'Taylor'.

Chris Taylor