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Digital switchover: an audit of consumer priorities

On behalf of the Ofcom Board, I would like to express our gratitude for the Ofcom Consumer Panel's constructive advice on Ofcom's draft report, *Digital switchover: an audit of consumer priorities*. The Board has reviewed the Panel's advice at its meeting on 4 July 2006, and has asked me to respond to your comments. We greatly appreciate the time and consideration that you and other members of the Consumer Panel have given to the report.

The Panel reviewed a draft of the report dating from May 2006, and the project team have had the opportunity to review the text in light of its comments. The Panel's advice contains three key points:

- the importance of social isolation as a key factor influencing people's ability or inability to handle digital switchover, which the Panel felt was seriously underplayed in the draft of the report that it reviewed;
- the Panel felt that it is by no means clear that the delivery mechanisms for digital switchover are properly funded;
- the Panel felt that the multi-organisation arrangement for oversight, management and delivery do not make it clear who is ultimately responsible for making the whole process work.

On the first point, we agree. The project team reviewed the report and found that although social isolation was mentioned as a factor determining consumers' ability to cope with switchover, it did not figure as strongly in the analysis as it should have done. Nor was the Consumer Panel's valuable work in identifying the importance of social isolation properly credited. The team has sought to address these issues in the final published version, and I hope you will agree that the Panel's advice about addressing the needs of the socially isolated is now clearly re-stated in the report.

The Panel's advice makes a related point, that eligibility for the Targeted Help Scheme announced by the Government does not include social isolation, and the scope of the scheme is consequently narrower than that proposed by the Panel. You will see that the

report identifies that a wider set of groups could have additional needs in the switchover process, including socially isolated people, people aged 65-74, people who have a disability but are not receiving disability benefits, people on very low incomes and people with limited literacy in English. We support Digital UK's intention to explore the possibility of providing targeted communications and purchasing advice to those groups, leaving the Targeted Help Scheme to provide practical assistance to those key groups that research suggests have the greatest need.

On the second and third points, we understand the Consumer Panel's concerns and agree that these are important questions for the switchover programme. However, these are not areas for which Ofcom has responsibility. It would not be appropriate for us to comment in this report, particularly as these are not, in our view, issues which directly affect consumers' access to and experience of digital television services.

For these reasons, the report does not substantially address these points, although it does seek to clarify the division of responsibilities for addressing issues relevant to consumers between Ofcom, Digital UK, the Government and other stakeholders, which may partly meet the Panel's concern. The Consumer Panel may wish to take advantage of its statutory remit to advise other bodies on the consumer interest in the telecommunications, broadcasting and spectrum markets to raise these issues with other stakeholders in digital switchover, and where we can we will continue to support its efforts in this regard.

Finally, the Panel's advice raises a number of specific issues, which we have carefully considered. The key points raised were as follows:

- Ensuring manufacturers develop and retailers make available accessible, usable and affordable equipment. As you know this is an area in which Ofcom has a direct statutory responsibility, set out in Section 10 of the 2003 Communications Act, and in which we work closely with Government and Digital UK. We are now working with Digital UK and Government to lead a usability action plan, working with manufacturers and consumer groups to promote easy installation and use of equipment, and broader market availability of equipment with access services.
- Ensuring retailers and installers sell the equipment that is appropriate for consumers now and for the future. Digital UK is taking the lead on this issue, which is not an area in which Ofcom has statutory powers. Digital UK is promoting and supporting retailers in their use of the 'digital tick' logo and is providing training support to help ensure that consumers receive appropriate and reliable switchover advice in store. It will also highlight the importance of using Registered Digital Installers in its communications, and will liaise closely with the aerial and satellite installations industry to ensure that consumers are properly protected.
- Transparency in the mechanisms of evaluating or reporting on performance. Although this is not an area in which Ofcom has any role or responsibility, we understand that the

Office of Government Commerce carried out a review of the Digital Switchover Programme in 2005 and we expect that similar exercises will be carried out in future.

- Regular progress and priority updates alongside the quarterly digital TV take-up figures. Digital UK will be publishing quarterly reports on performance and progress, based on tracker research funded jointly by Ofcom and Digital UK, which will include comprehensive reporting on a series of indicators at regional and national level.
- The Panel recommends that Ofcom ensure that its cost evaluations are up-to-date. Ofcom published estimates for the costs of switchover in November 2005 (in its report *Cost and Power Consumption Implications of Digital Switchover*) and the Board is currently of the view that this work does not need updating yet.
- The Panel recommends that Ofcom gives an indication of when it will complete work to identify households faced with a switch of platform as the only option for continuing to receive television services, and suggest what can be done to assist households which cannot receive DTT. The report clarifies that Ofcom expects to complete research to inform this work by the end of 2007 and will collaborate with Government and Digital UK to consider appropriate support.

I hope the Panel finds this response helpful and I reiterate our appreciation of the Panel's ongoing contribution in this area.

Yours ever



David Currie