

6 July 2015

Citizens Advice response to Ofcom's Digital Communications Review

About the Citizens Advice Service

The Citizens Advice service provides free, confidential and impartial advice to help people resolve their problems. As the UK's largest advice provider, the Citizens Advice service is equipped to deal with any issue, from anyone, spanning debt and employment to housing and immigration plus everything in between. We value diversity, promote equality and challenge discrimination. The service aims:

- To provide the advice people need for the problems they face.
- To improve the policies and practices that affect people's lives.

Citizens Advice Bureaux deliver advice services from over 3,500 community locations in England and Wales, run by 382 independent registered charities. Citizens Advice itself is also a registered charity, as well as being the membership organisation for these 382 member bureaux. In Scotland 61 Citizens Advice Bureaux (CAB) help over 250,000 clients with over half a million new problems every year.

Citizens Advice response

Citizens Advice welcomes the opportunity to respond to Ofcom's Digital Communications Review.

We agree with Ofcom that the review is timely since the interest of consumers in complex and fast moving digital markets are changing as technology, platforms, content and consumer behaviour changes.

Patron HRH The Princess Royal

Chief Executive Gillian Guy

Citizens Advice is an operating name of the National Association of Citizens Advice Bureaux

Charity registration number 279057 VAT number 726 0202 76 Company limited by guarantee Registered number 1436945 England

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The unprecedented growth and innovation of communication technologies is leading to convergence of markets such as e-commerce, media and financial services. This is beyond the scope of traditional telecom markets, impacting on consumer behaviour and raising new regulatory challenges. For example broadband and mobile infrastructure is supporting development of online shopping , online banking and mobile payments. Similarly communication technologies facilitate household delivery of services such as media and entertainment, smart energy (smart meters), and data sharing.

While rapid development of communication technologies can benefit consumers, it can also pose challenges to consumer protection and raise issues over how to effectively safeguard market competition, protect the interest of consumers and better regulate in the era of converged platforms.

Already up-to-date telecoms generate the fourth largest category of complaints our consumer services deal with.¹ For example, last year we received 23,000 calls about telecoms. In particular mobile service agreements and mobile phone hardware were the third and fourth most common categories of specific detriment people called us about.

Similarly we also register complaints about the broadband market, such as cancellation and withdrawal rights, complaints and redress, concerns about costs, billing and payment, as well as the misleading nature of many broadband advertisements.²

Last year we submitted a formal complaint to the Advertising Standards Agency (ASA) and requested a ban on adverts that mislead people about the cost of broadband contracts, and asked to consider reviewing the sector as a whole.³

¹ Consumer Challenges 2015, Citizens Advice February 2015,
<https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/consumer-policy-research/consumer-challenges-2015/>

² Ibid
³ Ibid

We are also concerned about issues which in particular have detrimental effect on consumers in vulnerable circumstances such as silent/nuisance calls and debt collection practices.

Alongside these long standing problems the review presents an opportunity to examine the new emerging issues, such as cost efficient ways to deliver universal service obligation for broadband, mobile payments and net neutrality.

We also recommend the review considers the needs of small businesses which often face the same problems and concerns in communications markets as domestic consumers. Yet, they are not necessarily better equipped to take forward a complaint when things go wrong and have fewer protections and less access to third-party redress than domestic consumers.⁴

In summary, Citizens Advice believes that safeguarding consumer protection should be central to this review, as only empowered and confident consumers will fully embrace the communication market and stimulate its growth. Consequently any proposals of deregulations should be scrutinised through the prism of potential risks to consumers, to ensure optimal outcomes for consumers.

We are also keen on working with Ofcom on developing consumer empowerment tools that could help consumers to navigate through complex telecoms market. For example, we are exploring some ideas to help domestic consumers in the energy market, and would be keen to look into feasibility of developing similar tools for consumers in the communications market.

⁴ https://www.citizensadvice.org.uk/Global/Migrated_Documents/corporate/citizens-advice-response-to-ofcom-call-for-evidence-on-sme-communications.pdf

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