

Citizens Advice Scotland: Response to Ofcom's Consultation on Open Communications

Scotland's Citizens Advice Network empowers people in every corner of Scotland through our local bureaux and national services by providing free, confidential, and independent advice. We use people's real life experiences to influence policy and drive positive change. We are on the side of people in Scotland who need help, and we change lives for the better.

Question 1: Do you agree with our assessment of the challenges that people and SMEs face when engaging with the market, which Open Communications might help to address? Please explain and provide evidence.

Citizens Advice Scotland broadly agree with Ofcom's assessment of the challenges that people and SMEs face when engaging with the market. Ofcom's own data shows that in many cases consumers do not understand their own needs or the options available to them and find the choices confusing and difficult to understand. The range of options available can add to this confusion and the way in which options are presented, and in which services are bundled, can make like for like comparisons difficult. Ofcom data shows that a number of consumers feel the time and effort needed to navigate the options outweigh the saving available.

As Scotland's leading consumer interest group, we recommend that consumers should actively review their options upon the end of their contract and consider whether switching would provide them a deal better suited to their needs. Ofcom's research within the review of broadband pricing highlighted the significant difficulties that consumers face when navigating the market, as well as showing that consumers who were outside of their minimum contract were paying more for broadband than new customers¹. With regards to navigating the telecommunications market, we believe that a significant number of consumers struggle to do effectively. We believe that some consumers purchase telecommunication packages out of necessity rather than choice, for example a Universal Credit claimant may purchase a broadband package to allow them to maintain their online journal and seek employment. While this is one example, we believe that many consumers may not fully understand how to navigate the market and find the best package that suits their needs.

We believe that many consumers still experience significant obstacles in effectively navigating the online world. In our survey of over 1200 clients who visited a Scottish Citizens Advice Bureau in June 2017, we found that over a third of the respondents had difficulty using a computer; 16% stated that they didn't know how to use a computer at all; and 18% of all participants stated they had never used the internet². We therefore believe that Open Communications must be designed in a manner that allows all consumers to interact effectively with it, regardless of their level of digital knowledge and skills. If the system is designed to include those with less knowledge, it will maximise its effectiveness, allowing more consumers to understand their telecoms needs, and to switching provide and save money where appropriate.

Question 2: Is there additional evidence of problems that people and SMEs face when engaging with the market that you would expect Open Communications to help address? Please explain and provide evidence.

¹ https://www.ofcom.org.uk/data/assets/pdf_file/0031/199075/bb-pricing-update-july-20.pdf

² https://www.cas.org.uk/system/files/publications/cas_disconnected_report.pdf

One further problem that people and SMEs face when engaging with the market that Open Communications may help to address is that of connectivity and reliability for consumers in rural parts of Scotland. For many of these consumers, the issues of connectivity they face are due to infrastructure issues. However, Open Communications may assist them in sourcing other providers that offer competition to their current provider. We understand that for some consumers there may not be other providers that operate in their area, however it is still important that consumers are made aware of their data usage and most suitable pricing options. It is also important in this respect that provider claims regarding coverage and reliability are subject to audit and can be substantiated, as we are aware that many consumers experience feel they receive far lower speeds than those promised in relation to broadband services.

As mentioned earlier, digital skills are a significant barrier that consumers face when using digital services and products. We believe that if Open Communications were to be designed in an accessible manner, aimed at consumers with all levels of digital knowledge, then this will assist consumers who are currently digitally excluded. We agree with Ofcom that particular difficulties may arise for consumers with learning difficulties, hearing or visual impairments. We would also point to Ofcom's research, which shows the significant number of older people experiencing digital exclusion, especially those who live on their own or those who have limiting conditions³.

Question 3: Do you agree with our view of the benefits for people and businesses that Open Communications could generate?

We agree with Ofcom that Open Communications could generate benefits, particularly by making switching easier for consumers. It would enable people and small businesses to tell their communications provider to share information about their services, easily and securely, with third parties of their choice. We agree that it should also require communications providers to share more complete and accurate data on their range of products and how they perform. It has potential to assist vulnerable consumers by ensuring they are better informed about what services they require based on their usage. We feel that by making the switching process more straightforward it would not only save money for consumers, but it may also increase competition and innovation between providers.

We agree with Ofcom's view that Open Communications may result in consumers benefitting from finding a deal that is better suited to their needs, specifically for consumers who would spend significant time out of contract. Furthermore, if Open Communications were to allow consumers to view their signal strength in their area this could further benefit consumers in Scotland; where signal strength can be variable depending on geographic location. This will allow consumers to view the providers who operate the strongest signal strengths in the area, at that moment in time. Information on reliability would also assist consumers in making decisions.

We also agree with Ofcom that consumers must be able to understand what information they are sharing, with whom they are sharing it, and for what purposes. They must be able to give their informed consent for their data to be shared and must understand the purpose of sharing it and how this can help them.

Question 4: Do you agree with our assessment of how Open Communications could enable services that benefit people in vulnerable circumstances? Are there other ways it could benefit people in vulnerable circumstances?

³ <https://www.ofcom.org.uk/research-and-data/multi-sector-research/accessibility-research>

We agree with Ofcom's assessment of how Open Communications could enable services that benefit people in vulnerable circumstances. As Scotland's leading advice charity, we regularly assist our clients who are facing financial health difficulties by helping them manage their financial incomings and outgoings. If Open Communications were able to allow consumers to share their information with our advisors within Citizens Advice Bureau network then we could assist them in finding a package that is more suited to their needs and situation. Furthermore, this could be extremely beneficial for consumers who are also recipients of a form of Government welfare; as they could gain access to information about current social tariffs that are available on the market.

Question 6: Do you agree with the core principles that we have identified for the design of Open Communications?

We agree with Ofcom's core principles that have been identified for the design of Open Communications. We are pleased to see that security and user needs are at the heart of the design and that customers would be in control of the data that they share. Furthermore, we welcome Ofcom's principle that Open Communications should follow inclusive design principles and should be accessible to all users as we feel that this would be of significant benefit to those who are digitally excluded. Finally, we agree with Ofcom that data security is of primary importance in order for consumers to have confidence in the system.

Question 9: Do you agree with our view of the data that Open Communications should make available to third parties? Is there data about accessibility needs or vulnerable circumstances that people would benefit from being able to share with third parties?

We agree with Ofcom that information on average consumption over the duration of a contract (and not just monthly usage) and information on contract status would be of assistance to consumers, especially at the point where they are out of contract.

We believe that Ofcom should offer greater clarity regarding which bodies would be classed as third parties, in relation to Open Communications. Currently, consumers are likely to seek advice on switching from other providers on online price comparison sites (some of whom are Ofcom accredited).

As charitable bodies, our Citizens Advice Bureau's operation and purposes are highly different to that of, for example, a price comparison site. We believe that if a consumer who is facing financial difficulty were to use our advice services and were to share their information with us through Open Communications, then we could offer more effective advice. However, as we offer advice on an individual basis, we would have no need for data above the individual level. Our network often acts as intermediaries between the consumer and the provider, mainly during circumstances surrounding telecoms debt. If we were to use Open Communications to assist consumers, then it would be significantly different to third parties who are operating Open Communications in a more corporate manner.

We note that Ofcom appears to endorse the use of Open Communications by those assisting vulnerable consumers. For example, the consultation gives the example of Open Communications enabling a person in financial difficulty to share information about their communications needs and expenditure with a third party such as a debt management service or charity. We agree with Ofcom that it would be very helpful to be able to advise consumers who may be eligible for social tariffs. We would support this initiative and would welcome further details on how Open Communications can best be used by third party intermediaries to support consumers; especially those who maybe vulnerable. In developing policy in this area, we would urge Ofcom to be mindful of the fact that vulnerability may not be a fixed characteristic over time, but may be experienced a result of certain events, such as health conditions, bereavement or other stressful life events. Policies should be flexible enough to take account of this.