



Response to Ofcom's call for inputs:

Managing the effects of 700 MHz clearance on PMSE and DTT viewers

May 2015

1. Introduction

Freeview is managed by DTV Services Ltd. Its remit is primarily focused on the marketing and communications that support the Freeview television service and its millions of viewers. We work closely with Digital UK, the organisation responsible for the day-to-day management of and long term strategy for the digital terrestrial platform (DTT).

Freeview is the UK's most widely used TV service, watched in almost three quarters of all TV homes. It delivers universal access to high quality content, free at the point of use. The platform also plays a vital role in supporting UK broadcasting more generally - driving significant viewing share to both the public service and commercial broadcasters. Four years after digital switchover (DSO), Freeview remains highly valued by viewers with the service growing and evolving.

Freeview welcomes the opportunity to comment on Ofcom's proposals for managing the effects of 700 MHz clearance on DTT viewers as set out in this call for inputs. The purpose of our responding is to champion the interests of viewers likely to be impacted. We therefore welcome the programme's overarching objectives set out in paragraph 1.2 of the Ofcom document - to safeguard the on-going delivery of the benefits DTT provides and to avoid undue disruption to the platform's viewers. With the UK public spending an average of just under four hours a day watching live television, Freeview is still a crucial part of millions of people's daily lives and disruption to the service is likely to be of significant concern to viewers.

As custodians of free-TV focused on safeguarding the interests of viewers, this response has been prepared by Freeview's management team and does not necessarily represent the individual views of our shareholders. We have limited our comments to the process of informing and supporting DTT viewers about and through the clearance process. It should be noted that whilst the Freeview service has a broad reach, viewers are more likely to be slightly older, on lower incomes and from smaller households. These are important factors to consider in the development of a viewer support scheme.

2. Overview

Freeview is primarily concerned with ensuring that viewers are properly informed about 700MHz clearance and its impact on their TV service and that they are appropriately supported through the event.

Given this focus, we set out below the overarching principles for providing information and support which we believe should be reflected in the viewer support policy adopted by Government:

1) Viewers must receive and be able to access appropriate levels of information

Viewers will require simple, clear and timely communication about the need to re-tune and, where applicable, potentially resolve reception issues arising from the clearance event. Ofcom suggests that on-screen messages together with online information will be adequate. In areas where there are likely to be more complex reception issues, we would strongly recommend that additional measures are put in place such as pre-clearance test signals, local advertising and local outreach via consumer groups.

2) Viewers should receive appropriate levels of support to resolve reception issues due to the clearance programme

Freeview homes will expect to continue receiving their TV service as normal after carrying out the re-tune required for clearance. Therefore, in order to achieve the programme's objectives of continuing to deliver the benefits of DTT and minimising disruption, proportionate levels of support for viewers should be put in place.

The scheme will need to ensure that reception is restored in a timely manner given that the loss of service could be a) sudden and b) extensive (ie. whole muxes or the entire service could be affected). Given viewers gain no direct benefit from clearance, appropriate levels of support should be available.

3) Viewer information and support should be targeted wherever possible

Whilst we acknowledge the difficulties with identifying homes affected by clearance at a household level, communications ahead of the event should be as targeted as possible. Ofcom's document sets out the main areas where households with aerial issues are likely to be located. If possible, targeting should identify 'hot spots' within these areas to avoid communicating to low risk households and to ensure value for money. These households should receive information that is tailored to their situation. We agree with Ofcom's assertion that only homes with reception issues directly attributable to 700 MHz clearance should be eligible for support, and recognise the need for a scheme that can identify these.

4) Disruption to viewers arising from 700MHz clearance should be minimised

As already stated, we welcome the programme's objective to safeguard the on-going delivery of the benefits DTT provides and are therefore supportive of the pre-emptive measures currently being under-taken to reduce the number of viewers affected by the clearance programme (paragraph 2.3). In order to better understand the impact of clearance and how this can be mitigated, we strongly recommend that at least one trial is undertaken. Such an exercise will provide invaluable learnings and insight into the process of clearance, potential measures to further reduce its impact and how the viewer information campaign and support scheme might be implemented.

Below are our answers to specific questions:

Question 2: Do you have any comments on how viewers will find the retuning process and whether there are particular groups of viewers which will require greater consideration/assistance with the process? What help might they need?

We agree with Digital UK's view that with 'appropriate communications and support retuning is a manageable process for most' and Ofcom's conclusion that retuning is unlikely to cause viewers inconvenience provided they receive sufficient information.

However, there will be certain groups of viewers who may require extra assistance with re-tuning:

- As Ofcom sets out, viewers who are less technically confident for whatever reason, may require support with retuning. This could either be from a call centre or family member/friend. In some cases, a visit from a local aerial installer or charity may be necessary.
- Viewers who may need to perform a manual retune due to overlapping signals in their area may find the process too long/complicated and require a higher level of support. Again, support via a call centre or on a website should be sufficient to resolve any issues.

- Viewers living in multiple dwelling units (MDUs) such as blocks of flats, in social housing or in care homes where there are communal aerial systems in place. In these cases, viewers will be reliant on those who manage their buildings, whom we know from DSO to be harder to communicate and engage with.

Questions 5 & 8: Do you have any evidence as to what proportion of viewers may struggle to bear the cost of an aerial replacement (5)/ an aerial repoint or platform change (8)?

For many viewers, an unexpected one-off cost in the region of £100-150 will be difficult to fund. In the current economic climate, many individuals and families simply do not have surplus funds available at short notice.

Furthermore, viewers would be paying out to restore their TV service following an intervention from Government. There is no direct benefit to viewers of 700 MHz clearance and yet they may be expected to indirectly fund a programme of spectrum clearance to deliver mobile services.

Question 9: Are there any other matters the viewer support scheme should cover?

We agree that the viewer support scheme can largely be split into viewer information and viewer support and that policy decisions relating to these are ultimately a matter for Government.

With regard to who funds the scheme, Ofcom suggests that one of the possible options could be to 'in principle' ask the broadcasters to cover its costs. However, like viewers, broadcasters do not derive any benefit from 700 MHz clearance and have a legitimate expectation to be left in the same position they would have been absent clearance taking place. Ofcom and Government committed to carrying out 700 MHz clearance so that spectrum could be auctioned off for mobile broadband use with the proceeds being returned to Government. It is therefore the beneficiaries of the auction who should fund viewer support. Any suggestion that broadcasters could be required to fund any part of the viewer support scheme goes against the principles of the clearance programme and is counter to the previous commitment made in the 2015 Budget, in which £600m¹ of public funding was set aside to cover the cost of clearing the 700MHz spectrum, including the provision of consumer support.

Question 10: Are there any other elements a viewer information campaign would need to include? Do you have any comments on or further evidence to inform the above estimates of the cost of providing information and advice to viewers? Please provide supporting evidence for any adjustments that you think may be relevant.

As already set out in our overview, we think the communications campaign should go beyond on-screen messaging and a website in areas where there are likely to be more complex reception issues. Local advertising, direct mail and outreach (where appropriate) are all channels that should be deployed.

Question 11: Do you have any comments on information which is relevant to our assessment of the potential costs of administering a help scheme?

It is difficult to comment on Ofcom's estimate of the costs involved in administering a help scheme without any indication of Government policy in this area.

Good co-ordination between all parties involved in delivering information and support to viewers will be key to ensuring that disruption is minimised and the scheme is implemented efficiently and cost effectively. We support Ofcom's aims in this area.

¹ This figure was revised to £550m in the Autumn Statement to reflect reductions in the forecasts for infrastructure costs.

Question 13: Do you have any additional information to further inform our cost estimates and assumptions of the effectiveness for the different triage methods? Are there any other triage methods which should be considered? Please provide supporting evidence for any adjustments you think may be relevant to our current estimates?

We agree that only those with reception issues directly attributable to 700 MHz clearance, should be able to access support to resolve these. We also agree that an effective triage process will need to be in place to identify qualifying viewers.

As the marketing communications organisation behind the Freeview brand, we will work closely with Digital UK to ensure that viewers with pre-existing reception issues are able to access advice and support in order to reduce the numbers of households who may have some low-level issues that are not related to 700MHz clearance.

Implementing a multi-layered triage process will be difficult but we suggest that a combination of all three measures suggested by Ofcom will make it possible to differentiate between households.