Section 4

Impact on stakeholders

4.1 The following sections are intended to illustrate the ways in which our work will impact more specifically on different groups of stakeholders.

Citizens and consumers

4.2 Furthering the interests of citizens and consumers is at the heart of Ofcom's work:

- The Consumer Panel – Ofcom has established an independent Consumer Panel to advise on the consumer interest in the markets it regulates. The Panel has advised that it will be examining how the consumer interest is reflected in Ofcom's policy making over the coming year. See figure 4.1 for the Consumer Panel's plans for 2005/06.

- Consumer information – the Telecoms Strategic Review highlighted that for competition to be effective in delivering benefits to consumers, it is essential that consumers have access to clear and reliable information. Ofcom has proposed a number of options for improving consumers' awareness of alternative suppliers and their means of choosing between them. We will work to ensure the relevant options are implemented following consultation.

- Media literacy – in an increasingly converged communications world, people face greater media choice. Media literacy will provide some of the tools they need to make full use of the opportunities offered, to manage their expectations and to protect themselves and their families from the risks involved. We will work with stakeholders to help focus on the present and future media literacy needs of all members of society and provide leadership and leverage.

- Consumer protection – Ofcom will seek to ensure that consumers:
  - o are adequately protected against a range of potential nuisances such as mis-selling;
  - o are aware of their rights; and
  - o have access to certain services that communications providers should supply.

- Universal Service – Ofcom's work on universal service regulation ensures a basic safety net of services that are available to all at affordable prices. Ofcom will consider how changes in technology and consumer demand may change the scope of universal services in future.

- Complaint handling – Ofcom aims to:
  - o continue to exert influence to ensure communications providers recognise it is in their best interests to resolve complaints directly and first time;
  - o work with appropriate independent third parties with a role in resolving disputes; and
  - o provide a high quality of service in dealing with complaints from a broad range of viewers and listeners, as well as consumers of telecoms and wireless services.

- Research – through Ofcom's research programme we will constantly seek the views of consumers and use this to inform our policy decisions.

- Developing Ofcom's approach to the citizen interest – to examine how the consumer interest is reflected in Ofcom's work, we will:
  o seek to understand better and define the citizen interest;
  o identify how Ofcom approaches the citizen interest in practice; and
  o develop a framework for addressing the citizen interest for adoption in Ofcom's work.

- Diversity – future recruitment to Advisory Committees and similar bodies will seek to ensure that the composition of such bodies reflects Ofcom's policy on diversity.

Figure 4.1 The Consumer Panel

The Consumer Panel is independent of Ofcom and provides advice on the interests of consumers in the markets Ofcom regulates.

In the year ahead, the Panel will continue to adopt a strategic approach to its work, concentrating on those areas which emerge as the strongest concerns for consumers from the Panel's own research. One of the most significant of these will be ensuring that the full benefits of the evolving communications market are fully accessible to all in society.

This will build on the work undertaken by the Panel on digital TV switchover, which crystallised the Panel's view that the people who most need assistance to benefit from new technologies are those at risk of social isolation, particularly older people.

The Panel will also be critically examining how the consumer interest is reflected in Ofcom's decision-making (through a Consumer Audit), and undertaking further research into consumer concerns.

Nations and Regions of the UK

4.3 As well as the work on universal service highlighted above and further licensing of local and community radio stations, Ofcom's review of public service broadcasting will have clear implications for citizens and consumers in different parts of the UK. Subject to the conclusions of our public service broadcasting review we will be:
- managing the transition towards new requirements governing national and regional programming; and
- planning longer-term proposals for local TV and new media services.

4.4 In order to ensure Ofcom has a good understanding of the different issues that affect citizens and consumers in different parts of the UK, Ofcom intends this year to carry out an assessment of communications provision in the Nations and Regions to analyse:
- the current state of the communications marketplace by nation and by region;
- how to ensure our regulatory strategy addresses the UK overall; and
- how this is tailored to each nation and region.

4.5   This initiative will be accompanied by a series of seminars and workshops around the UK to assess relevant issues and priorities.

Older and disabled people

4.6   Ofcom's universal service work also impacts on older and disabled consumers. For example, we intend to undertake a feasibility study of a video-relay service which would provide an alternative to the current text-relay service for deaf and hard of hearing consumers.

4.7   Ofcom must also encourage the development of electronic communications equipment and services that are easy for consumers to use and is already engaged on a wide range of activities including an audio standard that will make watching television easier for people with hearing impairments. Working with partners in the private and public sectors, in 2005/6 Ofcom will identify future priorities for action in consultation with the Consumer Panel and the Advisory Committee on Older and Disabled People.

4.8   Ofcom's further work on electronic programme guides will ensure statutory obligations on accessibility features are effectively implemented.

4.9   Ofcom needs to understand the different needs and demand characteristics of citizens and consumers of different ages, including older people. Our market research work will allow us to analyse the effect of demographics on usage of communications services.

4.10   In our work on driving digital TV switchover we will seek to understand the impact switchover may have on older and disabled people and to ensure that concerns are effectively addressed. This will complement the work done recently by the Consumer Panel to understand the impact on the most vulnerable consumers in society.

Spectrum users

4.11   Ofcom's work to liberalise spectrum and allow trading will allow spectrum users greater flexibility in the way they use spectrum and access to the spectrum they need at a market price.

4.12   We also aim to remove unnecessary red tape for the large number of businesses of all sizes and individual citizens and consumers who use the spectrum. For example, Ofcom will be seeking to improve its licensing and interference monitoring processes by:
 • simplifying products and systems;
 • deregulating and removing the need for licences where we can;
 • refocusing our inspection and enforcement activity to make the best use of resources; and
 • putting services online.

4.13   Ofcom has established the Ofcom Spectrum Advisory Board which provides independent strategic advice to help Ofcom carry out its remit of securing optimal use of spectrum, taking account of the different needs and interests of all users.

The companies we regulate

4.14 Our strategic framework is intended to ensure that our actions are consistent, transparent and evidence-based and that we avoid imposing unnecessary regulatory burdens and red tape. Some of the areas of work that will help achieve this include:

- Strategic planning – resulting in a business plan which clearly sets out Ofcom's key strategic operating priorities for the years ahead.

- Regulatory approach – including assessing developments in regulatory thinking and practice in UK and around the world. This will help ensure that Ofcom remains at the forefront of regulatory thinking.

- De-regulation – looking at how Ofcom can identify and realise opportunities to withdraw from regulation and assessing whether Ofcom is adding to or reducing the burden of regulation.

- Engaging with stakeholders – examining ways of reducing the costs of consultation and improving access to Ofcom people and information.

- Technology and market research – ensuring Ofcom understands the direction of emerging technologies and consumer trends, as well as operational work, for example, to verify if equipment meets legal requirements regarding spectrum interference.

- Commercial awareness – ensuring we understand the impact of our policies on financial markets and the businesses of our different stakeholders.

4.15 The impact of any unnecessary regulation and red tape will be felt disproportionately by smaller companies and Ofcom's work, for example on reducing regulation, will seek to recognise and address this.

Companies as communications users

Large businesses

4.16 Large business users will benefit from the implementation of the telecoms review (and other areas of work designed to ensure markets are opened) via:
- increased competition and innovation where this is possible; and
- by regulation of dominant players where competition needs to develop further.

Small businesses

4.17 Small business users will benefit from:

- Protection from abuse by dominant players, which can be particularly important for smaller businesses as, acting individually, they have little buyer power over incumbent suppliers.

- Provision of information – the key element is to encourage communications providers to supply timely, relevant, accessible and accurate information to their customers to enable them to make informed decisions. Ofcom's work, for example, on developing price transparency measures, will help small businesses make informed decisions about the services they purchase.