Communications Consumer Panel and ACOD’s response to the Phone-paid Services Authority’s discussion document on reviewing its Code of Practice

The Communications Consumer Panel, established by the Communications Act 2003, is a group of independent experts with direct sectoral experience. We ensure the citizen and consumer voice is represented in communications policy development.

The Panel’s job is to ensure that the sector works for consumers, citizens and micro businesses - and in particular people who may be in a more vulnerable position in society. We carry out research, provide advice and encourage Ofcom, governments, the EU, industry and others to look at issues through the eyes of consumers, citizens and micro businesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of micro businesses, which have many of the same problems as individual consumers.

Four members of the Panel also represent the interests of consumers in England, Northern Ireland, Scotland and Wales respectively. They liaise with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel’s consideration of issues. Following the alignment of ACOD (the Advisory Committee for Older and Disabled people) with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Response

We welcome the opportunity to respond to the PSA’s discussion document. The ever-increasing pace of the telecoms market, the convergence of services and the now essential nature of telecoms to the everyday lives of consumers, make the work of the PSA increasingly important. As the discussion document highlights, there has been a significant growth in mobile-based services which now dominate the communications market.

We believe that in such a complex and fragmented market, the role of regulators is key in ensuring providers help consumers to understand what they are paying, to which organisations, and how to seek redress when things go wrong. The regulator should set clear standards for providers to comply with - before making purchases, during a sale and afterwards - putting the onus on providers to be accountable and to operate under a culture of fairness. It is with all of this in mind that we welcome the PSA’s Code review and have provided additional points for consideration below.
The Panel considers that it would be a useful protection for consumers to be able to rely on a consumer charter across the telecoms sector. We see the setting of standards at all stages of the consumer journey as important in empowering consumers and building trust in this sector - and ultimately, providing consumers with an easy and efficient experience of using telecoms services. We look forward to working further with the PSA and its Consumer Panel to discuss areas of mutual interest, such as this.

We believe that all consumers using telecoms services should be able to count on fairness and protection by their provider and regulators. However, we would suggest that a clear segment of the communications sector that requires the protection of the PSA is ‘smartphone-only’ consumers. Ofcom’s 2016 qualitative research, ‘Smartphone by Default’ highlighted challenges faced by consumers who access the internet using a smartphone only, by choice or by circumstance, including consumers in ‘vulnerable’ circumstances. It found that the limited amount of information shown on a single page made it difficult for consumers to find further details to support their understanding, particularly using a small screen. Instead, they contacted the provider whose app they had downloaded. Another finding was that consumers’ concerns about data use meant that they rushed some tasks. Their concerns about using too much data were sometimes misplaced, suggesting that they found it hard to accurately estimate how much data certain activities used, in comparison to the amount of data they were paying for.

“The information’s just too difficult to find. I’ve scrolled through too much rubbish and it’s using too much of my data. I’d just call them.” Gary, 44, smartphone by circumstance, Belfast, Microsoft Lumia 640

In circumstances where consumers struggle to understand the pricing of their tariff, they may not feel empowered to challenge additional costs from premium rate services, as an extract from the research highlights:

“Simon (44, Cardiff) had received additional charges on his account for the past nine months, which regularly caused his bill to creep close to £100 a month (his budget was £40). He wasn’t sure what the cause of these charges was, repeatedly scanning through his monthly bill to try and find out. He has since stopped doing this and continues to pay the extra charges without understanding why.”

Consumer education is vital in preventing consumers who can ill afford it from paying additional costs, or costs they do not understand. We welcome the role of the PSA’s Consumer Panel in advising on this.

An additional area of concern to us is consumers’ lack of awareness of the implications of using ICSS services. Transparency is key, but we would urge the PSA to work with Ofcom and find it within their regulatory powers to prohibit the use of 09 numbers for ICSS services. This is a matter of fairness to all consumers. As the PSA (as PhonePayPlus) previously set out in its 2013 report on ICSS services ‘No-one starts out with the intention of looking for a directory service on the internet - they are looking for the direct end
organisation telephone number”. To prevent consumer harm, transparency is key - as is tighter regulation and enforcement action. We welcome the PSA’s attention to verification and stronger enforcement against these services. However, we would urge the PSA to work with Ofcom and find it within their regulatory powers to prohibit the use of premium rate numbers for ICSS services. This is a matter of fairness to all communications consumers.

Our final point for consideration at this stage, is that all information designed for use by consumers - including the PSA website’s guides must be accessible and usable by all. We recommend the use of alternative formats that allow everyone to understand the information at the same time - subtitles on video content, Easy Read documents, colour and contrast options that cover a range of needs and documents that make sense when read aloud by screen reading software.

We look forward to contributing to the PSA’s consultation later this year.