

Consultation response form

Your response

Question	Your response
<p>Question 1: Do you have any comments on Ofcom's proposed Plan of Work 2023/24?</p>	<p><i>Is this response confidential? – N</i></p> <p>About Us</p> <p>Consumer Scotland is the statutory body for consumers in Scotland. Established on 1 April 2022 under the Consumer (Scotland) Act 2020, Consumer Scotland is independent from the Scottish Government and accountable to the Scottish Parliament.</p> <p>Consumer Scotland uses data, research and analysis to inform its work on the key issues facing consumers in Scotland, working constructively with businesses; consumer, regulatory and enforcement bodies; the public sector; and government at Scottish, UK and local level to ensure that consumer rights and interests are at the heart of markets, services and policy development.</p> <p>We will seek to identify the unique contribution that we can make, as Scotland's statutory and independent voice for consumers, in any given market or service and develop a clear understanding of how we can most effectively add value to the work of others. Consumer Scotland staff meet regularly with colleagues within Ofcom and we have been grateful for this engagement. We look forward to continued collaboration on a range of issues for the benefit of consumers in Scotland.</p> <p>General</p> <p>We welcome this opportunity to respond to Ofcom's proposed plan of work for 2023/24.</p> <p>Consumer Scotland broadly supports the focus and major themes proposed for the 2023/24 workplan and welcome the emphasis on affordability, protection of vulnerable</p>

consumers and system migration from legacy services in particular.

In the wake of the COVID-19 pandemic consumers continue to experience cost of living pressures, with levels of inflation reaching their highest levels in forty years, together with rapidly rising energy prices and increasing mortgage interest rates.ⁱ These pressures are being experienced at the same time as real income levels for households are predicted to fall. These factors continue to affect both households and small businesses, however the effects are not felt evenly by all consumers, with low-income households experiencing inflationary pressures more severely than other households.ⁱⁱ

Alongside the cost-of-living crisis, and the particularly significant impact that it has for consumers in vulnerable circumstances, the question of how consumers in Scotland can be supported, protected and empowered in their adaptation to climate change has continued to become ever more pressing. Climate change and an increasing number of severe weather incidents have highlighted the need for a robust communications infrastructure across the UK, in particular in our island and rural communities.

At the same time, our economy continues to adapt and develop, with new markets, business models and technological developments which our regulatory regimes must keep pace with. All of this highlights the need for a fair and sustainable economy in which all consumers can participate.

Ofcom will play a vital role in ensuring that every consumer has access to affordable and reliable broadband and telecommunications services and that they can access these services safely. We believe these issues are rightly prioritised in the workplan.

We welcome Ofcom's recognition of the impact that distinguishing factors such as geography and demographics have on markets and consumers in Scotland specifically. We value the tailored approach taken to these issues on

a national basis, through the publication of the Connected Nations updates.

The pandemic highlighted how crucial access to communications services - including both postal and telecoms services - can be. We would welcome a consistent, consumer-centred approach across all markets that Ofcom regulates, including a full extension of its consumer first approach to postal services.

Reliable Internet and Telecoms Services

Affordability and Vulnerability

The current cost of living pressures demonstrates a continued need for regulators to focus on the affordability of services to ensure that consumers across all of Scotland are able to access reliable telecoms and mobile services at a price they can afford. We consider that if these services become unaffordable, there is a risk that consumers will self-disconnect, leading them to experience difficulties in accessing other services which rely on digital connectivity to access them and increasing the risk of digital exclusion.

In this light, we welcome Ofcom's continued attention to the affordability of broadband and other communications services. We note that take-up of broadband social tariffs increased in 2022 but remains low, with just 3.2% of UK households receiving Universal Credit on a social tariff in August last year.ⁱⁱⁱ Consumer Scotland would be happy to engage with Ofcom and providers, to consider how best to raise awareness of social tariffs and how they can be targeted towards eligible consumers.

We would also emphasise the importance of Ofcom's monitoring role in ensuring that internet and telecoms providers proactively identify consumers in vulnerable circumstances and treat them fairly. The Vulnerability Registration Service's Vulnerable Customer Exclusion Report 2022 notes that 91% of vulnerable customers were not asked if they were vulnerable by their phone/broadband providers. It also highlighted that where

providers did know about a consumer's vulnerability, only 17% felt that they were provided with help and support.^{iv}

Connectivity and Resilience

In relation to connectivity, there are specific challenges faced by consumers in Scotland when infrastructure becomes unusable or damaged by adverse weather conditions, including flooding. Rural and island communities can be particularly vulnerable. For example, for six days in December 2022, iced and broken overhead power lines left consumers across Shetland without internet. Other outages have also been caused by damage to undersea cabling to island communities and by issues with mobile mast infrastructure.

In this regard, Consumer Scotland looks forward to the outcome of Ofcom's strategic assessment of the resilience of digital infrastructure. We welcome Ofcom's commitment to working with industry to identify and close gaps in standards and best practice, issue guidance in relation to network resilience and continue the programme of pro-active monitoring of resilient design in current network deployments.

We would also welcome extending the current reporting and monitoring system to cover climate related resilience issues, as well as security threats, as this could help identify potential harm and raise awareness of the impacts of outages, especially on rural and island communities who may have fewer alternative options when communication services fail.

Consumers across Scotland continue to have more limited access to 4G than those in any of the other nations, with individual operator coverage across Scotland's landmass ranging from 57% to 75%.^v In comparison, landmass coverage in England ranges from 92% to 94%; in Northern Ireland from 88% to 92%; in Wales from 73% to 85% and across the UK as a whole from 80% to 87%.

2G and 3G services remain in use in some areas of Scotland and we would highlight the need for providers to take appropriate action to raise awareness amongst consumers during processes such as the switch off of Public Switched Telephone Network (PSTN) or the 2G/3G network.

While we are aware that Ofcom does not lead on the migration to voice-over-IP (VoIP) services, we welcome Ofcom's ongoing work to minimise potential disruption and consumer harm. Consumer Scotland's 2023/24 Draft Work Programme sets out a draft workstream which would conduct analysis of available data to examine which consumers in Scotland are most at risk of experiencing harm during and after the transition from the existing PSTN to digital (Voice over Internet Protocol or VoIP) calls.

Research by Ofcom's Communications Consumer Panel in 2021 showed that the switchover to digital services is likely to disproportionately affect older people and those who self-identify as disabled due to the higher usage of traditional landline services among these consumer groups.^{vi}

Consumers who rely on or 2G or 3G mobile connections or those who live in rural areas and who may experience more frequent or longer power outages may also be more at risk of experiencing harm or inconvenience.

We believe that Ofcom has an important role to play in working with providers to ensure that they raise awareness of the migration to VoIP and the 2G/3G switch off. We welcome Ofcom's commitment to work with providers to identify and address the issues consumers may experience, with the aim of protecting consumers from harm and minimising disruption. We will work with Ofcom and others to identify where further action may be needed to keep consumers safe.

Online safety

The internet can provide many benefits, however a third of people feel the risks of being

online – either to them or their children – have started to outweigh the benefits. Four in five adult internet users have concerns about going online, and most people support tighter rules.^{vii} We note that Ofcom is the regulator for Video Sharing Platforms established in the UK, and it will be given additional responsibilities as the UK's online safety regulatory through the Online Safety Bill. We welcome the extensive programme of work Ofcom proposes in advance of assuming these new regulatory responsibilities.

The proportion of time spent online continues to rise, and the proportion of purchases made online has also risen from 9.3% in 2012 to 26.5% in 2022. It is important that consumers should be able to safely choose and goods and services online, without being misled, falling subject to scams or otherwise exploited. We welcome Ofcom's continuation of the *Making Sense of Media* programme, aimed at helping to improve the online skills, knowledge and understanding of UK adults and children.

We also welcome Ofcom's proposed work to make the online environment safer for consumers through consulting on its future regulatory approach and the implementation of codes of practice on illegal harms.

We support Ofcom's proposed work in advance of becoming the online safety regulator, into matters such as age assurance, technological developments, algorithmic audit and proactive technologies.

We are pleased to see a commitment to continued engagement with stakeholders in Scotland including the Scottish Government and Police Scotland which will ensure the smooth implementation of the proposed online safety regime in Scotland.

Postal services

We welcome Ofcom's proposed projects on postal services, but we would like to encourage Ofcom to identify any potential opportunities for extending its proposed programme of work in this market in 2023-24, particularly around

supporting consumers in vulnerable circumstances.

Consumers in vulnerable circumstances

While most consumers in Scotland are well served by the Universal Service Obligation, we are concerned that those with no fixed abode can find it very difficult to access postal services as they may not have a point to deliver to or may be moving location at short notice. We ask that Ofcom consider undertaking work to bring stakeholders together to identify and consider a range of options to improve access to postal services for these consumers.

Consumer Scotland is proposing, in our own Draft Work Programme for 2023-24, to undertake new research on this issue and we look forward to engaging with Ofcom on this subject.

Review of the 2nd class safeguard cap

We welcome Ofcom reviewing the scope and level of the safeguard caps to apply from April 2024. However, we would encourage Ofcom to take this opportunity to undertake a full review of the affordability of all postal services, which has not taken place since 2013. The cost-of-living crisis has had a significant impact on affordability for consumers across all markets, with consumers less likely to be able to absorb further price increases. If postal services became unaffordable for those in most need, this could risk undermining a key principle of the USO.

We believe there would be merit in Ofcom taking a comprehensive approach to defining affordability in postal services, drawing on its experience of considering this issue in other communications markets, in order to determine the appropriate safeguards for consumers.

As noted in Ofcom's Annual Monitoring Update, 'there has been a declining satisfaction level in the cost of postage over time,' with only 57% saying first class was good value for money. This would suggest that Ofcom could widen its scope and ensure that consumers

who are financially vulnerable are not excluded from accessing vital communication services.

Quality of service in the parcel market

We welcome Ofcom's new guidance for parcel operators on their complaints process. Public transparency can play an important role in helping to ensure that this guidance leads to improved outcomes for consumers. We would ask that Ofcom considers committing to publishing the number of complaints of each major parcel operator as part of their monitoring. We believe this would support greater transparency on quality of service in the parcel market, help consumers to make more informed decisions, and create a further incentive for parcel operators to improve their services to consumers.

Monitoring the viability of the Universal Postal Service in the long term

We value Ofcom's monitoring and its work on ensuring the Universal Service Obligation is financially viable in the long term.

Going forward, we would ask that Ofcom considers the climate change impacts from delivery of postal services and expands upon its review of parcel operator investments in its Annual Monitoring Update. We would welcome further information on whether Ofcom intends to research and evaluate the impacts of the use of planes and other modes of transport that heavily emit carbon in postal markets.

Consumer Scotland intend to gather research and encourage discussions in this space, and we would be keen to work with Ofcom to help develop thinking around how the phasing out of high emission transportation might be achieved, with due consideration to the impact on USO requirements.

The need for postal services

Postal services are often the communication of last resort. They are particularly important for those consumers with no or limited access to digital technology. For many consumers they remain a vital way to access other key services, such as exercising democratic rights through postal voting or accessing essential social security services, finance information or

healthcare services. We would ask that any future changes to the Universal Service Obligation be examined in a cross-sector context and with a user centric view on evidencing how consumers experience services across all communication methods, and which need to be protected.

It is crucial that Ofcom has a full understanding of how other sectors communicate with and from consumers. We would ask that Ofcom continues to research and monitor users' needs to develop a full understanding of the importance of postal services in accessing essential services. We would welcome the opportunity to work with stakeholders, including Ofcom, from across different regulated sectors to support joined up thinking on how companies send and receive information, particularly to protect those who are digital excluded.

ⁱ [What is the UK inflation rate and why is the cost of living rising? - BBC News](#)

ⁱⁱ [The long squeeze: rising inflation and the current government support package | Institute for Fiscal Studies \(ifs.org.uk\)](#)

ⁱⁱⁱ [Affordability of communications services: September 2022 update](#)

^{iv} [VRS-Vulnerable-Customer-Exclusion.pdf \(vulnerabilityregistrationservice.co.uk\)](#)

^v [Connected Nations 2022: Scotland \(ofcom.org.uk\)](#)

^{vi} [ccp-acod-migration-to-voip---listening-to-the-needs-of-landline-consumers.pdf \(communicationsconsumer-panel.org.uk\)](#)

^{vii} <https://www.ofcom.org.uk/about-ofcom/latest/features-and-news/ofcom-to-regulate-harmful-content-online>