

# ISPA response to DCMS Consultation on a reforming consumer advocacy in telecoms

## 1. About ISPA

ISPA is the trade association for providers of internet services in the UK. We have over 200 members, 90% of which are SMEs. Our members cover the whole spectrum of access provision using FTTP, FTTC, wireless, satellite and hybrid solutions at a wholesale and retail level, and all play a critical role in delivering broadband and internet services across the UK to consumers and businesses.

## 2. Introduction

ISPA welcomes the opportunity to respond to DCMS's proposed options for reforming consumer advocacy in the telecoms sector. ISPA's members have been engaged on this issue for some time, responding to the BEIS Modernising Consumer Markets Green Paper Consultation<sup>1</sup> in 2018. Throughout, ISPA has been in favour of maintaining a separate body overseeing consumer advocacy in telecoms, and we therefore support option 2 of the proposed reforms in this consultation. Enhancing the role and work of the Ofcom Consumer Communications Panel (CCP) is seen by the industry as the only viable option presented by DCMS. This is the option that will be able to deliver better outcomes for consumers whilst avoiding duplication and taking into account the considerable work already being undertaken by both industry and Ofcom.

ISPA would like to highlight the following key issues in this response:

- The danger of conflicts arising between duplicated functions and introduction of overly burdensome requirements, when refining existing measures would be more effective for both consumers and industry;
- The existing regulatory and voluntary environment, recent changes and ongoing efforts to improve consumer experience within the sector;
- The need for review of the landscape and ensure interventions continue to be necessary
- The importance of evidence-based policy making and the need for proper and ongoing engagement with industry to input into any appointed 'advocate';
- The cost implications of designating a consumer advocate in telecoms; and
- The speed at which intervention can be delivered.

## 3. Work of Industry and Ofcom

The role Ofcom already performs in the telecoms market must be appreciated fully when considering the need for and role of a consumer advocate in the sector. Ofcom already has a statutory duty to further the interests of citizens and consumers and has increasingly adopted a more consumer-friendly approach since the original Consumer Markets Green Paper in 2018. Their Fairness for Consumers programme of work is testament to this, along with the regulatory changes made in the 2017 update to the General Conditions which came into force in October 2018 and

---

<sup>1</sup> [ISPA response to BEIS Modernising Consumer Markets Green Paper Consultation](#), 2018

impact the treatment of vulnerable customers and bring in changes to the rules governing complaint handling.

Many of the changes being implemented by Ofcom are done in conjunction with industry, with many consumer focussed providers signing up to voluntary codes of practise and most recently, action around broadband pricing to combat the perceived 'loyalty penalty'.

#### **4.1 Timeline and review**

The proposed decision to appoint Citizens' Advice as a consumer advocate in this sector fundamentally ignores the continuing efforts, and significant progress that has been made in this field over the last year in particular.

These initiatives should be allowed to bed in and further assessment of the need for a consumer advocate in telecoms should be undertaken when sufficient time has elapsed for the intended changes to have made an impact. ISPA would urge Government to undertake this review by 2021 to ensure that all interventions are strictly necessary and will result in positive outcomes for consumers.

#### **4.2 Research**

On the other aspects of the remit for a consumer advocate, Ofcom already does a lot of research in the sector, in general and around consumer issues. This is of high quality given their existing information gathering powers and is therefore more likely to be accurate than any external research a body such as Citizens' Advice could produce.

Ofcom have also taken many steps to make this research increasingly accessible with more interactive information and simple portals for consumers to understand. Ofcom have also increased the regularity of output of this data, seen in the interim connected nations reports. The increase in data output from Ofcom has been a useful step to educate customers, whilst the administrative burden placed on providers to compile and submit this data should be considered. This further indicates the futility of designating a consumer advocate to conduct research which would not only duplicate, and possibly conflict with, a lot of Ofcom's research, but do so without the same level of information access which can only be ascribed to the regulator.

### **4. Industry preferred option – expansion of CCP**

The industry's preferred option is Option 2 – to expand the remit of the CCP. This is centred on the need to avoid duplication and conflict as, in addition to this overarching customer focus within Ofcom, the role of a consumer advocate is already largely fulfilled through the Communications Consumer Panel (CCP).

This panel currently advises Ofcom on consumer issues which informs their subsequent policymaking in the area. ISPA feels that Government and Ofcom should look to utilise this existing tool and ensure the panel is working to its full potential. This would avoid unnecessary duplication, and confusion for consumers who would have to digest information from a range of sources.

The role and influence of the CCP should not be underestimated, and the oversight from the Secretary of State rather than purely Ofcom, allows the CCP to provide independent advice and influence the regulator on its approach towards and strategy for consumer policy. Clearly, given the increased focus on consumer issues in recent years as discussed above, this model has been working effectively. Industry would welcome additional funding for the panel to expand their activities in line with the remit set out in this consultation for a consumer advocate.

#### **4.1 Industry Forum**

ISPA would also argue that in expanding the CCP, further mechanisms for industry engagement should be included to allow deeper relationships between industry and the Panel to grow and provide insights. By involving industry in a formal capacity, though an Industry Forum for instance, industry and the Panel would be able to better share best practise and bring about change in a more targeted, effective and timely way.

### **5. Concerns around Option 1**

#### **5.1 Duplication and funding**

There is a clear danger of duplicating and complicating roles between the CCP and Ofcom and another telecoms advocate such as Citizens' Advice or a further body as set out in option 3. It is particularly unclear how the bodies would interact should Citizens' Advice be appointed, and further clarity on how DCMS expects this framework to function is needed.

The many ways in which the required functions of a consumer advocate are already or could be delivered by existing bodies are detailed above, but the financial burden of this project should also be considered. ISPA would urge DCMS to complete a full impact assessment for the proposed options to inform their decision.

The industry already funds the CCP through Ofcom, an additional cost to providers for a separate telecoms consumer advocate would naturally divert resources away from the rollout of next generation infrastructure. Not only does this huge infrastructure project stand to benefit consumers but is also a clear Government priority.

Industry input as noted in the suggestions above around expanding the remit of the CCP, the involvement of industry at an early stage feeding into developments is vital. Any new consumer advocate must have a clear and formal mechanism for industry to provide input into the policymaking process with necessary ongoing consultative avenues.

#### **5.2 Timeline**

As the Government notes in this consultation, the proposed option will take a considerable amount of time to implement due to the need for primary legislation. The industry feels that if the Government want to address consumer issues in the sector, with more impact that can build on the existing work, Option 2 is the easiest and most efficient mechanism. As mentioned above, there are

many industry and Ofcom-led initiatives that are ongoing and will need time to take effect, and ISPA would argue that a total review of this policy is needed to take account of this.

## 6. Conclusion

The industry feels strongly that the case for the appointment of an independent consumer advocate in Citizens' advice is fundamentally undermined by the prospect of duplication, confusion for consumers, the financial burden on providers and the risk of inaccurate data used for consumer research. Furthermore, DCMS have failed to take account of the progress and continued efforts of the industry and Ofcom around consumer issues. Should the Government take forward their proposed option, the publication of an impact assessment is necessary, and a full review of the policy and need for intervention should be taken in the next 12-24 months.

ISPA's preferred option (option 2: expansion of the CCP) is the only viable way of changing the consumer landscape in telecoms in a targeted and appropriate way, without duplicating and undermining work done elsewhere. Should this option be taken forward, ISPA would urge Government to ensure that industry is appropriately involved and consulted in a formal and ongoing way. An industry forum is necessary, not only in an expanded CCP, but in every option put forward in this consultation to allow for best practise to be shared.

The industry continues to work together, and in conjunction with Ofcom and the CCP to bring forward better outcomes for consumers. Any plans to augment this must take full account of the existing work and the progress being made.