



Ofcom consultation: Proposed Annual Plan 2019/20

Date: 8 February 2019

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Our (PID) reference number: PD20010 3014

1. Introduction

1.1 The Consumer Council has a statutory remit to promote and safeguard the interests of consumers and have specific functions in relation to energy, water, transport, food and postal services. Therefore, we are pleased to comment on Ofcom’s Draft Annual Plan as the statutory representative for Northern Ireland consumers.

1.2 The Consumer Council uses eight consumer principles to understand how particular issues, policies and regulatory proposals are likely to affect consumers. We would encourage Ofcom to use these as part of its regulatory approach to ensure consumer needs are being met in Northern Ireland.



2. Ofcom's Proposed Annual Plan 2019/20

- 2.1 The Consumer Council welcomes Ofcom's commitment to deliver for consumers across all nations in the UK. It is important Ofcom continues to engage with The Consumer Council on postal services and telecoms so it has a clearer understanding of the issues facing Northern Ireland consumers in these markets. The Consumer Council is keen to work with Ofcom on these matters so that consumers benefit from Ofcom's regulation and are protected from detriment.
- 2.2 The Consumer Council has provided specific comments below for Postal Services and Telecoms

3. Postal Services

Promoting competition and ensuring that markets work effectively for consumers

- 3.1 The Consumer Council welcomes Ofcom's commitment to the continued monitoring of the postal market and Royal Mail. Monitoring Royal Mail's performance is fundamental to the sustainability of the universal postal service so it is important Ofcom monitors Royal Mail's performance and the quality of service consumers receive.
- 3.2 The Consumer Council notes Ofcom will complete its review on Royal Mail's financial reporting and cost modelling of its network. It is important Ofcom continues its work in this area to understand this to ensure greater transparency of costs for consumers.

Common challenges

- 3.4 The Consumer Council identified consumer detriment in the parcel market a number of years ago that is affecting consumers in Northern Ireland. They have long experienced parcel surcharging when ordering goods online. It is encouraging that Ofcom will continue to monitor and talk to the relevant organisations about how best to resolve the matter. It is time for a long term solution and The Consumer Council looks forward to working with Ofcom, and other bodies, in pursuit of this objective.

4. Telecoms

Move towards universal availability of high quality and secure communications networks

- 4.1 Northern Ireland has the highest proportion of premises unable to access decent broadband connections¹ across the UK. 5% of premises are affected in Northern Ireland, compared to just 2% in the UK. This is more common in rural areas, with 17% affected in Northern Ireland compared to 12% in the UK.
- 4.2 Therefore, The Consumer Council welcomes Ofcom's work to ensure universality of broadband services by designating broadband universal service providers (USPs) and setting the conditions that will apply to them. We note that Ofcom's final decision on designated providers and the rules for USPs is expected by summer 2019, and that consumers may be able request connections from the end of

¹ Defined by Ofcom as a download speed of 10Mbit/s and an upload speed of 1Mbit/s

2019. Broadband is now an essential service, and Northern Ireland consumers deserve to receive decent broadband speeds. Therefore it is important that this timescale is adhered to, as far as possible.

Protecting consumer from harmful pricing practices

4.3 The Consumer Council welcomes the following specific work programmes proposed by Ofcom to protect consumers from harmful pricing practices:

- Consultation on improving pricing for bundled mobile airtime and handset contracts – to ensure fairer and more transparent prices; and
- The ongoing work to consider differential pricing practices – specifically the fairness of pricing practices which result in consumers paying more for communications services due to their contract status and length of tenure.

4.4 The Consumer Council notes Ofcom’s review of price differentials and consumer vulnerability in the fixed broadband market and looks forward to the outcome of this review in due course.

4.5 The Consumer Council also notes the ongoing work programme of Ofcom to strengthen the Communication Consumer Panel to advocate on behalf of consumers with a stronger voice and to monitor the effectiveness of schemes which Ofcom approves and oversees (including price accreditation and ADR schemes).

4.6 The Consumer Council strongly believes that there is a need for a statutory consumer advocate and complaints body in Northern Ireland for telecoms, which understands the nuanced technological and political challenges facing Northern Ireland consumers. This body would need to be independent, but work in partnership alongside Ofcom, to provide consumer advocacy, education and redress. This reflects the Consumer Council's current role in Northern Ireland in relation to postal services.

4.7 The Consumer Council already fulfils a similar statutory role in relation to advocacy, education and redress in the areas of energy, water, transport, post and general consumer policy in Northern Ireland. Therefore, it would be logical to consumers in Northern Ireland if The Consumer Council was to fulfil a similar role in Northern Ireland in relation to telecoms.

5. Engage during changes to European Legislation

5.1 The Consumer Council notes the ongoing work by Ofcom to work with the UK Government to transpose European legislation into national law and advise the UK Government on the strategic implications of the changing nature of the relationship with the EU.

5.2 The Consumer Council would like to see a dedicated work programme by Ofcom specifically on the unique challenges facing Northern Ireland consumers arising from Brexit, given that it will be the only jurisdiction within the UK with a land border with a European country.

6. Contact details

6.1 If you wish to discuss any aspect of this response please contact:

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