

**Thursday 22 January 2009**

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To whom it may concern

### ***Background to our organisation***

Consumer Focus is the new statutory organisation campaigning for a fair deal for consumers in England, Wales, Scotland, and, for postal services, Northern Ireland. We will be the voice of the consumer, and work to secure a fair deal on their behalf. We were created through the merger of three consumer organisations – Energywatch, Postwatch and the National Consumer Council (including the Welsh and Scottish Consumer Councils). The new approach allows for more joined-up consumer advocacy, with a single organisation speaking with a powerful voice and able to more readily bring cross-sector expertise to issues of concern.

### **Please find below the response from Consumer Focus on *Delivering digital inclusion: An action plan for consultation*.**

Consumer Focus welcomes the opportunity to comment on *Delivering digital inclusion: An action plan for consultation*. We welcome the fact that the focus of this action plan is towards the benefits of digital technologies for all citizens. However, we are disappointed that financial disadvantage is not mentioned as the main barrier for individuals and communities accessing and using digital technologies. One of the major barriers to widening consumer uptake of broadband services is cost. The *Caio* review<sup>1</sup> rightly points out that where Broadband demand is greater in a given area, the installation costs are likely to be lower, thus for neighbourhoods with a greater concentration of disadvantaged and lower income communities, the costs are likely to be higher thus acting as a major disincentive to being connected to Broadband by households already limited by their income levels. There are families living on low incomes that will never, as things stand, be able to afford to get broadband or internet services in their homes.

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<sup>1</sup> Caio, Francesco. (September 2008) Review of Barriers to Investment in Next Generation Access: Final Report. [www.berr.gov.uk/files/file47788.pdf](http://www.berr.gov.uk/files/file47788.pdf)

One of those families lives in Croydon. Sharon is a mother of three children and the family lives on the poverty line. The landline is cut off. She uses a pay as you go mobile and only buys phone cards when she has the cash. There is no access to the internet. That means Sharon is always, for example, going to pay more for her energy as she will never be able to sign up for cheaper internet deals. It also impacts on the children's lives and their life chances. Sharon's oldest daughter, Emma describes the impact.

*"I try and use the school's computers when I can to do homework. But my friends can do their work in their own time, in their own homes."*<sup>2</sup>

What at first appears to be a luxury, in terms of start-up and running costs, has now become an essential tool for citizens of all ages. There is an assumption that the use of the internet is the only way of communicating messages to consumers. We express concern at this belief, with more than a quarter of UK citizens over the age of 15 not using computers or the internet, these individuals are missing out and experiencing a digital divide.

Although we do agree with the definition of digital inclusion broadening out for Government and providers to look more closely at how they can tackle social inequalities. We would stress that the emphasis should also include citizens' access and understanding any potential barriers to access of digital technologies, in the main financial barriers as well as appreciating the benefits digital inclusion can bring.

We agree with the analysis of why Government believes that digital inclusion and economic outcomes are deeply entrenched and how citizens can benefit from evolving digital technologies. In the context of the present economic downturn, ICT skills are going to be essential when looking for alternative employment and seeking out services to assist in job-hunting. Those without computer skills or access to the internet in their own homes will be at a definite disadvantage and also prevented from accessing better deals for services and entertainment via the internet.

The case studies highlighted in the consultation document where communities and local authorities have worked in partnership to provide internet services are a good starting point to try and remove barriers to accessing digital technologies. For instance, Project Access in Cumbria where greater access to broadband has benefitted employees (whom can now work more flexibly) and employers who can use E-commerce to progress their businesses. This scheme was funded through investment from the North West Development Agency. For similar schemes to be set up, commitment from private businesses and investment from local authority partners is essential in offering an affordable digital service for those who were previously excluded from such technology.

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<sup>2</sup> /[www.endchildpoverty.org.uk/news/publications/in-a-land-of-plenty/26/59](http://www.endchildpoverty.org.uk/news/publications/in-a-land-of-plenty/26/59)

Consumer Focus considers there to be seven main issues to address when considering digital inclusion for disadvantaged consumers, these are outlined as follows:

1. The commitment by Government and internet providers for all low income households to be able to access the internet;
2. Wider access to affordable computers and internet-enabled mobile phone technology;
3. Contract providers of broadband packages to provide cheaper or subsidised prices for low income households and to have clearly written license agreements that consumers can understand;
4. Encourage the wider use of free software, this is not publicised and not as easily accessible as packages such as *Windows*;
5. Media literacy challenge to train and encourage those who are not familiar with using the internet to be proficient in using it;
6. Many people are reliant on using free internet access available in public institutions such as libraries and schools. The technology on offer can frequently be out of date with incompatible software.
7. Freely available wireless technology

In summary,

Consumer Focus welcomes the opportunity to respond to the above consultation. We would emphasise the need for a Universal Service Obligation (USO) fit for the digital age. At the moment, the USO includes obligatory dial-up connection of 28.8MB only, which is a slow connection. There are currently 17 million citizens not using the internet, this may not just be a question of access to the technology but affordability of the technology and the ultimate training required to be proficient in using it.

Consumer Focus would like to be represented on the taskforce intended to support the Digital Inclusion Champion.

Yours faithfully,

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