

Freeview Response to Ofcom Consultation

The future use of the 700MHz band

29th August 2014

1. Introduction

Freeview is the most popular television service in the UK, used in some capacity in 75% of all British homes and the predominant television service in 10.7 million homes¹. Industry predictions indicate that this popularity is set to continue and that by 2020 the number of UK homes using Freeview as the television platform of choice for their primary TV set will rise to more than 12 million².

In relation to DTT platform changes, Freeview and Digital UK - the organisation which supports Freeview viewers and channels - work together to safeguard viewers' TV viewing, inform them of changes to services and to minimise disruption to Freeview viewers.

Freeview's response to this consultation focuses primarily on the consumer impact of any 700MHz clearance. Our primary objective throughout this process is to champion viewers' interests and ensure that minimising the impact on viewers of Digital Terrestrial Television (DTT) of this change remains a key priority throughout the process. Our response specifically answers questions 8, 9 and 10, as laid out in the original Ofcom consultation document.

This response has been prepared by the Freeview management team and does not necessarily represent the individual views of our shareholders; Arqiva, the BBC, Channel 4, ITV and BSkyB.

2. Executive Summary

We welcome Ofcom's explicit support for securing the future of the DTT platform, which is underpinned by Freeview. The success of this platform is predicated on the availability of spectrum, which enables Freeview to deliver a high quality and constantly reliable service to viewers. We look forward to working with Ofcom to ensure that any clearance of the 700MHz spectrum band avoids impacting negatively on the millions of consumers who rely on the Freeview platform.

¹ BARB Establishment Survey, Q1 2014

² 3 Reasons LLP, Autumn 2013 Market Model

Freeview's primary objective is to ensure that any potential changes to the DTT platform – in this case displacement of DTT, of which Freeview is the cornerstone – causes minimal disruption to Freeview viewers and does not have a negative effect on user experience of the Freeview brand. We believe this should likewise be a priority for Ofcom and the Government when considering how to proceed.

In previous instances of modification of the DTT platform, there have been clear benefits to citizens and consumers, with the digital switchover greatly extending Freeview's coverage and widening access to free-to-air digital television to a universal audience.

In contrast, it is important to clarify that the proposed reallocation of the 700MHz spectrum band not only offers no specific advantage to Freeview viewers but in fact has the potential to cause disruption to Freeview viewers. It is expected that the reallocation will result in a loss of service due to the closure of the multiplex delivering HD services currently occupying the 600MHz spectrum band.

A decision to proceed with clearance of 700MHz therefore represents a significant communication challenge for Freeview and our stakeholders.

3. Response to consultation questions

Question 8: Do you have any comments on our analysis of the implications of potential changes for DTT viewers and for the platform? Are there any effects that may be important to viewers that we should consider further?

We are encouraged that Ofcom does 'not believe that these changes would negatively affect viewers' perception of the DTT platform or undermine it in any material way', provided the process is carefully planned and well-managed³. It will be critical to carefully acknowledge and address the unique challenges that the 700MHz clearance will pose when planning a communications approach that minimises the impact on Freeview viewers.

We acknowledge that retuning is now much simpler and quicker and that, in general, it is a manageable process for viewers. However, the impact of retuning from a change of use to the 700 MHz band would be widespread. As Ofcom has described, this will impact an estimated 50-75% of the country, accounting for between 14 million and 20 million households.

³ Ofcom 'Consultation on future use of the 700MHz band', 28 May 2014, p53, para 6.1

It is therefore of utmost importance that Freeview viewers are able to take well-informed action so that, if faced with losing television channels as a result of the 700MHz clearance events, they are able to respond quickly, perform a retune and continue watching. The fact that 90 per cent of all television viewing is still live makes it all the more important that retunes can be carried out quickly.

We are concerned that Ofcom has underestimated the impact on Freeview viewers who will have to retune their equipment and possibly replace their TV aerial. Unlike previous changes to DTT, it is likely that a significant proportion of Freeview viewers requiring a retune will lose all their channels and, in some areas, a more complex manual retune may be required.

Furthermore, it will be very difficult for consumers to understand in advance whether their aerial is likely to need replacing. They may need to consult a professional installer to establish whether any change is required, potentially incurring costs in the process.

Ofcom has estimated that approximately 100,000 viewers would need to replace their aerial⁴. While this is described as a 'small proportion' of viewers in the consultation document, it is important to understand that this will represent a significant inconvenience for the people affected, both in terms of time and cost. It is not easy to envisage an effective pre-emptive solution that would minimise the impact on these viewers. It is critical that those viewers who are left with no choice but to replace their aerials – whether for a primary or secondary television set – be fully compensated for the cost and inconvenience.

We note that there is considerable uncertainty regarding the possible scale of interference from mobile handsets. There is no precedent for understanding the potential impact this could have on Freeview viewers. We would therefore welcome further information from Ofcom's planned field trials in order to fully understand the potential scale of this issue. We hope that it is as low as Ofcom has estimated (at most 50,000)⁵.

There is potential for any change to the Freeview service to prompt some viewers to switch to other platforms. This could undermine the fundamental benefit that Freeview offers of free-to-air digital television to virtually all households. The process of transitioning to a new frequency plan must therefore be carefully planned

⁴ Ofcom 'Consultation on future use of the 700MHz band', 28 May 2014, p54, para 6.10

⁵ Ofcom 'Consultation on future use of the 700MHz band', 28 May 2014, p56, para 6.21

and properly funded. Failure to do so would run the risk of consumers leaving Freeview unnecessarily.

Question 9: Do you have any comments on our consideration of consumer information and support measures and on the factors we should focus on in the next stages of work?

We welcome Ofcom's acknowledgement of the need to plan a targeted consumer information campaign to support viewers through this process, including retuning, aerial replacements and potentially also receiver filter installations. The success of this campaign will be dependent on properly understanding and addressing the unique challenges posed by 700MHz clearance, some of which are outlined above.

When planning this communications activity it will not be sufficient to simply replicate the approach taken in advance of the digital switchover. There will need to be a number of well-targeted communications activities aimed at different groups at both a regional and a national level. There is greater uncertainty surrounding exactly which households will be affected and in what manner this will be felt than there was with previous changes to DTT. This will necessitate a more complex and sophisticated approach to consumer communications.

Furthermore, we welcome the fact that Ofcom has acknowledged the circumstances of vulnerable and lower-income groups. These groups stand to be disproportionately affected by any disruption resulting from clearance of the 700MHz spectrum and it is imperative that they are provided with practical as well as financial support.

Freeview would work proactively and positively with any governing body of such a communications programme – as we did during digital switchover – to help raise awareness of the changes and minimise the impact on Freeview viewers.

Question 10: Do you have views on the activities that Ofcom and other stakeholders could undertake now to help ensure that DTT equipment that consumers might buy in the coming years is as future-proof as possible?

We are working with Digital UK and the DTG on a programme of work that addresses the resilience of television receivers in order to identify ways to improve the experience for viewers affected by the 700MHz clearance. We will also work with Ofcom to ensure this programme of work feeds into the wider efforts to minimise any negative impact on Freeview viewers.

Where relevant, Freeview encourages consumers to upgrade their equipment to ensure they can enjoy the latest channels and services available with the Freeview service.