



HOUSE OF COMMONS

Digital, Culture, Media and Sport Committee

Oral evidence: The work of Ofcom, HC 1204

Tuesday 14 March 2023

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Members present: Damian Green; Kevin Brennan; Clive Efford; Julie Elliott; Dr Rupa Huq; Simon Jupp; John Nicolson; Jane Stevenson; Giles Watling.

In the absence of the Chair, Damian Green took the Chair.

Questions 1-138

Witness

I: Dame Melanie Dawes, Chief Executive, Ofcom.



Examination of witness

Witness: Dame Melanie Dawes.

Q1 Chair: This is a meeting of the Digital, Culture, Media and Sport Committee. We welcome the CEO of Ofcom, Dame Melanie Dawes—thank you for your regular appearances in front of us, and for coming in today. Let us start with what the world has been talking about over the weekend. Ofcom monitors the BBC and other broadcasters for impartiality, so where do you think BBC impartiality stands after a weekend of chaos?

Dame Melanie Dawes: Well, look, it hasn't been a great weekend for BBC sports fans. I think we are all glad to see that, hopefully, the BBC is moving beyond this episode.

On impartiality generally, clearly it is absolutely central for the BBC to have the public's trust that their news and current affairs coverage in particular is impartial. I think they know that. They are taking a lot of steps to address the issues that they have identified, and indeed that we have identified in the past about perceptions of impartiality—for example, some of the work that they have done looking at the way that they are reporting specific issues, like tax and spending, where they published a report recently by Andrew Dilnot and others. That is all good progress, but clearly an episode like this goes straight to the heart of that wider reputation, beyond their news and current affairs coverage.

The question of the BBC's social media guidelines, though, is a question for their board. That is quite clearly set out in the Charter and Agreement. It is not something in which Ofcom has a role. I think they need to do what they are doing, which is to look at those guidelines, to see whether they are still right in a world of increasing use of social media and to look again at what they ask of contributors as well as their staff. But they are doing that work, I understand and have seen from their announcement yesterday.

Q2 Chair: Do you take the general view that the constraints on social media output of news presenters and non-news presenters need to be different? Do you accept that there need to be different rules?

Dame Melanie Dawes: I think there need to be very strict rules for news presenters, and that is what the guidelines have, but once you are looking beyond that, questions of freedom of expression also become relevant. The BBC need to work out how they draw that line. It is for the BBC Board to safeguard the reputation of the BBC, including for impartiality, and to weigh all that in the balance.

Q3 Chair: And they have tried to do that, as you know—

Dame Melanie Dawes: They have.

Chair: The guidelines were changed last year. Should we accept that that



tightening of the guidelines—whatever side of the Lineker affair you are on—was not good enough, that clearly there are still grey areas, and that this has now reached a level of toxicity such that you cannot have grey areas any more?

Dame Melanie Dawes: That may be what the BBC conclude when they do their review. I think they are right to look at it again. There is ambiguity in there. I think that was probably designed to give a degree of flexibility, but it may not have actually achieved what the BBC wanted.

Chair: I think that is fair enough, given what has happened.

Dame Melanie Dawes: I think it is fair to say that it did not achieve what they wanted. But this is a difficult issue for them. I don't think this is going to be straightforward. To some extent, it is going to be about a level of trust, particularly with their staff. By the way, all organisations face this to some degree or another, about what they require of the people who work for them and the safeguards that they expect people to operate to when using social media, but when it is about freelancers, actors, other presenters and contributors to the BBC, clearly it is a slightly different question, and I think they need to be weighing freedom of expression alongside the wider reputation they have for impartiality.

Q4 **Chair:** What is Ofcom's role in this? Specifically about over the weekend, you say that the decisions are for the BBC and the BBC Board. Do you have any role in this kind of crisis? Have you been in touch with the BBC over the weekend to say, "What are you doing?"

Dame Melanie Dawes: I did speak to Tim Davie a couple of times over the weekend, just to find out where they were, but we do not have a formal role in this. That is a clear product of the way in which the Ofcom regulatory role was set up in 2017. It is a product of the discussions between the then BBC Board, the Government and Ofcom about where the line should be drawn.

I have to say, personally, that I think it is right that the BBC retain responsibility for their own social media guidelines. I think that is central for any organisation—to be thinking about how they safeguard their reputation, which is ultimately what this is about. I think that line was drawn in the right place. If the BBC want any advice from us, we are very happy to give it. We are a statutory body, which has to consider freedom of expression and due impartiality all the time—we do that every day—but where they draw their own line for their organisation is a matter for them.

Q5 **Chair:** How does this affect the new licence? It is your responsibility, as it were, to issue and monitor that. Is this going to play into that debate?

Dame Melanie Dawes: No, I don't think it is. We will be publishing the new operating licence next week, following—as you are probably aware—a long round of consultation and engagement with the BBC and many external stakeholders. That is about how we hold the BBC to account for delivering on the mission and public purposes set out in the Charter, so it



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doesn't cover the question of the guidelines that has been so live over the past week.

Q6 Chair: But it must in general cover the point that the BBC has to maintain a reputation for impartiality. Is that not part of the licence?

Dame Melanie Dawes: Well, they need to abide by the Broadcasting Code, and they have their own editorial guidelines, which actually are slightly stricter in some respects than the Broadcasting Code. But that is a separate question from the operating licence, which is what they deliver for the public and for audiences—viewers and listeners.

Q7 Chair: On impartiality and Ofcom's need to monitor what people are doing, it is perfectly clear that there are now TV and radio stations that are doing things that simply would not have been done three or four years ago. At one end, you have GB News, which has very controversial people such as Neil Oliver. Even some more established broadcasters deliberately choose presenters who have an overt political view one way or the other, and allow them to infuse the whole programme with that political view. For example, LBC quite deliberately has Nigel Farage at one end and James O'Brien at the other. Five years ago, people would have not just raised their eyebrows at that, but thought that it was appalling. Has the new media landscape made your job more difficult in defining what impartiality is?

Dame Melanie Dawes: That is a very good question. The news and media landscape is massively changing around us all the time. Social media is creating a very different kind of debate; many people are engaged in it, and it is often even more fractious and opinionated. We have not changed our rules on due impartiality. We have always said that robust exchanges of views and the expression of strong opinions are absolutely fine within the Broadcasting Code, but there are rules about making sure that a range of views are heard. Of course, when it comes to news programmes—top-of-the-hour news bulletins—a scrupulous approach to impartiality is necessary. I think it is quite a good thing that we are seeing more diverse media on radio and on TV, and a massive growth in what is available online, not just through social media and search, but through online news providers increasingly entering the market and challenging some of our more traditional players.

Q8 Chair: Looking very seriously at the societal impacts, one statement that is often made about American politics and public discourse is that because their mainstream media are split on political lines, you get echo chambers where people get their prejudice confirmed, not just on social media but on mainstream media, so the political debate just consists of people shouting at one another across a void. I would guess that most people in this country feel that would be a terrible development for us. Are you conscious of that?

Dame Melanie Dawes: Yes, we are very conscious of it. American network news is not regulated any longer, and it is partisan. You can see different channels and different programmes taking a political view and being very overt about that. That doesn't happen in the UK in the same



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way. In particular, our public service broadcasters are highly trusted for accuracy and impartiality by the public. That is partly a product of Ofcom's regulation, although it also reflects the very high standards that our broadcasters follow.

Under the banner of Ofcom's duties on media plurality, we have recently researched whether the growth of social media as a place where people increasingly get their news and information is sending us more into echo chambers. We have published research and we are now thinking about policy recommendations in that area. Our research shows that if you get your news and information from social media, you are likely to be less tolerant of other people's views, and less able to spot fake news. That result stands up no matter what your background or education is, or where you live and so on. That is about what those social media platforms are doing, how their algorithms work, and how they are intermediating our news in a way that is very different from a news publisher but has some of the same issues about control and media plurality that matter for policy.

Q9 **Chair:** Do you think you have the tools to effectively monitor social media platforms, or to get them to change their behaviour so that they do not go out and create echo chambers?

Dame Melanie Dawes: Not yet, no, and that is what we are looking into. One of the big issues here is transparency. We held a seminar on this a couple of weeks ago with a lot of people from across the industry who are very interested in it; we had the platforms, and news and other media from across the UK. As is so often the case when regulating social media, transparency is a key issue—how exactly do those algorithms work? How are they recommending news and information? We are getting into this space, and we are thinking about making recommendations for the Government, probably next year.

Q10 **Chair:** That would presumably require more legislation.

Dame Melanie Dawes: Yes, it would require some changes to update our current duties.

Q11 **Chair:** So the Online Safety Bill will not give you the tools you think you might need.

Dame Melanie Dawes: No, and I think it is a slightly different question. The scope of the current Bill is obviously very big, but it is very much about user-generated services and particular types of harm that can be created, whereas this is more about news and, to be honest, slightly more about societal impacts. It is a rather different set of issues and a slightly different scope of question.

Q12 **Simon Jupp:** Sticking with the BBC, I want to focus on their remit, their licence and things like that. Ofcom has been fairly relaxed about changes to services that the BBC have made: the BBC News channel being merged with BBC World; the impact of additional services on BBC Sounds, and the perceived competition that creates with commercial operators doing nearly the exact same thing; and the watering down of



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local radio commitments. Do you think that you are actually holding their feet to the fire? Do you think that you are adequately demonstrating enough of an elbow towards the BBC to make sure that they keep to their commitments?

Dame Melanie Dawes: Yes, I think we are. The new operating licence will be published next week, so the detail will be available then. We consulted on keeping more than two thirds of the existing quotas, so there are quite specific requirements that will still be set out for the BBC to meet, but, at the same time, the BBC has to change. The primary reason for that is that viewers are changing what they do, where they watch and what they want to watch. There is more and more competition, particularly from US players coming into the market, whether that is Netflix or social media. The BBC has to adapt to that.

You referred to certain changes to BBC Sounds from a competition perspective. When we are considering a question like that, we are always very scrupulous to look at the evidence across the whole market. We seek representations from anyone who believes that they have relevant information that we need to see—often confidentially if it is commercial—about the impact that that might have on their business. We do that work very carefully but, at the same time, what we cannot do is keep the BBC stuck in a model that will no longer reach audiences.

Q13 **Simon Jupp:** I see that. Could you give me an example of when you have intervened to say, “Actually, the BBC shouldn’t be doing this”?

Dame Melanie Dawes: I can think of a lot of work we have done recently, particularly on complaints, where we believe the BBC has fallen very significantly short in the service that it offers to people. We have published research on this; we have done mystery shopping.

Q14 **Simon Jupp:** That is a separate matter, though. I am focused on the service remit. Let’s say, for example, that they decided to introduce a new radio station or a new TV channel that was markedly mirroring something the commercial sector was already doing.

Dame Melanie Dawes: We, for example, looked very closely at their proposals for iPlayer a few years ago. I think the BBC would tell you that we took far too long over that and looked at it at far too great a level of detail, but it was important that we did our job properly and looked at all the information there. Where we believe the BBC is making a decision that is fair in the market and does not affect competition, we will support it, if we think that is where the evidence goes.

Another example where they have been changing their services is the changes to local radio, which they announced last autumn. Again, I do not think that was their finest hour in terms of public communication. There was a lot of concern about those changes, including among parliamentarians. Behind the scenes, we worked very closely with the BBC. It was quite hard to get the information we needed from them. They have changed their proposals.



Q15 **Simon Jupp:** What do you mean by “behind the scenes”?

Dame Melanie Dawes: We have had a number of meetings; we have asked for information; we have sought real detail, in the case of those local radio changes, to understand the evidence that underpinned why they were changing things at particular times of day and to really understand whether that was a good fit with audience data.

Q16 **Simon Jupp:** How have you communicated the work you are doing—being transparent about it—with the public?

Dame Melanie Dawes: We exchanged letters with the BBC at the end of that process, which we will be publishing next week with the operating licence. You will be able to see the assurances we sought and received from the BBC about a number of detailed aspects of those proposals.

Q17 **Simon Jupp:** But going back to my core question a moment ago, you have not intervened to stop the BBC providing any new or different services in the last couple of years. Is that right?

Dame Melanie Dawes: I can’t think of an example of where we have stopped them doing something because it was going to be a problem for commercial competitors. But there are a number of examples—

Q18 **Simon Jupp:** Even though many commercial competitors have pointed out some huge impacts on their businesses as a result of additional channels on BBC Sounds and others.

Dame Melanie Dawes: Yes, there is always going to be a lot of debate about these things, but it is our job as the regulator to weigh up all that evidence, and that is what we do. We do not always get answers that everybody wants to hear, but we do look at the evidence and we are always very open to anybody giving us whatever information they think we should have to inform our decisions.

Q19 **Simon Jupp:** I wish this session was next week, because we would be able to see some of your responses about BBC local radio, but since you touched on it, I would like to focus on that for a while. When it was announced, I believe the quote put out from Ofcom—maybe from you yourself—was, “We are watching this very closely to see whether it fits within the provisions that are required by the BBC’s operating remit.” In your view, does it sail close to the wind? You said that it was not the BBC’s finest hour in terms of communications. This is a huge change to local services—a unique service in the British Isles. Does it sail close to the wind? Does it break any of the guidance?

Dame Melanie Dawes: It doesn’t break any of the guidance, no. We have looked very carefully at it. It does, as you know, include more sharing of channels, particularly in the evening. Just to give you an example of the sorts of things that we have looked at, we agreed in the end with the BBC’s analysis that most local radio listening is before 2 pm, so they are right to focus on continuing with multiple channels in the earlier part of the day. That is the sort of thing where we forensically went through all of their evidence. Some of the assurances that we have sought



are about how they cover breaking news outside those hours, how they cover local sports, and how they support the reporting of local democracy. There are a number of areas where we have really gone in to make sure that their broader commitments are not going to be watered down. I should say, though, that, as well as the changes to viewers' and listeners' behaviour, they are facing quite significant real-terms budgetary cuts, so that inevitably means that some changes have to happen.

Q20 Simon Jupp: But they have made a big point about the fact that it is not about budget cuts, and they are just moving people to do online stuff and more multimedia, so that doesn't really wash, does it?

Dame Melanie Dawes: Well, I think it is in the context of tight overall budgets for them, but it is still, overall, a large budget, and they have a lot to deliver on on behalf of the public.

Q21 Simon Jupp: Okay. Some of the quotas for programming, for example, for BBC local radio are being moved from a weekly basis to an annual basis and things like that. That could mean that there is considerably less local programming in some parts of the year than in others, surely.

Dame Melanie Dawes: Where we are changing quotas—again, as I say, we will publish the detail next week, but that is certainly one of the things we are doing in some areas. As I say, more than two thirds of the quotas, as we consulted on, will remain. But where we are going from a weekly quota to an annual one, it is to give the BBC more flexibility. We think that is important, because if we try to constrain their hours too tightly in the context of rising costs and a squeezed budget, if we are not careful, that will just reduce quality. That is the argument that we have accepted from the BBC in some areas—not all, but some.

Where we are removing quotas or making them more flexible, we are introducing much greater requirements on transparency. We think that is actually very important, because, as I have said—we have discussed a couple of examples already—the BBC is not always great at explaining up front what it is doing and how it is changing its services. It is not always systematic about that; things tend to come out a little bit randomly, if I can be a bit rude, to be honest, about the BBC here. In the areas where we are changing away from quotas, we are asking that they set out in their annual plan, up front and much more clearly, what they are doing. Then we and everyone else will be able to monitor that, and we will report on that in our annual monitoring report on the BBC. That is not something they have to do at the moment, so it is an increased requirement on them.

Q22 Simon Jupp: But do you see this as the lowest of the low that BBC local radio can go in terms of local commitment? Is there nothing further that you could perceive the BBC saying, such as: "You know what? We don't really need a mid-morning programme any more. We don't really need to do sport at weekends. Let's just do a breakfast show on weekdays and leave it at that"?

Dame Melanie Dawes: We will be keeping a close eye on this, partly to make sure that they meet the commitments that they have agreed with



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us, but also to see whether this does meet audience expectations and needs. If local radio listening changes significantly, they might need to change their services again.

- Q23 **Simon Jupp:** The concern is that if you change services and the service is no longer connected to the communities that pay for them, the audience of course goes down. In a couple of years' time, or five or six years' time, the BBC will then come back to you and say, "No one is listening any more. We might as well not do this."

Dame Melanie Dawes: I agree with that. If you take something away, inevitably people will not be able to prove to you after the event how much they would have listened to it were it still there, but they do need to make some changes. We have assessed all of these things and will keep monitoring them very closely. I am sure there will be a lot of scrutiny from many organisations and from many in Parliament as the changes bed in, and any further changes would need to meet the test of continuing to serve listeners in the same way as they have to now.

- Q24 **Simon Jupp:** Let's go back a long way in Ofcom and to my days in commercial radio. If a radio station wanted to close its base—its office—in an area, they had to ask you guys first. Does the BBC have that same obligation? Let's say, for example, that BBC Local Radio Somewhereshire decides that they are better off based in a neighbouring county and they close their offices; is that something they have to run past you first?

Dame Melanie Dawes: It is the service that they provide to the listener that matters, not necessarily the office that it is served from, but if what you mean is a particular station, that would be something that would engage Ofcom and that we would want to look at. It would depend on the context and the reasoning; we would need to take it on its merits.

Simon Jupp: Thank you.

- Q25 **Giles Watling:** I would like to move on to mobile and broadband price rises, which are very much in the media right now because of the consumer price index, which most price rises are based on. There is also the retail price index, which stood at 13.4% in January. If a customer signs a contract with a supplier—a supplier of pretty much anything—you understand that the deal is the deal. But a lot of people who are buying in to mobile and broadband deals are suddenly being hit with price rises midway through the term. Is it correct that you are going to carry out a review of that?

Dame Melanie Dawes: Yes, it is. We do not regulate retail prices in mobile or broadband, but when customers sign up to something, particularly when it is a two-year contract—when it is over a while or a number of months—we require clear information to be provided about what is going to happen.

We are doing two things at the moment. We are looking to see whether providers are currently following our rules, which do require clarity. You are not allowed to bury the detail in terms and conditions: there has to be



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an upfront, proper description that includes illustrative cash amounts, if it is an inflation-related increase, so that people can see what they are signing up to. Sometimes you can get two rises within a 24-month contract, which is not what everybody always expects.

The other thing we are doing is looking at our rules to see whether we need to tighten up the rules themselves. These are two separate pieces of work. We are looking at, for example, whether it is fair to put the risk on the consumer by having inflation-plus increases, or the risk should lie with the provider instead and they just say, "Your mobile contract will be £20 for the first 12 months and £22.50 for the second 12 months." That would work against the consumer if inflation was lower than expected, but we are looking into whether it would be fairer, given what we know about consumers and what they find easier to understand.

Q26 Giles Watling: What I do not understand is why you are holding a review. Surely Ofcom knows enough already and it is just a question of enforcement.

Dame Melanie Dawes: It is a question of enforcement against our existing rules, yes. That is one thing we are doing—we have opened a programme on that—but we are also looking at whether we should change the rules and tighten them up. They are two slightly different pieces of work.

The other thing we are doing at the moment, which we have put a lot of effort into in the last three years, is social tariffs. In the end, we can change our rules and tighten things up, but people need help now. Inflation is particularly hard for people on the lowest incomes. Starting at the beginning of covid, we began to work with the industry and the Government to get social tariffs available on mobile and broadband. They are now widely available. The issue is take-up, which is what we are pushing the industry on, and we will be publishing our next report on that at the beginning of May.

Q27 Giles Watling: Is that the report you launched in December?

Dame Melanie Dawes: That was our wider affordability report, which looked at the state of the market overall—the level of competition and the range of deals that you can get, not just the two-year contract deals.

Q28 Giles Watling: But doesn't your review so far imply that it will not be able to improve the situation for consumers?

Dame Melanie Dawes: Our enforcement work and our policy work on our rules are aiming to lead to improvements for consumers. We are also looking at what deals are available right now to help people through this period, when inflation is raging so high. We think the best thing is social tariffs, which are more targeted. We have made a lot of progress in getting them more widely available. Take-up is still very low, however, although awareness is increasing, and we will be publishing our latest data on that in May. We are trying to do what we can and we are making our



efforts as targeted as possible in the here and now on what really matters to families.

- Q29 **Giles Watling:** But it is about communication as well, is it not? People need to understand it. It is all very well you and I having this exchange here, but people need to understand it. It must not be buried in the terms and conditions; it must quite clearly say, "This may be the case." What are you going to do about that?

Dame Melanie Dawes: There are already rules that say when consumers are signing up to a contract, they need a front page that sets out the terms clearly to them. By and large, the providers are following that rule, but we are investigating that at the moment to see whether it is being done properly. We are also looking at whether the terms of contracts are fair. We are doing both those things.

We are also working with bodies such as Which? and Citizens Advice to make sure all these questions are understood by them. We work closely in partnership with them. We are meeting Which? on Thursday to discuss all these issues and get its help to make that sure social tariffs are understood by people—they haven't been up to now.

- Q30 **Giles Watling:** I would like to move on briefly to the potentiality of market power being exploited. Openreach's decision to cut the wholesale prices of fibre for broadband has been criticised by competitors—outlets, particularly—for exploiting market power. You seem to have taken an alternative view; why is that?

Dame Melanie Dawes: Five years ago, the UK only had about 5% or 6% of homes with full fibre. In our regulation during the next period and the regulatory framework we set out in March 2021—the so-called access review—we sought to create conditions to allow competition to Openreach as a wholesale provider of fixed networks. In so doing, we made sure that, while we gave Openreach more flexibility to increase some of its prices on existing superfast broadband products, we also placed new requirements on it to open up its ducts and poles to alternative network providers. We oversee that very carefully.

When it comes to Openreach's pricing, we always thought that one of the consequences of competition might be that prices come down because they were, frankly, pretty high to start with. That in itself is not necessarily a sign that there is a problem. Every time Openreach wishes to change its overall wholesale pricing offer on fibre, it needs to come to us for approval. We are going through that right now on the deal known as Equinox 2. It is obviously highly market-sensitive and extremely contested across the industry. Everybody has a different view on it, to be honest, and we understand that. We will come out and say that in the next few weeks—before the end of March.

- Q31 **Giles Watling:** Just one quick question: why haven't these wholesale price cuts been passed on to the consumer?



Dame Melanie Dawes: These are wholesale price cuts for new fibre products. Actually, we are seeing those prices getting more and more competitive at the consumer end, and we have a lot of providers going straight into the home—that is Sky, TalkTalk and Vodafone—as well as BT and Virgin, of course, offering a super-fast option through their cable network. So there is competition and I would expect consumers to see that coming through. Obviously, they haven't taken effect yet and that depends on our decision, but I am confident that we have the competitive consumer-facing market here to make sure that this isn't just something that adds to profit.

Q32 **Giles Watling:** You say you haven't taken steps, but is it not getting too late in the day?

Dame Melanie Dawes: I'm sorry—too late to do what?

Giles Watling: If the consultation responses end up recommending your intervention, do you think that intervention might come too late?

Dame Melanie Dawes: Openreach is required to notify us when it has a new pricing deal, and then we have 90 days basically to say no, if that is what we believe is necessary. We consulted on our initial findings on that at the beginning of February and we have until the end of March to come back on this deal, which they notified us about at the end of December.

Giles Watling: Okay, fine. Thank you.

Q33 **John Nicolson:** Good morning and thank you for coming in. Can I return to the questions that the Chair was putting to you about the BBC? Of course, the only story that everybody was talking about at the weekend was the BBC and Gary Lineker. On Saturday, BBC bosses said that Gary Lineker would have to apologise if he wanted to go back on air; yesterday, the Director-General of the BBC apologised to Gary Lineker and put him back on air without making any compromises. Surely, that is humiliating for the Director-General of the BBC.

Dame Melanie Dawes: It is very much a question for the BBC to determine how they find their way through this. As I said earlier, I don't think it was a great weekend for sports fans who wanted to watch BBC sport, which was not available in the usual way for them. The question of the guidelines and how they find their way through, and whether they need to change them for the future, is something for the BBC Board. Ofcom is very happy to provide any advice we can, as a statutory body that weighs these things up all the time, but obviously I think they need to own that.

Q34 **John Nicolson:** Of course, it was not just a question for sports fans, was it? It also goes to the heart of the BBC's reputation as our national broadcaster and trust in the BBC. What happened at the weekend was that the humiliation of BBC managers resulted in a huge loss of trust for the BBC and a huge crisis of confidence and morale for BBC staff, who are deeply upset about all this.



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Dame Melanie Dawes: Yes, I think it has been a really difficult episode for the BBC and I hope they can find their way through it. It looks like they have agreed a way forward, for the moment.

Q35 **John Nicolson:** They have backed down. Or as Tim Davie would say, he has stepped away from his previous decision. Do you think he can survive as Director-General?

Dame Melanie Dawes: Look, I actually think Tim Davie is a very effective Director-General of the BBC. It is a hugely difficult job—

John Nicolson: Not here, he wasn't.

Dame Melanie Dawes: Well look, I think the BBC have not had a great week on this, clearly. It has been a difficult issue. These questions about social media guidelines are genuinely quite hard for many organisations, including the BBC—particularly for the BBC, perhaps, given their role and their need to uphold impartiality. This has not been a great episode for the BBC. They are trying to find their way forward and I hope that that is what they manage to do.

Q36 **John Nicolson:** I worked for the BBC, and there has always been a distinction between news and current affairs broadcasters, which I was, as nobody is meant to know what your views are—that would be quite inappropriate—and people outwith news and current affairs, like sports broadcasters, for example. Looking ahead, don't you think that distinction should remain?

Dame Melanie Dawes: I do think there is a difference, yes. Particularly for news presenters or people who are presenting news and current affairs programmes, and particularly those that comment on matters of political controversy, there is a different standard. There is a different standard for the BBC's broadcast content for those issues, and there needs to be—and there is at the moment—a different standard for the way that they use social media. But precisely how and where the BBC then draws the line beyond that is a matter for them. In the end, it is for the BBC Board to hold that overall question about their reputation, as it is for any board.

Q37 **John Nicolson:** You mentioned the BBC Board. Under normal circumstances, the Chair of the BBC Board would be out and about answering questions about this, but of course the Chair is Richard Sharp, and Richard Sharp is in hiding at the moment. This Committee produced an excoriating report about the way in which he behaved when he got his current job. How can the BBC possibly operate with a Chair who is so compromised that he is unable to come out and give interviews at a moment of crisis?

Dame Melanie Dawes: I do not think I can comment on individuals like that. Ofcom does not have any role in BBC appointments. All I can say is that I hope the BBC can find their way through this particular episode with Gary Lineker, and find their way through to the guidelines being clear and able to be applied in a sensible way.

Q38 **John Nicolson:** It is extraordinary because the BBC Chair traditionally



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comes out at moments of crisis, especially when the story affects the Director-General—the BBC Chair would normally come out at a time like this, wouldn't he or she? They would normally come out, try to calm staff concerns, try to play a conciliatory role and try to reassure the viewing public. Richard Sharp cannot do any of that.

Dame Melanie Dawes: I think that is a question for the BBC. I am not sure there is much more I can say, Mr Nicolson.

Q39 **John Nicolson:** Would you like to have more of a formal role in some of these issues as you watch the BBC thrashing around with a compromised Chair and a Director-General who has clearly shown very poor judgment? You are able to answer some of these questions obliquely, but at the same time say that this is not really a matter for you. Would you like it to be a matter for you?

Dame Melanie Dawes: Not really, if I may so.

John Nicolson: I don't blame you.

Dame Melanie Dawes: What we can provide the BBC with advice on is how, as a statutory body, you weigh questions of due impartiality against the need for freedom of expression. The phrase "freedom of expression" is a very important part of this debate—one that perhaps should be a little bit more prominent. But I really do believe that the question of how you strike that balance as an organisation is a question for any board, and so in this case for the BBC Board. I think the overall lines that were drawn when the regulatory framework was set up are appropriate in this area.

Q40 **John Nicolson:** The BBC really needs to have a Chair appointed in a different way, doesn't it? It undermines public confidence in the corporation if you get the top job at the BBC because you are a crony of the Prime Minister or because you have helped to facilitate an £800,000 loan to the Prime Minister, who then gives you the job, even though you have no broadcasting background. If this was happening in any other country, folk would sneer and say, "That's a bit dodgy—that's one of these corrupt countries that doesn't have our traditions of democracy," and yet it is the UK.

Dame Melanie Dawes: It is a question, again, for the Government and the BBC, and ultimately for Parliament, because it is a question for the charter. I am sorry to be answering so many questions by saying that this is not really a question for Ofcom, but in this case it really isn't.

Q41 **John Nicolson:** Okay, let's move on to something that clearly is to do with Ofcom. I was just having a look at the rules that Ofcom has about how, why and when politicians can work as interviewers. Your rules are very clear. They say: "No politician may be used as a newsreader, interviewer or reporter in any news programmes unless, exceptionally, it is editorially justified." That seems very reasonable. Then I looked at a tweet from the official Twitter account of HM Treasury, which says: "Tomorrow Chancellor @Jeremy_Hunt will appear on Saturday Morning with Esther & Philip on @GBNEWS where he'll discuss next week's



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Budget, and the government's plan to halve inflation". Esther and Phil, for those who don't know who they are, are Esther McVey and Philip Davies. They are both Tory MPs. Why are Tory MPs interviewing the Tory Chancellor on a UK channel?

Dame Melanie Dawes: You are quite right to say that there are strict rules about serving politicians not being able to present news programmes, and they are also not able to present any programme if they are seeking office. Aside from that, they are able to present shows and to invite on whoever they like, but of course due impartiality is going to be needed. That will depend a little bit on the nature of the programme—whether it is a straight news programme or whether it is a discussion programme. I don't know whether this programme has yet been aired or whether it is still to be aired.

Q42 **John Nicolson:** Hold on a second. "No politician may be used as a...interviewer". That is very clear. Fast forward to the next screen—

Dame Melanie Dawes: I believe that is on a news programme.

Q43 **John Nicolson:** I take your point—GB News is hardly a news channel by any normal standards, but I think they would see themselves as a news channel.

Your rules say you cannot be an MP and an interviewer. GB News regards itself as a news channel, and two MPs are interviewing the Chancellor, with HM Treasury tweeting out a trail.

How is it possible that they are not breaking the rules that I have just read out—your rules at Ofcom?

Dame Melanie Dawes: I am not sure whether this programme has yet been broadcast—

John Nicolson: Whether it was broadcast last week or—

Dame Melanie Dawes: I am particularly concerned about commenting on it when it has not been broadcast, because we are a post-broadcast regulator.

John Nicolson: Well, it is Saturday.

Dame Melanie Dawes: Is it this coming Saturday?

John Nicolson: No, I think it was last Saturday.

Dame Melanie Dawes: Well, I am not aware of the specific programme, or how it works, or the format—

Q44 **John Nicolson:** It involves two Tory MPs sitting in chairs beside a fireplace interviewing the Tory Chancellor.

Dame Melanie Dawes: They will need to make sure that a range of views is brought to bear on the issues being discussed.

John Nicolson: Never mind that; the rules—



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Dame Melanie Dawes: That will depend on the overall programme: who else is there, what comment they provide—

Q45 **John Nicolson:** That is not what your rules say. Your rules say, “No politician may be used as a...interviewer”. They are interviewing.

Dame Melanie Dawes: On “news programmes”.

John Nicolson: Yes.

Dame Melanie Dawes: Yes, and so that is the rule that would need to be clear here.

Q46 **John Nicolson:** So that breaches your rules.

Dame Melanie Dawes: Well, I can’t say without knowing the specifics of this programme. I am very happy to follow up on it if you would like us to.

John Nicolson: I would like you to, but—

Dame Melanie Dawes: That will be the question—whether or not it is a news programme, or whether or not it is a wider opinion and current affairs show.

Q47 **John Nicolson:** But it is a news programme, obviously. Two MPs are interviewing, on a news channel, a Tory Chancellor, about the news. That is a news interview.

Dame Melanie Dawes: I think, probably, we need to get back to you on the detail of exactly what constitutes in this context a news programme or a broader current affairs programme. There are quite a lot of examples of where former and serving politicians—

John Nicolson: It’s not a cooking programme. They are talking to him about—

Dame Melanie Dawes: —do present shows and, provided that they make sure that a range of opinions is represented on those shows, that is compliant with the broadcasting code. It does depend on the specifics of the show.

Q48 **John Nicolson:** But that is not what your rules say. I have just read out your rules. Esther and Phil are not interviewing the Chancellor about cooking or what he thinks about sport. They are interviewing him—the Treasury says—about the Budget. It clearly breaches your rules. There is no ambiguity about that.

Dame Melanie Dawes: I am very happy to come back on that and on the specifics. If the programme has already been broadcast, then it is something we can look at.

John Nicolson: Good. I look forward to hearing about that because I think that is an unambiguous breach of the rules. It is part of the creeping politicisation of news channels—as the Chair said, the kind of Americanisation that we are seeing. We also have Nadine Dorries



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interviewing Boris Johnson—I don't know if you saw that; it was hysterical—and Jacob Rees-Mogg. It seems to be a revolving door, of Conservative MPs into GB News, and GB News into the House of Commons.

To borrow from what several right-wing commentators said about Gary Lineker, these guys have really got to make up their mind whether they are broadcasters or politicians. Anyway, thank you.

Q49 **Julie Elliott:** I want to move on to the cost of living crisis that is affecting everyone in this country.

BT Openreach, a company that in the last quarter posted profits of some £357 million—it is not poor—is increasing wholesale copper line rates by 11.1%, which will be passed on to the most vulnerable of people.

Is that really justifiable in your opinion, in a cost of living crisis?

Dame Melanie Dawes: To go back to explain the rules that we set around Openreach's pricing—

Q50 **Julie Elliott:** I know what the rules are; I am asking if you think it is justifiable.

Dame Melanie Dawes: It is certainly in accordance with the framework that we set a few years ago.

Q51 **Julie Elliott:** Is it justifiable?

Dame Melanie Dawes: Well, the reason why that rule is in place—and Openreach is, as I said, operating within it—is that when we looked at where the country was with fibre networks five years ago, we were in a pretty bad state—we had almost no future-proofed networks available across the country. So we allowed them more flexibility—

Q52 **Julie Elliott:** But that is not really the issue at the moment. The rules were brought in when inflation was running at 1.5%. Nobody at that point expected inflation to be running at 11.1%. Your organisation as the regulator can intervene, but has chosen not to. Your website states of your purpose: "We make sure people get the best from their broadband"—then you go on to various other things you regulate. Is an 11.1% increase that you have chosen not to intervene on justifiable when the company in its last reported quarter made profits of £357 million? Is that justifiable to the public you serve?

Dame Melanie Dawes: It is consistent with our rules, and the rules were set in order to create an incentive for investment, which is now beginning to flow—

Q53 **Julie Elliott:** I am sorry, but I am not interested in whether it is within the rules; the rules also say that you can intervene and stop that happening, but you have chosen not to. That is what I am interested to know. Why have you chosen not to? Why is that justifiable? Because I don't think it is justifiable.



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Dame Melanie Dawes: The reason why we have chosen not to intervene is that we set a five-year framework in March 2021 that was designed to create an investment incentive for Openreach and the wider industry, by anchoring that superfast broadband price at inflation, to build new networks that the country needs.

We have gone from 5% a few years ago to, this month, passing the halfway mark for fibre roll-out. That is what we are judging—what the country needs by way of investment and how to set our pricing in response to that. I think that if we had intervened in that five-year framework, which was designed specifically to be long term, because these are long-term investments, that would have a chilling effect on the investment and so would have been a very big step by Ofcom, which is why we stuck to the rules that we set out.

Q54 **Julie Elliott:** But what are you doing? Your website says that your purpose is to make sure that people get the best from their broadband. In a cost of living crisis, when the poorest people in this country—who tend to be the people on copper deals—are in absolute and utter chaos and cannot pay their bills, you are saying that it is justifiable to allow an 11.1% increase when a company is making that level of profit. Is that really justifiable? Is that really what your purpose is about, according to your own website?

Dame Melanie Dawes: I think it is, because in the end we are there to serve citizens and consumers across a very broad—

Q55 **Julie Elliott:** How does that serve consumers?

Dame Melanie Dawes: The framework was designed to turbocharge the investment that consumers need for the future. However, as I was saying earlier, we have really leaned in to help the people on the lowest incomes to have social tariffs available to them at the moment. We started that work early, during covid, and that meant that when the cost of living crisis hit last year, we had availability—from almost every provider now—of genuinely affordable, good products for broadband. So, £15 per month for a superfast connection, for example. The issue with that is take-up. We believe that awareness is now rising to quite good levels, but we need to see the providers doing more to get people over the line and hooked up to those best offers.

Q56 **Julie Elliott:** But if we go back to what I was asking my question about, which is this 11.1% rise, is it fair for people to face this price hike—and it is a price hike, which is effectively subsidising the wholesale price cut for people in places where full-fibre broadband is available and affordable? That is what it is doing.

Dame Melanie Dawes: The rules we set were designed to support the whole industry, not just Openreach—

Q57 **Julie Elliott:** At a time when inflation was running at just over 1% and when no one foresaw inflation running at over 11%—that was not even in the ether; nobody would have considered that a possibility. So is it



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justifiable at the moment, bearing in mind where inflation is?

Dame Melanie Dawes: It is certainly consistent with our rules. It is a commercial decision by Openreach to go ahead with it. It faces quite a lot of extra cost through inflation: it is an energy-intensive business; it has had big issues with its workforce; and it needs to bring more people in. It is not that all that extra money has gone into its profits—

Q58 **Julie Elliott:** I think they would struggle to say that their costs have gone up 11.1%, especially set against the backdrop of the profits they are making after everything else has been taken into account. Has your wholesale market review already been rendered out of date? Given that it was published when inflation was 1.5%, do you think it needs looking at again?

Dame Melanie Dawes: No, I really don't right now. I think that would have a chilling effect on investment.

Q59 **Julie Elliott:** What makes you say that? What evidence do you have that it would have a chilling effect on investment?

Dame Melanie Dawes: I have evidence from two sides, really. The first evidence is that the review is supporting the commercial roll-out of fibre now, which is what we wanted to see. We are expecting to pass the halfway mark this month and to get to 80% by the end of next year. That is the outcome that, overall, our framework was aiming to achieve.

Q60 **Julie Elliott:** Yes, that is the aim, but what evidence do you have that you can share with the Committee that if you intervened and created a less-than-inflation increase, you would chill the market?

Dame Melanie Dawes: That, essentially, is the evidence that we brought to bear in the access review about the rates of return that were appropriate and necessary to drive an investment case over quite a long period of time. It takes a long time to roll out these networks, and therefore there is uncertainty involved for anyone who is lending money into that business model. We have a lot of evidence that we brought to bear on appropriate rates of return.

Q61 **Julie Elliott:** When was that looked at?

Dame Melanie Dawes: That was concluded two years ago.

Q62 **Julie Elliott:** So it hasn't been looked at in the light of the 11.1%?

Dame Melanie Dawes: No, we very consciously set out a five-year framework.

Q63 **Julie Elliott:** So you haven't assessed where we are now with the extraordinary level of inflation in this country?

Dame Melanie Dawes: No. We are doing a lot of work on what is actually happening at the consumer end—what people are paying. We published our affordability report in December, where you can see that although you have the mid-contract price rises, new contracts have not risen by anything like as much—



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Q64 **Julie Elliott:** You said to this Committee in answer to my questions that cutting that would chill investment, and yet what you said to us there is that you haven't actually looked at this for over two years. So you haven't actually looked at this in the light of the 11.1% increase. The two things don't add up. You have done either one or the other; you haven't done both.

Dame Melanie Dawes: We have a huge amount of evidence from two years ago.

Q65 **Julie Elliott:** Have you looked at it?

Dame Melanie Dawes: It wasn't contingent on a particular level of retail price inflation.

Q66 **Julie Elliott:** I'm going to go back to this because you are dancing on the head of a pin here. What I am asking about is inflation of 11.1% being passed on to the most vulnerable consumers in this country. Broadband is an essential service nowadays.

Dame Melanie Dawes: I agree.

Q67 **Julie Elliott:** There is absolutely no doubt about that. The pandemic proved the problems with digital inclusion, many of which revolve around the cost of broadband, so it is a problem. When your rules were set out two years ago, 11.1% wasn't in the ether. What you have said here is that if you had intervened, which you have the power to do—you kept the power to do that because you knew that at some point there could be a problem with this—that would have chilled investment.

When inflation hits that kind of level and is being passed on while a company is making those profits, how can you justify sitting there and saying that this would chill investment despite not even looking for two years at whether that would be the reality? With this extraordinary level of inflation, how is that a justifiable position?

Dame Melanie Dawes: Look, we are constantly looking at these issues. We are looking at them as we look at the proposals that BT and Openreach have come forward with for Equinox, so it is not a question of standing back from the market.

Q68 **Julie Elliott:** But you just said you haven't looked at it for two years.

Dame Melanie Dawes: We are constantly talking to the industry. They make representations to us. They come and explain their business models. Clearly, financing costs have massively increased over the last year, which has affected the investment case.

Q69 **Julie Elliott:** Have you looked at the investment case?

Dame Melanie Dawes: We haven't reopened the access review, no. That is because we really do believe that it would have a chilling effect. We committed to keep these rules in place for five years.

Q70 **Julie Elliott:** But you are not telling us why you think that.



Dame Melanie Dawes: Well, because in the end what we were trying to create for the country as a whole was a strong commercial case for investment in full fibre. That had not happened in the UK in the way that it had in other countries because there was not an investment case for it in the past. There is now. That investment is flowing, and as a regulator we are focusing our efforts on making sure that at the retail end social tariffs are available and that pricing is fair, in the way I was discussing earlier, on consumer products in the market.

Q71 **Julie Elliott:** I will end it here. What you are saying to the Committee is that you run an organisation whose own website says its purpose is to “make sure people get the best from their broadband” and other services. You are sitting back when you have the power to intervene, and you are allowing an 11.1% increase to take place.

When the rules were set up, inflation was at 1.5%. This kind of inflation was pink skies territory; it wasn’t in the ether, and yet you haven’t even looked at the issue for two years. You are sitting there saying that is a justifiable position.

Dame Melanie Dawes: No, I am not saying that we haven’t looked at the issue for two years. I am saying that we are constantly engaging with the market to understand what is going on with people’s investment plans and how those plans are changing. So we have a very live understanding.

On the back of that, I am confident that if we reopen the access review at this stage, that would have a chilling effect on the investment that is beginning to flow. Of course, high inflation wasn’t expected at the time, but we are focusing our efforts at the retail end because that is what consumers pay. I was talking earlier about all the things we are trying to achieve to help consumers in the here and now.

Q72 **Julie Elliott:** I think you need to read what you have actually said today, because you have contradicted yourself. You have said that you have not looked at the chilling effect for investors for two years.

Dame Melanie Dawes: I said that we haven’t reopened the access review.

Julie Elliott: You haven’t looked at it.

Dame Melanie Dawes: We haven’t reopened those rules.

Julie Elliott: But you have the power to intervene and you are choosing not to do it.

Dame Melanie Dawes: That would be a very specific regulatory step to reopen or intervene in those rules. We haven’t done that.

Julie Elliott: But you accept you have the power to intervene.

Dame Melanie Dawes: Yes, but it would be a very big step and it would contradict what we said two years ago when we were aiming to set a long-term framework.



Q73 Julie Elliott: Can I end on one simple question? If you have given yourself the power to intervene, which you just said you have, under what circumstances, if not circumstances like this, would you ever consider using that power to intervene?

Dame Melanie Dawes: We would have to be extremely concerned about the overall state of competition in the market, particularly about whether the outcomes we were seeking to achieve were happening. The primary outcome we were aiming to achieve was the full fibre roll-out. Those would be the sorts of things we would look at.

I am absolutely not saying that we have stood back. We have not, as a formal regulatory step, reopened our rules or intervened on this aspect of our framework, but what we do in Ofcom is keep all of this under incredibly close review all the time. The industry is constantly coming to us and talking about that. I really do hope I haven't contradicted myself.

Julie Elliott: You have.

Dame Melanie Dawes: If I have, I will be very happy to correct that later. Maybe we are talking about slightly different things, but I hope I have at least managed to explain why the rules are there.

Julie Elliott: I'll be honest: there is nothing you have said that satisfies my questions.

Q74 Jane Stevenson: I am going to stay with the cost of living for a moment. I want to talk about digital exclusion and the potential for that to spread. Given the extreme price hikes that my colleague has been talking about, how are you going to monitor rates of digital exclusion and see whether they are increasing?

Dame Melanie Dawes: Digital exclusion can mean a number of different things. One thing we look at is the number of people who don't have access to the internet at home. That has fallen over the last few years from about 11% to about 7%, but it is now looking quite stubborn at that level. It reflects a number of different things. One aspect is the availability of networks. There is a small proportion of the country that can't get super-fast broadband connections. That is one aspect of it, although that is changing and improving all the time.

Another aspect is affordability. We are seeing that people are more concerned about affordability in their communications at the moment, as you would expect. That has gone up quite sharply. I have been talking about some of the things we are doing to try to help consumers now.

The other aspect is the availability of devices, which goes somewhat beyond Ofcom's remit. We saw during the pandemic that even if families have the internet at home, too many of them, particularly those with children, may have only a mobile phone. They may have only a mobile connection. That is not good enough for children to be able to do homework and engage online in the way they need to in the modern



world. As I say, that is slightly beyond our remit, but it is quite an important part of what we mean by digital exclusion.

- Q75 **Jane Stevenson:** I would like to focus more on affordability and things relating to either device costs or the cost of having internet serving your home—whatever type of internet, whether copper or a faster option.

An Ofcom statement says that your duties mean that you “have a significant role to play in ensuring that all citizens, irrespective of their age, income, location, education...can access and use digital communication services”, so what interventions are you taking to help people who are really feeling the pinch and are thinking that they are going to have to give up a home internet connection? What is Ofcom doing to help those people?

Dame Melanie Dawes: The big thing that we are doing right now is on social tariffs. I will not repeat what I have been saying, but that is about affordable—

- Q76 **Jane Stevenson:** Are you setting the terms for social tariffs and where do you set those terms? What are you saying to providers about eligibility for social tariffs and the affordability of social tariffs? Where are you intervening there?

Dame Melanie Dawes: We do not have rules there. We have not been given those powers by Parliament. Instead, we acted more quickly than I think we could have done had new rules been given to us. In 2020, we got the industry together and basically struck agreements across the industry for social tariffs to be available on mobile and broadband. What we said there was that they needed to be decent broadband connections—so not very low speeds but the superfast connections that we need, particularly when we were all in lockdown and we had people streaming TV, doing homework or running video calls in the same household. That was one thing: the quality.

The pricing has come through at levels that are genuinely affordable for people. You can see superfast broadband tariffs, for example, at £15 a month.

- Q77 **Jane Stevenson:** Is that for limited use?

Dame Melanie Dawes: No, that is for a proper, bona fide broadband connection. What we did not want was people being given a rather rubbish deal that did not actually serve their needs. I think that then goes to the question of take-up. Some people probably do believe that this will be a lower quality. That is one of the things that we have got to try to get across. Awareness is now running at about 30%, but we need to see that rise.

- Q78 **Jane Stevenson:** Sorry for interrupting. What have you done to raise awareness of that? How are you helping to get the message out?

Dame Melanie Dawes: We have done a lot of work with Which? and Citizens Advice. The Government have leant into this as well. We have been challenging providers very hard not to have this buried on their



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website. A lot of work has been done with the Department for Work and Pensions to ensure that companies are able to know whether or not someone is eligible and that they can access that information and get a yes or no in a way that does not create a privacy problem. Yes, this person is on universal credit—that really helps and speeds things up. So there are a lot of different things that we and others are doing in this market. I think this was the right intervention that was actually going to help people now. Changing rules typically takes an awful lot longer and probably would not have concluded with anything that would help people this winter.

Q79 Jane Stevenson: Are you monitoring the eligibility with different providers for accessing social tariffs? How different are those criteria?

Dame Melanie Dawes: Yes. Our next report is available in early May. I think the last one was in October. We publish a lot of data on that, which shows, for all the different providers, what their offers are, what the speeds are, what the prices are, what the eligibility criteria are and so on. That is all there. That holds the industry to account. It also provides the basis for anyone—obviously, many bodies are working with consumers, particularly vulnerable consumers, right now—to draw on that and use it to support people to get their connections changed and their prices reduced.

Q80 Jane Stevenson: Where do you feel social tariffs should end? Could you give the Committee a rough idea? Should it be people living on old-age pensions? Should it be people under a certain income level? Should it be people entitled to certain types of welfare support? Where are you aiming? Where do you think Ofcom should be encouraging providers to put social tariffs?

Dame Melanie Dawes: We and the Government have generally focused the effort on people on benefits—people on universal credit, obviously, but also pensioners on lower incomes as well. That is where the effort has been. That data is all available on our website. We do think that transparency is an important part of this because, until Ofcom started publishing that data, you did not know what the offers were, and you also did not know about the take-up. That is the critical thing. Our last report was running at just 3% or 4%, which is just not good enough.

Q81 Jane Stevenson: Thank you. People may start disconnecting because of the cost of living. How are you monitoring whether, and how frequently, that is happening? When would you know that that was a phenomenon?

Dame Melanie Dawes: That is one of the conversations we have with providers. I am not actually aware of our latest information on that, but I am very happy to come back to you on it. My understanding is that it is not a big issue for telecoms connections, because, as we have been discussing, they are such a huge necessity now for households that people really want to hang on to them, and they are generally not a very large part of the household budget, certainly compared to things such as energy bills. What I think people are doing more is maybe dropping some of their TV subscriptions, which may be part of their telecoms bundle or may be



add-ons. That is the thing where people are making those choices at the moment.

Q82 Jane Stevenson: If exclusion rates do increase, who should be held responsible?

Dame Melanie Dawes: Well, I think this requires action across the industry. It requires us, as the regulator, to be doing what we need to do to push for further action, but also to be shining a light on what is happening. That is a big part of what Ofcom does—making sure that the information is out there and that the scrutiny is there.

However, something like exclusion, as I was saying at the beginning, does reflect a number of different things, and everybody has a different role to play. Fundamentally, if it is about using budgets to support people with subsidised devices, for example, through schools or wherever, then that is unlikely to be something that we can contribute to, as a regulator, because we do not have budgets for that. That is more likely to be for the Government or the industry. However, I think it is one of those issues for which everybody needs to take accountability, and we have been trying to play our part.

Q83 Jane Stevenson: Don't your responses to my colleague on the wholesale prices and your lack of intervention completely contradict the digital exclusion proactive work that we would like to see Ofcom ensure is happening? Are those two things not completely incompatible?

Dame Melanie Dawes: Well, we are juggling a number of different things. We are juggling different objectives—trying to get the investment in 5G, as well as fibre, while also ensuring that consumers have what they need right now in very difficult circumstances with the cost of living.

The context for this is that, overall, the UK does have a very competitive market with competitive pricing. For example, on mobile, overall real prices have fallen by about a third in the past five years, even though we are all using about four times as much data. That is the backdrop to how we have come into this cost of living crisis—overall falling prices and a competitive overall market.

At Ofcom, we believe that is the first place that you look; you try to make sure that there is competition, and that is the best way to keep companies honest in serving their customers. However, clearly, we have to respond to particular problems, such as the cost of living crisis. I am sorry that Ms Elliott has not been happy with my answers here, but I have been trying to explain the range of things that we are doing to meet different objectives that we think matter, within our remit.

Q84 Kevin Brennan: Circling back a little bit to some of the issues that our acting chair and John Nicolson raised earlier, you said that it was good that we were seeing more diverse media on radio and TV. Recent GB News appointments have included Jacob Rees-Mogg, Esther McVey, Philip Davies and, earlier this month, Lee Anderson. TalkTV has landed Nadine Dorries for its organisation. Do you detect any kind of a pattern in their



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hiring strategies?

Dame Melanie Dawes: Well, look, it is for them to choose who to put on their programmes to serve their viewers—

Q85 **Kevin Brennan:** Would you describe that as diverse—“new and diverse TV”?

Dame Melanie Dawes: Well, there are two new channels there, in TalkTV and GB News—new over the past couple of years—

Q86 **Kevin Brennan:** Do they offer diverse viewpoints to the public?

Dame Melanie Dawes:—but, of course, you also have the whole range of other broadcasters that we are more familiar with, so it is not for Ofcom to determine who is presenting programmes, as long as they are meeting the rules in news programmes.

Q87 **Kevin Brennan:** But how can you describe it as diverse if, really, the political viewpoints being projected by these channels are basically—they are diverse in the extent that they are either right-wing or extremely right-wing, I suppose. You could say that, couldn't you?

Dame Melanie Dawes: Look, our job is to assess any complaints, and we also sometimes do proactive monitoring to ensure that individual programmes meet our rules. That is about due impartiality and a balance of views within any individual programme. So, even a programme presented by somebody with a very strong set of political views needs to make sure that other voices are heard, or they will come up against our guidelines.

Q88 **Kevin Brennan:** They are really taking the mick out of your impartiality guidelines, aren't they? I am interested to hear that you have done proactive monitoring. Is it correct that you have had over 3,500 complaints about GB News's coverage?

Dame Melanie Dawes: Yes, that is correct.

Q89 **Kevin Brennan:** How many have been upheld?

Dame Melanie Dawes: We upheld one complaint last week; we published quite a full response. That is the only one we have found against so far, but we have considered a lot of complaints—

Q90 **Kevin Brennan:** Would you describe that as a normal ratio? You have had 3,500 complaints and you have upheld one. Is that what you would expect to be the normal ratio for upholding complaints?

Dame Melanie Dawes: It depends on the viewing audience. For example, a lot of our complaints, particularly during the pandemic, were about individual programmes, and tens of thousands of viewers wrote in to complain. That is often ITV programmes that have very big audiences, but you might get a very large number of individuals complaining about a single programme. A channel like GB News has much lower audiences, so then there will be a different ratio.



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Q91 **Kevin Brennan:** It is a fair point. With these 3,500 complaints, how many programmes were they about?

Dame Melanie Dawes: I am not sure. I would need to confirm that.

Q92 **Kevin Brennan:** Could you let the Committee know? I think understanding the ratio of complaints that are being upheld is relevant. Do you think that TalkTV and GB News could be classed as public service broadcasters?

Dame Melanie Dawes: No, they are not providing a public service remit and I do not think they would describe themselves as such.

Q93 **Kevin Brennan:** If that is the case, why has TalkTV been allowed to obtain prominence on the electronic programming guide that is normally reserved for public service broadcasters? I had to fight very hard, for quite a long time, to get prominence for S4C on some services, when it was buried away down in the electronic programming guide. That is clearly a public service broadcaster with an important remit, particularly in Wales, but it is a UK-wide channel. Why has that been allowed to happen when normally it should at 237 on Freeview electronic programming? I have seen it on channel 7 and channel 8 in lots of parts of the country.

Dame Melanie Dawes: That is the Local TV slot in the EPG.

Q94 **Kevin Brennan:** Why does it have that Local TV slot? Why was it given that slot?

Dame Melanie Dawes: I can explain that. The licence is still with Local TV. As part of that licence, because it is high up the programme guide, it is required to deliver a certain number of hours of local programming. It is typically around 35 hours a week, but it varies a little bit with different licences. Outside that, Local TV is free to broadcast what it likes and, as the licensee, it retains overall editorial responsibility for that. In the case of Local TV Ltd, it previously had a deal with CBS and it was broadcasting largely American programming. It has shifted that so that it now has a deal with TalkTV.

Q95 **Kevin Brennan:** Are you happy with that?

Dame Melanie Dawes: We sought assurances that it still had overall scheduling and editorial control, because that is what it is required to do.

Q96 **Kevin Brennan:** Were you consulted before it happened? It just suddenly appeared on my TV, out of the blue.

Dame Melanie Dawes: We were certainly made aware of it and sought assurances about what it needs to do within its licence, which is to continue to produce the right amount of local TV, which is what it is doing, and that it maintains overall editorial and scheduling control.

Q97 **Kevin Brennan:** The truth here is that Local TV is a service that has utterly failed as an experiment. I think it was Jeremy Hunt's idea originally, and it has utterly failed as an experiment. In desperate throes,



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to make a bit of cash, it has flogged off slots to TalkTV, which is desperate to gazump GB News by being further up the electronic programming guide. Therefore, it has managed to insinuate its way into an area of the electronic programming guide that is supposed to have a public service broadcasting purpose. That is a reasonable summary of the facts, isn't it?

Dame Melanie Dawes: I am not sure that I quite agree with all of that.

Q98 **Kevin Brennan:** Which bits do you not agree with?

Dame Melanie Dawes: As part of its licence, Local TV is required to produce local television. Outside those hours, it is free to do what it wants—

Q99 **Kevin Brennan:** You have said that already, but which parts of what I said do you not agree with?

Dame Melanie Dawes:—and that is where it has the contract with TalkTV. It is not a conflict with the licence, provided that we have had the assurances, which we have had, about how it is meeting that.

Q100 **Kevin Brennan:** When Local TV was introduced, nobody envisaged hours and hours of broadcasting, high up the electronic programming guide. They thought there might be a few reruns and some old films—stuff like that—in those hours that were not being used for local broadcasting, but nobody envisaged that a partial and clearly propaganda-based news channel, owned by Rupert Murdoch, would be occupying that spot, did they?

Dame Melanie Dawes: Certainly I don't think anyone will have envisaged this, because the TalkTV channel was not there at the time. You are absolutely right to say that, commercially, Local TV is a very difficult business model, and that is why they have sought deals for their programming outside the licence standards of local television.

Q101 **Kevin Brennan:** How much longer is it before this Local TV experiment runs into the buffers?

Dame Melanie Dawes: I cannot say. That is a commercial decision for those who are running the service.

Q102 **Kevin Brennan:** Isn't there a deadline for when this has to be renewed at some point?

Dame Melanie Dawes: I am not sure when those licences come up. I am very happy to come back on that.

Q103 **Kevin Brennan:** Could you let us know? I would be very interested to know that, given what has happened here.

As you said, you have upheld one complaint against GB News, and I think the presenter concerned has now resigned from GB News, possibly before that complaint was upheld. This former GB News presenter is quoted as having said that he used to call the GB News compliance officer "Ofcom's bitch"; he said in a video that he put out himself, "Well, Ofcom's bitch



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has had his revenge now.” What is your reaction to that?

Dame Melanie Dawes: It is Ofcom’s job to assess complaints and to deal with those. In this instance, we dealt with this particular programme and reported on it quite fully last week. I do not have anything to say about any of the wider comments that have been made.

Q104 **Kevin Brennan:** Have you noticed any evolution in the kind of broadcasting that GB News has been doing since its inception as a rival news channel initially?

Dame Melanie Dawes: It has clearly introduced a number of changes to its schedule. What it started off with was a very specific set of programmes, and it has adapted and changed along the way. I would expect that. What we have been doing is assessing any complaints and concerns, and dealing with them under the broadcasting code, weighing questions like due impartiality and the potential to mislead the audience in a material way against the need to uphold freedom of expression. We need to remember that that is a statutory duty on us and is a very important part of this.

Q105 **Kevin Brennan:** I put it to you that what is actually going on here is that, in order to gain some ratings, GB News had to play into an audience that it may not have initially intended to appeal to, but it is the audience it has ended up with in this age of internet conspiracies and so on. When it looks at the little ticker in the back office that shows its ratings, it notices that every time it runs up the flagpole—perhaps not saying this is absolutely true—a conspiracy theory from the darker corners of the internet, the bit of the audience that is into all these conspiracy theories on the internet is tickled, and they are the people who are following it.

There is a big difference between the day-time and night-time coverage on GB News. It does some straight news in the daytime, but in the evening time there could be a story saying, “Why is Bill Gates buying up a load of land in America?” To us, that sounds like an innocuous question, but to somebody familiar with the deeper and more insane conspiracy theories on the internet, that ticks their box, tickles their fancy and gets that ticker going up on GB News. What you are presiding over—from your answers, I think complacently—is a change that involves more than just a little bit of variety of opinion, which we are not getting anyway. Actually, it is a media that is going down into a rabbit hole. This is not about news; it is about ratings, and you can get ratings by playing into the darker corners of the internet. Have you considered that possibility?

Dame Melanie Dawes: I think you are right to say that there is a link between the way broadcasters reach audiences through their programmes and the way that that plays out on social media, either through the broadcaster’s own accounts or by their presenters starting a conversation on social media.

Q106 **Kevin Brennan:** I am putting it to you that it comes round the other side: it starts because they know what the conspiracy theories are on social media, and that is what they are feeding off and getting their



ratings from.

Dame Melanie Dawes: I certainly agree with you that that is becoming an ever more complicated pattern, and that those links are definitely there. That speaks to what I was saying at the very beginning to Mr Green about the work we are doing on media plurality now, which is about how the algorithms are controlling what you get on social media and whether or not it actively encourages people to go into rabbit holes, where they cannot see through to the truth anymore and where they get ever more polarised in their views. I think that is a very important question.

Q107 **Kevin Brennan:** Understood, and you did tell the Chair about it. It is an important question. I am encouraging you, in that work, to consider the link between that and these new, in broadcasting, so-called news channels. You were saying, in your answers to Mr Nicolson, most of their output isn't news and that is why they are entitled to put sitting MPs on the programme. If it's not a news channel, I think that, in that work that you are doing about social media, that link with some of these new types of outlets—there is plenty of evidence of it from North America, as we know—is something that you should examine as part of that investigation. Will you do that?

Dame Melanie Dawes: I think that's a good point. Look, our media plurality work is—we are very actively engaging on that. I am very happy to make sure that the links to that and the work we have already published are available to the Committee. It may be something that you are interested in; we think this is quite important.

Q108 **Kevin Brennan:** Obviously, I am interested in it, but I don't think you have quite answered: is that something you will do as part of this work? If you need time to consider that—

Dame Melanie Dawes: I am certainly very happy to take that away and reflect on it.

Q109 **Kevin Brennan:** And could you write back to us and let us know what you have concluded?

Dame Melanie Dawes: I certainly think the point you are making, which is about the links between broadcast programmes and social media, is a very good one. It is something that I am very happy to reflect on, yes.

Kevin Brennan: Thank you.

Q110 **Chair:** Before we come to Clive Efford, can I just check this? Your attitude to a channel—we have been talking about GB News, so let's stick with that—is that, in its whole output, it has to reflect different views to meet your rules. That is not the same as saying that it has to have a broad balance of views across its whole output, is it? Or is it?

Dame Melanie Dawes: It would generally be about the individual programme and making sure that a range of views was brought to bear in that programme, but it doesn't mean an equal balance; it means that all views are represented in some way. But it does depend on the context.



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There are quite different expectations of a top-of-the-hour news bulletin, where impartiality and balance are extremely important, and of something that is more of a discussion show, where, fundamentally, people may well know very clearly what the opinions of the presenter are but, as long as they are talking to a range of people and representing different viewpoints on that programme—as I say, it doesn't have to be equally balanced—that will often be in line with our broadcasting code rules.

Chair: So the metric is the individual programme, you say, not—

Dame Melanie Dawes: That is the first place we always look. Sometimes a broadcaster may explicitly link a range of programmes across an evening or maybe even during the week. But it's very much dependent on individual circumstances. Where we think cases are going to be of interest—some of these have been. Some of the cases that we have looked at in relation to GB News we have, even when we have not found against them, published quite detailed reports on, because we know this is a matter of great interest to a lot of people. We explain how we weigh those things in the balance and how we balance the different aspects of the code.

Q111 **Chair:** So, broadly speaking, if Jacob Rees-Mogg interviews a Labour MP on his programme, that's fine—that's a range of views. I am not sure whether any colleagues have gone on Jacob's show yet.

Dame Melanie Dawes: Well, maybe not just a Labour MP. It would depend on the programme and then on the subject. It might not necessarily require a politician. It's about the range of views and opinions being represented, on any individual show, in a way that is appropriate for that show, for that audience—audience expectations are sometimes part of it. I should say that that is how it was that Russia Today and the Chinese broadcaster were able to continue to broadcast in the UK. Obviously, we found against both of those, ultimately, and removed their licences, but, to present news—this is all before the invasion of Ukraine, of course—from a particular perspective is not necessarily out of line with our code, provided that it can be justified in the context of audience expectations and provided that there is balance in the show. We are always thinking about freedom of expression here and do not want to see just a single, monocultural—a mono-representation of views on British TV. When you compare what you get in the UK with what you see in America, which is unregulated, it is very, very different.

Q112 **Clive Efford:** I will just follow that up very briefly. Do you take into consideration the fact that people just would not go on that show to provide that balance? If I were invited on to it by Jacob Rees-Mogg, I just certainly wouldn't go. That clearly has an influence on the balance that they can provide in their shows. Do you take that into consideration?

Dame Melanie Dawes: Well, look—how they do that is a question for the producers. Then we will take a view when we see the programme broadcast.

Q113 **Clive Efford:** Okay. I have a couple of questions about the BBC. What is



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your feeling about the impact on the public perception of the impartiality of the BBC that Richard Sharp was left in his position and Gary Lineker was forced to stand down? Is that evidence of political bias by the BBC?

Dame Melanie Dawes: I don't think I can really comment on individuals. I was answering Mr Nicolson's questions on this earlier. I have already said that the BBC has come through, we hope, the Gary Lineker episode and found a way forward on that. I think we are all glad to see that.

Q114 **Clive Efford:** But your first answer was about perceptions of impartiality. Is there any inconsistency in the positions of the BBC with regard to those two individuals?

Dame Melanie Dawes: Ofcom doesn't play any role in the appointment of the chair of the BBC, or anyone else at the BBC, so I really don't want to comment on that.

Q115 **Clive Efford:** So it didn't come up in your discussions with Tim Davie over the weekend.

Dame Melanie Dawes: I was keen to talk to Tim about what they were doing about the issue at stake, which has been in the news, around Gary Lineker, and to understand that, and to offer any support that might be appropriate.

Q116 **Clive Efford:** A key factor that was being commented on over the weekend was that position—there was the chairman of the BBC, who had donated money to the Tory party historically, and was involved in a trust that was a think-tank for the Tory party right up to the time he became chairman of the BBC, and then is involved in facilitating a loan for the former Prime Minister; and there is Gary Lineker, being forced to stand back. You don't think that that was having an impact on how people perceive the impartiality of the BBC. You didn't comment on it.

Dame Melanie Dawes: I think these are questions ultimately for the BBC. I have already said that the social media guidelines are important and I am glad they are reviewing them. We are happy to help with any expert advice on that, but I do think it is a matter for the BBC to lead on. I don't want to comment on other individuals, I'm afraid.

Q117 **Clive Efford:** Okay. The weekend's sports coverage on the BBC collapsed, following Tim Davie's decision to force Gary Lineker to stand down. Did it cause you any concern that he hadn't taken any soundings from his staff at the BBC about how they would react if he took that step of making Gary Lineker stand down? It had a massive impact on sports coverage on the BBC.

Dame Melanie Dawes: It is certainly a concern that viewers and listeners—it was TV and radio—did not get their normal service this last weekend. That is our primary duty as Ofcom—to make sure that viewers and listeners get what the BBC is required to give them through the charter. That didn't happen last weekend, and I think that was a real problem.



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Q118 **Clive Efford:** I put it to you that that seems to have happened because Tim Davie did not take soundings from his own staff. Does that cause you concern?

Dame Melanie Dawes: Quite how the BBC manages these conversations inside the BBC really is a question for them. I can't comment on what debates were or were not had between the management of the BBC and their staff. But, clearly, the situation was not a good one over this last weekend. Clearly, audiences were not served in the way that they are entitled to expect.

Q119 **Clive Efford:** Do you think Tim Davie was overly influenced by all the political noise surrounding the comments of Gary Lineker, rather than by what was in the best interests of the viewers of the BBC?

Dame Melanie Dawes: I really can't comment on that.

Q120 **Clive Efford:** Okay.

Again, this question is about perception of bias at the BBC. This is about BBC "Question Time". There was a comment about Stanley Johnson, who had been nominated for a knighthood. I am not criticising Fiona Bruce here. She was given a statement to give if that issue was raised. That is clearly what happened; the BBC has issued a statement saying that is what happened.

That statement was that Stanley Johnson hadn't commented, but a friend had said the incident did happen, but it was a one-off. The one-off was the fact that an assault had taken place and Stanley Johnson's wife's nose had been broken. Subject to that, people have been concerned about domestic violence, and the impact that would have on victims of domestic violence.

The BBC had the opportunity to investigate the background of what was going to be said about that and verify the facts, but it still decided to put out a statement saying it was a one-off. Whose interest was the BBC looking out for when it put that statement in front of Fiona Bruce—the victims of domestic violence or Stanley Johnson?

Dame Melanie Dawes: I am really sorry, Mr Efford, but I am just not familiar with that particular episode. I don't have any comment to make on it.

Q121 **Clive Efford:** You are not aware of what happened? It has been quite widely covered in the media.

Dame Melanie Dawes: No, I am just not aware of that. If there is a particular issue about the BBC's coverage—

Q122 **Clive Efford:** The issue is that when the BBC had the opportunity to investigate the facts behind this, it still chose to put out a statement that said that it was a one-off, when it was referring to violence against a woman. Given that there is so much concern about the promotion of violence against women and girls, how is it that the BBC came to the conclusion that that was a balanced thing for it to say? It was



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premeditated; it had the opportunity to investigate it, and it still chose to put out that statement in defence of Stanley Johnson. Is that a reasonable thing for the BBC to have done?

Dame Melanie Dawes: I'm really sorry not to be able to answer your question, but I am not familiar with that incident. If there are any questions you would like us to answer as Ofcom, I am happy to look into that.

Q123 **Clive Efford:** If there is anything you feel you can respond to in our exchange, I would welcome the response.

Can I move on to your recommendations about online news intermediaries? You made recommendations in 2021, and we are not expecting anything until 2024. Why is it taking so long? Are you concerned about the Government's delay in responding to your recommendations?

Dame Melanie Dawes: I think this was the first part of our media plurality work. In November 2021, as you say, we recommended to the Government that the rules on media mergers should be widened to include online news providers, because those rules weren't designed for a digital world, so they don't cover newer providers of news. I know the Government are interested in that, but we don't know when they will take that forward. What we are doing as Ofcom is the work that I was discussing earlier on social media. There is a slightly different set of questions about how those algorithms work and how they affect the way people experience and act on news and current affairs.

Q124 **Dr Huq:** I have just a couple of quickies on what has been raised. I know you are saying that Ofcom's remit doesn't cover a lot of these BBC questions, but do you have a position on the licence fee? That seems to have been very big over the past day or two.

Dame Melanie Dawes: That is another big question, and it is ultimately for the Government and Parliament.

Dr Huq: Not for you?

Dame Melanie Dawes: The BBC is required to deliver a service to everybody across the UK, and to reach into as many homes as it can. That universal service has always been funded through the universal mechanism of the licence fee. It is hard to see how you can get away from some kind of universal funding if you want a universal service to be delivered. Fundamentally, how that is designed and how it fits with wider commercial business models are questions for Parliament. It is so central to the BBC's future, and the BBC itself is well placed to look at the impact of different options on its own business.

Q125 **Dr Huq:** But you think the current system is working well? Historically, its mission has been to educate, inform and entertain.

Dame Melanie Dawes: Over the last five years that we have been regulating the BBC, we have found that it does deliver a good service to the country. Despite all the issues it has and all the controversies it can



sometimes be drawn into, it is important to remember that. We have consistently found year by year that it does deliver. It faces a really hard job of adapting to new viewing habits, particularly among younger people, which are changing incredibly rapidly. It faces a very difficult job in doing that. I know it is intent on making those changes, and we are trying to support it while holding the line when we think it needs to stick to things that it might, in an ideal world, prefer to move away from. We are balancing all that. I think that what we all want to see from the BBC is greater accountability and transparency and a real commitment to impartiality, but ultimately my concern at Ofcom is to make sure that it is delivering for audiences.

Q126 Dr Huq: Thanks. On these extreme right channels, or whatever we are calling them, is it not a concern that the audiences are so minuscule? “Piers Morgan Uncensored” is filmed in Ealing, so I went to have a poke around the studio the other day. In 2022, there was one day when it recorded a zero audience, and people were joking that it should be called “Piers Morgan Unwatched”. Isn’t that just as concerning as all the other things that have been raised about their editorial policies?

Dame Melanie Dawes: I think that is a question for those who are running the channels and about whether, ultimately, they can make a commercial return, which will depend on audience size. It is not a question specifically for Ofcom. Our concern is about the broadcast content, the overall licence and whether they are abiding by it. But I agree that in some cases the channels are not reaching very high numbers. Equally, that depends on how it relates to the business plan that was originally expected.

Q127 Dr Huq: They are a bit mysterious about how they count their viewing figures; I think that they aggregate web hits, Twitter views and all sorts.

What I was meant to be asking you about, which would ordinarily have been a big deal in a session like this, is the Online Safety Bill. We have had many changes to it—with so many different Secretaries of State, from Dowden to the current one, via Dorries, Donelan and others I have probably forgotten in between—and reconfigurations of the Departments. What are the biggest changes that the average user will notice when this new online safety regime comes into force, and how can we evaluate whether it has worked?

Dame Melanie Dawes: As you say, this is a very big deal, and it is something that we are working really hard on at the moment. Your question about how we measure the impact is a really important one, and it is important for me to acknowledge that it is very difficult. We have been engaging with the biggest platforms in particular over the last couple of years to understand how they measure the prevalence of harm, so that we can get some sense of how we can baseline that now and then look at what changes in the future. But to be honest, they do not really have the answers to that question right now. Typically, they measure what they have taken down, which of course is just how they act after the event,



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rather than what users are experiencing overall and what that looks like for different types of user.

What I can say is that you will see specific actions from Ofcom on things such as age-gating pornography at age 18. We are going to want very specific actions on making use of the available hash-matching technology to block child sexual abuse images. We are going to want to see changes to the design of platforms, particularly where children are involved, to make sure that grooming is much harder to promulgate and to protect children in particular. I can definitely say that there will be actions there, and we will be able to measure that those services have changed. The wider question of overall harm is one that we are very committed to trying to make some progress on, but it is genuinely a hard one.

Q128 Dr Huq: I think it has switched to more of an opt-out—the user empowerment thing. How will that look to an average Joe? Will there be more filters to get to the programme?

Dame Melanie Dawes: Of course, just the biggest platforms will have the new user empowerment duties that are now in the Bill. It will be the so-called category 1 platforms—Twitter, Facebook, Instagram, TikTok and so on. In a lot of cases, the platforms prevent all the content that is named in the Bill from being on the platform at all—we are talking about things such as hate speech, particularly in relation to protected characteristics, and misogyny. Right now, the platforms often just say, “That is not available on our platform, so you don’t need a toggle for on and off, because it is supposed not to be there.” We will be able, as the regulator, to check whether that is happening and validate whether that is really the case. If it is not the case, platforms will be required to apply whatever they say their terms and conditions are consistently and effectively. In some cases, it may be that they will want to introduce on/off switches for different types of content. Some of them are trialling that at the moment, but that is quite a difficult thing to do, because you have to categorise all the content to do it properly.

Q129 Dr Huq: So aren’t these category 1s—Facebook, Twitter, TikTok, YouTube—kind of marking their own homework if they set their own terms and conditions? Are you going to draw up some central guidelines? Otherwise, they are all going to have different measurements.

Dame Melanie Dawes: Under the Bill as it is now, we won’t be determining or giving them a set of questions for the terms and conditions. They will be deciding those for themselves. I should say it’s the platforms I mentioned plus a few others. That will depend on some detail that will come further down the line as to exactly who it is, but what we will be able to do as the regulator is mark their homework. Yes, they will determine what their terms and conditions are, but we will be able to go in and check whether or not they are abiding by those terms and conditions. At the moment, they are doing that all on their own.

Q130 Dr Huq: But there is no code of practice or central guidance that you will issue so that there is some standardisation across them?



Dame Melanie Dawes: There are some things named in the Bill—some issues named in the Bill—to which the user empowerment duties relate, but when it comes to wider terms and conditions for content that is legal for adults, they are free to set their own terms and conditions. What, of course, they do have to do in a consistent way is abide by the illegal codes that Ofcom will be producing, and also the wider protections for children in relation to content that might be illegal but is still harmful to children, such as pornography, suicide material and other types of content like that.

Q131 **Dr Huq:** Has your July 2022 road map to regulation suffered from disruption because of all the changes that we keep seeing?

Dame Melanie Dawes: That road map, which we published in July as you said, assumed Royal Assent in the early months of 2023. We are now expecting that to come later, so the starting gun for us as a regulator will come later than we were assuming last summer, but we are trying to be ready to move quicker when that moment arrives.

The road map set out three phases for our regulation. First was the very important codes on illegal harms, the protection of children, child sexual abuse, hate speech, terror, intimate image abuse and other illegal harms. We had previously said that we expected to be able to get those out for consultation within 100 days of our powers commencing, and we can now say that we will do that immediately our powers commence, whenever that moment comes. It will depend on the final months of passage of the Bill. The following chunks of the work follow in sequence beyond that.

Q132 **Dr Huq:** Will the sequencing of the final codes be done publicly before the Secretary of State reviews them so that it can be seen how far the modifications fit with—

Dame Melanie Dawes: Yes, we will consult. We are expecting to get a lot of information back—potentially quite complicated information. We might need to run small consultations on particular issues in order to get to a place where we think we've got a robust set of codes and guidance—we are doing this across a huge volume of material, I should add—but when we set out our final statement, which will be for consideration by Ministers and Parliament, we will say how we have responded to the consultation, and we will do what we always do, which is be as transparent as possible about how we have taken into account all the different representations we've had.

Ultimately, we are aiming for something that is trusted by the industry. If it is challenged—if it is subject to JR—we won't be able to enforce against it until the legal process is through, so we are aiming for something that the industry understands, can trust and can sign up to, but also achieves real change for users.

Q133 **Dr Huq:** Are there any further issues that you can foresee that might delay implementation again?

Dame Melanie Dawes: What I would say is that the Government did a very unusual thing in funding us as Ofcom a couple of years ago to start



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our preparations. As far as I am aware, this is without precedent. That's why we are going to be able to consult so quickly immediately our powers commence. On a regime like this that is so complicated and so novel, that's quite an achievement. I really do give credit to the Government for having funded us, because that hasn't happened, for example, across the European Union. They are recruiting now for a regime that already has legal force.

That really helps, because it means that we have been able to use the time, while the parliamentary stages have taken a bit longer, to continue, for example, to launch calls for evidence on harms, to continue to do our research and to continue to do the engagement. I think we're well placed.

The issue that may delay us a bit is if there are significant changes now to the Bill, and we are aware that there is a lot of interest in the House of Lords, particularly on the children's code, so we will do everything we can to accommodate any changes and stick to our timings as far as possible. That will depend a little bit on any amendments, but we are in close contact with the Government and with individual Members of the House of Lords who are really interested in this, so that they can understand those trade-offs as well as possible.

Q134 Dr Huq: You are currently engaging with stakeholders. What work have the services in scope been doing in preparation for this Bill finally seeing the light of day?

Dame Melanie Dawes: They have all been engaging very actively with us, and over the last two or three years we have seen most of the platforms begin to take seriously perhaps some of the questions that the Bill will address. However, I also think that there will be a moment when this Bill actually gets Royal Assent and when it goes live when things change.

When we launch our consultations in September—September is our current working assumption, but it depends on Royal Assent—that will be a moment when the industry will see for the first time what we expect as a regulator, by way of how they assess risks against illegal harms, the mitigations that we think are proportionate and necessary to address those harms, and ultimately what Ofcom sees as the big risks that need to be looked at.

I think we will see a shift then, and we have certainly found in regulating the video-sharing platforms that the shift from preparation and engagement into regulation is a significant one. The rubber hits the road, if you like, and you get bumps along that road. But we will be ready for that, and we will expect the conversations to get, in a way, more serious and more real at that moment.

Q135 Chair: Just picking up on the point about the Bill, how do you intend to work with organisations like Internet Watch Foundation, which has done a lot of good work under the new regime?



Dame Melanie Dawes: The Internet Watch Foundation has done amazing work, really, in tackling some child sexual abuse imagery, and we want that to continue. We would view any platform that decided to stop being a member of IWF and stops funding that work as—that would be a risk factor for us about their attitude to child sexual abuse material in particular.

One of the things that we will want to do is to work out what partnerships we strike with IWF, the National Society for the Prevention of Cruelty to Children, and many others who are expert in this field. However, we do not see regulation here as a solo effort just by Ofcom; that cannot be the case for something as huge as this and where there is already so much expertise. But precisely how we draw on that expertise is something that we still have to discuss with bodies such as the IMF. However, I will just emphasise how we want their work to continue. We want to support it, and we want to make this regime something that recognises that as a good thing that you need to do if you're a platform and not as something that in any way undercuts it.

Q136 **Chair:** While I am on the subject of delays, the media Bill is proceeding very slowly towards us. Does that make the new licence arrangements for ITV and Channel 5 problematic?

Dame Melanie Dawes: Yes, there is a link there. We gave advice to the Government last summer, which said that we thought there was a commercial case for another 10-year licence for channels 3 and 5—for a PSB licence that was still commercial. However, that is a bit contingent on measures in the media Bill being updated in the way that I know you are familiar with, which is to modernise the prominence regime and so on. Therefore, we expect and hope that the Government will bring forward that Bill soon; that's what they said they want to do.

Q137 **Chair:** But can you carry on with the sort of licence—?

Dame Melanie Dawes: Yes. We are not out of time yet; there is a little bit of time there. And I think that that is probably something that is weighing into the Government's decision on the timing.

Q138 **Chair:** Okay. One final strategic question. I think we have had the formal announcement this morning that you are now reporting to DSIT and not DCMS. That feels to me like the Government saying—we've heard this morning that you have had a lot of questions about the BBC and public service broadcasting, and a lot of questions about broadband and pricing, which are the two distinct halves of the work and which have been divided in the Government now.

Does that mean that the broadcasting media work is now slightly second order for Ofcom and that the digital—the broadband and all of that work—is your main focus?

Dame Melanie Dawes: No, it doesn't mean it is second order. The discussion we have had this morning just shows the links between our broadcasting work and social media regulation in particular. I passionately believe that Ofcom's wider converged remit makes more and more sense



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now. We are seeing companies such as Amazon, which produce TV content and entertainment, oversee a social media platform, and provide cloud services that underpin the internet. They are even a logistics provider, with parcels—which we also regulate, of course.

We are increasingly seeing that converged sense of the communications industry being a reality, and consumers increasingly operating across a broad range of services. Ofcom will always hold that in one place. We are used to working with different Departments. It makes sense for our overall sponsorship to move to DSIT because they have the biggest interest in what we do, but we will manage that boundary with DCMS and I am very confident that there will always be keen interest in everything we do on broadcasting and the BBC.

Chair: That is a fair prediction. We will end there. Dame Melanie Dawes, CEO of Ofcom, thank you very much for joining us this morning.