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House of Lords Communications and Digital Committee inquiry into BBC future funding

I am grateful to you and the Committee for the opportunity last week to discuss Ofcom's work on the BBC. In the session, I promised to write to you about the number of complaints Ofcom has received from competitors about the BBC's impact on competition. I have set out further detail on this below.

A key part of Ofcom's role is to assess the impact of the BBC's activities on competition. As such, we carefully consider stakeholder views on the BBC's commercial impact and on how well the regulatory system is working. We engage with stakeholders about specific areas of work, such as through consultations on our future regulation of the BBC or on the market impact of BBC Sounds, but also consider and, where appropriate, take action in response to general complaints and queries.

Stakeholders can raise concerns with us in various ways, ranging from submitting a formal complaint, to raising issues informally in private discussions. To ensure there are opportunities for stakeholders to raise such concerns, we conduct an ongoing engagement programme meeting regularly with the BBC's competitors.

Formal complaints

The complaints process is 'BBC first'. This means we will only assess a complaint if the complainant has been through the BBC's own complaints process and is not satisfied with its final response, unless there are exceptional circumstances, or we choose to use our discretion to intervene.

We set out formal complaints we receive as part of our Annual Report on the BBC each year. Most formal complaints we receive are editorial. We do however receive a small number of non-editorial complaints from competitors relating to competition or the BBC's performance more widely. Our duties require us to consider formal complaints related to compliance with the particular rules we have in place – so called 'specified requirements'.¹

Since we began regulating the BBC in 2017, we have received two formal complaints from competitors in relation to 'competition requirements': one about distribution of the UK's public services in July 2017, and one about the BBC's commercial activities in May 2018. We carefully considered both

¹ In accordance with the Charter (Article 49), Ofcom must enforce compliance by the BBC with the specified requirements set out in the Agreement (Clause 59). 'Specified requirements' include 'competition requirements', as set out in Ofcom's [Procedures for enforcement of BBC competition requirements](#), and other 'relevant requirements', set out in Ofcom's [Procedures for enforcement of requirements in the BBC Agreement and compliance with Ofcom enforcement action](#).

complaints, the first of which was subsequently withdrawn after the relevant party reached a commercial agreement with the BBC, and the second of which we concluded did not warrant further investigation.

General concerns and complaints

Stakeholders occasionally raise issues with us without making a formal complaint, either in writing or through our regular engagement. Since 2017, we have received around 30 queries, concerns, or issues labelled as complaints from BBC competitors by letter or email which do not relate to any of the 'specified requirements'. In response, we have helped third parties and the BBC reach a resolution, and used their concerns to inform our work.

How we respond can vary and depends on the circumstances. General complaints which do not relate to a 'specified requirement', can inform our ongoing work, or may prompt us to take on a specific piece of work in response. Two examples of this are below.

In September 2018, Wireless Group requested that we undertake a BBC Competition Review into how the BBC acquires sports rights for BBC Radio 5 Live. We reviewed the submission, and conducted our own research, but considered it would not be appropriate to launch a review at that time. This was principally because the way in which the BBC acquired radio sports rights did not appear to have changed materially since the current BBC Charter came into effect, and any consumer harm resulting from the way the BBC acquired radio sports rights seemed unlikely to be material.²

In 2020-21, we responded to concerns raised by the commercial radio sector about the evolution of BBC Sounds. Following a call for evidence and a full public consultation, we published a statement setting out our conclusions on the market position and impact of BBC Sounds in the UK audio sector.³

I hope this response is helpful and I look forward to continuing to engage with you and the Committee on our work in the year ahead.

19 May 2022

² [Consideration of a request from Wireless Group Media \(GB\) Limited for Ofcom to launch a BBC Competition Review: BBC radio sports rights acquisition](#), 18 December 2018.

³ [Statement: Market position of BBC Sounds](#), 25 November 2021.