

THE MONTH IN FOCUS

NEWS LEADER

No one who has been subjected to the high-pressure sales techniques involved in selling extended warranties will be surprised that the OFT (Office of Fair Trading) has taken a dim view of the business in its latest report.

The OFT has called in the Competition Commission and, if the Commission finds a monopoly acting against the public interest, we can expect to see radical changes.

Of course, retailers could wake up and realise that this racket is giving them a bad name and sort out something more sensible that charges consumers for appropriate levels of support (see also Welcome, page 18, and ConsumerWatch, page 43).

IN THE NEWS

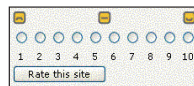
22 Windows locked

Microsoft has ruffled the feathers of privacy advocates with plans to ringfence PC security in future versions of Windows.



25 Boredband

Broadband is still in the news this month. BT is still getting bashed for dragging its feet, but some interesting alternative broadband services for small firms are starting to emerge.



26 Linkage

PCAdvisor.co.uk has added a new area highlighting the best computer websites as voted by our visitors.

Warranties in the dock

Competition Commission to decide whether sale of extended warranties is against public interest

The OFT (Office of Fair Trading) has condemned the sale of extended warranties on electrical goods as uncompetitive and baffling to consumers.

Following a 10-month investigation the OFT concluded that electrical retailers, such as DSG (Dixons Stores Group), which holds sway over nearly a third of the £500m warranty market, can not be relied on to regulate themselves.

Its report states that, in the OFT's opinion, competition is not effective, consumers are not sufficiently protected or informed, and that it will be referring the matter to the Competition Commission.

The Commission will consider whether the sale of warranties – which can add up to 50 percent to the overall price of a product – is against the public interest and whether a monopoly exists. It will report to the government in 12 months time.

In a PC Advisor website poll last November 87.1 percent of respondents voted extended warranties a rip off.

DSG, which owns high street chainstores PC World, Dixons, Currys and The Link, has unsurprisingly rebuffed the report. "Dixons Group regrets that the OFT has referred this matter to the Competition Commission. There is no justification for this expensive and disproportionate action," the group said in an official statement.

Other retailers were at pains to point out the difference between extended warranties and PC support contracts.

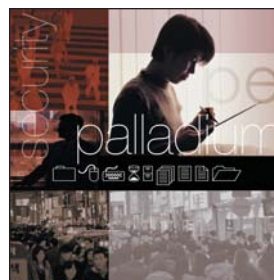
Windows moves to secure market

Microsoft wants to change the fundamental architecture of the PC by adding its security hardware, Palladium, to a future release of its Windows operating system. Unsurprisingly, privacy advocates are against the move.

The new architecture, as described by Microsoft's manager for content security, Mario Juarez, would see an encryption security chip added to PCs creating a secure space, inaccessible to the rest of the PC, in which users will be able to run applications and store data.

"This system looks a lot like Hailstorm [a codename for an early version of Microsoft's .Net services]," said Chris Hoofnagle, legislative counsel for the Electronic Privacy Information Centre, a non-profit internet-user rights group based in Washington DC. "It's not good for consumers. Anything with verification and DRM [digital rights management] limits consumers' ability to control their behaviour," he said.

The technology needs to be widespread in order to be useful, so Microsoft will be working with other companies, both in the hardware and software markets, as well as listening to feedback from users, Juarez said.



"With PCs the warranty is not just there for repairs or insurance – it is there to provide user support," stated Colin Middlemiss, head of communications at Time, which owns the Computerworld chain.

Middlemiss continued, "Warranty support on PCs is value for money for certain types of customer. The dissatisfaction comes from warranties not being flexible enough or satisfying customer expectations. Companies need to provide much more flexible solutions to suit individual customers rather than a one-size-fits-all standard."

Electrical goods are almost always covered for a year by the manufacturer's warranty and by the Sale of Goods Act, which places responsibility on the retailer to sell goods that are "fit for their purpose".

Microsoft gives taste of things to come

Microsoft showed off some of its latest products, which will be available this year, at New York's TechXNY exhibition. It gave some information about the forthcoming update to Office, currently codenamed Office 11, as well as revealing that the long-awaited Tablet PCs, with proprietary operating system, should launch in November. The company also demonstrated the latest version of its Pocket PC handheld operating system, Windows Powered Pocket PC 2002 Phone Edition.

Office 11 is due to launch in the middle of next year, according to Jeff Raikes, Microsoft's group vice president of productivity and profits, and would be aimed at information workers.

Raikes demonstrated Tablet PCs from Fujitsu and Toshiba, while HP and ViewSonic have also announced plans to launch Tablet PCs. Prototypes that have been revealed so far don't take the term 'tablet' too literally, as all either include a keyboard or offer the option.



For example, the preproduction Acer TravelMate 100 is a subnotebook that can be converted into a slate by swivelling its 10.4in LCD (liquid crystal display) touch-screen 180 degrees and folding it back over the keyboard. The shipping date for Tablet PCs running the new Microsoft operating system is 7 November. Pricing and UK availability for these products has yet to be announced.

The final addition to the software line-up is Pocket PC 2002 Phone Edition, which is Microsoft's handheld software optimised for use with PDAs (personal digital assistants) that have integrated wireless voice and data capabilities. It's due for release in the US later this summer.

JVC tackles subnotebooks

JVC is better known for its home entertainment and camcorder ranges in the UK, but in Japan it has been shipping Windows CE-based handhelds for a while. Now it is taking a step up and offering its first subnotebook range, which will run Windows XP.

The new JVC MiniNote series is due for launch in mid-September. There are two models: the high-end device uses an 800MHz Mobile Pentium III processor, has 256MB of RAM and a 30GB hard drive, while the lower-end version is powered by a 650MHz Mobile Celeron, with 128MB of RAM and a 20GB hard drive. Both have 8.9in widescreen TFT (thin film transistor) displays which support a maximum resolution of 1,024x768, SoundBlaster Pro sound cards, FireWire and USB connectors, plus built-in ethernet and SD (secure digital) slots. The units measure 225x152x28mm; the low-end MiniNote weighs in at 880g, while the more powerful unit is 5g heavier.

The move into this market puts JVC in direct competition with Sony's Vaio C1. But with pricing due to be around the £1,000 mark for the entry-level model and roughly £200 more for the Pentium-based unit, the MiniNote is a lot cheaper. In terms of size the C1 is virtually identical, although it is slightly heavier and is powered by Transmeta's Crusoe chip. A new C1 model, the C1MHP, is due out imminently. It will use an 867MHz processor, 256MB of RAM, a 30GB hard drive and be priced £1,619.



PC TV licence

People who watch TV on a PC monitor could soon be forced to buy a licence, says government secretary Sue



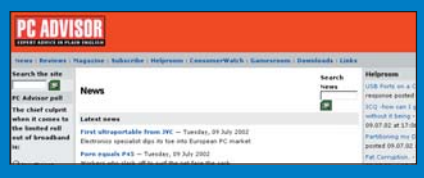
Street. Street, a secretary for the Department for Culture Media and Sport, told the House of Commons Public Accounts Committee in a discussion about TV licence evasion, that the government is discussing extending the definition of a TV set.

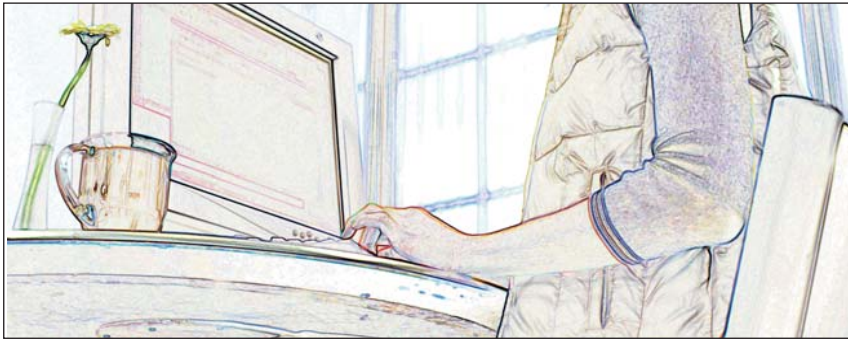
"The bill takes a flexible approach to allow changes to be made to accommodate future services," said a spokesman at the DCMS. "At this stage we do not know what they will be or whether they will include PCs."

If PCs with TV capability do become liable for licensing then shows such as Big Brother, which runs 24-hour TV internet coverage, will be worst hit.

 Daily news at www.pcadvisor.co.uk/news

To find out what's going in the world of IT, with stories from all over the world, log on to www.pcadvisor.co.uk/news





Wireless LAN goes public

Recent regulation changes have opened up the possibility for wireless LANs (local area networks) to be installed in commercial premises, so it shouldn't be long before we will all be able to email friends and colleagues while sipping coffee and nibbling a croissant at a swanky cafe.

E-commerce minister, Stephen Timms, has announced that the government will allow the 2.4GHz part of the radio spectrum to be used for commercial telco services, without the need for the previously required Wireless Telephony Act licence.

The proposed changes are due to come into effect on the 31 July and will mean that wireless LANs can be operated on a commercial basis for public use, allowing operators to offer wireless broadband services to customers in places like motorway service stations, airports and coffee shops.

Timms said he hoped that by relaxing the requirements the government would "provide opportunities for telcos to deliver new and innovative services for the public".

A spokesperson for BT said the company plans to roll out such services to around 4,000 locations by summer 2005.

Honey, I shrunk the CD-ROM

Ever one for innovation, Philips Electronics has been turning its R&D attentions to the humble CD-ROM, developing a drive that can take optical discs measuring just 3cm in diameter – only slightly larger than a 10p piece. Yet the tiny discs can store up to a gigabyte of data.

The drive itself measures 56x34x8mm, making it small enough to include in portable devices such as mobile phones, digital cameras and PDAs (personal digital assistants).

The data capacity of the discs is one-and-a-half times greater than current CD-ROMs. This

increase in storage is made possible by using blue laser technology, which has a shorter wavelength than red laser used in current optical discs. A shorter wavelength means that the laser beam can create smaller dots on optical discs, which means more data can fit on them.

"The technology is still at an early stage and we cannot determine when this will be commercialised," Philips' Koen Joosse said. The company hopes to shrink the 7.5mm height of the drive, while the 3cm diameter is now small enough for mobile devices, he said.



Gadget wishlist

If you could own one of the sci-fi gadgets dreamed up by writers and programme makers, what would it be? *Star Trek's* matter transporter, *Star Wars's* lightsabre or *James Bond's* remote-controlled car? These were among the top choices in a survey conducted by computer retailer PC World. The number-one choice for women was the memory eraser from *Men in Black*, saving all that effort put into plausible denial.

Visitors to PCAdvisor.co.uk were more sarcastic when we asked them to name their top choice: broadband internet access proved to be classed as reality for some, sci-fi for others. PCs that don't crash and software that does what it claims were also high on the list.

Charity recycles used computers to Third World

Overseas development charity Computer Aid International is calling on UK companies and government departments to donate 50,000 old Pentium PCs for school and community projects in poor countries.

In the third world, 99 percent of children leave school without ever touching a computer in the classroom. In Nigeria alone, state schools require 50,000 PCs and this shortage applies to most developing countries. Prices of hardware are usually higher in sub-Saharan Africa than they are in the West but for the price of a new PC, Computer Aid International can supply 20 quality, refurbished machines.

In the UK, most old PCs are consigned to scrap currently and end up in landfill sites. In a recent survey over a third of companies said they still scrap old PCs and were unaware of upcoming legislation enacting the EU's Waste Electrical and Electronic Equipment directive, due to come into force in the UK



by 2005, which will make scrapping illegal. (See Waste watchers on page 156 for more information.) Computer Aid International offers data wiping services and will collect within the M25. The dedicated hotline for enquiries is 020 7281 0091.

Broadband furore fails to interest public

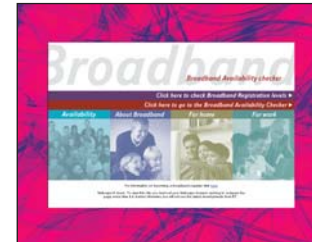
The battle of words over broadband rollout has heated up in the last few weeks, but there is little evidence that it has increased the rate of take-up.

Following research published by the B4B (Broadband4Britain) campaign, BT released its 'trigger figures' – the number of registrants needed to justify enabling a local exchange for DSL (digital subscriber line) – on its website. An online database at www.bt.com/broadband allows users to find out the required level of users BT says are needed for their area to receive broadband.

Predictably, these user threshold numbers have caused much controversy. B4B labelled BT's trigger-point figure – of between 300 and 500 – "way too high", pinpointing the number needed to be nearer 50. "All this adds a great dollop of spin, but little of real substance," said B4B campaign manager Andy Williams.

Sources close to BT engineering privately admitted that BT has been forced to upgrade unprofitable exchanges, where less than eight percent of lines connected to the exchange were suitable for DSL.

Meanwhile, AOL released its long-awaited broadband price. At £34.99 per month it's higher than expected, with Freeserve and BT charging £29.99 per month. But AOL justified the price by pointing out its low cost of initial installation which, at £85, is nearly half Freeserve's £149.99 and BT's £150. However, AOL's broadband package is only open to existing members, although users can sign up for a free trial of AOL's dialup service and order broadband immediately.



Alternative DSL

Satellite broadband is an expensive alternative for businesses that can't access DSL (digital subscriber line) services. ISP Firstnet's launch offering comes with a whopping £249.99 connection fee, £159.99 installation charge and a £199.99 monthly subscription for the multi-user package. However, unlike DSL, users do not have to be in a specific location. Instead, a satellite dish is fixed to a building, which then links to the PCs inside it via an ethernet connection.

Meanwhile, Tele2 is offering small firms an improved broadband service, which it promises will be more reliable than conventional DSL. The ISP is promising a business uptime of 99.9 percent, a four-hour response time should the service, fail and money back if the service level isn't met. It costs £94.99 a month for a shared connection or £39.99 for a single user.

Super-slim and supple screens

E Ink has demonstrated its range of prototype 'electronic paper' display screens that are just 0.3mm thick. The display is built on a steel foil substrate and is therefore flexible as well as thin. One prototype, aimed at small portable devices such as smartcards and mobile phones, has a 1.6in diagonal screen with a resolution of 100x80 pixels. A larger prototype is intended for handhelds.

Corel upgrades graphics suite

Corel has released the latest version of its graphics suite, CorelDraw 11.0, launching it for the first time simultaneously on both Mac and PC platforms. All three main elements of the package have been enhanced. It is due to ship in September priced £340, but existing CorelDraw 9.0 users who preorder before 30 September will get the upgrade free. A full review will be in the October 02 issue of *PC Advisor*.

HP promises photo-quality printouts

HP is launching a range of three printers featuring the updated version of its PhotoRet technology, which it claims can print digital shots that are virtually indistinguishable from traditionally developed photographs. The printers that will be compatible with PhotoRet IV are the DeskJet 550, and the PhotoSmart 7150 and 7350. Look out for our verdict on the new technology in next month's issue.

Matrox launches Parhelia graphics boards

Matrox has launched its first Parhelia 512-based graphics card. Announced in May, the card's new features include a 256bit DDR (double data rate) memory interface, partial compatibility with Microsoft's forthcoming DirectX 9.0 and support for up to three displays. The first board will come with 128MB of DDR RAM; 64MB and 256MB models are also planned. See Hot off the Press on page 33 for our first impressions.

Next-generation memory moves closer

MRAM (magnetic RAM) is closer to becoming a reality as Motorola says it will start shipping samples next year and commercial production is slated to begin in 2004. MRAM stores data by causing certain materials to enter one of two magnetic states, without needing any power input. Motorola has already unveiled a prototype 1MB MRAM chip, joining an earlier 256KB prototype also produced by the company.

Sorry Miss, the dog ate my laptop

Insurer Complete Computer Cover has used its claims data to compile a list of the top 10 ways to trash your notebook. At number one is the student who managed to throw his notebook off a 20ft bridge when he was pushed from behind. Other classics include a dog chewing through the power cable and a laptop that was run over in its owner's driveway. For a full list visit www.completecomputercover.com.

RealNetworks offers content for cash

RealNetworks has launched its RealOne SuperPass subscription service in Europe. The paid-for service offers users premium content streamed to their PCs. SuperPass costs £9.99 per month and for that users will get access to news and events coverage from the BBC and CNN, sports, music and entertainment from Uefa, Wimbledon, Cricinfo, MTV, BBC Worldwide and other providers.

Lara in the palm of your hand

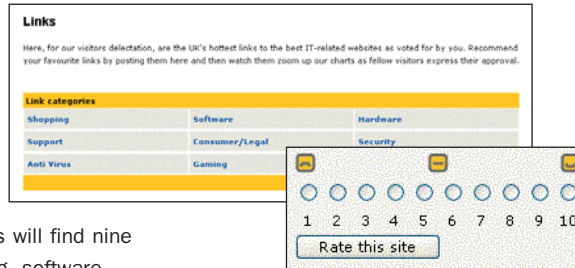
Remember those heady days of infatuation when you first discovered the implausibly endowed Lara Croft? Now you can relive them anywhere you please, as Tomb Raider developer Eidos Interactive is bringing the game out for Pocket PC devices. A one-level version of the game is available at www.tombraideretogo.com. The full version is sold exclusively at www.handango.com, priced £20.

PCA readers vote for top computer sites

The latest addition to PCAdvisor.co.uk provides access to the UK's best IT-related websites as voted for by you, the readers.

Surfers who pay a visit to www.pcadvisor.co.uk/links will find nine website categories: shopping, software, hardware, support, consumer/legal, security, antivirus, gaming and IT news. The most popular recommendations appear at the top of each category, ensuring that the most useful links get best visibility.

By simply selecting your preferred category you can then click through to sites that have been recommended by fellow visitors. And, if you want to add a must-see site to the list, just click on the Suggest a Link option.



On viewing a recommended link, visitors are also automatically invited to vote on how useful they have found it.

Links is part of the PCAdvisor.co.uk's Registered User Area, which is now home to more than 60,000 members. It includes the highly successful support areas, Helproom and ConsumerWatch. Helproom alone answers up to 200 technical queries per day and supports a search-friendly database of nearly a quarter of a million postings.

Dell diversifies

Research released by analyst firm Ars speculates that Dell is planning its first foray into the handheld market. A report, written by handheld PC analyst Sam Bhavnani, says Dell has been negotiating with several Taiwanese contract manufacturers to produce a high-end product to pit against rival devices from Toshiba and HP.



Although Dell spokesman Cody Pinkston declined to comment on the rumours, he did confirm that the company has publicly stated that it is looking for opportunities in new markets like handhelds and mobile projectors and has plans to start selling Dell-branded projectors in the US next month.

Dell already resells a number of PDAs (personal digital assistants) from vendors including Sony, Handspring, Palm and HP. But, despite the recent launch of the Jornada 728, HP is said to be phasing out its Jornada range, in favour of Compaq's iPaq line of handhelds. Given that Dell and Compaq are long-time rivals, it is unlikely that Dell would want to resell Compaq-designed handhelds. According to the report, Dell is likely to aim its handheld at corporate customers and, as such, would launch a high-end device with wireless connectivity, perhaps using an XScale processor.

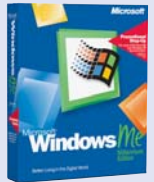
FLASHBACK

This time last year...

Professor Stephen Hawking warned that computers could take over the world if humans are not careful. In an interview with German news magazine *Focus*, Hawking said that there was a real danger of computers developing intelligence, as they double their capacity every 18 months. Genetic engineering is the answer to this, said Hawking, as it is vital to develop ways of keeping biological systems superior to electronic ones. He predicted that genetic engineers would be able to create humans with larger brains and an increased IQ.

Two years ago...

Windows Me hit the shelves in September 2000 and promised improvements over Windows 98 in areas including PC maintenance, digital media, home networking and internet access. Aimed primarily at home PC users, Windows Me was the last addition to the Windows 9x family of operating systems. Microsoft also gave vendors plenty of opportunity to update their drivers for their hardware, something that had been a problem with Windows 2000, by freezing the Windows Me code in June 2000.



Five years ago...

Panasonic became the first manufacturer to release a notebook with an internal DVD drive. The CF-63 was aimed at technology enthusiasts eager to get one step ahead of their peers, as the prohibitive £3,999 ex VAT price tag would suggest. The CF-63's DVD-ROM drive doubled as a 20-speed CD-ROM and the device also boasted a 166MHz MMX Pentium processor and a built-in four-speaker surround sound system. As well as these high-end features it also sported a 13.3in LCD (liquid crystal display) screen capable of supporting resolutions up to 1,024x768.

news in brief news in brief news in brief news in brief news in brief news in brief news in brief news in

A smart and practical house

If you've got £1.5m to spare, then you might want to buy a Techaus home. This state-of-the-art abode features a security system, satellite TV, barcode readers that update your internet shopping list, and broadband internet connections in all 13 rooms. The house, in Shiplake, near Henley on Thames, has been 18 months in the making, the aim being to build a house that uses technology in a practical way.

Sharp launches 'world's lightest PDA'

Sharp has unveiled the next addition to its Zaurus range of PDAs (personal digital assistants). The device runs Linux and Java and is intended for business use. Sharp claims that the A300 is the world's lightest colour-screen PDA and, at 120g, we can't disagree. It uses Intel's XScale processor running at 200MHz, has 64MB of RAM and is due out in the UK later in the year.

Imitation is the fastest way to Java

Welsh software company Imitation has come up with a system which it claims will have you producing your own Java-based applications within half an hour. The software demonstrates in simple steps how to create a function, such as a flashing banner, quiz or animation, and then writes a Java program to create these functions. It costs £99, or £40 to students. For further information visit www.imitation.uk.com.

Debate about snoopers bill delayed

After a torrent of complaints from pressure groups and Tory MPs, the government postponed the debate about the addition of controversial amendments to Ripa (the Regulatory Data of Investigatory Powers Act) due to "timetabling difficulties". The proposed extensions would allow private bodies and some government departments to access private online information for "security purposes".