

## Extended warranties: to buy or not to buy?

In the latest episode of the extended warranties saga, the Competition Commission has written to electrical retailers asking for comments on its proposals to make the provision of warranties more competitive. The Commission must decide by 1 July whether the conduct of retailers selling extended warranties is against the public interest – in other words, whether consumers would get more choice and better value if competition was improved.

Its list of possible remedies include retailers being forced to inform customers about alternative warranty providers. But in a public hearing held in London's Institute of Electrical Engineers back in April, Retra (The Radio, Electrical and Television Retailers Association) and high street retailers Dixons and Comet were adamantly against this.

"Retailers have to earn an income. Why should they offer information on competitor's warranties, which would result in a loss of business?" asked a Retra spokesman.

Another idea put forward is tailormade warranties which would allow users to take out cover on specific parts of a machine. More importantly, it would enable customers to renew their insurance on an annual basis rather than requiring them to pay for many years of cover from the date of purchase.

Other possible regulations up for debate include longer cancellation periods, written quotations, confirmation of the right to cancel and the option to extend an existing warranty with one retailer through another. The Commission is also considering a benchmarking system, which would provide consumers with peace of mind that their warranty would fulfil certain criteria and, presumably, offer a route for recourse if a retailer did not carry out those promises.

## Off Campus

PC maker Campus Systems has ceased trading. The company, which used to win plaudits from computer magazines for its systems, is no longer answering its phones. Callers are connected to a recorded message that states the firm is no longer trading and that no support calls will be taken.

Customers are advised to write to the Till Morris Partnership, 32 Brook Street, Warwick CV34 4BL or to contact their credit card company direct. We contacted Till Morris to find out if any more information was available for Campus customers, but the firm refused to comment.

Rivals are sniffing round the carcass of the ex-PC maker, but one potential rescuer has decided against buying up Campus' assets.

According to Best Price Computers director Clinton Lee, the company thought better of its bid when it found that "the auditors report was scathing".

Lee goes on to claim that "important documents were missing and stock seemed to have been claimed on the balance sheet that didn't actually exist." He adds, "The auditors say that the company did not keep proper accounting records."



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## MY TECHNOLOGY

adam hart-davis



Q. Mac or PC? Which do you use and why?

A. PC. I progressed from a BBC Micro and was told by experts (probably my children) that PCs were better for writing, which is what I use my computer for mainly.

Q. When did you last get angry with a piece of technology and why?

A. Last week when my scanner would not behave.

Q. If you could invent a technology device for the future, what would it be?

A. Something to switch off all the mobile phones within 30 metres.

Q. What technology product couldn't you live without and why?

A. My bike. How else would I get around?

Q. What's your home page or favourite website and why?

A. Google – my primary research tool.

Adam Hart-Davis is a writer and broadcaster specialising in science. He most recently presented the series *What the Romans Did for Us* on BBC2. His new series, *Science Shack*, is due to start on BBC2 on 17 July.



## Waste not, want not

Experts urge that the WEEE (Waste Electrical and Electronic Equipment) Directive should focus on the creative reuse of IT equipment. At a conference held in London by PC refurbisher Computer Aid International, speakers discussed how Britain's old technology could be put to good use in developing countries.

Jon Godfrey, director of Life Cycle Services, outlined the problem facing today's businesses: "We now have technology lifecycles of less than six months. The result is an ever-increasing volume of technology waste and that technology actually pollutes." In the UK alone over three million computers are either thrown away and buried in landfill sites or are retained by businesses, resulting in huge storage costs.

The aim of the directive is to cut down on waste and the pollution it causes. Computer Aid International believes refurbishment, rather than simply recycling, is a more productive way of dealing with the problem.

Recycling is essentially breaking down electrical equipment into its components. But unless there is a demand for these materials, recycling doesn't solve the problem of waste. On the other hand, according to Godfrey, "reuse is a sound environmental proposition". He explains that "extending the life of devices is the key objective of the WEEE Directive".

This is where firms like Computer Aid International come into play. A refurbishing non-profit organisation that is responsible for shipping old PCs from developed nations to the third world, it has sent over 18,000 refurbished PCs to 75 developing countries.

# Linux looms large

It looks like Linux has Microsoft running scared. A report in the *International Herald Tribune* earlier this year claimed to have found a leaked email from a Microsoft sales executive. The memo, sent last July, was said to have authorised senior managers to draw from a special fund in order to win contracts where the company looked likely to lose out to Linux.

Microsoft UK refused to comment, but did say it was adopting programs to "make technology available at low prices".

The need to offer its software at cheaper cost has arisen due to the growing interest in low-cost and free open-source software. In Thailand, HP has reported phenomenal demand for its sub-£300 notebook, which runs the Linux operating system. At the time of writing over 19,000 devices had been ordered in the two weeks since the notebook went on sale as part of the government's scheme to provide people with cheaper computers.

IDC analyst Bryan Ma says that the Linux-based HP PC poses a real threat to Microsoft, as it allows customers to avoid paying a licence fee to use the Windows OS. "This could make Microsoft tremble in its boots," he adds.

The problem poorer countries like Thailand face is the huge cost of running Microsoft software for both consumers and businesses. Tony Roberts of Computer Aid International, which provides refurbished PCs to developing countries, highlights this problem.

He states that in South Africa the government was forced to budget around £280m to cover licence costs for a single financial year. This means "countries in Africa can't afford not to move over to open-source [software]". Both Namibia and Nigeria are in the process of swapping to open source.

But it's not just poorer nations that see the value of moving to open source. Japan's leading ISP Edge has signed a deal with Lindows.com to promote Linux to Japanese customers. Germany is also continuing to migrate its government departments to open-source software.

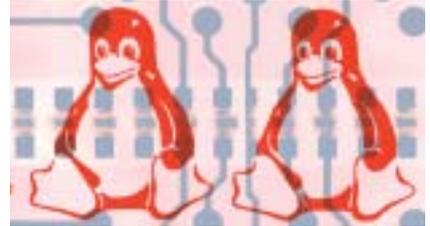
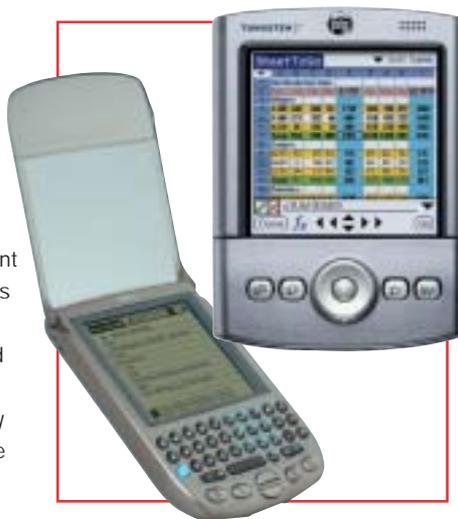
## Palm snaps up Handspring

Palm plans to buy Handspring, its rival PDA company set up by ex-Palm founders. It also intends to spin off its software division, PalmSource. The new business, due to be created this autumn, will trade under a different name that has yet to be announced.

The company will be overseen by current Palm boss Todd Bradley, but head honchos from Handspring will take key positions. Palm founder Jeff Hawkins, who defected to set up Handspring, will become the redesigned organisation's chief technology officer, while Ed Colligan will look after the smartphone division.

This latter business is sure to get a boost from the acquisition of Handspring as, thanks to its Treo range, it is a leading maker of smartphones.

The merger represents Palm's continuing struggle in an arena flooded with cheaper Pocket PC devices such as Dell's Axim. The firm needs something to boost its flagging sales, following its losses reported in March and the job cuts it made in February.



## Today's technology: Linux

Q. What is Linux?

**A. Linux is a Unix-type open-source operating system that was developed by Linus Torvalds. It was initially released on the web in 1991; the first standalone version was launched in 1992.**

Q. What's so great about it?

**A. For starters it really annoys Microsoft as it's either very cheap or free – also good news for businesses and consumers. As it's open source, developers can write new code for it in return for sharing their improvements with other users. It can run on a range of devices from handhelds to servers and dull corporate logos have been ditched in favour of the cute Linux penguin.**

Q. Where can I get it?

**A. There are plenty of Linux developers who sell boxed copies of the software – the best known are Red Hat, Suse and Lindows. But if you're not bothered about the packaging, a quick search under Linux on Google (a Linux-based search engine) will throw up plenty of download sites.**

Q. What's the drawback?

**A. Linux isn't for the fainthearted. It's hard to set up and configure so novices beware. It also suffers from a lack of common application support, so you won't necessarily be able to run all your software on it. Unless you buy a boxed copy with support included, there'll be no tech help if things go wrong.**

## Data Protection Act needs changing, says charity

A leading charity providing internet access to the disabled has called for the Data Protection Act to be amended to allow charities to co-operate more easily.

Anthony Wigram, chairman and founder of U Can Do IT, a charity that provides one-on-one computer training for the disabled in their own homes, says the Data Protection Act prevents his organisation tracking down disabled people to help.

"The Data Protection Act is a major hurdle to finding and contacting potential students," said Wigram at an event in Westminster to raise awareness of the charity's work. "There's a role for government here to recognise that charities would be more effective if they shared their databases."

The Data Protection Act prohibits organisations from revealing people's personal details without their consent. Wigram's charity currently relies on co-operation from doctors, social services and other local authority organisations, as well as word-of-mouth referrals.

Minister for the Disabled, Maria Eagle (pictured), said, "I'll take away with me the comments you have made about the [Data Protection] Act," but she was doubtful anything would be changed. "Internet access is necessary for everyone, whatever their ability," added Eagle.



## Spook for sale

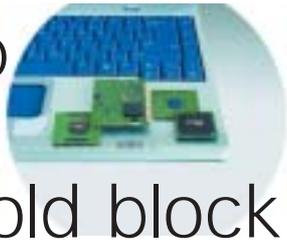


The strangest things appear on eBay.co.uk, although this auction lot takes the biscuit. We've seen people auctioning their hand in marriage and dodgy ex-boyfriends, but the weirdest thing we've spotted so far is the sale of a 'ghost in a jar'.

The seller claims he dug up the spectral specimen while treasure hunting in a cemetery. But the phantom doesn't sound like the best of bargains as its current owner claims he has been attacked twice and is haunted by a "black shadowy thing". The eventual auction winner will get the full story behind the ghost and the Tippex-coated jar it resides in.

Now you and I might think this is a poor hoax, but it looks set to net the canny seller a pretty profit. At time of writing bids were up to over £1,200, and there was still a day to go...

## Chip off the old block



Intel has been busy this month, rolling out its hyperthreading technology across the entire range of Pentium 4 processors and updating its line-up of Centrino mobile chips.

Hyperthreading, introduced by Intel to improve processor speed, has so far only been available on top-of-the-range 3.06GHz and 3GHz

Pentium 4 processors. Now all P4 CPUs will feature the technology.

Intel has more strings to its bow than desktop processors, though. It's added three models to its Centrino range of mobile chips.

There's a top-speed 1.7GHz version, a 1.2GHz low-voltage CPU and an ultra-low-voltage 1GHz unit. Each will feature improved security to ensure safe wireless data transfer, including support for Wi-Fi Protected Access. WPA was developed by the Wi-Fi Alliance to increase the level of data protection and access control for both existing and future wireless LAN systems.

Intel has also ensured that Centrino devices offer worldwide compatibility.

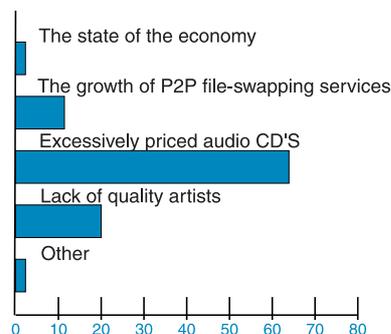
## Cost to blame for poor CD sales

Cost, not piracy, is the reason for falling CD sales in the UK, according to nearly two thirds of *PC Advisor* readers. In a recent poll on our website, 63.9 percent of the 2,290 respondents blamed excessive pricing for falling UK music sales – its the biggest slump since the launch of CDs in the early 1980s.

A mere 11.4 percent agreed that file-swapping networks such as Kazaa and Morpheus are to blame for the downturn while one fifth of respondents thought that a lack of quality artists was responsible.

Meanwhile more than 1,200 international stars, including Sir Elton John, have signed a petition calling on the European Union to cut VAT on CDs. The European Commission is currently reviewing VAT directives.

The flat rate in indirect tax on CDs is set at between 15 and 25 percent across the union, with charges varying from 25 percent in Sweden and Denmark to 15 percent in Luxembourg. Customers in the UK pay 17.5 percent.



## Flying high tech

**B**eleaguered airlines are looking to technology to help them cut costs and attract passengers. Leaders of the pack are Air Canada, which is scrapping paper tickets on all North American routes in favour of cheaper e-tickets, and Lufthansa, which has announced the rollout of broadband services across its entire long-haul fleet.

Air Canada is on the right track, according to analyst GartnerG2. It claims airlines can save around \$5 (around £3) per ticket by swapping to an electronic format. British Airways is hot on its heels, planning to switch to e-tickets by December this year. Despite this move European airlines still lag behind their US counterparts, with e-ticket sales at less than 10 percent compared with over 51 percent in the States.

But German airline Lufthansa is certainly no slouch in the technology stakes. It follows up its status as the first airline to offer in-flight broadband services with the announcement that it will roll out commercial high-speed internet access on all its long-haul flights, beginning in early 2004.



## Microsoft faces \$750m bill

**M**icrosoft has ended up paying a heavy price as a result of a legal battle with AOLTW (AOL Time Warner) – \$750m to be precise. The payout settles a private antitrust suit that was filed by AOLTW on behalf of Netscape Communications in January 02.

The antitrust suit alleged that Microsoft harmed Netscape's browser business through anticompetitive practices related to the Windows OS. But Microsoft is likely to end up the long-term winner.

As part of the deal, AOLTW's internet division will receive a royalty-free, seven-year licence to use Internet Explorer with AOL's client software. This can only signal the further demise of Netscape as a minority browser.

The two companies will co-operate to make their instant messaging clients work together, too.

They will also collaborate on long-term initiatives for distributing digital media to consumers and to support new business models for content owners. Microsoft will further provide AOL with a new worldwide distribution channel for software to certain PC users and provide technical co-operation and information.

### News in brief

#### Screen sales flatten

PC World has revealed a huge increase in flat-panel display sales following TV ads for Advent PCs. The firm first saw flat-panel sales overtake those for CRTs during the Christmas period, but never by such a huge margin. The publicity generated by Advent's promotion led to flat-panels outselling CRTs four to one.

#### Business as usual

The Small Business Service has launched its new website, [www.connectbestpractice.com](http://www.connectbestpractice.com), which is designed to give businesses advice and practical support via online videos that cover various topics such as marketing. As well as a resource library, there's access to self-assessment forms and tips on productivity and performance.

#### Slurp and surf

Customers at the Piddle Inn, Dorchester, can now enjoy the benefits of broadband while downing their favourite tipple thanks to the latest government project to bring rural communities online. The initiative will provide five pubs in Dorset and four in Northumberland with PCs, printers, webcams and broadband connections.