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Section 1

Introduction

Background

This is Ofcom’s ninth annual report on the consumer experience of telecoms, the internet, digital broadcasting and postal services. It discusses the results of our research programme, which measured how well consumers have fared over the past year in their use of these services.

This report has been published alongside Ofcom’s Consumer Experience Policy Evaluation, which considers the key findings and trends emerging from the research and uses these to assess the impact of Ofcom’s policy work and activities. This report focuses on the experience of residential consumers. Ofcom has recently published a SME Consumer Experience Research Report1, which measures usage of and attitudes towards communications services among SMEs across the UK.

A variety of data sources were used in compiling this report: Ofcom’s communications tracking survey, its residential consumer postal tracking survey and its annual consumer switching survey, supported by a range of ad-hoc research. The following is a brief outline of the tracking research used. Full details of the Ofcom tracking research used in this report are available in Annex 1.

Ofcom communications tracking survey

The communications tracking survey is run three times a year. It provides Ofcom with continuous understanding of consumer behaviour in the UK communications markets, helping us to monitor change and assess the degree and success of competition.

Ofcom consumer switching tracking survey

Ofcom has run a survey of consumer decision-making since 2006 (now referred to as Ofcom’s Switching Tracker), covering consumers in each of the fixed-line, mobile, fixed broadband and multichannel television markets, including bundle purchasers. Its main objective is to track the extent to which consumers participate in the communications markets. This survey is Ofcom’s key data source for monitoring switching and satisfaction in communications markets.

Ofcom residential consumer postal tracking survey

The residential postal tracker is run throughout the course of the year and reported on a quarterly basis. The main objective is to help Ofcom to keep abreast of the UK postal market and to help us to quickly identify and react to any changes in attitudes and behaviours in the postal industry.

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1 http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/sme/sme_research_report.pdf
The Consumer Experience of 2014 – Research report

The scope

This report analyses the overall experience that consumers have had of the communications markets, in four areas:

- telecoms (fixed-line and mobile);
- internet (largely focusing on fixed broadband);
- digital broadcasting (television and radio); and
- postal service

In summary the report covers the following areas:

Changing use of communications – overview of the key changes occurring across the communications markets and the postal sector.

Digital Day 2014 – an in-depth study of the findings from the Digital Day 2014 consumer research[^2], focussing on the findings among those participants aged 65 and over.

Availability of services and providers – details the range of options and coverage of providers and services; e.g. 3G mobile and superfast broadband.

Take-up of services and devices – demographic analysis of what services and devices consumers have, and consumers’ use of postal services.

Consumer choice and value – with a focus on purchasing and pricing, this research covers how consumers are choosing to purchase the services they have, how these are changing (e.g. bundles[^3], contracts), how UK prices have changed over time and how they compare internationally.

Consumer interest and activity – provides the latest update on consumer participation including switching levels, ease of switching across the communications markets, and satisfaction with current services and providers.

Consumer protection – highlights the latest consumer protection issues and where there may be a need for intervention.

The report looks across various demographic groups, where relevant; over time, where the data are available; and across countries, where robust data are available.

We present and analyse data on take-up and some availability data at national level for England, Scotland, Wales and Northern Ireland, as we do in Ofcom’s annual Nations &


[^3]: Providers no longer tend to market bundles as ‘discounted’. Due to this, we adjusted the way we report ‘bundlers’. The data in the choices section are based on consumers taking more than one service from a single provider, which the consumer considers a ‘package’ of services, and no longer defines this as being ‘discounted/cheaper’.
The Consumer Experience of 2014 – Research report

*Regions Communications Market* report, last published in August 2014[^4]. Other data in this report is presented at a UK level.

Under the Communications Act 2003 Ofcom has a specific duty to have regard to the interests of disabled consumers. In order to meet these responsibilities and to respond to stakeholder requests for better information on the experiences of disabled consumers, we have worked with the British Population Survey (BPS)[^5] again to publish an update of disabled consumers’ ownership of communications services. A summary of this years’ analysis is contained in Section 6 of this report. Further analysis will be published during 2015 covering the trend in ownership and new data on use of communications services and devices among disabled consumers across Great Britain.


Section 2

Executive summary

This report covers many aspects of the consumer experience. The following is a summary of the key themes and highlights from this year’s research. Ofcom is working on policy and consumer protection initiatives to further explore or address many of the issues covered by the data. Please refer to the Consumer Experience Policy Evaluation Report for information on our policy and consumer protection work.

The changing use of communications

- **Household ownership of communications services remains broadly unchanged, but ownership of devices such as tablets and smartphones continues to rise.** Take-up of tablet computers has continued to increase over the past year, from 29% to 46% in Q2 2014. Take-up of smartphones has also continued to rise, albeit at a slower rate than in previous years, from 56% to 63% in Q2 2014. As a result smartphones are now the most dominant connected device in the household, alongside laptops.

- **Two-fifths (40%) of internet users say their laptop is their most important device for connecting to the internet, it has lost ground to newer devices.** In Q1 2014, 15% of all internet users said a tablet was their most important device for connecting to the internet (up from 8% in 2013), rising to 35% among tablet owners. Twenty-three per cent of internet users said a smartphone was their most important device for connecting to the internet (up from 15% in Q1 2013), rising to 33% among smartphone users.

- **More homes are getting superfast broadband, with over a quarter of all broadband connections now superfast...** Between Q1 2013 and Q1 2014 take-up of non-corporate superfast broadband connections increased; from 17.5% to 26.7% (9.2 percentage points), but at a slower rate than last year (11.1 percentage points).

- **...and rising proportions access the internet on their mobile.** Fifty-eight per cent of consumers said they used their mobile phone to access the internet (up from 53% in 2013). Take-up of mobile broadband via a dongle (or built-in connectivity in a laptop, netbook or tablet) has fallen for the past two years, from 13% in 2012 to 6% in 2014.

- **Use of VoIP services continues to grow, and a third now use this method of communication.** Use of the service, however, has risen from 19% in 2010 to just over a third (35%), driven by use among younger people (16-34 year olds) and those in socio-economic group AB.

- **Most households continue to have digital TV (96%) but there has been a significant increase in the proportion of homes without.** Since 2013 the proportion of households with digital TV has fallen from 98% to 96%. Students (15%) and younger consumers (16-34) are the most likely to say they do not have a television in the household.

- **A fifth of consumers say their use of post as a method of communication has decreased in the past two years, mainly being replaced with email.** Postal communications is also being replaced, particularly by younger age groups, by mobile communication such as voice calls and text messaging.
Digital Day

- **Adults aged 65+ consume just over 9 hours’ worth of media per day.** Older people spend less time on media and communications, and undertake less media multi-tasking each day, than the average adult, but still compress 9 hours 16 minutes of media activity each day into 8 hours 15 minutes.

- **Older people spend half of their total media time on ‘watching’ activities.** This compares to two-fifths (39%) among all adults. This is taken up almost entirely by live or recorded TV viewed on a TV set.

- **Adults aged 65 and over spend more time listening to the radio than any other age group.** Fifteen per cent of total media time is spent listening to the radio on a radio set among this age group, compared to 10% among all adults and 2% among adults aged 16-24. This amounts to one hour and 48 minutes per day, with this activity being most popular in the morning.

- **Almost half of the time older adults spend communicating using technology is via email.** Adults aged 65+ spend more of their communications time emailing (28 minutes per day, or 40 minutes among those who use email) than on phone calls (19 minutes per day). Seven in ten older people read or sent emails in their diary week, similar to the proportion among all adults (77%). However, time spent on text communications generally (this includes email as well as social networking, instant messaging, text messages, photo or video messages and Snapchat) decreases with age. For all adults, 16% of media time is spent engaged in text communications, compared to 7% for those aged over 65.

- **Many of the ‘messaging’ activities are used less among older people.** Those aged 65 and over are less inclined than the general population to use messaging functions, with a significantly smaller proportion of communication time assigned to text messaging (7%), instant messaging (1%) and photo and video messaging (less than 1%). Despite this, 11% of their communication time was spent communicating through a social networking site. This equates to 6 minutes per day among all those 65+, but 31 minutes a day among the 20% of those aged 65+ who are social media users.

- **Those aged 65 and over spend more of their media time than the under-65s reading print media.** This includes books, magazines or newspapers, in a digital or physical format. This activity accounts for 6% of their media consumption, compared to 2% for all adults.

- **A quarter of adults aged 65+ use a tablet.** Among all adults, 38% used a tablet during the week compared to a quarter (24%) of those aged 65+. This device accounted for 2% of all time spent on media and communications by older people, similar to the 4% among all adults.

**Availability of services and providers**

- **Fixed-line telephony and basic broadband are available to nearly all consumers.** Although fixed broadband is now available to almost all UK premises, the technology and speeds available vary considerably. Ninety-seven percent of premises are able to access a basic broadband service, with download speeds of more than 2Mbit/s; 85% can access a standard service, with speeds of 10Mbit/s or more; and 75% can access superfast speeds of 30Mbit/s or more, due to the roll-out of fibre, and cable upgrades.
The Consumer Experience of 2014 – Research report

- **The degree of mobile coverage (i.e. 2G, 3G and 4G) varies across the UK.** In 2014, using data taken from network operators’ planning tools, we estimated that more than 99% of premises had an outdoor mobile signal from at least one 2G operator, and 99% from at least one 3G mobile operator. In June 2014, 72% of premises had an outdoor mobile signal from at least one 4G operator.

- **Growing take-up of broadband connections with a headline speed of ‘up to’ 30Mbit/s or higher is driving increases in actual fixed broadband speeds.** The average speed of UK residential fixed broadband connections continues to increase, and Ofcom research shows that the average actual download speed of these services increased from 14.7Mbit/s to 18.7Mbit/s in the year to May 2014. This rise is mainly driven by increasing take-up of faster broadband services. Connections with a headline speed of ‘up to’ 30Mbit/s or higher, accounted for 28% of all residential fixed broadband connections by May 2014, an increase of four percentage points from November 2014. However, the average speed of superfast connections was unchanged at 47.0Mbit/s in the six months to May 2014 and as a result the increase in average speeds across all connections was lower than in previous periods.

- **Digital terrestrial coverage is almost universal following digital switchover.** Digital terrestrial television (DTT) has near-universal coverage of 98.5% of UK households, as the UK completed digital switchover in late 2012.

- **DAB digital radio services are available to over nine in ten (94.7%) households.** Following the launch of new multiplexes around the UK, the proportion of UK households served by local commercial multiplexes has also increased; from 71.7% to 73.1%.

- **Consumers are able to choose from a wide range of communication providers.** The number of communication providers remained fairly stable in 2014. There are at least 12 major suppliers of bundled residential communications services, 113 fixed-line operators and four mobile network operators. There are currently 527 television channels, 13 of which are public service channels and their HD and +1 variants, with the remaining 514 being commercial channels. Consumers have 560 analogue radio services in the UK, including local and UK-wide commercial stations, BBC local, UK-wide and community stations, and 245 stations available on DAB, of which 59 are digital-only brands.

### Take-up and use of services and devices

- **Fixed-line ownership has stabilised in the UK.** Ownership levels have remained at 84% for a fifth consecutive year.

- **Mobile-only households continue to be younger and in the DE socio-economic group.** The majority (79%) of households continue to own both a fixed-line and a mobile phone, with a further 5% fixed-line only and 16% mobile-only. Just over a quarter (28%) of 16-24s and those in the DE (26%) socio-economic group are in mobile-only

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6 We recognise that the planning tools are subject to a margin of error and local factors, such as tall buildings or trees, can affect the signal at different locations. In addition, the quality of mobile services are affected by factors other than signal strength, such as network capacity, number of simultaneous users and quality of handset. In 2014 we will be undertaking work to measure the actual consumer experience.

households. Mobile-only households also continue to be more prevalent in urban (17%) than in rural areas (9%).

- **Take-up of the internet remains stable, with four in five (83%) households able to access the internet at home.** Seventy-eight per cent of households use either fixed and/or mobile broadband, 5% have access only via their mobile phone and 1% use a dial-up internet connection. Total use of fixed broadband remains unchanged, at 76% of adults, with an additional 2% using mobile broadband only, down from 4% in 2013.

- **About half (46%) of mobile broadband users use the service mainly, or always, at home.** Around one-third (36%) of adults with mobile broadband via a dongle (or built-in connectivity in a laptop, netbook or tablet) said they only used the service at home.

- **Four in five UK adults access the internet, either at home or elsewhere, with increases since 2013 for 16-24s (95% to 98%), 65-74s (53% to 65%) and women (81% to 84%).** Those aged 65 and over (65% for 65-74's and 30% for 75 and over), and those in DE socio-economic groups (71%), remain less likely than the overall population (84%) to use the internet in any location.

- **Ownership of any type of connected device is unchanged since 2013, at 82%**. Within this overall figure, however, there are some significant changes: a decline in ownership of laptops (from 66% to 63%) and increases for smartphones (from 56% to 63%) and tablets (from 29% to 46%).

- **Smartphone ownership has increased (to 63%), but growth appears to be slowing.** Growth since 2013 has been mainly driven by 45-64s (up from 44% to 58%).

- **Around half of all UK adults access multichannel television at home through Freeview, with 34% only using Freeview. This compares to 30% only using satellite and 14% only using cable.**

- **In 2014 there was an increase in non-ownership of digital TV (from 2% to 4%).** This increase in non-ownership is most notable among 16-24s.

- **Just over six in ten (61%) adults receive pay-TV, an increase since 2013 (from 58%).** The increase for pay-TV is evident across all age and socio-economic groups.

- **A third of consumers unaware that they can access digital radio services at home.** Two-thirds of consumers claim to have access to digital radio services. But given that access to digital services that can deliver digital radio (i.e. digital TV and/or internet) has increased to 100% of homes, this suggests that around one in three are unaware that they can access digital radio services at home.

- **Little change in mobile ownership levels across the disability groups reported, although some increases noted among particular demographics.** In particular, mobile ownership increased among people with a mobility impairment aged 55-64, up 8 percentage points to 94%, and among those with a visual impairment aged 65+, up 10 percentage points to 75%.

- **While the majority of disabled consumers have access to a mobile phone in their household, personal use of this device is lower than average.** Personal use of a mobile phone is lowest among those with a mobility (66%) or visual impairment (68%), and highest among those with a hearing impairment (73%). This compares to household ownership levels of 80%, 83%, and 86% respectively. Around one in ten of each of these disabled groups say they are prevented from using a mobile, or use is limited, due to
The Consumer Experience of 2014 – Research report

their disability – 12% among people with hearing impairment, 13% among those with a visual impairment, and 8% among those with a mobility impairment.

- **Internet access has increased among those with a visual impairment (to 75%) and those with mobility impairment (to 60%) but remained stable at 69% among those with a hearing impairment.** The increase among people with a visual impairment was noted among most demographic groups, with the largest rise noted among those aged 55-64 (up 25 percentage points to 87%). The growth in internet access among those with mobility impairment was noted in each age group, with the highest increase noted among those aged 65+ (up 15 percentage points to 43%). Internet access also increased significantly, to 76%, among consumers with mobility impairment in socio-economic group ABC1.

- **Nearly a fifth (18%) of consumers with a learning disability say their disability prevents or limits their use of the internet.** Between 9% and 18% of those with a learning disability say they are prevented from using communications services/devices, or their use of these is limited, by their disability. This is most evident in relation to use of the internet (18%), but lower for landline (9%), mobile (11%) and television (10%).

- **Freeview-only ownership is higher among all disability groups reported (36-43%) compared to the average for non-disabled consumers (30%), and tends to increase with age.** Ownership is higher than the average for non-disabled consumers among those with visual or mobility impairments aged 65+. It should be noted that data for non-disabled consumers are not comparable to that of all UK adults. Non-disabled consumers have a younger than average profile due to the strong correlation between age and disability.

- **Pay-TV ownership (satellite or cable TV) is higher for non-disabled consumers (55%) than for each of the disability groups analysed (43-48%).** Ownership is broadly comparable across all age groups between 15 and 64, but lower among those aged 65+, with those with a visual (34%) or mobility (36%) impairment reporting lowest pay TV ownership in this age group.

- **Just under two-thirds (64%) of postal users claim to be reliant on the postal service.** Levels of those claiming to be ‘very reliant’ on the postal service increases with age, with 17% of 16-24 year olds stating they were ‘very reliant’ on the postal service, compared to 33% of those aged 65-74 and 35% of those over 75 years old.

- **Just over six in ten (63%) adults said the number of items they send by post had remained at the same level in the past two years.** Twenty-one per cent of adults claimed that their use of post had decreased in the past two years and 16% claimed it had increased. There was an overall net increase in small and larger parcels being sent, and a net decrease overall of formal letters, personal letters and invitation/greetings cards.

- **Younger consumers (aged 25-34) send more parcels each month than average.** Overall, four in ten (39%) consumers claimed to have sent at least one parcel by post in the past month – with one parcel, on average, being sent each month. Adults aged 25-34 are more likely than average to have sent a parcel in the last month (47%), with an average 1.5 parcels sent. Conversely, one in five (21%) of those aged 75+ had sent a parcel in the past month, with an average of 0.5 parcels sent by this age group in the past month.
Consumer choice and value

- **Increase in bundling as triple-play fixed-line, broadband and multichannel TV bundles continue to rise.** The number of consumers with bundled services rose from 60% in 2013 to 63% in 2014. Those aged over 75 (31%) and those in socio-economic group DE (45%) remain the least likely to bundle any communications services.

- **Eighty four percent of consumers with responsibility for paying for communications services reported that they had no difficulties paying for these services within the last year.** Fourteen percent said they had experienced at least one difficulty. Those in the DE socio economic group are more likely than those in the AB, C1 or C2 groups to report having any difficulty in paying.

- **Three percent of consumers with a responsibility for paying for communications services reported being behind in payments or in debt within the last year.** Those aged 16-34 were more likely than older age groups to have experienced communications debt in the last year.

- **Four percent of consumers responsible for communications services said that they did not have a service “because of cost” and reported negative effects.** The most often mentioned negative impacts of being without a communications service were; less entertainment and more difficult to find cheapest good services.

- **Ofcom mystery shopping shows that communications providers’ sales agents asked at least one question to the shoppers to ascertain their needs to be able to offer an appropriate package.** In three-in-ten mystery shops over the phone, five or more pieces of information were gathered by sales agents.

- **Mystery shopping found that mobile operators provided ‘appropriate’ advice when the shopper mentioned future financial uncertainty in over 9 in 10 shops, for both telephone and in-store shops.** The sales agents asked questions to make sure that the package offered was suitable and gave a wide range of advice, e.g. including recommended SIM-only, mentioned low cost tariffs, using pay-as-you-go or short contracts.

- **Average UK household spend on communications services fell in real terms in 2013.** On average, UK households spent £117.24 per month on communications services in 2013, £2.09 (1.7%) less than in 2012. This was equivalent to 5.5% of total household spend in 2013, unchanged from 2012 and a 0.1 percentage point increase compared to 2008.

- **Rising line rental prices are likely to have the most impact on fixed-line customers without fixed broadband, who are less likely to switch.** This year we conducted consumer research among fixed-line only customers (i.e. those without fixed broadband). These consumers have a distinct demographic profile; they tend to be older (69% of them are aged 65+, and 44% are aged 75+) and less likely to work (82% not working). Fixed-line customers, without broadband, are also significantly less likely to have switched or considered switching their provider, than those with fixed broadband; 65% of fixed-line only customers said they had never switched provider, and 56% had not considered doing so. This study also reported relatively low awareness of providers

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8 Data is collected annually and analysed during each year. As such 2013 is the latest available data
offering cheaper services in this market generally, with awareness lower still among fixed-line only customers.

- Many consumers have a fixed-line mainly, or only, for broadband. Our research found that 14% of consumers with a fixed-line said they never used it to make phone calls, and 42% of all fixed-line users said their main reason for having one was in order to get broadband. Services that offer fixed broadband without the requirement for a phone line are available to just under half of UK consumers, and switching to such services may benefit those who do not use fixed voice services. Some providers (e.g. Relish) are beginning to deploy fixed broadband services using 4G which do not need a landline.

- The average revenue per residential fixed broadband connection increased by 0.8% to £16.96 in real terms in 2013. This increase in the average price paid per connection was largely due to consumers upgrading to faster services: in the year to May 2014 the proportion of residential fixed broadband connections which had an advertised speed of 'up to' 30Mbit/s or higher increased from 20% to 28%. These services typically command a price premium of around £10 per month over standard broadband services.

- The price premium for fixed broadband connections with an advertised speed of 'up to' 30Mbit/s or higher fell in the year to July 2014. The lowest available price for a basket of fixed voice and standard fixed broadband services, and the price for the same fixed voice services and a fixed broadband connection with a headline speed of up to' 30Mbit/s or higher (a superfast broadband connection) both increased in the year to July 2014. The rate of increase in the lowest available price of the basket, including standard broadband (16.7%) was higher than that of the basket with a faster connection (5.9%) during this period, and the difference between the lowest price available for each of the baskets (i.e. the premium for superfast broadband services) fell from £11.44 to £9.99 per month.

- Prices fell for six of the eight mobile usage profiles included in our analysis in 2014. Overall, the total 'weighted average' price of these eight mobile connections (which have varying use of voice calls, SMS and data services) fell by 3.9% in real terms in the year to July 2014. The proportion of the lowest available UK provider prices that were SIM-only was much higher than in the other EU5 countries, suggesting that UK SIM-only tariffs are more attractive to consumers than those in other countries.

- There was a mixed picture in pay-TV pricing. The lowest price available for a basic stand-alone pay-TV service increased by £1 per month (8%) to £17 per month in the year July 2014. This was 14% lower than the lowest price of a similar service in 2011 (£20 per month). The 'lowest available' price for an HD premium pay-TV service fell by £3 per month (5%) to £63 per month in the year to July 2014.

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9 See footnote 8
Consumer interest and activity

- **Switching levels have declined since 2013 in all communications markets except digital TV.** The largest decline is noted in the mobile market, down four percentage points since 2013 (11% in 2013 vs. 7% in 201410). Switching in the fixed-line and fixed broadband markets each dropped by three percentage points since last year (from 9% in 2013 to 6% in 2014). The total level of switching of the main TV provider remains lower at 2%, but statistically unchanged since last year (3%).

- **Switching declined among bundle purchasers in the past year.** Combining all consumers who bundle any of their services, one in ten (9%) switched provider for at least one service in the 12 months prior to the 2014 fieldwork. This is a decrease from 14% reported in the same period the year before.

- **Since 2013 there has been a decline in levels of engagement in all communications markets, although levels of interest have been maintained.** Over the past 12 months there have been small but significant falls in engagement in all markets; each down by four percentage points (at a total market level). Engagement levels stand at just over one in ten in each of the fixed-line (13%), fixed broadband (14%) and mobile (16%) markets, but remain lower, at just under one in ten (8%) in the digital TV market.

- **In the fixed-line market there is continuing decline in engagement among both bundle and stand-alone purchasers.** In the fixed broadband and digital TV markets the decline in engagement is largely among bundle purchasers. The mobile market remains a personal communications market, and as such the decline in engagement is among stand-alone purchasers only.

- **Reviewing finances, poor service and seeing better deals are the main triggers that prompted consumers to review their choice of provider.** In the fixed-line and digital TV markets the main trigger that prompted switchers to start looking for a new provider was a general review of finances (39% and 42% respectively). Poor service from current provider was the main stated trigger for engaging in each of the mobile (35%) and fixed broadband markets (36%).

- **Reasons for considering, but not switching provider vary by market.** In the broadband market ‘perceived hassle’ was the main reason considerers had not switched (28%). In the fixed-line market it was ‘satisfaction with the current provider’ (30%) and in the mobile market it was ‘terms and conditions’ (39%, up 16 percentage points since last year).

- **Despite a general response that it was ‘easy to switch’, half of all switchers (when prompted) said they had experienced difficulties when switching.** Most switchers considered it ‘easy to switch’; between 80% and 92% considered it very, or fairly, easy to switch provider. But when prompted with a range of potential difficulties, half of switchers said they experienced at least some of these. In the fixed broadband market the main difficulties were ‘provider persuasion to stay’ (21%) and ‘arranging start and stop times’ (16%). In the fixed-line market ‘provider persuasion to stay’ (28%) was also the top mention, followed by ‘obtaining information on switching from previous supplier (11%).

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10 There is evidence to suggest that the launch of the iPhone 6 may have impacted switching at the time of this study. Fieldwork was conducted in July-August 2014 just prior to the launch of the iPhone 6 in September. Qualitative evidence suggests some potential switchers deferred their decision until after the launch of this device.
• Around nine in ten consumers in each market are ‘very satisfied’ or ‘satisfied’ with their overall service. Dissatisfaction levels stand at between 4% and 9% across markets, highest in the fixed broadband market. Dissatisfaction with value for money is highest for stand-alone fixed broadband purchasers (13%) and lowest for stand-alone mobile purchasers (8%).

• Three-quarters of broadband customers are satisfied with the speeds they are getting while online. Dissatisfaction was highest among the more engaged segments, and stood at 26% among ‘engaged’ fixed broadband customers and at 19% among those classified as ‘interested’.

• Just under nine in ten (87%) adults are satisfied with the postal service overall. Those aged over 75 were the most likely to state they were satisfied with the postal service (91%). Two-thirds of postal users are satisfied with the value for money provided by the postal service.

• The internet continues to dominate as the main source of trusted information. The ‘internet in general’ was by far the most often-cited source of accurate information for finding out about providers offering bundles (72%); broadband speeds, prices and providers (70%); ways of receiving multi-channel TV, packages and providers (63%); fixed-line providers, price plans and packages (58%); and mobile handsets, price plans, tariffs and providers (58%).

• Around a fifth of consumers consider it difficult to compare the costs of bundles of communications services and stand-alone fixed-line services. Twenty-one per cent stated that it is, or would be, ‘difficult’ to compare the costs of stand-alone fixed-line services and 19% said this about bundled services.

Consumer protection

• Broadband customers are the most likely to say they have had a reason to complain (12%), followed by mobile (7%), and fixed-line (6%) customers. Not all of these consumers proceeded to make a complaint. In total, 8% of broadband customers said they had made a complaint (this equates to 69% of those with cause to complain) and compares to 4% among mobile customers and 4% among fixed-line customers.

• One in ten (10%) adults reported that they had reason to complain about Royal Mail’s service in 2014. The most common cause of complaint was mis-delivered mail and in 2014 6% of adults said they actually complained.

• Telecoms continues to dominate complaints received by Ofcom. The level of telecoms complaints between September 2013 and October 2014 generally fluctuated at between 6000 and 7000 per month, although some months were exceptions. This compares to about 1500 complaints about broadcasting standards and around 25 per month relating to postal services.

• Complaints to Ofcom about abandoned and silent calls rose in the first half of 2014 to reach a peak in June. This peak, at 4,135, was higher than the highest number of complaints recorded in the previous year (April 2013: 3,900). Since June, complaints about abandoned and silent calls have declined (to 3,382 in October 2014) but remain higher than the level recorded in October 2013 (2,857). Ofcom’s market research has found in November 2014 seven in ten (71%) fixed-line users reported that they received a nuisance call on their fixed-line in the previous four weeks (39% reporting that they had received a silent call) and almost half (48%) of mobile phone users reported they had received a nuisance call on their mobile in the last four weeks (14% reporting that they had received a silent call).
• **Complaints about fixed-line and mobile mis-selling have decreased over the past 12 months.** Complaints about fixed-line mis-selling have decreased significantly since a peak of around 1,200 in April 2005. Between 2005 and 2008 the number of complaints declined and in 2008 volumes ranged between 786 and 1203, falling to between 664 and 1139 by 2009 and 2010. From early 2011 complaints about fixed-line mis-selling remained below 600 a month, and have steadily declined since then to a low of 261 in December 2014. Mobile mis-selling complaints have decreased over the past seven years, from a high of 756 in January 2008, to 204 in January 2009. There has been a continuation of this decline since 2009 and in the past 12 months they have fallen from a peak of 180 complaints a month in October 2013 to 101 in August 2014.

• **Complaints received about MAC codes**\(^{11}\) have declined significantly since their peak in 2007, to 50 per month on average in 2014. From a peak of 843 complaints in March 2007 there has been a general downward trend. From January 2007 to December 2007 there were, on average, 485 complaints per month; in 2008 the average was 387. This yearly average continued to decline in 2009-10, to an average of around 200 per month and declined steadily since then, to the current average of 46 per month in 2014.

• **Broadcasting complaints to Ofcom continue to focus on content standards.** In October 2014 there were 1,042 broadcasting complaints, of which 975 were about television and 67 were about radio. Between October 2013 and October 2014 the number of complaints about television fluctuated, with peaks of 1591 in October 2013, 2404 in January 2014 and 5098 in June 2014. Complaints about radio remained stable across the year with an average of 65 comments per month.

• **There are indications of a further decline in the incidence of unexpectedly high bills (UHBs) for mobile.** Five per cent of mobile contract customers said they had experienced bill shock in 2014. This indicates a continued decline from 8% reported in 2013 and 10% reported in 2012\(^{12}\). Making calls to non-geographic numbers is the primary cause of UHBs for mobile.

• **There are indications of further decline in the average amount of mobile bill shock.** The mean average amount of bill shock in the total mobile market was £36 (£37 for mobile contract), which is £10 less than reported in 2012. Almost a quarter (24%) of those who experienced mobile phone bill shock indicated that it was between £11 and £20 more than their usual bill.

• **Consumers who purchase their fixed-line as a single service are more likely than customers in other communications markets to receive only a paper bill.** Forty-four per cent of consumers who purchase a stand-alone fixed-line service receive only a paper bill. This compares to the other communications markets, in which receipt of paper bills ranges between 18% (bundles of services) and 11% among mobile contract customers.

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11 Migration authorisation code (MAC) is a unique code that a customer must give to his or her new broadband service provider, to allow the service to be transferred smoothly from the existing service provider.

12 These levels do not include bill-shock caused by incorrect charges, but do include those caused by ‘increased charges’
Section 3

Changing use of communications

Introduction

Over the past few years there have been many changes within the communications market in terms of the availability and pricing of services and devices. This has had an impact not only on take-up but also on consumers’ use and experience of communications services.

In this section we look at the changing use of communications, including postal services, in order to set the context for the rest of the report. We explore how use is affected by the growth in ownership of new devices, as they become more affordable and mainstream. Alongside this, Ofcom has conducted an in-depth study on UK adults’ and children’s total media and communications activities: Digital Day. The research provides a snapshot of people’s media and communications behaviour over a seven-day period, exploring when and how people use services and devices throughout the day, covering both personal and business use, in- and out-of-home use.

Results from the Digital Day study show that our media and communications consumption is growing. Comparisons with results from our 2010 study indicate an increase in total media consumption: from 8 hours 48 minutes of total media activity in 2010 to more than 11 hours in 2014. This is likely to be due to increased take-up and use of smartphones, and generally more time spent on communication activities, especially among the 16-24 age group. Overall, 16-24s spend a substantially greater amount of time communicating, at 261 mins per day compared to 146 mins for UK adults as whole.

Media multi-tasking is undertaken by almost every UK adult at some point during the week. Watching live TV and making voice calls was the most popular multi-tasking combination, with 42% of adults doing this during the week. Overall, smartphones are ranked third in terms of time spent on devices across a typical day, after TV and desktops/laptops. However, their central role in consumers’ lives is particularly evident among those aged 16-24; a quarter of all communications and media time spent by this age group is spent on a mobile phone and 77% of the time they spend on social media is on a mobile phone.

Consumers’ changing use of communications services is important to bear in mind throughout this report, as it is likely to influence factors such as the propensity to switch, and it may raise issues for consumer protection, either among the general population or particular demographic groups.

Key trends

- Household ownership of communications services remains broadly unchanged, but ownership of devices such as tablets and smartphones continues to rise. Take-up of tablet computers has continued to increase over the past year, from 29% to 46% in Q2 2014. Take-up of smartphones has also continued to rise, albeit at a slower rate than in previous years, from 56% to 63% in Q2 2014. As a result smartphones are now the most dominant connected device in the household, alongside laptops.

• Two-fifths (40%) of internet users say their laptop is their most important device for connecting to the internet, it has lost ground to newer devices. In Q1 2014, 15% of all internet users said a tablet was their most important device for connecting to the internet (up from 8% in 2013), rising to 35% among tablet owners. Twenty-three per cent of internet users said a smartphone was their most important device for connecting to the internet (up from 15% in Q1 2013), rising to 33% among smartphone users.

• More homes are getting superfast broadband, with over a quarter of all broadband connections now superfast...Between Q1 2013 and Q1 2014 take-up of non-corporate superfast broadband connections increased; from 17.5% to 26.7% (9.2 percentage points), but at a slower rate than last year (11.1 percentage points).

• ...and rising proportions access the internet on their mobile. Fifty-eight per cent of consumers said they used their mobile phone to access the internet (up from 53% in 2013). Take-up of mobile broadband via a dongle (or built-in connectivity in a laptop, netbook or tablet) has fallen for the past two years, from 13% in 2012 to 6% in 2014.

• Use of VoIP services continues to grow, and a third now use this method of communication. Use of the service, however, has risen from 19% in 2010 to just over a third (35%), driven by use among younger people (16-34 year olds) and those in socio-economic group AB.

• Most households continue to have digital TV (96%) but there has been a significant increase in the proportion of homes without. Since 2013 the proportion of households with digital TV has fallen from 98% to 96%. Students (15%) and younger consumers (16-34) are the most likely to say they do not have a television in the household.

• A fifth of consumers say their use of post as a method of communication has decreased in the past two years, mainly being replaced with email. Postal communications is also being replaced, particularly by younger age groups, by mobile communication such as voice calls and text messaging.

**3.0.1 Ownership of communications services remains unchanged, but there has been a rise in the use of mobiles to access the internet**

While the proportion of households with access to the internet remains stable at 83%, the ways in which people are connecting continues to evolve. In Q2 2014, nearly six in ten respondents (58%) said they personally used their mobile phone to access the internet (up from 53% in Q2 2013), driven by growth in the smartphone market. Almost all UK adults who have mobile phone internet access also have access via fixed broadband. Only 4% of UK adults reported that their household’s only means of internet access was a smartphone.

Conversely, take-up of mobile broadband via a dongle (or built-in connectivity in a laptop, netbook or tablet) has fallen since 2011, and is now at 6% (compared to 17% in 2011).

Total broadband take-up remains stable, at 78% of UK households. This figure includes households with fixed and/or mobile broadband connections, but excludes access via a mobile handset.
The proportion of households with fixed telephony and mobile telephony also remains stable, at 84% and 95% respectively, with 16% being ‘mobile-only’14 homes. Personal use of a mobile phone stood at 93% in Q2 2014.

Figure 1  Household take-up of communications services

Source: Ofcom research, data as at Q1 2007-2012; Q2 2013-2014 (mobile data user Q1 2013, Q1 2014)
Base: All adults aged 16+

3.0.2 Ownership of tablets and smartphones continue to rise

Figure 2 shows take-up of a range of communications devices over recent years. Smartphone ownership continued to rise in 2014, albeit at a slower rate than in previous years, and smartphones now share the top position as the most popular connected device in the household with laptops (both at 63%). As discussed in Section 5, smartphone take-up varies significantly by age; nine in ten participants (90%) aged 16-24 reported having a smartphone, compared to 22% of those aged 65-74 and 4% of those aged 75+. In addition, in 2014 there was an increase in smartphone ownership among those under 65, but no increase was evident for adults aged 65 and over.

Household take-up of tablet computers (such as the iPad or Google Nexus) has risen sharply over the past year, from 29% in Q2 2013 to 46% in Q2 2014. A majority of this growth was over the 2013 Christmas period, with take-up rising nine percentage points between Q4 2013 and Q1 2014. While take up varies significantly by age, growth is seen across all age groups.

Overall, about four in five (82%) UK adults own a connected device. Connected device ownership remains most popular among the under-65s, of whom close to nine in ten have access to at least one of these devices at home. However, since 2010 there have been significant levels of growth in ownership among the over-65s; over two-thirds (72%) of 65-74 year olds now have access to at least one of these devices at home, as do four in ten (40%) of those aged 75+.

14 households with access to a mobile phone but no fixed-line
3.0.3 Two-fifths of internet users say their laptop is their most important device to connect to the web, but the laptop is losing ground to newer devices

Ofcom’s Communications Market Report 2014\(^{15}\) reported that when respondents were asked which was their most important device for connecting to the internet (at home or elsewhere), the laptop was the most popular response, cited by 40% internet users, followed by smartphones, cited by 23%.

The responses given to this question have changed markedly since Q1 2013. While the laptop was still the most popular response then (cited by 46% of respondents), it was followed by the desktop PC, mentioned by 28%. Both of these slightly older technologies have now lost ground to newer devices, most notably tablets. In Q1 2014, 15% of respondents said their tablet was their most important device for connecting to the internet, up from 8% in 2013. Smartphones have also had an impact on consumers’ preferences; in Q1 2013 15% said this was the most important device, rising to almost a quarter in 2014 (23%).

Among smartphone users, 33% said this was their most important device for connecting to the internet, although laptops remained the most popular response (36%). Among tablet owners, this device was the most important (cited by 35%), while the preference for laptops among this group dropped significantly to 29%. Among those who had all the devices (laptop, desktop and smartphone) in their household, tablets and laptops were the most popular responses (at 30% and 29% respectively).

\(^{15}\) [http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr14/2014_UK_CMR.pdf](http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr14/2014_UK_CMR.pdf)
The Consumer Experience of 2014 – Research report

Figure 3  Most important device for connecting to the internet

Device owners (%)

- Of those who personally use a tablet
- Of those with a smartphone and who personally use a tablet
- Of those with a desktop and laptop in the household, and who personally use a smartphone and tablet
- Of those with a smartphone
- Of those with a laptop
- All internet users

Source: Ofcom research, Q1 2014
Base: All adults aged 16+ who use the internet at home or elsewhere (n = 2976 UK)
Note: “Other” responses include: “netbook”, “games console”, “other device”, “none” and “don’t know”.

3.0.4 Proportion of superfast broadband connections increasing - over a quarter of all broadband connections are now superfast

By the end of Q1 2014 there were 6.1 million UK superfast broadband connections\(^{16}\), an increase of 2.2 million (58%) compared to a year previously. The proportion of all UK broadband connections that were classed as being superfast increased accordingly over the same period, from 17.5% to 26.7%, although this 9.2 percentage point increase was lower than the 11.1 percentage point increase in the year to Q1 2013. This was because Virgin Media had completed its ‘double-speeds’ upgrade programme (which doubled the speeds provided by most of its cable broadband connections) by the end of 2013.

Figure 4  Take-up of superfast broadband services

Connections (millions)

Source: Ofcom / operator data
Note: Includes estimates where Ofcom does not receive data from operators

\(^{16}\) Defined as connections with a headline speed of 30Mb or above
3.0.5 Eight in ten consumers are aware of VoIP services, and use rises to over a third of UK adults

VoIP (voice over IP) is an alternative to fixed-line voice communication. In some countries, VoIP is already having an impact on use of fixed voice telephony.

Figure 5 shows that awareness of VoIP services remained stable in 2014, at 82%. About a third of adults (35%) say they currently use a VoIP service – an increase from 31% in 2013 and almost double the level reported in 2010 (19%).

Adults aged 16-44 years, ABC1s and those in employment continue to drive awareness. Over-65s remain least likely to be aware of the service (56% vs. 82% of all adults). Consumers aged 16-24 and those in socio-economic group AB are driving current use.

Figure 5  Awareness and current / previous use of VoIP

Source: Ofcom communications tracking survey
Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)

3.0.6 Rise in number of households without TV sets, highest among students and younger consumers

Since 2013 there has been a small, but significant decrease in the penetration of TV sets (from 98% to 96%). Figure 6 shows the profile of consumers without digital TV; students are the group most likely to live in a household without digital TV (15%), followed by people aged 16-34 (7%).
3.0.7 A fifth of consumers say their use of post as a method of communication has decreased in the past two years

A fifth of adults (21%) said their use of post as a method of communication had decreased in the past two years. Of this group of people, 51% stated they were sending fewer personal letters, 41% said they were sending fewer invitations, greetings cards and postcards, and 29% claimed to be sending fewer formal letters to organisations and individuals.

Among those who said they used post less than two years ago, for all except those over 75, the most popular method of replacement was email, with almost two-thirds (64%) of consumers claiming they were most likely to use email instead.

Older consumers (aged 75+) were the most likely to say they had replaced post with fixed-line calls (29%). Younger consumers were more likely to say they used mobile communications instead of post - 39% of adults aged 25-34 had replaced post with text messages and 40% of this age group had replaced it with mobile phone calls.
Across all socio-economic groups, fixed-line calls were a more popular replacement for post for consumers in C2DE socio-economic groups. And those living in rural areas were less likely to say they had replaced post with mobile calls (14%) than those living in urban areas (26%).

Source: Ofcom post tracking survey Q3 2013-Q2 2014
Base: All who say the number of items sent by post has decreased compared to two years ago (998)
QC13: As your use of post has decreased compared to two years ago, which, if any of these forms of communication are you using more often instead of post?
Section 4

Digital Day 2014

In March-April 2014, Ofcom conducted an in-depth study of UK adults’ and children’s total media and communications activities. The research provides a snapshot of people’s media and communications behaviour over a seven-day period, exploring when and how people use services and devices throughout the day, covering both personal and business use, in- and out-of-home use. Key findings from the adults’ study were published in August 2014 as part of our Communications Market Report 2014. This chapter sets out the highlights from an in-depth study of the findings from the Digital Day 2014 consumer research, focusing on those participants aged 65 and over. It is part of a series of in-depth reports looking at particular groups within the data sets collected in the main study.\textsuperscript{17}

Methodology

A nationally representative sample of 1,644 UK adults aged 16+ participated in the main Digital Day study. Among this sample, 259 adults aged 65+ participated in the research\textsuperscript{18}. The survey recorded when participants undertook any of the media and communications activities listed in Figure 9 and what device they were using, including any concurrent use, over seven days. Figure 9 also defines the aggregated media categories used in the report. The main activity types (e.g., watching, listening), have been divided into groups of activities (e.g., ‘watching’ activities comprise TV or films on a TV set, TV or films on another device, and other video, including short clips).

\textsuperscript{17} The full report: \textit{Findings among older people}, and other short reports, are available on the Ofcom website: \url{http://stakeholders.ofcom.org.uk/market-data-research/other/cross-media/digital-day/2014/}
\textsuperscript{18} For further detail on the methodology and findings from the full quantitative adults study, please refer to the Technical Appendix and the Overview of findings on the Ofcom website: \url{http://stakeholders.ofcom.org.uk/market-data-research/other/cross-media/digital-day/2014/}

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Terminology

The analysis examines a range of media behaviours. The terminology is defined below.

**Media consumption**

This refers not only to viewing and listening, but to all text and voice communications, and the consumption of print media.

**Weekly reach**

The proportion of participants who took part in a particular activity, or used a particular device, at any point across the week e.g. 96% of adults aged 65+ watched live TV during the week.

**Volume**

Average minutes of an activity, or use of a device, per day.

**Simultaneous media consumption**

Undertaking more than one media activity at the same time e.g. texting while watching television

**Solus media consumption**

Media consumed while doing no other media activity
Key points

- **Adults aged 65+ consume just over 9 hours’ worth of media per day.** Older people spend less time on media and communications, and undertake less media multi-tasking each day, than the average adult, but still compress 9 hours 16 minutes of media activity each day into 8 hours 15 minutes.

- **Older people spend half of their total media time on ‘watching’ activities.** This compares to two-fifths (39%) among all adults. This is taken up almost entirely by live or recorded TV viewed on a TV set.

- **Adults aged 65 and over spend more time listening to the radio than any other age group.** Fifteen per cent of total media time is spent listening to the radio on a radio set among this age group, compared to 10% among all adults and 2% among adults aged 16-24. This amounts to one hour and 48 minutes per day, with this activity being most popular in the morning.

- **Almost half of the time older adults spend communicating using technology is via email.** Adults aged 65+ spend more of their communications time emailing (28 minutes per day, or 40 minutes among those who use email) than on phone calls (19 minutes per day). Seven in ten older people read or sent emails in their diary week, similar to the proportion among all adults (77%). However, time spent on text communications generally (this includes email as well as social networking, instant messaging, text messages, photo or video messages and Snapchat) decreases with age. For all adults, 16% of media time is spent engaged in text communications, compared to 7% for those aged over 65.

- **Many of the ‘messaging’ activities are used less among older people.** Those aged 65 and over are less inclined than the general population to use messaging functions, with a significantly smaller proportion of communication time assigned to text messaging (7%), instant messaging (1%) and photo and video messaging (less than 1%). Despite this, 11% of their communication time was spent communicating through a social networking site. This equates to 6 minutes per day among all those 65+, but 31 minutes a day among the 20% of those aged 65+ who are social media users.

- **Those aged 65 and over spend more of their media time than the under-65s reading print media.** This includes books, magazines or newspapers, in a digital or physical format. This activity accounts for 6% of their media consumption, compared to 2% for all adults.

- **A quarter of adults aged 65+ use a tablet.** Among all adults, 38% used a tablet during the week compared to a quarter (24%) of those aged 65+. This device accounted for 2% of all time spent on media and communications by older people, similar to the 4% among all adults.

### 4.2 Media and communications activities across the day

#### 4.2.1 Adults aged 65+ consume just over 9 hours’ worth of media per day

Figure 10 compares solus and simultaneous media and communications use across the different age groups. People aged 16-24 are more likely to do more than one activity at the same time, as they squeeze 14 hours 7 minutes of media activity each day into 9 hours 8 minutes. Older people (aged 65+) spend less time on media and communications each day,
and undertake less media multi-tasking, compressing 9 hours 16 minutes of media activity each day into 8 hours 15 minutes.

**Figure 10 Average time spent using media and communications per day, by age group**

Source: Digital Day 7-day diary, March- April 2014
Base: All activity records for adults aged 16+ (108782), 16-24 (6910), 25-34 (16035), 35-44 (25304), 45-54 (26662), 55-64 (19918), 65+ (13953)

### 4.2.2 Older people spend more of their total media time than average on ‘watching’ activities

Figure 11 shows how the time spent on media and communications activities is made up of the overall activity types. Half of the 556 minutes of media time that adults aged 65+ engage in each day involves watching audio-visual content, compared to two-fifths (39%) among all adults. This is taken up almost entirely by live or recorded TV viewed on a TV set.

In comparison, older people spend a smaller proportion of their media time on communicating activities such as text messaging, emailing or phone calls (11% vs 22% among all adults). This amounts to one hour a day, compared to almost two and a half hours spent communicating among adults of all ages.

As for all adults, ‘reading/ browsing/ using’ activities (such as reading books, newspapers, checking updates on social networks or browsing the internet) account for a fifth (19%) of time spent on media and communications each day among older people, with the same proportion of media time being devoted to listening activities (such as listening to the radio or personal music collections). Finally, playing games (on an electronic device) accounts for just 2% of daily media and communications time, at 11 minutes per person per day, compared to half an hour among the whole adult sample.
Figure 11 Average daily total media and communications time spent (minutes), including simultaneous activity

<table>
<thead>
<tr>
<th>Activity</th>
<th>Adults 16+</th>
<th>Adults 65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Watching</td>
<td>39%</td>
<td>49%</td>
</tr>
<tr>
<td>Communicating</td>
<td>22%</td>
<td>11%</td>
</tr>
<tr>
<td>Reading/browsing/using</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>Listening</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>Playing</td>
<td>5%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: Digital Day 7-day diary, March- April 2014
Base: All activity records (108782) for adults 16+ (108782); adults 65+ (13953)
Note: For this analysis the calculations are made by generating mean times spent among all adults for each of the individual activities (including zeros). These mean times are then summed together to create total media and comms time, and time per activity type (hence includes all simultaneous activities).

4.2.3 Media time is dominated by TV and radio for older people

Figure 12 and Figure 13 below show the proportion of media activities participated in, across the day, for adults aged 65+ and for all adults. Comparing the two media days shows how TV viewed on a TV set dominates media time for those aged 65+, with this taking a 40% share of all media activities in the lunch period around 1pm, rising to a significant evening peak of three-quarters of all media consumption between 9 and 10pm. Although television makes up the majority of media consumption in the evening period among all adults, it is less dominant, peaking at a 60% share of all media activities between 9.30 and 9.44pm.

Furthermore, for those aged 65+, radio has a clear role as a medium to wake up to; radio listening on a radio set comprises over 40% of all activities between 6 and 8am, and goes on to account for just over a quarter of all media consumption until 11am.

Compared to all adults, those aged 65+ spend a smaller proportion of their media time on text communications, with this peaking at 16% of media time between 11am-11.14am. For all adults, this activity takes up a quarter of all media time between 9am-3.30pm, with this difference likely to be attributed to the lower proportion of those aged 65 and over in the study who are working (9%).
4.2.4 Email is much more popular than texting among the older generation

In terms of weekly reach, the top four media activities ranked the same among all adults, and those aged 65 and over. Almost all participants aged 65+ (96%) watch live television each week. This was the media and communications activity with the highest weekly reach, and was also the activity which participants spent the most time on each day (see Figure 14).
The next most common media or communications activity, in terms of reach, is phone calls; 84% of older adults record this activity during the course of the week (within this, 79% made a call via a fixed-line, 14% using a smartphone and 19% via a standard mobile).

Listening to live radio is the third most participated-in weekly activity, with eight in ten of the 65+ age group (81%) indicating they do this. This activity is followed by email, with seven in ten (71%) older people reading or sending emails in their diary week, similar to the proportion among all adults (77%).

There are, however, some key differences between adults in general and the over-65 group. Newspapers and books (printed or digital) were used more among those aged 65+, with weekly reach of 71% and 61% respectively, while many of the ‘messaging’ activities were less used. In particular, sending text messages (44% reach among over-65s vs. 71% among all adults), and communicating through a social networking site (20% among over-65s compared to 46% among all adults).

**Figure 14** Weekly reach of media and communications activities across the day, adults 65+

<table>
<thead>
<tr>
<th>Activity</th>
<th>Reach 65+</th>
<th>Reach All Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live TV</td>
<td>96%</td>
<td>84%</td>
</tr>
<tr>
<td>Phone calls</td>
<td>81%</td>
<td></td>
</tr>
<tr>
<td>Live radio</td>
<td>81%</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td>71%</td>
<td></td>
</tr>
<tr>
<td>Newspapers (printed or digital inc. apps)</td>
<td>71%</td>
<td></td>
</tr>
<tr>
<td>A book (printed or eBook)</td>
<td>61%</td>
<td></td>
</tr>
<tr>
<td>Recorded TV</td>
<td>52%</td>
<td></td>
</tr>
<tr>
<td>Text messages</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td>Other activities*</td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td>Magazines (printed or digital inc. apps)</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>Other activities*</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>On-demand / catch-up TV or films (free)</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Games (electronic device)</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Personal music collection (physical format)</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Other online news (not newspaper site)</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Online shopping or ticketing site/ app</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Comms through a Social Networking site</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>TV or films (physical format)</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Personal digital music</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Video calls</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Sports news /updates (not newspaper site)</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Instant Messaging</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Downloaded or streamed TV or films (paid-for)</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>On-demand / Listen again' radio or podcasts</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Short online video clips</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Photo or video messages</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Streamed online music</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Music videos (background listening)</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Digital Day 7-day diary, March- April 2014
Base: All adults aged 65+ (259)
*Other activities defined as ‘other activities such as creating office documents/ spreadsheets, creating or editing videos/ music/ audio, etc. or other apps or software/ programs’.
Figures in red indicate significant differences (in percentage points) from reach among all adults at the 99% confidence level.

**4.2.5 On average, older people spend almost four hours per day watching live television, more than double the time spent on any other media activity**

Watching live television is the single activity that accounts for the most time spent on media consumption for over-65s, with 3 hours 46 minutes spent doing this each day on average (Figure 15). This is significantly higher than the average among all adults (2 hours 58 minutes per day) and more than double that of time spent on the next most common activity, listening to live radio, which the average over-65 spends 1 hour 27 minutes doing each day.
Among radio listeners, however, this increases to 1 hour 48 minutes, while among those who watched any live TV throughout the week, average consumption was 3 hours 57 minutes per day.\(^9\)

On average, older adults spend approximately half an hour each day reading newspapers (printed or online/digital), reading books, watching recorded TV (e.g. on a DVR) and emailing. They are more likely than young adults to read printed books/ newspapers; 79% of their time spent reading books is attributed to a printed version, and 89% of their time spent reading newspapers is attributed to a hard copy.\(^{20}\)

Across all adults aged 65+, ten minutes a day are spent playing games on electronic devices including games consoles, smartphones and tablets. However, among over-65s who play electronic games, this increases to 40 minutes per day.

**Figure 15 Average time spent on each activity per day, among all adults aged 65+**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time (hh:mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live TV</td>
<td>03:46</td>
</tr>
<tr>
<td>Recorded TV</td>
<td>00:32</td>
</tr>
<tr>
<td>Newspapers (Printed/digital or apps)</td>
<td>00:32</td>
</tr>
<tr>
<td>Books (Printed or eBook)</td>
<td>00:30</td>
</tr>
<tr>
<td>Email</td>
<td>00:28</td>
</tr>
<tr>
<td>Phone calls</td>
<td>00:19</td>
</tr>
<tr>
<td>Other websites or apps</td>
<td>00:18</td>
</tr>
<tr>
<td>Other activities</td>
<td>00:13</td>
</tr>
<tr>
<td>Games (electronic device)</td>
<td>00:10</td>
</tr>
<tr>
<td>On-demand / catch-up TV or films (free)</td>
<td>00:07</td>
</tr>
<tr>
<td>Comms through a Social Networking site</td>
<td>00:06</td>
</tr>
<tr>
<td>Personal digital music or audio collection</td>
<td>00:06</td>
</tr>
<tr>
<td>Personal music collection (Physical format)</td>
<td>00:05</td>
</tr>
<tr>
<td>A magazine/article (printed or online/digital)</td>
<td>00:05</td>
</tr>
<tr>
<td>TV or films (Physical format)</td>
<td>00:04</td>
</tr>
<tr>
<td>Text messaging</td>
<td>00:04</td>
</tr>
<tr>
<td>Other online news (not newspaper site)</td>
<td>00:03</td>
</tr>
<tr>
<td>Downloaded or streamed TV or films (paid-for)</td>
<td>00:02</td>
</tr>
<tr>
<td>Sports news /updates (not newspaper site)</td>
<td>00:01</td>
</tr>
<tr>
<td>On-demand/Listen again' radio or podcasts</td>
<td>00:01</td>
</tr>
<tr>
<td>Online shopping or ticketing site/ app</td>
<td>00:01</td>
</tr>
<tr>
<td>Streamed online music</td>
<td>00:01</td>
</tr>
<tr>
<td>Video calls</td>
<td>00:01</td>
</tr>
<tr>
<td>Instant Messaging</td>
<td>00:00</td>
</tr>
</tbody>
</table>

Source: Digital Day 7-day diary, March- April 2014
Base: All adults aged 65+ (259)
*Other activities defined as ‘other activities such as creating office documents/ spreadsheets, creating or editing videos/ music/ audio, etc. or other apps or software/ programs’.

### 4.2.6 Text-based communication is much less used among the older generation

Figure 16 shows that the proportion of time spent watching TV or listening to radio increases with age, but time spent on text communications decreases. Among all adults, 37% of total

\(^{19}\) Television industry data from BARB shows weekly reach of TV at levels comparable with this study, but TV consumption at 341 minutes per day for adults aged 65+ in TV homes. However, BARB figures include live and time-shifted/ recorded TV consumed within 7 days of broadcast, whereas the Digital Day figures of 237 minutes relates only to live TV viewing for those aged 65+

time spent on media and communications activities is attributed to watching programmes on
a television set. However, this differs by age: less than a quarter (24%) of the media and
communications activity of an average 16-24 year old is spent doing this, compared to half
(49%) for those aged 65 and older.

The pattern is similar for listening to the radio on a radio set; 10% of media time is spent on
this activity among all adults, compared to 2% for 16-24 year olds and 15% for those in the
65+ group.

The pattern changes for text communications in particular; for all adults, 16% of time is spent
engaged in this form of activity, compared to 23% for 16-24 year olds and 7% for those aged
over 65. This pattern is also apparent, although to a lesser extent, for games; 9% of media
time for 16-24 year olds is accounted for by this activity, compared to 2% for over-65s.

Those aged 65 and over also spend a greater proportion of their media time reading print
media (books, magazines or newspapers, in a digital or physical format), with this
accounting for 6% of their media consumption, compared to 2% of all adults.

**Figure 16 Proportion of media and communications time, by age**

Source: Digital Day 7-day diary, March- April 2014
Base: All adults 16+ (1644), All activity records (1644) (108782), 16-24 (6910), 25-34 (16035), 35-44
(25304), 45-54 (26662), 55-64 (19918), 65+ (13953)

**4.2.7 Phone calls are by far the most important media and communications
activity for the older generation**

When asked to consider the importance of each of the listed activities on a scale of 1 to 10
(with 10 being ‘very important’), phone calls, on either a mobile or fixed-line phone, were
ranked as the most important media activity by those aged 65 and above, with an average
score of 8.2. This is despite voice communications accounting for a relatively low proportion
of total media time (4%) among this age group.

In line with the higher proportion of media consumption assigned to live TV, this activity had
the second-highest importance rating, and was significantly more important than any of the
other watching activities listed (such as recorded TV or on-demand services). Books and
newspapers were also important to those 65 and over, with both being in the top five
activities, along with emailing. In general, playing games, and listening activities (with the exception of live radio) were the least important activities to this age group.

**Figure 17 Mean importance of each activity, adults 65+**

Source: Digital Day follow-up survey  
Base: All adults aged 65+ (259)  
QA2. Using a scale from 1 to 10, where 1 means “Not at all important” and 10 means “Very important”, how important are each of these activities to you?  
Note: Question only asked among those who do each activity – mean scores rebased on everyone, with those who don’t do the activity allocated a zero. ‘Other activities’ defined as ‘other activities such as creating office documents/ spreadsheets, creating or editing videos/ music/ audio, etc. or other apps or software/ programs’.

### 4.3 Watching activities

#### 4.3.1 TV viewing accounts for over 90% of the time older people spend watching audio-visual content

Taking all watching activities into account, almost all of the time adults aged 65 and over engage in these activities is attributed to television (94%). A significant majority (82%) is spent watching live TV – greater than the average among all adults (69%) – with a further 12% of viewing time spent watching recorded TV content.

A further 3% of older people’s viewing time is spent watching free on-demand or catch-up services – similar to the 5% across all adults, but less than 1% of this time is attributed to viewing short online video clips on sites such as YouTube.

In general, across the participant sample, as age increased, so did the proportion of viewing time attributed to live TV, while the proportion of watching time spent consuming online content (short online video clips, on-demand content, downloaded / streamed content) decreased.
4.4 Listening activities

4.4.1 Live radio accounts for almost nine in ten minutes spent on listening activities

Taking into account all time spent on listening (audio-based) activities, listening to live radio makes up 86% among over-65s (known as ‘share of ear’). The proportion attributed to live radio increases with age; for 16-24 year olds, this comprises less than a quarter of their time spent on listening activities, with personal digital music and streamed music accounting for 60% of listening time, but then the proportion of time spent listening to live radio increases significantly among those aged 25+.

For those aged 65 and over, the remainder of their listening time is made up of listening to a personal music collection in physical format (CDs, tapes or vinyl), or in a digital format (on an MP3 player, smartphone or computer) – both these account for 6% of listening time.
4.5 Communicating activities

4.5.1 Almost half of the time older people spend communicating is via email

Adults spend on average 2 hours 26 minutes engaged in the whole range of communication categories included in the diary. Of these, a third of the time (33%) is attributed to email, with the majority of this attributed to those in desk-based jobs. However, email increases to almost half (47%) of the proportion of time spent on communicating activities among those aged 65 and above, although their overall time spent on communicating activities is the lowest (1 hour).

This older age group spend more of their communications time emailing than on phone calls (32%). Furthermore, just over one in ten minutes spent communicating is via a social networking site, equating to 6 minutes per day among all those 65+. However, this rises to 31 minutes a day among the 20% of those aged 65+ who are social media users.

This age group are less inclined than the general population to use messaging, with a significantly smaller proportion of communication time assigned to text messaging (7%), instant messaging (1%) and photo and video messaging (less than 1%).

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21 Social networking activity was considered part of the ‘communication’ category when participants specifically said they were using these sites for communicating. Other social networking activity (e.g. generally browsing sites) was counted under different overall activity types, as set out in the purple box on page 70 of the Communications Market Report 2014 http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr14/UK_1.pdf
4.6 Use of media and communications devices

4.6.1 A quarter of adults 65+ use a tablet

Figure 21(219,221),(840,813) compares the reach of devices by age. Adults aged 16-24 are four times more likely than those aged 65+ to use a smartphone (92% vs. 21%). Conversely, fixed-line phones are used by 79% of those aged 65+ each week, compared to 64% of all adults and 28% of those aged 16-24. Among all adults, 38% used a tablet during the week, compared to a quarter (24%) of those aged 65+. People aged 65+ are more likely than younger people to use printed copies of newspapers, magazines and books (84% vs. 48%) – this is the second most-used device or method used to consume media among this age group.
4.6.2 Older people spend over four and a half hours watching a TV set per day

Figure 22 shows that of the average 11 hours 7 minutes (667 minutes) spent on media and communications activities by adults each day, over a third (37%) is attributed to TV (244 minutes). This is because adults spend more time watching live TV than any other activity. However, for over-65s, time spent watching a TV set rises to half of all time spent on media and communications devices each day (274 minutes out of 556 minutes). Their next most-used device is a desktop or laptop, accounting for 79 minutes per day, significantly less than the 159 minutes among all adults, probably due in part to the smaller proportion of this age group in desk-based work. This is followed by time spent reading print media – 59 minutes a day among those aged 65+; double the amount of time spent on average among all adults (29 minutes).

The device that shows the largest proportional difference, in terms of daily use, between all adults and those aged 65+, is the smartphone: older adults spend on average 8 minutes on this device each day, compared to 82 minutes among all adults, and this is probably because there is lower ownership of smartphones among older consumers (Ofcom’s Technology Tracker reports smartphone ownership at 22% among those aged 65-74 and 4% among over-75s, compared to 63% among all adults).
Figure 22 Average daily total device time (minutes), including simultaneous activity

Source: Digital Day 7-day diary, March- April 2014
Base: All activity records for adults aged 16+ (108782); 65+ (13953)
Note: For this analysis the calculations are made by generating mean times spent among all adults for each of the individual devices (including zeros). These mean times are then summed together to create total media and comms time, and time per device (hence includes simultaneous activity).
Section 5

Availability of services and providers

Introduction

This section of the report highlights the availability of communications services across the UK. It also reports trends in the availability of technology within sectors; for example, 3G and 4G mobile coverage and that of superfast broadband services.

By tracking levels of availability we can monitor the market and see how different consumers are accessing the different services, thereby highlighting any issues relating to their not being able to use a specific service for reasons outside their control.

Key trends

- **Fixed-line telephony and basic broadband are available to nearly all consumers.** Although fixed broadband is now available to almost all UK premises, the technology and speeds available vary considerably. Ninety-seven percent of premises are able to access a basic broadband service, with download speeds of more than 2Mbit/s; 85% can access a standard service, with speeds of 10Mbit/s or more; and 75% can access superfast speeds of 30Mbit/s or more, due to the roll-out of fibre, and cable upgrades.

- **The degree of mobile coverage (i.e. 2G, 3G and 4G) varies across the UK.** In 2014, using data taken from network operators’ planning tools, we estimated that more than 99% of premises had an outdoor mobile signal from at least one 2G operator, and 99% from at least one 3G mobile operator\(^2^2\). In June 2014, 72% of premises had an outdoor mobile signal from at least one 4G operator.

- **Growing take-up of broadband connections with a headline speed of ‘up to’ 30Mbit/s or higher is driving increases in actual fixed broadband speeds.** The average speed of UK residential fixed broadband connections continues to increase, and Ofcom research\(^2^3\) shows that the average actual download speed of these services increased from 14.7Mbit/s to 18.7Mbit/s in the year to May 2014. This rise is mainly driven by increasing take-up of faster broadband services. Connections with a headline speed of ‘up to’ 30Mbit/s or higher, accounted for 28% of all residential fixed broadband connections by May 2014, an increase of four percentage points from November 2014. However, the average speed of superfast connections was unchanged at 47.0Mbit/s in the six months to May 2014 and as a result the increase in average speeds across all connections was lower than in previous periods.

- **Digital terrestrial coverage is almost universal following digital switchover.** Digital terrestrial television (DTT) has near-universal coverage of 98.5% of UK households, as the UK completed digital switchover in late 2012.

\(^2^2\) We recognise that the planning tools are subject to a margin of error and local factors, such as tall buildings or trees, can affect the signal at different locations. In addition, the quality of mobile services are affected by factors other than signal strength, such as network capacity, number of simultaneous users and quality of handset. In 2014 we will be undertaking work to measure the actual consumer experience.

DAB digital radio services are available to over nine in ten (94.7%) households. Following the launch of new multiplexes around the UK, the proportion of UK households served by local commercial multiplexes has also increased; from 71.7% to 73.1%.

Consumers are able to choose from a wide range of communication providers. The number of communication providers remained fairly stable in 2014. There are at least 12 major suppliers of bundled residential communications services, 113 fixed-line operators and four mobile network operators. There are currently 527 television channels, 13 of which are public service channels and their HD and +1 variants, with the remaining 514 being commercial channels. Consumers have 560 analogue radio services in the UK, including local and UK-wide commercial stations, BBC local, UK-wide and community stations, and 245 stations available on DAB, of which 59 are digital-only brands.

These key trends are explored in more detail under the following sub-headings:

- availability of services across the UK; and
- range of communications providers available.

### 5.1 Availability of services across the UK

#### 5.1.1 Fixed-line telephony, broadband and digital broadcasting are available to nearly all consumers

Fixed-line telephony, broadband and digital broadcasting are available to nearly everyone in the UK. Fixed-line PSTN services are universally available across the UK. The universal service obligation (USO) is currently provided by BT, and by Kingston Communications in Hull. All households in the UK must be able to access a fixed-line at a standard charge, although additional connection charges apply when a household is so remote that installation would cost the supplier over £3,400 to provide the line.

Although fixed broadband is now available to almost all UK premises, the technology and speeds available vary considerably. Ninety-seven percent of premises are able to access a basic broadband service, with download speeds of more than 2Mbit/s; 85% can access a standard service, with speeds of 10Mbit/s or more; and 75% can access superfast speeds of 30Mbit/s or more, due to the roll-out of fibre, and cable upgrades (for further information see *Infrastructure Report 2014*).

#### 5.1.2 The degree of mobile coverage (i.e. 2G, 3G and 4G) varies across the UK

In 2014, using data taken from network operators’ planning tools, we estimated that more than 99% of premises had an outdoor mobile signal from at least one 2G operator and 99% from at least one 3G mobile operator.

In June 2014, 72% of premises had an outdoor mobile signal from at least one 4G operator. O2’s 800MHz licence carries an obligation on the holder to provide indoor coverage to 98% of consumers at speeds of 2Mbit/s by 2017, with at least 95% coverage being provided in each of the nations.

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Ofcom’s *Infrastructure Report* includes data on predicted mobile signal strength (based on operator planning models) for 2G, 3G and 4G in the UK, and calculates various measures of coverage\(^\text{25}\). A summary of coverage across the UK, and for each of the nations, is shown in Figure 23 below. It shows two of our headline coverage measures. The first considers the proportion of postal addresses that are within coverage of the networks (‘premises coverage’), while the second considers overall geographic coverage; i.e. what percentage of the UK’s land mass they serve (‘geographic coverage’). We have based our analysis for these results on a signal strength that should be sufficient to make or receive a call outdoors\(^\text{26}\).

However, consumers increasingly expect to be able to use mobile phones reliably in a variety of locations. Ofcom’s *Mobile Coverage Report*\(^\text{27}\) explored consumers’ experiences and attitudes towards mobile coverage. This study reported that three in ten mobile customers said they experienced “no signal or reception” at least weekly. And although most were satisfied with their service overall, satisfaction was lowest with the ability to make voice calls outdoors in rural areas, and with voice performance while travelling by road or rail. As a result, we have also measured the proportion of national road length covered by mobile networks, split by motorways and national A- and B-roads. We also measure indoor premises’ coverage, as well as coverage figures for roads where the user is inside a vehicle. These can be found in the 2014 *Infrastructure Report*\(^\text{28}\).

### Figure 23 Availability of mobile (outdoor coverage)

<table>
<thead>
<tr>
<th>Covered by</th>
<th>UK</th>
<th>England</th>
<th>Scotland</th>
<th>Wales</th>
<th>Northern Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Premises coverage</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2G</td>
<td>&lt;1%</td>
<td>97%</td>
<td>0%</td>
<td>98%</td>
<td>95%</td>
</tr>
<tr>
<td>3G</td>
<td>1%</td>
<td>84%</td>
<td>&lt;1%</td>
<td>87%</td>
<td>75%</td>
</tr>
<tr>
<td>4G</td>
<td>28%</td>
<td>35%*</td>
<td>25%</td>
<td>39%*</td>
<td>34%*</td>
</tr>
<tr>
<td>Geographic coverage</td>
<td>22%</td>
<td>26%</td>
<td>7%</td>
<td>41%</td>
<td>7%</td>
</tr>
<tr>
<td>2G</td>
<td>77%</td>
<td>5%*</td>
<td>67%</td>
<td>9%*</td>
<td>95%</td>
</tr>
<tr>
<td>3G</td>
<td>11%</td>
<td>68%</td>
<td>4%</td>
<td>82%</td>
<td>47%</td>
</tr>
<tr>
<td>4G</td>
<td>22%</td>
<td>26%</td>
<td>7%</td>
<td>41%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Ofcom *Infrastructure Report 2014*\(^\text{29}\)

*4G coverage figures do not include Three’s network coverage. In the time available, it was not possible to resolve differences between Three’s data and our own field measurements on 4G coverage.

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\(^{25}\) There are a number of other mobile coverage projects elsewhere, such as the BBC’s mobile coverage research (http://www.bbc.co.uk/news/technology-14582499) and OpenSignalMap (http://www.opensignalmaps.com/), both of which use consumer-end devices to measure mobile coverage. The outcomes of this crowd-sourcing approach are limited by the number of test devices and where the phones are used.

\(^{26}\) See Annex 3 in Ofcom’s *Infrastructure Report* for details on the signal thresholds used


5.1.3 Growing superfast broadband take-up is driving increases in actual fixed broadband speeds

UK consumers are able to access a wide choice of broadband products as a result of the availability of local loop unbundling (LLU) 30, ADSL fibre, cable and mobile broadband, and the ability to purchase services as part of a bundle. At the end of 2013, 95.1% of UK premises were connected to an unbundled BT local exchange, representing a one percentage point increase since the previous year. Overall, over 99.9% of UK premises were able to access ADSL fixed broadband services at the end of 2013, although factors such as distance from the exchange and the quality of local networks may limit availability. By June 2014 the proportions of premises that were in postcodes served by BT Openreach/ KCOM fibre broadband networks, and that were passed by Virgin Media’s cable broadband network, were 68% and 44% respectively, although access to this service varied significantly across the nations.

The average speed of UK residential fixed broadband connections is continuing to increase. Ofcom research31 shows that the average actual download speed of these services increased from 14.7Mbit/s to 18.7Mbit/s in the year to May 2014 (see Figure 24).32 This rise is mainly driven by increasing take-up of connections with a headline speed of ‘up to’ 30Mbit/s or higher, which accounted for 28% of all residential fixed broadband connections by May 2014, an increase of four percentage points since November 2014. However, the average speed of superfast connections was unchanged, at 47.0Mbit/s, in the six months to May 2014, and as a result the increase in average speeds across all connections was lower than in previous periods.

Figure 24 Average actual broadband speeds: Nov 2008 to May 2014

![Graph showing average actual broadband speeds from Nov 2008 to May 2014]

Source: Ofcom – UK fixed-line broadband performance, May 201433
Note: Data for ‘up to’ 30Mbit/s and higher connections is not available prior to May 2010 due to there being low take-up of these services

30 LLU is the process whereby the incumbent operators (in the UK it is BT and Kingston Communications) make their local network (the lines that run from customers premises to the telephone exchange) available to other communications providers.
32 Note that these figures may be different to those in the Infrastructure Report 2014 (IR 14) as the IR14 includes sync speeds data with 23 Mbit/s average speed
33 (http://stakeholders.ofcom.org.uk/binaries/research/broadband-research/may2014/Fixed_bb_speeds_May_2014.pdf)
5.1.4 Digital terrestrial coverage is almost universal following digital switchover at the end of 2012

UK viewers can choose from four types of digital distribution technology to receive live broadcast-quality television: digital terrestrial, satellite, cable and IPTV. However, these are subject to varying degrees of availability.

Figure 25 shows that digital TV services delivered over the airwaves were the most widely available type in 2014. Digital terrestrial (DTT) has near-universal coverage; 98.5%, as the UK completed digital switchover in late 2012. Cable coverage capable of offering cable fixed telecoms and/or pay-TV services stands at 44% of UK homes. The 2014 figure is lower than the previous years for two reasons; the 2012 data showed the percentage of premises in postcodes served by Virgin Media’s network (i.e. it assumed that all premises in a postcode could receive services) while the 2014 data was based on data which included the percentage of premises in each postcode that could receive services (meaning the 2014 figure is more accurate, but lower). Secondly, the serviceable addresses database was updated.

**Figure 25 Availability of digital television**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total*</th>
<th>Digital terrestrial</th>
<th>Digital satellite**</th>
<th>Digital cable***</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td></td>
<td>98%</td>
<td>98%</td>
<td>80%</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td>98%</td>
<td>98%</td>
<td>85%</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td>98.5%</td>
<td>98.5%</td>
<td>98%</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>99%</td>
<td>98.5%</td>
<td>98%</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>80%</td>
<td>85%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Source: Ofcom and operators

Note: * While we are unaware of exactly where digital services overlap and thus cannot determine exact total digital coverage, in 2014 we assume that total digital television coverage, while not universal, is higher than that offered by any one platform. ** Satellite figures do not account for the inability to receive satellite in many multi-dwelling units (MDUs) and 98% coverage can only be achieved if more expensive satellite installations are used in some locations to overcome line-of-sight blockages.*** Cable availability figures for 2011 and 2012 only include postcodes where Virgin Media offers triple-play bundled services. Previous years did not use this definition of cable availability and comparisons with 2011 and 2012 should be treated with caution.

5.1.5 The BBC has the most widespread DAB coverage - available to over nine in ten UK households.

The BBC has the most widespread DAB coverage; its network of 11 stations is available to 94.7% of UK households (Figure 26). The BBC is currently expanding its national coverage to reach 97% of households by 2017. The national commercial multiplex, Digital One, broadcasts 14 commercial stations, including simulcasts of the three stations available nationally on analogue. The proportion of UK households that are served by local
commercial multiplexes has increased, following the launch of new multiplexes around the UK.

**Figure 26 Availability of DAB radio**

![Graph showing availability of DAB radio services](image)

Source: Ofcom, August 2014
Note: ‘National’ means UK-wide.

The availability of radio services on DAB is highest in the Greater London area, where listeners can receive up to 60 radio services. This compares to areas such as Suffolk and Lincolnshire where listeners receive the lowest number of stations (25). The majority of homes outside London are able to receive between 26 and 35 DAB digital radio stations. Figure 27 shows the number of stations as well as the number and type of digital multiplexes that are available across the UK. Further information on the number of analogue and digital stations that are available across the UK on analogue and DAB can be found in Ofcom’s *Digital Radio Report 2014*.34

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34 Ofcom, *Digital Radio Report 2014*  
5.1.6 Royal Mail provides a universal postal service to consumers across the UK, with competition concentrated on parcel and bulk mail delivery

Royal Mail is the designated universal service provider in the UK and is subject to certain legal requirements and regulatory conditions, including the requirement to collect letters, and deliver them to any UK home or premises, six days a week. Prices for universal services must be affordable (and uniform) throughout the UK.

Royal Mail must also provide sufficient post boxes and other access points (e.g. at post offices) to meet the reasonable needs of users of the universal postal service. This includes a requirement that there should be a post box within 0.5 miles of at least 98% of premises nationally; and for the remaining 2% of premises, Royal Mail must provide sufficient access points or other means of access to the universal service (e.g. collection on delivery from very remote or isolated locations such as farmhouses) to meet the reasonable needs of users (having regard to the costs and operational practicalities of doing so). Currently, the UK has over 115,000 post boxes and 11,696 post offices.

As businesses are responsible for the majority of mail sent in the UK, competition in the postal sector has developed with a focus on businesses sending bulk mail. For consumers who want to send an addressed letter or greetings card, the provider they use is most likely to be the universal service provider, Royal Mail.

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36 As imposed by Ofcom, [http://stakeholders.ofcom.org.uk/post/conditions/](http://stakeholders.ofcom.org.uk/post/conditions/)
For consumers who are sending parcels, however, a range of providers are able to provide this service. Apex Insight\(^{37}\) has identified over 15 companies which operate significant parcels networks in the UK, including international operators such as DHL, UPS, FedEx, TNT and DPD as well as national operators including UK Mail, Yodel and Hermes. Although the majority of these operators primarily offer services to businesses, they also offer services to consumers wishing to send parcels and packets.

DHL, for example, has customer-facing outlets in branches of Ryman stationers, and UPS offers parcel mailing services as part of its Access Point network. Collect+, a parcel service operated by Yodel and PayPoint, has a network of over 5,500 local shops where consumers are able to send and receive parcels. The Collect+ network also handles returns for some online retailers. Online services such as Parcel2Go and Parcelmonkey act as intermediaries, aggregating nationwide courier services and offering an online service to book the collection of parcels. In many areas in the UK, local couriers operate delivery networks, often offering a same-day service within a defined geographical area.

The various parcel collection and delivery services, as noted above, are offered by a number of providers and at a range of prices. The types of services offered allow users to choose a service that best meets their needs, in terms of whether to include tracking, insurance, time or day-definite delivery slots. Some providers limit their coverage and exclude certain areas such as Northern Ireland, the Scottish Highlands and Islands, the Isle of Man and the Isle of Wight, which has an impact on the level of choice in these areas.

5.2 Number of communication providers available in the UK

Consumers in the UK are able to choose from a number of communications providers offering a wide range of standalone and bundled communications services and content choices. Figure 28 below shows the range of providers and content choices available within the communications market.

5.2.1 Number of providers offering services remains relatively stable

There are at least 12 major suppliers of bundled residential communications services (for example, a fixed-line and a multichannel TV bundle, where the customer has to take both services to get the advertised price). This has remained relatively stable over the past few years.

Similarly, there has been no change in the number of provider options for consumers in the fixed-line market. There are estimated to be 113 providers offering services in the fixed-line market subject to the Conditions of Entitlement (the conditions they must fulfil in order to offer communications services).

Consumers continue to be able to choose from mobile services offered by four mobile network operators (MNOs) – Vodafone, O2, Three and Everything Everywhere (EE), which was formed in 2010 when T-Mobile and Orange merged. There are also many virtual mobile network operators (MVNOs) and resellers\(^{38}\).

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\(^{37}\) Apex Insight is an independent provider of research, analysis and advice covering business-to-business markets.

\(^{38}\) An MVNO or reseller is a company that resells services from one of the four network operators but does not own its own mobile network infrastructure. For example, Virgin Mobile uses the T-Mobile network (which is being integrated with the EE network) and Tesco Mobile uses the O2 network. MVNOs often offer niche services such as low-cost international calls to customers in minority ethnic groups, and immigrant communities.
Comparison of the range of choice between sectors

A recent survey[^39] asked consumers to rate the amount of choice across a number of sectors. Insurance companies (57%) and supermarkets (50%) rated highest for having 'a lot of choice', with no change since last year. This was followed by banks (40%) and holiday companies (41%), again similar to last year. Around a third of consumers rated telecoms, TV or internet service providers (34%), gas and electricity providers (29%) and airlines (29%) as having 'a lot of choice'. Train companies and postal services were reported to have less choice, with around one in five (19% and 22%) stating that they offered 'no choice at all'; this is an improvement on last year when over one in four (26% and 28% respectively) stated this.

[^39]: Customers in Britain, conducted by Firebrand Insight in 2014
Figure 29 Perceptions of provider choice available

Source: Customers in Britain 2014, Firebrand Insight
Base: all adults (1,007)
Section 6

Take-up of services and devices

In this section we highlight the extent to which consumers have communications services and devices available in their household. We illustrate how take-up has changed over time, highlight any demographic differences in ownership, and make broad international comparisons. This section also looks at the changes in usage levels and changes over time in the types of activities being undertaken.

By examining take-up and use of communications services we are able to identify whether there are any concerns regarding non-ownership that we need to consider.

Key trends

- **Fixed-line ownership has stabilised in the UK.** Ownership levels have remained at 84% for a fifth consecutive year.

- **Mobile-only households continue to be younger and in the DE socio-economic group.** The majority (79%) of households continue to own both a fixed-line and a mobile phone, with a further 5% fixed-line only and 16% mobile-only. Just over a quarter (28%) of 16-24s and those in the DE (26%) socio-economic group are in mobile-only households. Mobile-only households also continue to be more prevalent in urban (17%) than in rural areas (9%).

- **Take-up of the internet remains stable, with four in five (83%) households able to access the internet at home.** Seventy-eight per cent of households use either fixed and/or mobile broadband, 5% have access only via their mobile phone and 1% use a dial-up internet connection. Total use of fixed broadband remains unchanged, at 76% of adults, with an additional 2% using mobile broadband only, down from 4% in 2013.

- **About half (46%) of mobile broadband users use the service mainly, or always, at home.** Around one-third (36%) of adults with mobile broadband via a dongle (or built-in connectivity in a laptop, netbook or tablet) said they only used the service at home.

- **Four in five UK adults access the internet, either at home or elsewhere, with increases since 2013 for 16-24s (95% to 98%), 65-74s (53% to 65%) and women (81% to 84%).** Those aged 65 and over (65% for 65-74’s and 30% for 75 and over), and those in DE socio-economic groups (71%), remain less likely than the overall population (84%) to use the internet in any location.

- **Ownership of any type of connected device is unchanged since 2013, at 82%.** Within this overall figure, however, there are some significant changes: a decline in ownership of laptops (from 66% to 63%) and increases for smartphones (from 56% to 63%) and tablets (from 29% to 46%).

- **Smartphone ownership has increased (to 63%), but growth appears to be slowing.** Growth since 2013 has been mainly driven by 45-64s (up from 44% to 58%).

- **Around half of all UK adults access multichannel television at home through Freeview, with 34% only using Freeview.** This compares to 30% only using satellite and 14% only using cable.
• In 2014 there was an increase in non-ownership of digital TV (from 2% to 4%). This increase in non-ownership is most notable among 16-24s.

• Just over six in ten (61%) adults receive pay-TV, an increase since 2013 (from 58%). The increase for pay-TV is evident across all age and socio-economic groups.

• A third of consumers unaware that they can access digital radio services at home. Two-thirds of consumers claim to have access to digital radio services. But given that access to digital services that can deliver digital radio (i.e. digital TV and/or internet) has increased to 100% of homes, this suggests that around one in three are unaware that they can access digital radio services at home.

• Little change in mobile ownership levels across the disability groups reported, although some increases noted among particular demographics. In particular, mobile ownership increased among people with a mobility impairment aged 55-64, up 8 percentage points to 94%, and among those with a visual impairment aged 65+, up 10 percentage points to 75%.

• While the majority of disabled consumers have access to a mobile phone in their household, personal use of this device is lower than average. Personal use of a mobile phone is lowest among those with a mobility (66%) or visual impairment (68%), and highest among those with a hearing impairment (73%). This compares to household ownership levels of 80%, 83%, and 86% respectively. Around one in ten of each of these disabled groups say they are prevented from using a mobile, or use is limited, due to their disability – 12% among people with hearing impairment, 13% among those with a visual impairment, and 8% among those with a mobility impairment.

• Internet access has increased among those with a visual impairment (to 75%) and those with mobility impairment (to 60%) but remained stable at 69% among those with a hearing impairment. The increase among people with a visual impairment was noted among most demographic groups, with the largest rise noted among those aged 55-64 (up 25 percentage points to 87%). The growth in internet access among those with mobility impairment was noted in each age group, with the highest increase noted among those aged 65+ (up 15 percentage points to 43%). Internet access also increased significantly, to 76%, among consumers with mobility impairment in socio-economic group ABC1.

• Nearly a fifth (18%) of consumers with a learning disability say their disability prevents or limits their use of the internet. Between 9% and 18% of those with a learning disability say they are prevented from using communications services/devices, or their use of these is limited, by their disability. This is most evident in relation to use of the internet (18%), but lower for landline (9%), mobile (11%) and television (10%).

• Freeview-only ownership is higher among all disability groups reported (36-43%) compared to the average for non-disabled consumers (30%), and tends to increase with age. Ownership is higher than the average for non-disabled consumers among those with visual or mobility impairments aged 65+. It should be noted that data for non-disabled consumers are not comparable to that of all UK adults. Non-disabled consumers have a younger than average profile due to the strong correlation between age and disability.

• Pay-TV ownership (satellite or cable TV) is higher for non-disabled consumers (55%) than for each of the disability groups analysed (43-48%). Ownership is broadly comparable across all age groups between 15 and 64, but lower among those aged 65+,
with those with a visual (34%) or mobility (36%) impairment reporting lowest pay TV ownership in this age group.

- **Just under two-thirds (64%) of postal users claim to be reliant on the postal service.** Levels of those claiming to be ‘very reliant’ on the postal service increases with age, with 17% of 16-24 year olds stating they were ‘very reliant’ on the postal service, compared to 33% of those aged 65-74 and 35% of those over 75 years old.

- **Just over six in ten (63%) adults said the number of items they send by post had remained at the same level in the past two years.** Twenty-one per cent of adults claimed that their use of post had decreased in the past two years and 16% claimed it had increased. There was an overall net increase in small and larger parcels being sent, and a net decrease overall of formal letters, personal letters and invitation/ greetings cards.

- **Younger consumers (aged 25-34) send more parcels each month than average.** Overall, four in ten (39%) consumers claimed to have sent at least one parcel by post in the past month – with one parcel, on average, being sent each month. Adults aged 25-34 are more likely than average to have sent a parcel in the last month (47%), with an average 1.5 parcels sent. Conversely, one in five (21%) of those aged 75+ had sent a parcel in the past month, with an average of 0.5 parcels sent by this age group in the past month.

We explore these key trends in more detail below under the following sub-headings; at a UK level, and internationally where possible:

- Take-up of communications services and devices across the UK
- Telecoms ownership (including broadband), in detail
- Digital broadcasting, in detail
- Ownership of connected devices
- Non-ownership of communications services
- Ownership and use of communications among disabled consumers
- Postal users, in detail

### 6.1 Take-up of communications services and devices across the UK

#### 6.1.1 While other markets remain unchanged, there has been a decrease in the penetration of digital TV (to 96%)

Figure 30 shows that mobile phones and digital TV have the highest levels of penetration, with over nine in ten consumers having access to these services in their household. While other markets are unchanged, there has been a decrease in the penetration of digital TV in 2014 (from 98% in 2013 to 96%), with the remainder having no TV. Broadband ownership is at the same level as in 2013, with over three in four households (78%) having this service.
6.1.2 Over nine in ten households in the nations have at least one mobile phone and/or digital TV

Levels of digital TV and mobile phone ownership in the household are at similar levels for each nation (Figure 31), with over nine in ten households having these services. Fixed-line ownership is also at a similar level for each nation, present in over eight in ten households. Some other services have different levels of take-up by nation. Home broadband ownership is lower outside England; with around seven in ten stating they have this service in Scotland (68%), Wales (70%) and Northern Ireland (73%), compared to eight in ten in England (79%). These differences relate to fixed broadband ownership, as mobile broadband ownership is at a similar level across the nations, either as the only broadband service (2% in the UK) or alongside fixed broadband (4% in the UK). Within the nations, England has the highest levels of claimed access to digital radio at home (68%), followed by Wales (63%).
### Figure 31 Take-up of communications services in the household, by nation

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>England</th>
<th>Scotland</th>
<th>Wales</th>
<th>Northern Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed line</td>
<td>84%</td>
<td>84%</td>
<td>82%</td>
<td>82%</td>
<td>85%</td>
</tr>
<tr>
<td>Mobile Phone</td>
<td>95%</td>
<td>96%</td>
<td>93%</td>
<td>94%</td>
<td>95%</td>
</tr>
<tr>
<td>Digital TV</td>
<td>96%</td>
<td>96%</td>
<td>97%</td>
<td>98%</td>
<td>97%</td>
</tr>
<tr>
<td>Digital Radio*</td>
<td>66%</td>
<td>68%</td>
<td>60%</td>
<td>63%</td>
<td>51%</td>
</tr>
<tr>
<td>Broadband</td>
<td>78%</td>
<td>79%</td>
<td>68%</td>
<td>70%</td>
<td>73%</td>
</tr>
<tr>
<td>Mobile broadband ONLY</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Fixed broadband ONLY</td>
<td>72%</td>
<td>73%</td>
<td>62%</td>
<td>67%</td>
<td>68%</td>
</tr>
<tr>
<td>Fixed and mobile broadband ONLY</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>2%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: Ofcom communications tracker survey  
Base: All adults 16+ (Q2 2014, 2877)  
Note: Fixed broadband ONLY means take-up of fixed broadband but NOT mobile broadband  
*Claimed access to digital radio at home

Figure 32 shows take-up of devices across the nations. Personal ownership of any type of mobile phone is at nine in ten, and personal ownership of a smartphone about six in ten, in each nation. Compared to other nations, Northern Ireland has lower levels of DAB ownership (30% vs. 44% in the UK). Both Northern Ireland and Scotland have lower levels of smart TV ownership compared to the UK average (7% and 8% vs. 12% UK) while Scotland has lower take-up of tablet computers, compared to the UK average (38% vs. 46% UK).
6.1.3 Satellite-only households have increased in Scotland and decreased in Northern Ireland

While the television service platforms used in England are broadly unchanged since 2013, each of the other nations has experienced some change in the profile of multi-platform ownership in 2014. In Scotland there has been an increase in the proportion using only satellite (32% vs. 24% in 2013) and a decrease in those using only Freeview (29% vs. 43% in 2013), reversing the changes seen in 2013. Wales saw a decrease in the proportion of the population using only cable (2% vs. 10% in 2013), but no other significant changes. In Northern Ireland there has been a decrease in the proportion of the population using satellite only (7% vs. 32% in 2013), and an increase in those using both satellite and Freeview (46% vs. 22% in 2013).
The following sub-sections highlight the trend in take-up of individual communications services across the UK, and then compare the UK with other countries. This is followed by a more detailed look at the UK data by demographic.

6.2 Telecommunications ownership in detail

6.2.1 Fixed-line ownership has stabilised in the UK

Household ownership of a fixed-line has remained at 84% for the fifth consecutive year.

Source: Ofcom communications tracker survey
*Note: Data for 2006-2014 based on Q2, all others based on Q4
Data collected for Ofcom’s 2014 *International Communications Market Report* show the number of fixed voice connections per 100 people in 18 comparator countries. In a change from previous years, these data include managed voice over internet protocol (VoIP) connections (i.e. where VoIP is provided by a telecoms provider/ISP as a substitute for traditional fixed voice services), in addition to the numbers of PSTN lines and ISDN channels. As is shown in Figure 35 below, there was wide variation in the take-up of fixed voice services in our comparator countries at the end of 2013, with the number of connections per 100 people ranging from less than one in Nigeria to 60 in France (in the UK there were 59 connections per 100 people, the second-highest number among the 18 countries).

The number of fixed voice connections per 100 people fell in all of the countries included in the analysis except the UK, South Korea and Brazil in the five years to 2013. These falls were mainly due to the increasing use of mobile phones and text-based forms of communication (such as email, SMS and instant messaging). In the UK, the number of connections per 100 people was unchanged between 2008 and 2013, whereas there were increases of six connections and one connection per 100 people respectively in South Korea and Brazil over this period, as a result of the growing use of managed VoIP services.

The proportion of fixed voice connections that were provided using managed VoIP was highest in the Netherlands and France at the end of 2013, at 71% and 60% respectively, partly due to the availability of naked-DSL and fibre in both of these countries. In the UK, 12% of fixed voice connections were provided over managed VoIP, the sixth-lowest proportion among the 18 countries.

**Figure 35 Fixed voice connections per 100 population: 2008 and 2013**

Source: IHS / industry data / Ofcom

### 6.2.2 UK fixed-line take-up remains highest among older consumers and those in rural areas

There has been no significant change in fixed-line ownership across all age groups since 2013 (Figure 36). Fixed-line ownership increases with age: over nine in ten consumers (94%) aged 65+ have a fixed-line service, compared to 72% of those aged between 16 and 24.

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Figure 36 Age and gender profile of consumers who have fixed-line services

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) (Q1 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)

As Figure 37 shows, there has been very little change in take-up by socio-economic group, with the AB socio-economic groups more likely to have fixed-line services than the other groups. People living in a rural environment are more likely than those living in an urban environment to have a fixed-line service (91% vs. 83%).

Figure 37 Socio-economic and urbanity profile of consumers who have fixed-line services

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) (Q1 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)

6.2.3 Most households continue to own both a fixed and mobile phone – one in six has a mobile but no fixed-line phone

Figure 38 shows that, as in 2013, the majority of households (79%) have both fixed-line and mobile phone services. A further 16% have mobile-only and 5% have fixed-line only, both unchanged since 2013. Mobile-only households are discussed in more detail later in this section.
6.2.4 Over 90% of adults own a mobile; this is comparable with the majority of countries

The following chart (Figure 39) illustrates the trend in mobile phone ownership among UK households and UK adults. ‘Mobile in household’ means at least one mobile phone within a household, and is compared to the proportion of adults who personally own and use a mobile at least monthly.

Take-up of mobile services remains stable: 95% of households have access to at least one mobile phone, with 93% of adults stating they personally use one. Six in ten adults (63%) now use a smartphone, a seven percentage point increase since 2013 (56%) which was an 11 percentage point increase since 2012 (45%) and followed an 11 percentage point increase since 2011 (34%). Among smartphone owners 84% are on a monthly contract, unchanged since 2013.\footnote{Further details on package types can be found in the Consumer choices and value section of this report.}

\footnote{Further details on package types can be found in the Consumer choices and value section of this report.}
There was a slight fall in the number of active UK mobile subscriptions (excluding M2M connections) in 2013, and at the end of the year there were 83.6 million such connections, equivalent to 130 per 100 people (Figure 40). This was higher than in most of our comparator countries, among which take-up ranged from 71 connections per 100 people in India to 169 in Russia (where consumers often use multiple pre-pay services).

Along with India, there were only two other countries where there were fewer people than mobile connections: China and Nigeria. All three of these countries experienced rapid growth in mobile take-up in the five years to 2013 (with increases ranging from 32 connections per 100 people in Nigeria to 44 in China), although the fastest rate of growth over this period was in Brazil, up 58 connections per 100 people to 137. Spain was the only country where mobile take-up fell during this period, down by one connection per 100 people to 107, partly as a result of the ongoing effects of the economic downturn (in the UK, take-up increased by five connections per 100 people between 2008 and 2013).
6.2.5 Over nine in ten adults aged between 16 and 64 personally use mobile phone services

Figure 41 shows that mobile phone ownership among 16-44s remains almost universal (99% among 16-24s and 25-44s). Mobile phone ownership among 65-74s remains at around eight in ten (84%) after the ten percentage point increase in 2011. Those aged 75+ are the least likely to personally use a mobile phone, with just over six in ten (61%) claiming to do so.

Figure 41 Age and gender profile of those who personally use mobile phone services

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)
* Caution: low base

Mobile use among all socio-economic groups and urban/rural locations has remained stable since 2013 (Figure 42).

Figure 42 Socio-economic and urbanity profile of those who personally use mobile phone services

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)
6.2.6 No change in proportion of people using mobile-only telephony: most common among younger adults and DE households

The following charts illustrate the changing profile of adults who live in a household with access to a mobile phone but no fixed-line. The proportion of households using only mobile services has remained stable since 2010 and stood at 16% in 2014.

The profile of consumers who rely only on a mobile phone in the household remains unchanged and is most common among younger age groups and those in the DE socio-economic groups. Around a quarter of each of these demographic groups have access only to mobile telephony at home.

**Figure 43 Age and gender profile of users of mobile-only telephony**

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)

Mobile-only telephony continues to be higher in urban than in rural locations (17% vs. 9%).

**Figure 44 Socio-economic and urbanity profile of users of mobile-only telephony**

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)
6.2.7 Universal and related services in telecoms

Omnibus research looking at the affordability of communications services is detailed in the Consumer Choice and Value section. Within this research, UK adults were asked if they had used any of a list of universal and related services in the past 12 months. By universal services we mean basic telephone services that should be available to everybody upon reasonable request and at an affordable price. Universal services are telephony services on request, schemes for consumers with special social needs, telephone call box services, tariffs for universal services, itemised billing, directory information database and directories, and quality of service.

The research found that of UK adults aged 16 or over, the following percentages reported that they had used universal services in the last year: 4% had used a payphone, 4% had used directory enquiries via the BT phonebook, and 8% had used itemised billing, for which they paid extra. In addition, 6% had used directory enquiries via a telephone, and 8% had used directory enquiries via the internet. Use of the services by demographic sub-group can also be seen in the figure below.

Figure 45 Claimed use of universal and related services within the past year

<table>
<thead>
<tr>
<th>Subgroup / %</th>
<th>Base size</th>
<th>Payphone</th>
<th>Directory enquiries via BT Phonebook</th>
<th>Directory enquiries via phone</th>
<th>Directory enquiries via internet</th>
<th>Itemised bill – that pay extra for</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>2045</td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>16-34</td>
<td>601</td>
<td>5</td>
<td>2</td>
<td>5</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>35-64</td>
<td>895</td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>10</td>
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<td>65+</td>
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<td>3</td>
<td>4</td>
<td>6</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>DE</td>
<td>733</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
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<td>3</td>
<td>1</td>
<td>4</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Has a disability or long term illness</td>
<td>363</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>England</td>
<td>1706</td>
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<td>6</td>
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</tr>
<tr>
<td>Scotland</td>
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<td>6</td>
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</tr>
<tr>
<td>Wales</td>
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<td>4</td>
<td>3</td>
<td>7</td>
<td>10</td>
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<td>Northern Ireland</td>
<td>60*</td>
<td>14</td>
<td>10</td>
<td>7</td>
<td>24</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Kantar Media Omnibus, October 2014
Base: All UK adults aged 16+ * Caution: low base size.

6.2.8 Take-up of the internet has stabilised, with four in five households able to access the internet at home

It is possible to measure take-up of the internet in two ways. The first metric covers consumers who access the internet at home42, and the second measures the proportion of consumers who access the internet in any location.

Take-up of the internet at home has stabilised in 2014 after several years of rising steadily (Figure 46), and now stands at four in five households (83%).

42 Internet access at home includes access via a mobile phone
Among those with internet access, 1% of adults say they use a dial-up internet connection for their home internet, and 5% have access only via their mobile phone. These sample sizes are too small to analyse the data further.

**Figure 46 Take-up of the internet at home**

![Graph](image)

*Source: Ofcom communications tracker survey


*Note: Data for 2006-2014 based on Q2, all other data based on Q4

**6.2.9 Rise in the proportion of broadband customers unaware of the speed of their home fixed broadband connection**

In the fixed broadband market consumers are increasingly able to choose from a range of speed and pricing options for their broadband service. It is important for them to be aware of some of the technical aspects of their internet connections, such as speed, in order for them to make informed supplier and service choices.

Figure 47 shows that the proportion of broadband customers unaware of the advertised, or actual speed of their broadband connection has increased in 2014. Around seven in ten broadband customers are unaware of their advertised speed (72% vs. 67% in 2013) or are unaware of the actual connection speed (75% vs. 71% in 2013).43

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43 Due to a change in question wording in 2012, differences between 2012 and 2014 and previous years should be taken as indicative only.
Figure 47 Level of awareness of broadband connection speed

Source: Ofcom communications tracker survey
Base: All adults 16+ with broadband as their main connection at home (Q1 2008, 3219) (Q1 2009, 3702) (Q1 2010, 5941) (Q1 2011, 2481) (Q1 2012, 2726) (Q1 2013, 2548) (Q2 2014, 2601)
*Note: Data for 2008-2011 based on all adults aged 16+ with broadband as their main connection at home; data for 2012-2014 based on all adults aged 16+ who use broadband to connect to the internet at home

Broadband customers aged 65 and over remain less likely than other age groups to be aware of their connection speed. The proportion of broadband customers aged 75+ unaware of their connection speed stands at 85% (Figure 48).

For those aged under 65 there was little difference in stated awareness of broadband connection speeds across the age groups (Figure 48). There continues to be a clear gender divide, however, with men more likely than women to know their connection speed.

Figure 48 Those unaware of broadband connection speed, by age and gender

*Base size for 75+ adults in 2009 too low for reporting
Source: Ofcom communications tracker survey
Base: All adults 16+ with broadband as their main connection (Q1 2009, 3702) (Q1 2010, 5941) (Q1 2011, 2481) (Q1 2012, 2726) (Q1 2013, 2548) (Q2 2014, 2601)
*Note: Data for 2009-2011 based on all adults aged 16+ with broadband as their main connection at home; data for 2012-2014 based on all adults aged 16+ who use broadband to connect to the internet at home
Compared to those in the AB socio-economic groups, those in the C1, C2 and DE groups were more likely to be unaware of their broadband connection speed (76% C1, 82% C2 and 77% DE vs. 68% AB) (Figure 49). Those in urban locations are more likely to be unaware of their broadband connection speeds than those in rural locations (76% in urban locations vs. 71% in rural locations).

**Figure 49 Those unaware of broadband connection speed, by socio-economic group and urbanity**

Source: Ofcom communications tracker survey
Base: All adults 16+ with broadband as their main connection (Q1 2009, 3702) (Q1 2010, 5941) (Q1 2011, 2481) (Q1 2012, 2726) (Q1 2013, 2548) (Q1 2014, 2601)
*Note: Data for 2009-2011 based on all adults aged 16+ with broadband as their main connection at home; data for 2012-14 based on all adults aged 16+ who use broadband to connect to the internet at home

### 6.2.10 Take-up of broadband at home has stabilised in the UK, although there has been a further decline in mobile broadband

Take-up of broadband as a method of internet connection at home has been stable since 2011, and 78% of households use fixed and/or mobile broadband in 2014. Use of fixed broadband has not changed significantly, with 76% of adults using a fixed connection; this includes 4% also using mobile broadband. Total use of mobile broadband has fallen for the third consecutive year, to 6% (Figure 50). The decline is noted among those with only a mobile broadband connection (down to 2% from 4% in 2013) with no change in those with both mobile and fixed broadband, (at 4% in both 2013 and 2014).

Overall broadband access has increased for 16-24s since 2013 (from 80% to 86%) due to an increase in use of fixed broadband (from 76% to 84%). Otherwise, broadband take-up, through fixed and/ or mobile broadband, has not changed significantly for any age group or gender since 2013. Younger age groups continue to dominate ownership of broadband, while the over-75s remain the least-likely group to have broadband access at home, and also the least likely to own any connected device.

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44 Note to participants in Ofcom’s Technology Tracker defining mobile broadband: Mobile broadband from a mobile network – connecting via a USB stick or dongle, or built-in connectivity in a laptop, or netbook or tablet computer with a SIM card.
While mobile broadband continues to be most popular among the under-65s, there has been a decline in use of mobile broadband among 16-24s and 25-44s, where use fell from 9% and 12% respectively to 7% for both age groups.

Figures 50 Age and gender profile of those who have broadband access at home

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2010, 2106) (Q2 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)

QE9. Which of these methods does your household use to connect to the internet at home?

Overall, as with device ownership, broadband take-up levels, particularly of fixed broadband, are higher among ABC1s. Broadband access, through either fixed and/or mobile platforms, has not changed significantly for any socio-economic group since 2013.

Figures 51 Socio-economic profile of those who have broadband access at home

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2010, 2106) (Q2 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)

QE9. Which of these methods does your household use to connect to the internet at home?

Broadband access does not differ between those in urban or rural locations, but levels are higher among households with children (89% with children in the home, 71% without children in the home).
6.2.11 Around half of mobile broadband users mainly, or always, use the service in the home

Despite the ‘mobile’ functionality of mobile broadband, large amounts of use continues to take place in the home; 92% of adults with mobile broadband say they use it at home. In 2014 there was no change in those who only used mobile broadband in the home (36%) or who ever used mobile broadband outside the home (63%). There was, however, an increase in those who mainly or always used mobile broadband outside the home (22% vs. 9% in 2013).

Figure 53 Places where mobile broadband is used

Source: Ofcom communications tracker survey
Base: All adults 16+ who use mobile broadband to access the internet (Q1 2011, 471) (Q1 2012, 394) (Q1 2013, 173) (Q1 2014, 220)

QE22C. Which one of these best describes where you use mobile broadband to access the internet?
6.2.12 Broadband ownership has increased internationally since 2008, with the UK comparing favourably to other countries

Fixed broadband take-up varied widely across our comparator countries in 2013, reflecting differences in the availability of fixed telephony networks. The Netherlands had the highest fixed broadband take-up at the end of 2013, at 41 connections per 100 people, while penetration was lowest in Nigeria (due to relatively low GDP per capita, poor fixed-line infrastructure and a fast-growing mobile market) at less than one in 100 people (Figure 54). In the UK there were 36 fixed broadband connections per 100 people at the end of 2013, the fourth-highest proportion among our countries after the Netherlands, France and South Korea.

High fixed broadband take-up in the UK is partly due to high fixed broadband availability: by June 2014 almost all UK premises were able to receive ADSL broadband services, and 78% could receive services over the next-generation access (NGA) networks that are used to provide superfast broadband services (those with an access line speed of 30Mbit/s or higher). This contributed to the UK having the highest proportion of fixed broadband connections with a headline speed of 30Mbit/s or higher among the EU5 countries at the end of 2013, at 24%.

Figure 54 Fixed broadband connections per 100 population: 2008 and 2013

Four in five consumers now access the internet either at home or elsewhere

The second method of assessing internet access is to look at the proportion of adults who use the internet in any location.

Figure 55 shows that use of the internet anywhere has remained stable, at 84%. While this overall figure is unchanged on the year, there have been significant rises since 2013 among 16-24s (98% vs. 95% in 2013), 65-74s (65% v s. 53%) and females (84% vs. 81%). Those aged 65-74, or 75 and over, remain less likely than the overall population to use the internet in any location, at 65% and 30% respectively.
Use of the internet anywhere, by age and gender (Figure 55)

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q1 2009, 6090) (Q1 2010, 9013) (Q1 2011, 3474) (Q1 2012, 3772) (Q1 2013, 3750) (Q1 2014, 3740)
QE2. Do you or does anyone in your household have access to the internet/ World Wide Web at home? And do you personally use the internet at home?
IN6. Do you ever access the internet anywhere other than in your home at all?

Use of the internet anywhere, by socio-economic group and by urban / rural location (Figure 56) remained stable, with no significant movements since 2013. Those in the AB group remain the most likely to use the internet anywhere (94%) and those in the DE group the least likely (71%).
6.3 Digital broadcasting in detail

Digital switchover completed in the UK at the end of 2012, so we no longer report demographic analysis of digital TV take-up, although in this section we will continue to look at the various TV platforms.

6.3.1 The UK continues to lead the way in digital conversion and was one of five countries to have 100% of all main TV sets receiving DTV in 2013

Figure 57 shows take-up of digital TV services as identified by the BARB Establishment Survey. In 2013 there was a slight decline in the total proportion of households that received a multichannel signal (from 96% to 95%). This decline may be attributable to households who watch audio-visual content via an IP connection only, do not own a television, or use a television set that does not receive any broadcast signal. The remaining 5% represents households without a working television. This number appears to be increasing and is explored further in the Changing Use of Communications section. Prior to this decrease, take-up had risen consistently year on year between 2001 and 2012, which was the year in which digital switchover from analogue terrestrial was completed. The previous growth was driven by the increase in digital terrestrial (Freeview) penetration, which has remained stable since 2010.

Figure 57 Take-up of digital TV services, by platform

Source: BARB Establishment Survey

Among TV households, the UK continues to lead the way in digital conversion and was one of five countries to have 100% of all main TV sets receiving DTV in 2013 (Figure 58). Japan and Australia both reached full conversion in 2013. In Spain (99%), France (95%) and the US (95%) full DTV conversion is almost complete. Digital switchover for terrestrial services has been completed in each of these countries, although digital take-up is less than 100% due to the remaining analogue cable services.

Note that there are slight differences in the percentage of households with digital TV stated here compared to the Changing use of communications and take-up and availability sections, due to the different sources and time periods reported.

See footnote 45
Figure 58 Take-up of digital television, by country: 2013

Source: IHS/industry data/Ofcom

Figure 59 shows that digital satellite is the largest platform in the UK, with 42% of TV households using it on their main television set at the end of 2013. Digital terrestrial (39%) is the second most popular television platform in the UK, and take-up is higher than in any other comparator country except Spain (76%) and Italy (73%). Digital cable services are received in 13% of households in the UK, and unlike some comparator countries, the upgrade from analogue to digital cable is virtually complete. Take-up of internet protocol TV (IPTV) in the UK is at 5%. This is comparable to Spain (4%) and Germany (5%), but lower than France (40%), the US (10%) and Japan (7%).

Figure 59 Take-up of digital television: international comparisons, by platform: 2012 and 2013

Source: IHS/industry data/Ofcom.
Note: Digital terrestrial includes additional paid-for services such as Top Up TV. Digital satellite includes free-to-air as well as paid-for services.
6.3.2 Around half of UK adults access multichannel television at home through Freeview

Figure 59 shows household data provided by industry. It is not possible to derive demographic information from these data, so consumer data are used in the following figures. Penetration figures differ between the two data sources, as one is by subscription (industry) and the other is claimed (survey figures).

The digital switchover process completed in October 2012: it is no longer possible to receive an analogue TV signal in the UK. Figure 60 shows that the UK profile of multi-platform ownership is relatively stable; just over a third of adults (34%) use Freeview only, three in ten use satellite only (30%) and 14% use only a cable service. Older consumers, those aged 65 and over, remain more likely than younger consumers to use only Freeview (40% aged 65-74 and 65% aged 75+).

In 2014, however, there was a decrease in Freeview-only ownership among consumers aged 65-74 (40% vs. 50% in 2013) and also among those aged 45-64 (32% vs. 37% in 2013). In the 65-74 age group there was an increase in satellite and Freeview ownership (10% vs. 5% in 2013). Among those aged 16-24 there was an increase in those with no TV in the household (8% vs. 3% in 2013) and a decrease in satellite-only ownership (27% vs. 35% in 2013).

Figure 60 Trend in multi-platform ownership, by age

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)
QH1A. Which, if any, of these types of television does your household receive at the moment?
Note: Remaining percentages are those who own other types of TV (e.g. via broadband DSL)

There has been no change in multi-platform ownership in 2014 for any socio-economic group (Figure 61).
Whereas in previous years Freeview ownership has been higher among consumers in rural locations than among those in urban locations, this is not the case in 2014 (Figure 62). However, some differences by location are still evident. Cable is used by 5% of adults in rural areas, compared to 15% in urban areas, and a satellite-only service is used by 34% of adults in rural areas compared to 29% in urban areas.

QH1A. Which, if any, of these types of television does your household receive at the moment?

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)
6.3.3 Increase in take-up of pay TV

The proportion of adults receiving pay TV increased in 2014, from 58% to 61% (Figure 63). Take-up of pay TV has not changed for any age group, or by gender, and those aged 65 and over remain less likely than those under 65 to have pay TV.

Figure 63 Age and gender profile of consumers receiving pay TV

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)

QH1A. Which, if any, of these types of television does your household receive at the moment?

Take-up of pay TV was stable for each of the socio-economic groups in 2014, with consumers in the DE group remaining the least likely to receive paid-for channels (52%). Previously, those in an urban location have been more likely to receive pay TV than those in a rural location. This difference is not evident in 2014, due to an increase in take-up of pay TV in rural areas since 2013 (from 52% to 62%) (Figure 64).

Figure 64 Socio-economic group and urbanity profile of consumers taking pay TV

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)

QH1A. Which, if any, of these types of television does your household receive at the moment?
6.3.4 BBC iPlayer was the most popular on-demand TV/film service accessed via a laptop or desktop computer

In October 2014, 5.3 million people visited the BBC iPlayer website, the most popular online television and film website, on a laptop or desktop computer (Figure 65); this is a decrease since October 2013, when 6.6 million people visited the site. Netflix was the second most popular (2.6 million unique visitors), followed by Channel 4’s 4oD service (2.3 million).

Despite their popularity, the unique audiences of BBC iPlayer and 4oD both declined in the year to October 2014, by 21%. The unique audience of Netflix remained constant in the same period but had grown by 61% in the previous year (i.e. October 2012 to October 2013). The declining popularity of BBC iPlayer and 4oD on a laptop and desktop computer probably reflects a shift in the use of these services onto other devices such as tablets, smartphones and video-on-demand set-top boxes.

Figure 65 Unique audience for selected online film and TV sites on a laptop or desktop computer

Source: comScore MMX, UK, home and work panel, October 2013 to October 2014

6.3.5 All households now have access to digital radio, but a third are unaware

Take-up of digital services that can deliver digital radio (i.e. digital TV and/or the internet) has increased to reach 100% of homes (Figure 66). Two-thirds (66%) of consumers claimed to be able to access digital radio services at home (via DTV, internet or DAB radio set), the same proportion as for the previous four years. This suggests that around a third of consumers are unaware that they have access to digital radio services at home, or are perhaps simply unaware that the radio services they have are ‘digital’.

Households in the DE socio-economic group are the least likely to say they can access digital radio services in the home (54%), and households in the AB socio-economic group are the most likely to say they can do so (82%).
6.3.6 DAB set take-up is highest in the south and south-east of England

The take-up of DAB sets in households across the UK varies by location. Figure 67 shows that take-up was generally highest in the south and south-east of England, in particular in Sussex (57.9%), Bournemouth (56.4%), and Surrey (55.6%). The highest take-up of DAB sets anywhere in the UK was in Cambridgeshire/Peterborough (58.1%). DAB set ownership was generally lowest in Northern Ireland (26.7%) and the Scottish borders (27.3%).
6.4 Ownership of connected devices

6.4.1 Ownership increased for tablets and smartphones, but declined for laptops in 2014

Ownership of any connected device remained stable for a third year, at 82%. This follows a steady increase in ownership between 2000 and 2012.

Figure 68 shows an increase in laptop ownership and a decline in PC ownership from 2009 to 2013. However, in 2014 laptop ownership fell to 63% (from 66% in 2013) and PC ownership remained steady, at 34%. Laptops now share the top position as the most popular connected device in the household with smartphones (both at 66%).

Smartphone and tablet ownership continued to rise significantly in 2014, with 63% of UK adults now stating that they personally own a smartphone, up from 56% in 2013, and 46% of households owning a tablet computer, up from 29% in 2013. Ownership of a netbook remains static, at 8%. Ofcom’s Communications Market Report 2014 identified that one in seven households (14%) have two or more tablet computers.
Connected device ownership remains most popular among the under-65s; close to nine in ten have access to at least one of these devices at home. However, since 2010 there have been significant levels of growth in ownership among the over-65s; over two-thirds (72%) of 65-74 year olds now have access to at least one of these devices at home, as do four in ten (40%) of those aged 75+.

Ownership of these devices at an overall level remains highest in the AB socio-economic group (93%). The presence of children in the household has a large impact on ownership, with over nine in ten (93%) of these households owning devices, compared to three in four households without children (75%).

Figure 69 shows that the decrease in ownership of laptops since 2013 is not attributable to any particular age group. The highest levels of laptop ownership remains among those aged between 16 and 44 (at 7 in 10 or more) while the highest level of desktop ownership remains among those aged 45-64 (at 4 in 10).

The growth in tablet ownership since 2013 is seen across all age groups, with those aged between 16 and 44 being the most likely to have a tablet (54%).

Figure 69 Age profile of laptop, PC and tablet users

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)
QE1. Does your household have a PC, laptop, netbook or tablet computer?
The highest level of laptop ownership continues to be among ABs and C1s, and the overall decline in ownership of a laptop in 2014 is due to a decrease in ownership among those in the C2 (58% vs. 66%) and DE (41% vs. 47%) socio-economic groups. Similarly, the highest level of desktop PC ownership is still among ABs, at just under half (46%), with no change since 2013 for any of the socio-economic groups.

The growth in tablet ownership since 2013 is seen across all socio-economic groups. Despite this growth, tablet ownership remains lowest in the DE group, at around one-third (31%) (Figure 70).

Figure 70 Socio-economic group profile of laptop, PC and tablet users

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)
QE1. Does your household have a PC, laptop, netbook or tablet computer?

6.4.2 Smartphone ownership growth appears to be slowing

While smartphone ownership has continued to grow over the past 12 months (Figure 71), the rate of growth appears to be slowing. Sixty-three per cent of all UK adults now claim to own a smartphone; a 7 percentage point increase since 2013 (from 56%) which followed an 11 percentage point increase since 2012 (from 45%) and an 11 percentage point increase since 2011 (from 34%).

This year’s growth has been driven mainly by those aged 45-64; rising by 14 percentage points to 58% in 2014. Each of the age groups aged under 65 saw an increase in smartphone ownership in 2014, but no increase was evident for those aged 65 and over: 22% of those aged 65-74, and 4% of those aged 75 and over, have a smartphone.

Smartphone ownership has increased among both men and women (both at 63%), among those in both urban and rural areas, and among each socio-economic group except for DEs. Smartphone ownership remains higher than average in socio-economic groups AB (70%) and C1 (71%).
Smartphone growth looks likely to continue over the next 12 months, although, as mentioned above, the rate is beginning to slow; 4% of those without a smartphone said they are certain to get one in the next 12 months and a further 12% say they are likely to get one. One in five (21%) non-smartphone owners said they are very unlikely to get one, and 40% say they are certain that they will not.

6.5 Non-ownership of communications services

6.5.1 Non-ownership of broadband remains at around a fifth of households

Understanding non-ownership and the reasons for it tells us whether there are any problems that need to be addressed to enable consumers to access communication services.

There are many reasons for not owning a particular communications service, and these generally fall into one of two categories: voluntary and involuntary. Voluntary non-ownership is where potential consumers do without services because they perceive they do not need them, or because they are satisfied with alternative services. Involuntary non-ownership is where potential consumers do without services but not through choice; this is mainly due to affordability.

The following figures show non-ownership of communications services in general, before looking specifically at voluntary and involuntary reasons.

Figure 72 shows that non-ownership of communications services has not changed significantly since 2013, with the exception of digital TV, where non-ownership has risen from 2% to 4% due to an increase in households with no TV in 2014.
6.5.2 Two per cent of households do not have access to a mobile phone service

Among those living in a household without access to a fixed-line, as in each year since 2009, the majority (98%) personally own a mobile phone and 98% have access to at least one mobile in their household (Figure 73).

Figure 73 Access to mobile services among those who do not have a fixed-line

Source: Ofcom communications tracker survey
Base: All adults 16+ who do not own a fixed-line (Q2 2009, 274) (Q2 2010, 340) (Q2 2011, 400) (Q2 2012, 446) (Q2 2013, 458) (Q2 2014, 460)
6.5.3  Levels of those not intending to take up communications services remain unchanged

The proportion of consumers who do not intend to take up fixed-line or internet services remained unchanged in 2014, at just over one in ten (13%) not intending to take a fixed-line and just over one in ten (12%) not intending to take up the internet at home (Figure 74).

Figure 74  Do not intend to take up communications services in the next 12 months

Source: Ofcom communications tracker survey
Base: All adults 16+ (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862) (Q2 2012, 2893) (Q2 2013, 2879) (Q2 2014, 2877)
*Data for mobile and digital TV not available in 2014. Data for broadband not available for Q2 2010 and 2011, although responses for ‘internet’ will largely relate to take-up of broadband.

6.5.4  Voluntary non-ownership of internet services remains highest among those aged over 75

This section assesses the numbers, and profiles, of consumers who do not have internet services for voluntary reasons.

Voluntary non-ownership is where potential consumers have not taken up services, primarily due to their perceived lack of need for a service, or their satisfaction with alternative services. Where both voluntary and involuntary reasons were stated, involuntary non-ownership is reported. This assumes that involuntary reasons take precedence over voluntary reasons (although this is not always the case). It should also be noted that some consumers may give ‘voluntary’ non-ownership reasons because they do not wish to disclose financial/affordability issues to the researcher.

The percentage of consumers who do not have internet services for voluntary reasons had been declining steadily (Figure 75) but appears to have stabilised at one in twenty adults (5%). Just over one in five (22%) over-75s voluntarily do without internet services. Since 2013, consumers aged 65-74 have become less likely to choose not to take up internet services (8% vs. 15%). Responses do not differ by gender.
Involuntary non-ownership is where potential consumers have not taken up a service, but not through choice. Involuntary non-ownership is primarily due to affordability. A few consumers gave reasons that were both voluntary and involuntary; these responses have been reported under ‘involuntary’ non-ownership.

Figure 76 shows there has been no change in the overall level of involuntary non-ownership of the internet since 2013 (at 7%) and no change for any age group or gender. Involuntary non-ownership remains higher among those aged 65-74 (at 16%), and 75+ (at 32%).

The level of involuntary non-ownership of the internet has remained stable for all socio-economic groups, and remains higher among C2DEs. In 2014 those in rural areas are more likely to have involuntary reasons for non-ownership (9% vs. 4%) (Figure 77).
6.5.6 Mobile phones and PCs are the devices that over-75s find most difficult to use

Difficulty using communications technology can affect people's ability to make the most of the services that are available to them.

The proportion of consumers saying they have difficulty using communications services has remained stable, at just under one in ten for each communications service (Figure 78).
Older consumers, particularly the over-75s, are the most likely to state that they have difficulties using each of the communications services. Fifty-three per cent of this age group said they had difficulty using their PC, followed by 48% saying they had difficulty using their mobile phone (Figure 79). Level of difficulty reported by those in each age group for each service are unchanged since 2013.

As we saw in 2013, those in socio-economic group DE appear to have the most difficulty using the various communication services, with the exception of TV. In 2014, those in rural locations were more likely to report any difficulties using their fixed-line, mobile phone and PC.

**Figure 79** Difficulties using various communications services, by age and gender

6.6 Ownership and use of communications among disabled consumers

During the period 1 August to 20 November 2014, Ofcom commissioned a question in the British Population Survey identifying respondents who self-reported a disability or long-term illness that affected their day-to-day life, as had also been done in 2012.

The survey achieved a total sample of 4,004 GB adults aged 15+ with a disability and 15,859 GB adults without a disability. The analysis reported below is based on un-weighted data and compares ownership among consumers with a single disability (i.e. hearing, visual, mobility, or learning impairment) to ownership among consumers without a disability. Where possible, trend comparisons have been made; however, as previous data did not allow analysis among people with learning disabilities, we are unable to report trend comparisons for this group.

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47 If one or more subgroups have been over- or underrepresented in a sample, compared with the population as a whole, then it may be necessary to weight the data. This ensures that there is a robust sample from each subgroup so that any analysis carried out on the data will not be overly influenced by outliers.

48 Data have been compared, where possible, to those collected in July-Sept 2012 and reported in: [http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/tce-disabled-13](http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/tce-disabled-13)
The Consumer Experience of 2014 – Research report

Please note: The data below, for non-disabled consumers, are not comparable with the data for all UK adults. The non-disabled sample has a younger than average age profile, largely due to the strong correlation between age and disability.

Ownership and use of communications services may be impacted by the severity of a consumer’s disability. While not included in this summary, further analysis will be published by Ofcom in 2015 exploring differences in ownership and use of communications services, according to the severity of the disability, where sample sizes allow.

6.6.1 Ownership of fixed-line telecoms is higher among adults with a hearing or mobility impairment than among non-disabled adults

As shown in Figure 80, fixed-line ownership is higher among adults with a hearing (83%) or mobility (79%) impairment, compared to non-disabled adults (72%). These higher levels of fixed-line ownership are due to higher-than-average ownership among those aged 65+ with a hearing or mobility impairment. Those with a visual impairment show a similar level of ownership of a fixed-line as non-disabled adults.

Among all of the groups of adults shown in Figure 80, the trend in ownership follows a similar pattern – higher among the older age groups and lower among those aged 15-34.

While not shown on the chart below, comparisons to data collected in 2012 show that ownership levels overall have not changed. Although some shifts in ownership are apparent within age bands, the low sample sizes mean very few of these are significant.

In relation to socio-economic group, consumers in groups ABC1, regardless of whether they have a disability or not, are more likely than those in C2DE groups to own a fixed-line. The only significant difference compared to 2012 is a fall in ownership of fixed-lines among ABC1s with a mobility impairment - down 24 percentage points (to 63%).

Figure 80 Fixed-line ownership, comparing people with single disability to non-disabled consumers, by age and socio-economic group

Source: British Population Survey, August – November 2014
Base: All adults 15+ (No disability: 15859, 5518 (15-34), 5065 (35-54), 2402 (55-64), 2855 (65+), 8606 (ABC1), 7253 (C2DE); visual: 319, 73*, 90*, 52*, 104, 150, 169; hearing: 457, 54*, 68*, 84*, 249, 225, 232; mobility: 845, 64*, 149, 139, 491, 356, 489.
*Caution: Base below 100
6.6.2 Disabilities are preventing some consumers from using fixed-line phones

New data available this year suggest that not all disabled consumers who have a fixed-line use it. Of the three groups of disabled consumers shown above, use of fixed-lines follows a similar pattern to ownership. Fixed-line use is lowest among those with a visual impairment (63%), and higher among those with a hearing (72%) or mobility impairment (70%). The gap between ownership and use is broadly comparable across each of these disability groups, at around one in ten.

Further new data this year show that just under a fifth (18%) of consumers with a hearing impairment say they are prevented from using the fixed-line, or their use of this service is limited, by their disability. For consumers with a mobility or visual impairment the proportions stating their use of a fixed-line is prevented or limited by their disability are lower, at 8% and 6% respectively.

6.6.3 Ownership of a mobile phone is lower among adults with a visual or mobility impairment compared to those without a disability

Ownership of a mobile phone is lower among adults with a visual (83%) or mobility (80%) impairment, compared to those without a disability (89%) (Figure 81). These lower levels of mobile ownership (among people with visual or mobility impairment) are driven by lower than average ownership among those aged 65+, and in C2DE socio-economic group. Consumers with a hearing impairment show a similar level of mobile ownership to non-disabled adults, overall and for each age group.

The trend in ownership by age follows a similar pattern among each of the groups shown in Figure 81 – higher among those aged 15-64 and lower among those aged 65 and over.

While not shown on the chart below, a comparison to data collected in 2012 shows that overall ownership levels have not changed. However, some shifts in ownership can be seen among particular age groups. There was a significant increase in ownership among those with mobility impairment in the 55-64 age group, up 8 percentage points to 94%, and among those with a visual impairment in the 65+ age group, up 10 percentage points to 75%.

When comparing mobile ownership by socio-economic group, lower ownership is reported among C2DE groups. The largest gap in ownership between ABC1s and C2DEs is reported among people with a visual impairment (91% and 76% respectively).

49 76% of the those with a hearing impairment were not profoundly deaf
Smartphone ownership is significantly lower among disabled adults (41%) compared to consumers without a disability (66%). It is lowest among those with mobility impairment, at 31%, compared to 48% and 46% among those with a visual and hearing impairment respectively.

6.6.4 While the majority of disabled consumers have access to a mobile phone, personal use of this device is lower

New data available this year show that while the majority of disabled consumers have access to a mobile in their household, personal use of this service/device is much lower. Personal use of a mobile phone is lowest among those with mobility (66%), or visual impairment (68%), and highest among those with a hearing impairment (73%). Further analysis on personal use of communications services and devices among disabled consumers will be published later in 2015.

Further new data this year reports that just over a tenth of consumers with a hearing (12%) or visual (13%) impairment say they are prevented from using a mobile, or their use of this service/device is limited, by their disability. For consumers with a mobility impairment, the proportion is lower, at 8%.

6.6.5 Growth in internet access among adults with a visual or mobility impairment

Figure 82 shows that access to the internet - at home or elsewhere - is significantly lower among each of the disability groups reported (60%-75%) compared to those without a disability (88%).

Further analysis of internet access and use of internet-connected devices (e.g. PC, laptop and tablets) among disabled consumers, and the extent to which they feel their disability affects their use of these devices, will be reported later in 2015.
Internet access declines with age, and is lowest among older (65+) consumers, regardless of disability. The trend in internet access by age follows a similar pattern among each of the groups shown in Figure 82; higher than or equal to the average figure for non-disabled consumers, among those aged 15-64, and below this average among those aged 65+

In the two youngest age groups (15-34 and 35-54 year olds) internet access was broadly comparable to that of non-disabled consumers, for each of the disability groups. Lower levels of internet access emerge at age 55+ among consumers with hearing and mobility impairments. The lowest levels of internet access are seen among consumers with a visual (38%) or mobility impairment (43%) aged 65+.

While not shown on the chart below, a comparison to data collected in 2012 shows that access to the internet remains unchanged, both for non-disabled adults and for those with a hearing impairment.

However, access has notably increased among those with a visual impairment (up by 13 percentage points to 75%) and among those with a mobility impairment (up 13 percentage points to 60%). Mobility-impaired adults have reported an increase in internet access since 2012 in each age group, with the highest increase in those aged 65+ (up 15 percentage points to 43%). This increase is also apparent in the mobility-impaired ABC1 group (up 16 percentage points to 76%).

Visually impaired adults saw an increase in personal internet access among the 55-64 age group (up 25 percentage points to 87%), as well as indications of an increase in the 35-54 age group (up 12 percentage points to 92%). This increase is also seen in both the ABC1 and C2DE groups (up 13 percentage points to 87%, and 12 percentage points to 64% respectively).

Consumers in socio-economic groups C2DE are less likely than ABC1s to have access to the internet. Consumers in each of the disability groups report lower than average levels of internet access compared to non-disabled consumers in each of these broad socio-economic groups. Consumers with a mobility impairment in socio-economic group C2DE are the least likely to have access to the internet (48%).
Figure 82 Internet access: comparing people with a single disability to non-disabled consumers, by age and socio-economic group

Source: British Population Survey, August - November 2014
Base: All adults 15+ (no disability: 15859, 5518 (15-34), 5065 (35-54), 2402 (55-64), 2855 (65+), 8606 (ABC1), 7253 (C2DE); visual: 319, 73*, 90*, 52*, 104, 150, 169; hearing: 457, 54*, 68*, 84*, 249, 225, 232; mobility: 845, 64*, 149, 139, 491, 356, 489.
* Caution: Base below 100

6.6.6 Freeview-only TV ownership is higher among adults with a disability than among non-disabled adults

Figure 83 shows the proportion of adults who have a Freeview-only service and do not have satellite or cable TV. Freeview-only TV ownership is higher among all the disability groups analysed (36%-43%) compared to the average for those without a disability (30%), and tends to increase with age.

The trend in Freeview-only ownership by age follows a similar pattern among each of the disability groups shown in Figure 83; lower among those aged 15-34 and higher among those aged 65 and over.

Ownership of Freeview-only services among those with visual or mobility impairment aged 65+ is higher than the average for non-disabled consumers.

While not shown on the chart below, a comparison to data collected in 2012 shows that overall ownership levels have not changed. However, Freeview-only ownership has declined among all disability groups aged 15-34. Ownership of Freeview-only services has also declined among those with a visual impairment in the 55-64 age group.

When comparing Freeview-only ownership by socio-economic groups ABC1 and C2DE, there were fewer differences, with highest ownership noted among C2DEs with a mobility impairment (46%), and lowest ownership noted among ABC1s with a visual impairment (32%). Compared to 2012, Freeview-only ownership has declined among those with a visual or mobility impairment in the ABC1 group (visual down 9 percentage points to 32%, mobility down 10 percentage points to 39%).
6.6.7  The majority of consumers with access to Freeview-only services use this service

New data available this year suggests that between 31% and 40% of all disabled consumers use this service. Levels of personal use are comparable to Freeview-only ownership for each disability group, which suggests that nearly all those with this service in their household use it.

6.6.8  Pay TV (satellite or cable) ownership is lower among adults with a disability than among non-disabled adults

Pay TV ownership (satellite or cable TV) is higher for those without a disability (55%) than for each of the disability groups analysed (43-48%) (Figure 84).

The trend in pay-TV ownership by age follows a similar pattern among each of the groups shown in Figure 84; broadly comparable across all age groups between 15-64 but lower among those aged 65+. Compared to 2012, overall ownership levels have not changed.

Among non-disabled consumers, pay-TV ownership is broadly comparable between ABC1 and C2DE consumers, but differences can be seen between these socio-economic groups among disabled consumers with a visual or mobility impairment. Consumers with a visual impairment in socio-economic group C2DE are significantly less likely TV than ABC1s to have pay TV (40% vs. 57%), and the same is true for consumers with a mobility impairment (39% of C2DEs have pay TV vs. 49% of ABC1s).
6.6.9 Around one in ten consumers with a disability say their TV use is prevented or limited by their disability

New data available this year suggest that between 37% and 40% of all disabled consumers use pay TV.

Further new data this year show that around one in ten consumers in each of the disability groups say they are prevented from using the television, or their use of it is limited, by their disability (14% among those with a visual impairment, 13% among those with a mobility impairment and 11% among those with a hearing impairment).

6.6.10 Consumers with a learning disability have lower levels of internet access than non-disabled consumers

This section is based on those consumers who self-reported as having a learning disability, and we have summarised this disability group as a whole. In total, 199 consumers were interviewed in this group, so analysis by demographic is limited.

This is also the first time we have been able to report on this particular group of consumers, so it is not possible to report the trend in ownership levels.

Of the services compared, ownership of a mobile phone (87%) and internet access (73%) are the most common among people with a learning disability (Figure 85). With the exception of internet access, ownership of each of the services is broadly comparable with that of non-disabled consumers.
6.6.11 Nearly a fifth (18%) of consumers with a learning disability say their disability prevents or limits their use of the internet

New data available this year show that personal use of the services/devices shown above is significantly lower than ownership, among those with a learning disability.

The personal use of either a fixed-line (53%) or a mobile (77%) by those within this disability group is significantly lower than that of household ownership (66% landline, 87% mobile). Personal use of Freeview (only) is comparable to that of household ownership (32% vs. 34%), as is personal use of pay-TV services (47% vs. 56% ownership).

Further new data this year show that between 9% and 18% of those with a learning disability say they are prevented from using communications services/devices, or their use of these is limited, by their disability. This is most evident in relation to use of the internet (18%) and lower for landline (9%), mobile (11%) and television (10%).

6.7 Residential postal users, in detail

6.7.1 Overall net increase in number of parcels sent in the last two years, while letters and cards have decreased.

Just over six in ten (63%) adults said that the number of items they have sent by post has remained at the same level over the past two years. A fifth of adults (21%) claimed that their use of post had decreased in the past two years and 16% claimed it had increased. This is broadly the same as the claimed use of post in 2013, when a quarter (24%) said their use of post had decreased and 15% said it had increased in the two previous years.

Of those who said that their use of post had decreased, about half (51%) said they were sending fewer personal letters; this was followed by two in five (41%) claiming to send fewer invitations and greetings cards, and three in ten (29%) claiming to send fewer formal letters to organisations and individuals.
Sixteen per cent of adults said they were now sending more items by post than they did two years ago. Of these, just over a third (37%) said they were sending more formal letters, just under a third (31%) claimed they were sending more small parcels, a quarter (24%) said they were sending more larger parcels (that won’t go through a letterbox), and a quarter (25%) claimed they were sending more invitations/ greetings and postcards. A fifth (19%) said they were sending more personal letters by post than they did two years ago.

This shows an overall net increase in small and larger parcels being sent and an overall decrease in formal letters, personal letters and invitations/ greetings cards.
6.7.2 Two-thirds of postal users claim to be reliant on the postal service

Regardless of how frequently people are using post, there is evidence that consumers remain reliant on postal services as a means of communication. Just under two-thirds (64%) of adults stated they were either ‘very’ or ‘fairly’ reliant on the postal service. Furthermore, half (51%) said that they would feel cut off from society if they could not send or receive post.

Figure 88 illustrates consumers’ stated reliance on post as a way of communicating, by age and gender. Levels of reliance on the postal service increase with age, particularly the proportion claiming to be ‘very reliant’, with 17% of 16-24s stating they were ‘very reliant’ on the postal service, compared to 33% of those aged 65-74 and 35% of those aged 75+. 

Source: Ofcom post tracker survey Q3 2013-Q2 2014
Base: All adults 16+ (4853)
6.7.3 Older consumers send more post than average

As shown in Figure 89, consumers were asked how many items they had sent by post in the previous month. About four in five (78%) claimed to have sent at least one item, with a claimed average of 6.5 items sent in the past month. The claimed number of items sent increased with age; those aged over 65 sent on average 8.2 items, more than any other age group. Those aged between 16 and 24 sent significantly fewer (2.5 items) than any other age group.

Overall, almost a quarter (22%) of participants said they had not sent any items of post in the past month. This rises to four in ten (40%) of those aged 16-24.

50 The term ‘items’ includes letters, cards and parcels
Consumers in socio-economic group AB claimed to have sent an average of 9.4 items in the past month, compared to an average of 4.6 items for those in socio-economic group DE (Figure 90). There was no significant difference in the amount of post claimed to have been sent by people living in urban or rural areas.
Figure 90 Claimed number of items of post sent in the past month, by socio-economic group and urbanity

Source: Ofcom post tracker survey

QC1. Approximately how many items of post – including letters, cards and parcels – have you personally sent in the last month?
Base: All adults 16+ (4853)

6.7.4 There is a seasonal spike in the number of items sent and postal spend

As Figure 91 shows, there is a sharp rise in the number of items consumers claim to have sent in November (an average of 11.7 items) and December (an average of 16.5 items). This increase can be accounted for by the seasonal post sent during the Christmas period, when consumers are sending greetings cards and presents. The volume of parcels and packets sent remained relatively flat through the year (with a slight but insignificant bump in December and January).
Figure 91  Claimed average number of items of post sent, by type of item sent and by month

Source: Ofcom post tracker survey Q3 2013- Q2 2014
Base: All adults 16+ (4853).
QC1. Approximately how many items of post – including letters, cards and parcels – have you personally sent in the past month?
QC2. And how many of these items sent in the last month were parcels rather than letters or cards?

As Figure 92 below shows, the average monthly expenditure on post rose sharply in December (£11.86) and January (an average of £15.84) compared to the yearly average of £7.94. As with the number of items sent, this increase can be accounted for by the seasonal post sent during the Christmas period, when consumers sent a higher volume of greetings cards and presents compared to the rest of the year. The monthly spend dropped sharply to £8.93 in February.
QC4. Approximately how much did you spend on the postage used for the items that you sent in the past month - including letters, cards and parcels?

### 6.7.5 Residential consumers receive more post than they send in a month

Given that consumers tend to receive more mail than they send, the following analysis is based on mail received ‘in the past week’ as opposed to the amount sent ‘in the past month’, as reported above.

Figure 93 shows that the average consumer claimed to have received 8.9 items of post in the past week, with more than nine in ten (94%) claiming to have received at least one item in the past week. This equates to an average of 39 items received in the previous month.

A quarter (25%) of all adults claimed to have received over ten items of post in the past week. Those aged 16-24 claimed to receive fewer items of post, on average, than those in other age groups (4.9 items in the past week), whereas those in the 45-54 age group claimed to receive the most post, with an average of 10.5 items received in the past week).
Consumers in socio-economic group AB claimed to have received more post than those in DE households (10.3 vs. 8.0 items). Those living in urban areas claim to have received more items of post in the past week than those in rural locations (9.1 vs. 7.6 items received).

Source: Ofcom post tracker survey, Q3 2013-Q2 2014
Base: All adults 16+ (4853)
6.7.6 Older consumers are more likely than younger consumers to use Second Class

Despite price rises, First Class stamps remain the most commonly used, with nine in ten (91%) adults claiming that they use First Class stamps at least some of the time.

Three in five consumers (59%) said they used First Class stamps all or most of the time (40% use First Class stamps all the time), and just under one in five (17%) said they used Second Class stamps all or most of the time. Second Class stamps are used most frequently by consumers aged over 65, with 31% of consumers aged 65-74 and 33% of over-75s saying they use Second Class stamps all or most of the time. Eleven per cent of those aged 75+ claimed they used Second Class all the time).

Figure 95 Types of stamps used when sending letters or cards, by age and gender

Source: Ofcom post tracker survey, Q3 2013- Q2 2014
Base: All adults 16+ (4853)

6.8 The use of parcels and delivery services

6.8.1 Residential consumers sent an average of one parcel in the past month

Overall, four in ten (39%) consumers claimed to have sent at least one parcel by post in the last month. As shown in Figure 91, although the volume of parcels sent in the past month remained relatively flat through the year, it increased to 1.9 in December and 2.0 in January, compared to the overall yearly average of 1.2 parcels sent in the past month.

Almost half (47%) of adults aged 25-34 had sent a parcel, with an average of 1.5 parcels being sent in the past month, while one in five (21%) of those aged 75+ had sent a parcel, with an average of 0.5 parcels sent by this age group in the past month.
Figure 96 Claimed number of parcels sent in the past month, by age and gender

Source: Ofcom post tracker survey Q3 2013- Q2 2014
Base: All who personally sent any item of post in last month (3771)
QC2. And how many of these sent items sent in the last month were parcels rather than letters or cards?

Consumers in socio-economic group AB claimed to have sent significantly more parcels than those in DE households (1.5 vs. 0.9 parcels).
6.8.2 Most people pay to send their parcels, as opposed to using pre-paid returns labels

Consumers who had sent a parcel in the past month were asked the method of payment used for the parcels sent. Three-quarters (77%) of respondents who had sent a parcel in the past month said they only sent parcels that they paid for. A further 13% of those who had sent a parcel in the last month said they only sent parcels using pre-paid returns labels, and a further 8% said they had both sent parcels that they had paid for, and used pre-paid returns labels.
Figure 98 Methods of payment made to send parcels in the past month, by age and gender

Source: Ofcom post tracker survey Q4 2013-Q2 2014
Base: All who personally sent any parcels in last month (1104)
QC22. Thinking of parcels that you sent in the last month, did you pay to send the parcels, did you use a pre-paid returns label, or have you used both of these methods to send a parcel in the last month
Note: 16-24 and 75+ not shown due to low base sizes

Consumers in socio-economic groups AB and C2 (both 82%) were more likely than those in socio-economic group C1 (72%) to have only sent parcels that they have paid for. There was no difference in payment method by urbanity.
Figure 99 Methods of payment made to send parcels in the last month, by socio-economic group and urbanity

Source: Ofcom post tracker survey Q4 2013-Q2 2014
Base: All who personally sent any parcels in last month (1104)
QC22. Thinking of parcels that you sent in the last month, did you pay to send the parcels, did you use a pre-paid returns label, or have you used both of these methods to send a parcel in the last month

6.8.3 Royal Mail/Parcelforce is the provider of choice for sending parcels

Despite the availability of various other providers for sending packets and parcels, Royal Mail/Parcelforce\(^\text{51}\) is the provider of choice for most people. More than nine in ten (92\%) of those who had sent a parcel in the past month had used Royal Mail; this includes those who had also used other providers. As shown in Figure 100 below, more than eight in ten (84\%) people who had sent a parcel chose to use Royal Mail or Parcelforce exclusively. Other providers were used less, for example 6\% used Hermes to send parcels, 2\% DHL, 2\% Yodel and 2\% Citilink.

\(^{51}\)Royal Mail and Parcelforce are grouped together as Parcelforce is the parcels arm of Royal Mail
Those in rural locations were more likely than those in urban locations to have used Royal Mail or Parcel Force exclusively to send parcels in the past month (91% vs 83%).

Source: Ofcom post tracker survey Q4 2013-Q2 2014
Base: All who personally sent any parcels in last month (1104)
QC23. Which of these companies did you use to send the parcels in the last month?
Note: 16-24 and 75+ not shown due to low base sizes
Note: Those who used other providers to send their parcels could also have used Royal Mail/Parcel Force
Figure 101 Companies used to send parcels in the past month, by socio-economic group and urbanity

Source: Ofcom post tracker survey Q3 2013-Q2 2014
Base: All who personally sent any parcels in last month (1104)
QC23. Which of these companies did you use to send the parcels in the last month?
Section 7

Consumer choice and value

Introduction

In this section we look at purchasing choices, and which service packages consumers are currently using. We also look at the affordability of communications services and provide an overview of the prices of communications services in the UK, how these have changed over time, and where possible, how they compare internationally.

Key trends

- **Increase in bundling as triple-play fixed-line, broadband and multichannel TV bundles continue to rise.** The number of consumers with bundled services rose from 60% in 2013 to 63% in 2014. Those aged over 75 (31%) and those in socio-economic group DE (45%) remain the least likely to bundle any communications services.

- **Eighty four percent of consumers with responsibility for paying for communications services reported that they had no difficulties paying for these services within the last year.** Fourteen percent said they had experienced at least one difficulty. Those in the DE socio economic group are more likely than those in the AB, C1 or C2 groups to report having any difficulty in paying.

- **Three percent of consumers with a responsibility for paying for communications services reported being behind in payments or in debt within the last year.** Those aged 16-34 were more likely than older age groups to have experienced communications debt in the last year.

- **Four percent of consumers responsible for communications services said that they did not have a service “because of cost” and reported negative effects.** The most often mentioned negative impacts of being without a communications service were; less entertainment and more difficult to find cheapest good services.

- **Ofcom mystery shopping shows that communications providers’ sales agents asked at least one question to the shoppers to ascertain their needs to be able to offer an appropriate package.** In three-in-ten mystery shops over the phone, five or more pieces of information were gathered by sales agents.

- **Mystery shopping found that mobile operators provided ‘appropriate’ advice when the shopper mentioned future financial uncertainty in over 9 in 10 shops, for both telephone and in-store shops.** The sales agents asked questions to make sure that the package offered was suitable and gave a wide range of advice, e.g. including recommended SIM-only, mentioned low cost tariffs, using pay-as-you-go or short contracts.

- **Average UK household spend on communications services fell in real terms in 2013.** On average, UK households spent £117.24 per month on communications services in 2013\(^{52}\), £2.09 (1.7%) less than in 2012. This was equivalent to 5.5% of total

\(^{52}\) Data is collected annually and analysed during each year. As such 2013 is the latest available data
household spend in 2013, unchanged from 2012 and a 0.1 percentage point increase compared to 2008.

- **Rising line rental prices are likely to have the most impact on fixed-line customers without fixed broadband, who are less likely to switch.** This year we conducted consumer research among fixed-line only customers (i.e. those without fixed broadband). These consumers have a distinct demographic profile; they tend to be older (69% of them are aged 65+, and 44% are aged 75+) and less likely to work (82% not working). Fixed-line customers, without broadband, are also significantly less likely to have switched or considered switching their provider, than those with fixed broadband; 65% of fixed-line only customers said they had never switched provider, and 56% had not considered doing so. This study also reported relatively low awareness of providers offering cheaper services in this market generally, with awareness lower still among fixed-line only customers.

- **Many consumers have a fixed-line mainly, or only, for broadband.** Our research found that 14% of consumers with a fixed-line said they never used it to make phone calls, and 42% of all fixed-line users said their main reason for having one was in order to get broadband. Services that offer fixed broadband without the requirement for a phone line are available to just under half of UK consumers, and switching to such services may benefit those who do not use fixed voice services. Some providers (e.g. Relish) are beginning to deploy fixed broadband services using 4G which do not need a landline.

- **The average revenue per residential fixed broadband connection increased by 0.8% to £16.96 in real terms in 2013.** This increase in the average price paid per connection was largely due to consumers upgrading to faster services: in the year to May 2014 the proportion of residential fixed broadband connections which had an advertised speed of ‘up to’ 30Mbit/s or higher increased from 20% to 28%. These services typically command a price premium of around £10 per month over standard broadband services.

- **The price premium for fixed broadband connections with an advertised speed of ‘up to’ 30Mbit/s or higher fell in the year to July 2014.** The lowest available price for a basket of fixed voice and standard fixed broadband services, and the price for the same fixed voice services and a fixed broadband connection with a headline speed of up to 30Mbit/s or higher (a superfast broadband connection) both increased in the year to July 2014. The rate of increase in the lowest available price of the basket, including standard broadband (16.7%) was higher than that of the basket with a faster connection (5.9%) during this period, and the difference between the lowest price available for each of the baskets (i.e. the premium for superfast broadband services) fell from £11.44 to £9.99 per month.

- **Prices fell for six of the eight mobile usage profiles included in our analysis in 2014.** Overall, the total ‘weighted average’ price of these eight mobile connections (which have varying use of voice calls, SMS and data services) fell by 3.9% in real terms in the year to July 2014. The proportion of the lowest available UK provider prices that were SIM-only was much higher than in the other EU5 countries, suggesting that UK SIM-only tariffs are more attractive to consumers than those in other countries.

- **There was a mixed picture in pay-TV pricing.** The lowest price available for a basic stand-alone pay-TV service increased by £1 per month (8%) to £17 per month in the

53 Data is collected annually and analysed during each year. As such 2013 is the latest available data
year July 2014. This was 14% lower than the lowest price of a similar service in 2011 (£20 per month). The ‘lowest available’ price for an HD premium pay-TV service fell by £3 per month (5%) to £63 per month in the year to July 2014.

We explore these trends in more detail under the following sub-headings:

- Purchasing choices
- Affordability of communications services
- Spend and pricing of UK communications services
- Fixed-line prices
- International comparisons of the price of communications services

### 7.1 Purchasing choices

#### 7.1.1 Increase in bundling as triple-play fixed-line, broadband and multichannel TV bundles continue to rise

Since 2005, and the start of LLU, there has been an increase in the number of ‘bundles’ or packages of communications services offered to consumers. This was particularly evident throughout 2006, with the launch of bundled offers, particularly in the areas of fixed-line and broadband, with discounts for taking two services together. In 2008 triple-play bundles (fixed-line, broadband and multichannel TV) were introduced; this had a major impact on switching levels.

Figure 102 illustrates the trend in bundled purchasing. The number of consumers with bundled services rose from 60% in 2013 to 63% in 2014. As seen in previous years, both dual-play fixed-line and broadband, and triple-play fixed-line, broadband and multichannel TV bundles remain the most popular bundled packages among consumers.

Dual-play fixed-line and broadband bundling levels have increased over time, from 24% in 2011, but have remained relatively stable since 2012 and stand at 28% in 2014. Triple-play fixed-line, broadband and multichannel TV bundles, however, continue to increase in popularity in 2014 (23%, up from 21% in 2013 and 16% in 2011).

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54 Providers no longer tend to market bundles as ‘discounted’, or do not offer the services individually. We therefore no longer report on the basis of ‘discounted bundles’. The following data are based on participants purchasing more than one service from any given provider, which they consider a ‘package’.
The largest increase in bundling is among those aged 16-24 (up 11 percentage points to 58%) but there have also been significant increases in bundling among older age groups: 65-74s (+6 percentage points) and over-75s (+4 percentage points) (Figure 103). Consumers aged over 75 (31%), and those in socio-economic group DE (48%) remain the least likely to bundle any communications services.

Source: Ofcom research, Q1 2014

QQ1. Do you receive any of these services as part of an overall deal or package from the same supplier?
7.1.2 Older bundlers, those in rural areas and those in the AB socio-economic group are more likely to purchase dual-play fixed-line and broadband bundles

Figure 104 shows that among those aged over 25, and both genders, dual-play fixed-line and broadband bundles are the most popular, followed by triple-play fixed-line, broadband and multichannel TV. Dual-play fixed-line and broadband are most common among older age groups; just under half of 45-64s (48%) and over half of over-65s (53%) have this type of bundle. This compares to consumers in the 16-24 age group, who are more likely to have a triple-play fixed-line, broadband and multichannel TV bundle (48%) than a dual-play bundle of fixed-line and broadband (35%).

Dual-play fixed-line and broadband bundles account for a large proportion of bundling in rural areas (63%); this compares to 41% of those in urban areas with this type of bundle. Triple-play fixed-line, broadband and multichannel TV is more popular in urban areas, at almost four in ten (39%), compared to 23% in rural areas. The lower level of triple-play in rural areas is likely to be linked to the lower cable availability.

Figure 104 Purchasing of multiple communications services, by age, gender, socio-economic group and urbanity

Source: Ofcom communications tracker survey
Base: All adults 16+ who bundle at least two services (Q1 2014, 2253)
QG1. Do you receive more than one of these services as part of an overall deal or package from the same supplier? QG3. Do you receive a discount or special deal for subscribing to this package of services?

7.1.3 At least two-thirds of consumers in each of the fixed-line and fixed broadband markets purchase these services as part of a bundle

There are differences in purchasing behaviour across the communications markets. In the fixed-line market, the trend towards bundling continues, with almost six in ten (58%) adults having purchased their fixed-line as part of a bundle (compared to 52% in 2012 and 44% in 2010) (Figure 105). This equates to two-thirds of fixed-line customers who purchase this service as part of a bundle. Those over 65 are the most likely to purchase this service as a single service (53%).

In the fixed broadband market, similarly, almost six in ten (58%) adults purchase the service as part of a bundle, an increase since 2013 (54%). This equates to over three-quarters of
fixed broadband customers who purchase this service as part of a bundle. Those aged 16-24 are the most likely to purchase fixed broadband as a single service.

In the mobile market the majority of consumers continue to purchase mobile as a single service (87% of adults). Within pay TV, almost identical proportions of adults purchase this service as part of a bundle (31%) as take it as a single purchase (29%).

Figure 105 Trend in purchasing behaviour, by communications market

Source: Ofcom communications tracking survey (Q1 and Q3 rolled data from 2010), Q1 2011, Q1 2012, Q1 2013, Q1 2014

7.1.4 Over half of all mobile customers are now on at least a 12-month contract

Figure 106 illustrates the proportion of consumers using each of the mobile packages on offer.

The proportion of mobile customers opting for contract packages has been increasing year on year since 2005, and now two-thirds (65%) of mobile users have a contract service, with the majority (57%) on at least a 12-month contract. Although there has been an increase in contracts of 12 months and over, the SIM-only option has doubled since 2010 (8% vs. 4%), although it has been stable over the past 12 months.

This continued rise in take-up of pay-monthly, and longer contracts, can be attributed to the growth in take-up of smartphones (from 56% in 2013 to 63% in 2014), as users repay much of the cost of an expensive handset over a number of months, rather than upfront. In Q2 2014, 84% of adults with a smartphone were on a monthly contract. The growth in take-up of smartphones is covered in more detail in the Changing use of communications and Take-up of services and devices sections.

In addition, as internet access on mobile phones becomes more widespread, pay-monthly tariffs may be more attractive than pre-pay tariffs, as the majority of post-pay tariffs now include an element of bundled data use.

Please note that ‘other contract’ and ‘SIM-only contract’ figures are rounded to calculate the percentage of mobile customers with a contract service.
7.1.5 Younger consumers and ABC1s are driving the shift towards contracts

The following charts illustrate the changing profile of pre-pay and contract users.

This shift in mobile payment choices is across all age groups. Both the 16-24 and the 25-44 age groups continue to move to mobile contracts, with those aged 45-64 showing greater levels of movement than in 2013. Consumers aged 65+ continue predominantly to have a pre-pay contract. The over-75s are the demographic most likely to have a pre-pay mobile, with just over eight in ten (82%) favouring this type of payment, although this figure has decreased since last year (88%) (Figure 107).
All socio-economic groups experienced a decline in use of pre-pay mobiles (Figure 108), although use of pre-pay remains highest among DEs. Levels of change in all demographic groups were similar: AB (25% vs. 29%), C1 (28% vs. 33%), C2 (34% vs. 37%) and DE (52% vs. 54%) each with change of 2% - 4%.

Figure 108  Pre-pay and contract users, by socio-economic group

Source: Ofcom communications tracker survey  
Base: Adults 16+ who personally use a mobile phone (Q2 2008, 1699) (Q2 2009, 1835) (Q2 2010, 1892) (Q2 2011, 2543) (Q2 2012, 2582) (Q2 2013, 2595)

7.1.6  The proportion of new mobile contracts with a minimum period of 24 months decreased in the year to Q4 2014

Sales data from Gfk Retail and Technology (Figure 109) show that three in five (60%) new post-pay mobile connections had a minimum contract period of 24 months in Q1 2014, a seven percentage point decrease compared to Q1 2013. Forty-one per cent of new post-pay contracts had a minimum contract period of 12 months or less in Q1 2014, 8 percentage points higher than in Q1 2013. The major reason behind this is the fast-growing number of SIM-only contracts with shorter contract lengths. These are more cost-effective than contracts including new handsets and do not lock consumers into a new long-term contract; consumers buy a new SIM and keep their existing handset instead of buying a new, more expensive device.
7.2 Affordability of communications services

In this section of the report, Ofcom reports some of its recent research relating to the affordability of communications services.

In July 2014, we published the results of a large-scale qualitative and quantitative research project which explored consumers' experience of the affordability of communications services.\(^{56}\) As one of the next steps in this research, we committed to monitor key affordability indicators, through an affordability omnibus survey, and the results of this survey are presented below. We were concerned that some consumers may be entering into communications contracts that are not appropriate for them. Therefore, as part of a wider strand of work on telecoms debt, we carried out a piece of mystery shopping research to monitor the information and advice being provided by communications providers (CPs) to people with potential affordability issues.

This section reports the results of the following research:

- **Consumer research via an omnibus**
  - UK consumers’ experiences of affordability of communications services and the impact of this in their everyday life

- **Mystery shopping research** to gauge the information and advice given by communications providers (CPs) related to affordability via their sales routes, i.e.
  - Appropriate questions asked to consumers: whether CPs are asking questions of potential consumers, so that they can offer a package suited to the consumer’s needs.

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56 The research also aimed to understand which communications services were essential to consumers, and why. The qualitative and quantitative research reports can be found at [http://stakeholders.ofcom.org.uk/market-data-research/other/cross-media/affordability/](http://stakeholders.ofcom.org.uk/market-data-research/other/cross-media/affordability/).
Information from mobile operators: what information or advice mobile network operators are giving to potential customers who face uncertain financial situations (i.e. whose income might change, and affordability thereby become an issue).

Information on social tariffs: whether the USOs (BT and KCOM) are providing information about their social tariffs to customers on certain benefits (i.e. those eligible for the social tariff).

The omnibus interviews were conducted using Kantar’s face-to-face omnibus between 22 and 26 October 2014. For more detail please see the methodology document and data tables published on Ofcom’s website67.

The mystery shopping researched the information sought by CPs from their customers, and the advice provided, to enable CPs to take into account customers’ potential affordability issues. This was carried out by BDRC Continental between June and September 201458.

More detail about the specific aims, methodologies and scenarios used by the mystery shoppers will be reported alongside the data later in this section and in the link below. However, it is worth noting generally that:

- All main purchase routes were shopped where possible, e.g. telephone, in-store and online59.
- Shops were managed carefully by the research agency to avoid detection and to provide robust data, e.g. using trained mystery shoppers, spreading the mystery shops over a range of days, times and dates, and across the UK.
- The mystery shoppers were provided with a comprehensive set of instructions and briefings in order to ensure that they understood the scenarios and the data that needed to be captured.

For more detail see the research findings, published on Ofcom’s website60.

**Consumer experiences of the affordability of communications services**

**7.2.1 Most consumers responsible for paying for communications services reported no difficulties in paying**

Within the omnibus research, respondents with responsibility for paying for communications services were asked if they had had any difficulties paying for these in the past year. They were provided with a list of what was meant by communications services. ‘Difficulties in paying’ can be seen differently by different respondents, depending on their circumstances, and does not in itself imply affordability issues, so we explored separately any negative impact of reported difficulties in paying.

Among those with responsibility for communications services, 84% said they had no difficulty in paying for communications services. Of the remainder, 14% said they had at least one difficulty.


58 This activity formed part of a wider mystery shopping exercise which also looked at the information and advice provided related to pricing (i.e. any mid-contract price rises) and services for disabled people. These will be reported separately.

59 When possible, online contacts were carried out via live web-chats (rather than email contact), given the conversational style of the contact method.

difficulty paying for services, while 3% said they had experienced more than one or two difficulties. This equates to 10% of all adults saying they have had some difficulties paying in the past year. Those in the DE socio-economic groups are more likely than those in the AB or C1/C2 groups to report that they have had any difficulty paying for communications services.

Figure 110  Difficulties paying for communications services in the past year

![Chart showing difficulties paying for communications services in the past year.]

Source: Kantar Media Omnibus, October 2014
Base: All with some responsibility for communications services (N=1562)
Question: Q.5 The next questions are about your experiences of paying for communications services and if you have had any difficulties paying for the services in the last year. Communications services in this questionnaire means a mobile phone (including a smartphone), any sort of internet, fixed-line phone at home, public payphones or a TV service with additional channels you pay to receive (e.g. Sky, BT Vision or Virgin Media). Which, if any, of the following apply to you?

Respondents who said they had experienced any difficulty paying for communications services were asked a follow-up question to identify which service they were finding difficult to pay for. This information has been re-based to report these data among those with some responsibility for communications services, and is reported below.

Three per cent of those with responsibility for communications said that they had difficulty paying for a pay-TV service, any type of mobile phone (smartphone or standard mobile phone) or fixed broadband.

Ofcom’s previous quantitative research on affordability of communications services also reported that 14% of respondents with communications responsibility interviewed in March/April 2014 said they had ever experienced difficulties paying for one of the communications services. This equated to 10% of all adults saying this.
Figure 111  Services that people had any difficulties paying for in the past year

<table>
<thead>
<tr>
<th>Service</th>
<th>Number of Services Mentioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV service with additional channels you pay to receive</td>
<td>3%</td>
</tr>
<tr>
<td>Any smartphone or standard mobile phone</td>
<td>3%</td>
</tr>
<tr>
<td>Fixed broadband</td>
<td>3%</td>
</tr>
<tr>
<td>Fixed landline</td>
<td>2%</td>
</tr>
<tr>
<td>Service within a bundle, from one supplier, but not sure which</td>
<td>2%</td>
</tr>
<tr>
<td>Calls using a public payphone</td>
<td>1%</td>
</tr>
<tr>
<td>Mobile broadband</td>
<td>0%</td>
</tr>
<tr>
<td>Tablet with internet access</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
</tr>
<tr>
<td>Don't know</td>
<td>2%</td>
</tr>
<tr>
<td>Not asked because do not have any difficulties paying for communications</td>
<td>86%</td>
</tr>
</tbody>
</table>

Source: Kantar Media omnibus, October 2014
Base: All with some responsibility for communications services (N=1562)
Question: Q.6 Which of the following services have you had any difficulties paying for in the last year?

7.2.2  Three per cent of consumers responsible for paying for communications services reported being behind in payments, or in debt, in the past year

Research respondents were asked if they had been behind in their payment of a list of services by one month or more in the past year. Among those with responsibility for communications services, 3% said they had been behind in payments or in debt in the past year. This equates to 2% of UK adults having been in some communications debt in the past year.\(^{62}\)

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\(^{62}\) Ofcom’s previous quantitative research on affordability of communications services reported that among those with responsibility for communications services, 2% said they had ever been behind in payments, or in debt, with communications services when paying for communications along with their monthly spend; this equated to 2% of UK adults.
Figure 112  Debt on communications services in the past year

This means that across all adults in the UK 2% claim to have some sort of communications debt in the last year.

Of the 45 respondents who said they had a communications debt:
- 34 said this was a ‘manageable’ debt.
- 5 said this was a ‘serious or unmanageable’ debt.
- 6 said they didn’t know.

Source: Kantar Media omnibus, October 2014
Base: All with some responsibility for communications services (N=1562). Those with communications debt (N=44 unweighted, 45 weighted), all UK adults (2045). Question: Q.7 Have you been behind in your payment for any of the following services or products by one month or more in the past year? Question: Q.8 Which of these applies to you? Note: Any communications service is a summary code. *The questions about gas, electricity and water are asked of those with responsibility for decisions on communications rather than those with responsibility for each of the utilities – this information is therefore primarily useful as context to the communications debt, rather than a measure of the utilities themselves.

Demographic analysis of the data on communications debt shows that among those responsible for communications, the 16-34 year olds were more likely than the older age groups to have had communications debt in the past year. The 65+ age group were less likely than the 16-34 and 35-64 age groups to have experienced this. Although base sizes are relatively low for some of the devolved nations, the analysis shows that those with communications responsibility in Northern Ireland were more likely than those in England to say they had experienced communications debt in the past year.
Figure 113  Communications services debt in the past year, by demographics

Any communications debt

Source: Kantar Media omnibus, October 2014
Base: All with some responsibility for communications services (N=1562), 16-34 (307), 35-64 (717), 65+ (475), England (1311), Scotland (129), Wales (69), Northern Ireland (53), AB (292), C1C2 (705), DE (565). Any long term disability/illness (305), no long term disability/illness (1206), white ethnic group (1379), minority ethnic group (179) *Please note low base size
Question: Q.7 Have you been behind in your payment for any of the following services or products by one month or more in the last year? Note: Any communications service is a summary code.

7.2.3 Four per cent of consumers responsible for communications said they did not have a service ‘because of cost’ and reported negative effects

The research asked how the respondents afforded their communications services as part of their monthly spending. The answers given most often, by those with responsibility for decisions about communications services, were: ‘being careful about what they spend or buy’ (40%), ‘cutting back on luxuries’, e.g. ‘going out less’ (30%) and buying cheaper goods/service, e.g. ‘value’ rather than ‘branded’ goods (19%).
In order to provide a measure of the proportion of consumers who were affected by affordability issues, we have identified the percentage of respondents who said they had been in debt in the past year with any communications service (i.e. behind in a payment by at least a month) or who said they had taken a loan, or sold items, as a way to afford communications services as part of their monthly spending. Twenty-eight per cent of those who had had any difficulty affording communications services reported one of these affordability issues. This equates to 4% of those who have some responsibility for decision-making, or paying for communications services, or 3% of the adult population.  

Figure 115 shows the proportion of respondents who said that they did not have each service ‘because of cost’ and Figure 116 shows the proportion who said this had had a negative impact on them.

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63 Ofcom’s previous quantitative research on affordability of communications services also reported on the number of consumers who could be considered as having faced an affordability issue. These measures were devised slightly differently, due to the different questions asked in the different pieces of research, but both aim to provide a measure of affordability impacts. The previous research reported that 5% of respondents with communications responsibility said that they had ever gone into debt with a communications service, gone into debt with other services, sold items, taken out a bank loan or another loan when paying for their communications services along with their other monthly spend; this equated to 4% of all adults saying this.
Overall, 4% of those responsible for communications said that they did not have a service “because of cost” and this had had any sort of negative impact (see the list in Figure 116). This equates to 3% of the UK adults surveyed.

It is worth noting that the question on cost as a reason for not having a service is relatively broad in that it does not specify that they cannot ‘afford’ the service (there may have been other factors that influenced their decision or ability to take up the service). The data identify that 20% of those with responsibility for communications said that they did not have at least one service because of cost; this means that 15% of all adults said this. Seven per cent (or less) of respondents mentioned that they didn’t have each of the individual services for cost reasons.

Demographic analysis of the proportion of respondents who do not have communications services because of cost shows that among those responsible for communications, the 16-34 year olds were more likely than the older age group (65+) to report this (24% vs. 15%). Those in the DE socio-economic group were also more likely than those in the AB or C1/C2 socio-economic groups to name a service they did not have because of cost (24% vs. 16% and 19% respectively). Although base sizes are relatively low for some of the devolved nations, the analysis shows that those with communications responsibility in Northern Ireland were less likely than those in England to say they did not have a service because of cost (21% vs. 8%).

Figure 115 Communications services that respondents do not have due to cost

<table>
<thead>
<tr>
<th>% of adults with some responsibility for communications services</th>
<th>% of all adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any communications service 20%</td>
<td>Any communications service 15%</td>
</tr>
<tr>
<td>Any smartphone or mobile phone 7%</td>
<td>Any smartphone or mobile phone 6%</td>
</tr>
<tr>
<td>Mobile broadband 7%</td>
<td>Mobile broadband 5%</td>
</tr>
<tr>
<td>Fixed Landline 6%</td>
<td>Fixed Landline 4%</td>
</tr>
<tr>
<td>Smartphones 5%</td>
<td>Smartphone 4%</td>
</tr>
<tr>
<td>Fixed broadband 4%</td>
<td>Fixed broadband 3%</td>
</tr>
<tr>
<td>Calls using a public payphone 4%</td>
<td>Calls using a public payphone 3%</td>
</tr>
<tr>
<td>Mobile phone 3%</td>
<td>Mobile phone 2%</td>
</tr>
<tr>
<td>None of these 78%</td>
<td>None of these 2%</td>
</tr>
<tr>
<td>Don’t know 2%</td>
<td>Don’t know 2%</td>
</tr>
<tr>
<td>Only one service 14%</td>
<td>Not asked as no responsibility for comms 25%</td>
</tr>
<tr>
<td>2 services 3%</td>
<td>Only one service 11%</td>
</tr>
<tr>
<td>3 or more services 2%</td>
<td>2 services 2%</td>
</tr>
</tbody>
</table>

Source: Kantar Media omnibus, October 2014
Base: All with some responsibility for communications services (N=1562). All adults 16+ in the UK (N=2045)
Question: Q.10 And which, if any, of the following do you not have because of cost?
Note: Any communications service, Any mobile/smartphone, ‘Only one service’, ‘two services’, ‘three or more services’ are all summary codes.

64 In Ofcom’s previous quantitative research looking at affordability, it was identified that the following percentages of UK adults did not have each service, but said that ‘if cost were not an issue’ they would like to use/have them in their household: mobile phone 3%, fixed-line 11%, fixed broadband 12%, internet via USB/dongle 10%, internet via SIM 15%. The questions asked in the omnibus and in the previous research differ, but both measures aim to provide insight on the effect of cost on service take-up.
Respondents who mentioned that they were without any service because of cost were asked a question to identify their opinion on any negative impact of being without the communications service(s). Among those respondents who didn’t have a service because of cost, 71% said there was no negative impact; 58% said there was no negative impact at all while a further 13% said there was no negative impact because they had alternatives. The most often-mentioned negative impacts of being without a communications service were ‘less entertainment’ (7%) and ‘more difficult to find cheapest good services’ (6%) (see Figure 116 below).

Figure 116 Claimed impact of not having communications services

Source: Kantar Media omnibus, October 2014
Base: All who don’t have service have cancelled a service due to cost (N=314). Note: Only responses of 1% or more are shown
Question: Q.11 You mentioned that you don’t have these services because of cost, or you have cancelled a service because of cost. How does NOT having this service affect you?

Information and advice from communications providers: are appropriate questions being asked of potential customers?

As part of our programme of mystery shopping, we recorded questions asked of potential customers by the sales agents when they were advising on appropriate packages. The mystery shopping took place by telephone and in-store mystery shopping visits.

Shoppers were given a loose scenario to find what was ‘best for them’, although in the case of fixed-line providers this had to include either fixed-line and/ or broadband provision. Scenarios were set up in this way in order to allow advisors to ask questions and to shape a package appropriate to the needs of the customer. This research did not measure whether

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65 It is not possible directly to compare data on the potential negative impacts of being without a service from the previous quantitative affordability research and this omnibus. In the omnibus we asked one overall question about the impact of being without all of the services each respondent does not have because of cost, while in the previous research the impact of being without individual services was asked about. Additionally, in the previous affordability research the questions about potential negative impact were asked of those who didn’t have a service, but who ‘would like to have it if cost wasn’t an issue’, whereas in the omnibus the question was asked of those who said they didn’t have a service because of cost (their desire to have the service is not known).
the most appropriate package was suggested, but indicated whether or not the CPs are engaging in a process that is likely to result in an appropriate package being suggested.

The shoppers went on to carry out further tasks related to the wider aims of the research, but only the 'appropriate questions' element of the research is detailed here and reported in this document. For more details see the research results on the Ofcom website.

The CPs researched were:

- Fixed operators: BT, Sky, Virgin Media, TalkTalk
- Mobile operators: O2, EE, Vodafone, Three
- Mobile retailers: Phones for U, Carphone Warehouse

7.2.4 In all mystery shops, at least one question was asked to identify what might be an appropriate package

Evidence from both the telephone and in-store mystery shops shows that in all mystery shops, the sales agent asked the shoppers at least one question to ascertain their needs and be able to offer an appropriate package.

In at least two in three mystery shops on the telephone and in-store, the sales agents asked three or more questions which would help them give appropriate advice to shoppers.

In three in ten mystery shops over the phone, and four in ten mystery shops in-store, five or more pieces of information were gathered that could help shape an appropriate package for the potential consumer.

Sales agents were more likely to ask more questions of the mystery shoppers in-store compared to conversations on the telephone, e.g. more shoppers in-store were asked five or more questions compared to enquiries using the telephone.

Figure 117 Number of pieces of information requested by sales advisors: all providers

On the telephone

<table>
<thead>
<tr>
<th></th>
<th>At least one</th>
<th>At least two</th>
<th>At least three</th>
<th>At least four</th>
<th>Five or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>100</td>
<td>82</td>
<td>67</td>
<td>50</td>
<td>32</td>
</tr>
</tbody>
</table>

In-store

<table>
<thead>
<tr>
<th></th>
<th>At least one</th>
<th>At least two</th>
<th>At least three</th>
<th>At least four</th>
<th>Five or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>100</td>
<td>88</td>
<td>73</td>
<td>58</td>
<td>41</td>
</tr>
</tbody>
</table>

Source: BDRC Continental mystery shopping, May - September 2014
Base: Total on the telephone: 1083/ All providers – fixed-line, mobile and mobile retailers. Total in store: 400/ All providers / All providers – fixed-line, mobile and mobile retailers
Question: Which of the following types of information did the advisor ask you for during your conversation? (number of pieces of information requested have been totalled)
7.2.5 Sales agents gather a range of information to ascertain needs

A range of potentially relevant information was gathered by the sales agents on the telephone and in-store. For example, fixed-line providers’ most-requested information was the mystery shopper’s details of their current package/costs and details of their broadband use (see Figure 118).

**Figure 118 Types of information requested by sales agents: fixed-line providers**

<table>
<thead>
<tr>
<th>Information</th>
<th>On the telephone</th>
<th>In-store</th>
</tr>
</thead>
<tbody>
<tr>
<td>Details of current package/current costs</td>
<td>63%</td>
<td>76%</td>
</tr>
<tr>
<td>Details of Broadband usage</td>
<td>57%</td>
<td>55%</td>
</tr>
<tr>
<td>Details of calling habits</td>
<td>49%</td>
<td>53%</td>
</tr>
<tr>
<td>Time/day of calls (e.g. week vs weekends, daytime vs evenings)</td>
<td>49%</td>
<td>45%</td>
</tr>
<tr>
<td>No of people in household</td>
<td>36%</td>
<td>43%</td>
</tr>
<tr>
<td>Whether current package is suitable for current needs</td>
<td>35%</td>
<td>43%</td>
</tr>
<tr>
<td>Details of TV usage (if relevant) e.g. films, sports etc</td>
<td>29%</td>
<td>43%</td>
</tr>
<tr>
<td>Volume of calls (e.g. minutes used typically)</td>
<td>24%</td>
<td>29%</td>
</tr>
<tr>
<td>Use of specific numbers (e.g. numbers starting with 084 and 087)</td>
<td>20%</td>
<td>28%</td>
</tr>
<tr>
<td>International calling habits</td>
<td>16%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: BDRC Continental mystery shopping, May - September 2014
Base: Fixed-line provider telephone shops: 424, Fixed-line provider in-store shops: 100
Question: Which of the following types of information did the advisor ask you for during your conversation?

In around two-thirds of mystery shops, mobile providers’ sales agents asked about the details of the current package. And in at least half of all mystery shops, mobile providers’ sales agents asked about the mystery shopper’s mobile handset requirements, volume of calls and details of calling habits (see Figure 119).
Similarly, the mobile retailer sales agents tended to ask the mystery shoppers about details of their current package/costs, mobile handset requirements, volume of calls, details of calling habits and whether their current package is suitable (see Figure 120).

Figure 119  Types of information requested by sales agents: mobile providers

Source: BDRC Continental mystery shopping, May - September 2014
Base: Mobile provider telephone shops: 440 (excluding mobile retailers), mobile provider in-store shops: 200 (excluding mobile retailers)
Question: Which of the following types of information did the advisor ask you for during your conversation?

Figure 120  Types of information requested by sales agents: mobile retailers

Source: BDRC Continental mystery shopping, May - September 2014
Base: Mobile retailers telephone shops: 219, mobile retailers in-store shops: 100
Question. Which of the following types of information did the advisor ask you for during your conversation?
Base: Mobile retailers: 219
Information and advice from communications providers: information from mobile network operators

Ofcom’s mystery shopping also monitored the advice and information that mobile network operators (MNOs) gave to mystery shoppers who indicated that they might experience a change in circumstances, i.e. their financial circumstances were likely to change or they might face financial uncertainty. The MNOs researched were O2, EE, Vodafone and Three. This was carried out through telephone, in-store and online mystery shopping.

Mystery shoppers were given a specific set of circumstances which they outlined to advisors, e.g. a work contract ending, recently becoming self-employed, going on maternity leave, retiring, being sick and potential redundancy.

Information and advice provided by advisors was recorded; information provided at this stage was recorded as ‘spontaneous’ mentions. Shoppers then asked the advisor about the affordability of any recommended option; information provided after this more specific prompting was recorded as ‘prompted’.

This research did not measure whether the most appropriate package was suggested, but indicated whether or not the CPs were engaging in a process that was likely to result in an appropriate package being suggested.

More detail on the scenarios and prompts used is outlined in the figure below.

Figure 121 Scenarios for affordability research – mobile providers

Source: BDRC Continental mystery shopping, June - September 2014

Analysis of the data collected focuses not only on the individual pieces of information or advice provided, but also shows ‘any appropriate advice’. Figure 122 outlines the range of information or advice that was included in this measure of ‘any appropriate advice’.

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When possible, online contacts were carried out via live web-chats (rather than email contact), given the conversational style of the contact method.
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Figure 122 Definition of ‘any appropriate advice’

Information and advice provided by mobile providers to mystery shoppers was recorded.

Within this research any of the following types of advice, or asking any of the following questions were considered to be providing ‘appropriate advice’.

- Use PAYG/ PAYG rather than take a contract
- Suggested a SIM-only contract
- Benefits of PAYG/ not having a contract e.g. decide what to pay each month/ pay only for what you use
- Mentioned short contracts e.g. one month rolling contracts, rolling contracts
- Mentioned how to terminate or suspend contracts
- Asked about how much could afford to spend each month
- Benefits of being on a contract, e.g. predictable costs
- Possibility of changing your contract to reduce payments if necessary, e.g. if your circumstances change
- Suggested a tariff of up to £17 per month
- Asked what used phone for
- Talked about low cost tariffs
- Talked about tactics to keep costs low or within the expected monthly price, e.g. keeping within the subscription price, avoiding calling certain types of numbers, calling at certain times, monitoring own usage, downloads etc
- Asked whether just needed to make and receive calls, e.g. doesn’t need to be expensive/ a smartphone
- Some recommended SIM-only (i.e. 49% mentioned this spontaneously on the telephone and 57% spontaneously mentioned this option in-store)
- Some mentioned low-cost tariffs (i.e. 33% mentioned this spontaneously on the telephone and 32% spontaneously mentioned this option in-store)
- Some mentioned using pay-as-you-go (i.e. 25% mentioned this spontaneously on the telephone and 41% spontaneously mentioned this option in-store) or the benefits of this (i.e. 28% spontaneously mentioned this option in-store)
- Some mentioned short contracts (i.e. 22% mentioned this spontaneously on the telephone and 29% spontaneously mentioned this option in-store) or the benefits of being on a contract (i.e. 19% mentioned this spontaneously on the telephone)

Source: BDRC Continental mystery shopping, June – September 2014

The shoppers went on to carry out further tasks related to the wider aims of the research, but only this element of the research is detailed here and reported in this document. For more details see the research results on the Ofcom website, as detailed earlier.

7.2.6 Over nine in ten mystery shops with mobile operators provided ‘appropriate advice’ relating to affordability

Provision of information or advice that could be seen as ‘appropriate advice’ exceeded 9 in 10 for telephone mystery shops and in-store mystery shops, given spontaneously (see Figure 123 and Figure 124).

The sales agents not only asked questions to make sure that the package offered was suitable (e.g. they asked what the phone was used for, asked much the mystery shopper could afford and asked about), but also gave a wide range of advice, e.g.:

- Some recommended SIM-only (i.e. 49% mentioned this spontaneously on the telephone and 57% spontaneously mentioned this option in-store)
- Some mentioned low-cost tariffs (i.e. 33% mentioned this spontaneously on the telephone and 32% spontaneously mentioned this option in-store)
- Some mentioned using pay-as-you-go (i.e. 25% mentioned this spontaneously on the telephone and 41% spontaneously mentioned this option in-store) or the benefits of this (i.e. 28% spontaneously mentioned this option in-store)
- Some mentioned short contracts (i.e. 22% mentioned this spontaneously on the telephone and 29% spontaneously mentioned this option in-store) or the benefits of being on a contract (i.e. 19% mentioned this spontaneously on the telephone)

Overall, the data suggest that more advice was provided to mystery shoppers who called on the telephone or who went into a store, compared to those who contacted the CPs online.
### Figure 123  Summary of information spontaneously provided, by contact method (all mobile providers combined)

<table>
<thead>
<tr>
<th>Spontaneous provision of information</th>
<th>Telephone</th>
<th>Store</th>
<th>Online*</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Any APPROPRIATE advice</em></td>
<td>96</td>
<td>97</td>
<td>72</td>
</tr>
<tr>
<td>Asked what used phone for</td>
<td>51</td>
<td>43</td>
<td>6</td>
</tr>
<tr>
<td>Suggested a SIM-only contract</td>
<td>49</td>
<td>57</td>
<td>14</td>
</tr>
<tr>
<td>Asked what kind of handset was interested in</td>
<td>44</td>
<td>53</td>
<td>23</td>
</tr>
<tr>
<td>Suggested a tariff/ contract of up to £17</td>
<td>36</td>
<td>37</td>
<td>17</td>
</tr>
<tr>
<td>Talked about low cost tariffs</td>
<td>33</td>
<td>32</td>
<td>13</td>
</tr>
<tr>
<td>Asked about how much could afford</td>
<td>28</td>
<td>33</td>
<td>18</td>
</tr>
<tr>
<td>Use pay as you go</td>
<td>25</td>
<td>41</td>
<td>10</td>
</tr>
<tr>
<td>Mentioned short contracts</td>
<td>22</td>
<td>29</td>
<td>2</td>
</tr>
<tr>
<td>Suggested a tariff/ contract of £18 to £29</td>
<td>21</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td>Asked if just needed to make/ receive calls</td>
<td>21</td>
<td>28</td>
<td>0</td>
</tr>
<tr>
<td>Benefits of being on a contract</td>
<td>19</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Talked about tactics to keep costs low</td>
<td>11</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Benefits of PAYG</td>
<td>11</td>
<td>28</td>
<td>2</td>
</tr>
<tr>
<td>How to terminate or suspend contracts</td>
<td>9</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Possibility of changing your contract</td>
<td>8</td>
<td>9</td>
<td>17</td>
</tr>
<tr>
<td>Suggested a tariff/ contract of £30 or more</td>
<td>4</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: BDRC Continental mystery shopping, June – September 2014  
Base: All telephone shops (445), all online shops (90), all store shops (120) *NB online excludes Three. Red text indicates mentions above 40%.

### Figure 124  Summary of total provision of information, by contact method (all mobile providers combined)

<table>
<thead>
<tr>
<th>Total provision of information</th>
<th>Telephone</th>
<th>Store</th>
<th>Online*</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Any APPROPRIATE advice</em></td>
<td>98</td>
<td>98</td>
<td>84</td>
</tr>
<tr>
<td>Suggested a SIM-only contract</td>
<td>61</td>
<td>71</td>
<td>26</td>
</tr>
<tr>
<td>Asked what used phone for</td>
<td>58</td>
<td>53</td>
<td>8</td>
</tr>
<tr>
<td>Asked what kind of handset was interested in</td>
<td>55</td>
<td>59</td>
<td>30</td>
</tr>
<tr>
<td>Suggested a tariff/ contract of up to £17</td>
<td>51</td>
<td>46</td>
<td>33</td>
</tr>
<tr>
<td>Talked about low cost tariffs</td>
<td>44</td>
<td>43</td>
<td>18</td>
</tr>
<tr>
<td>Asked about how much could afford</td>
<td>36</td>
<td>41</td>
<td>23</td>
</tr>
<tr>
<td>Asked if just needed to make/ receive calls</td>
<td>33</td>
<td>38</td>
<td>0</td>
</tr>
<tr>
<td>Use pay as you go</td>
<td>31</td>
<td>54</td>
<td>17</td>
</tr>
<tr>
<td>Mentioned short contracts</td>
<td>32</td>
<td>42</td>
<td>11</td>
</tr>
<tr>
<td>Benefits of being on a contract</td>
<td>28</td>
<td>20</td>
<td>8</td>
</tr>
<tr>
<td>Suggested a tariff/ contract of £18 to £29</td>
<td>24</td>
<td>23</td>
<td>17</td>
</tr>
<tr>
<td>Benefits of PAYG</td>
<td>19</td>
<td>37</td>
<td>6</td>
</tr>
<tr>
<td>How to terminate or suspend contracts</td>
<td>18</td>
<td>21</td>
<td>24</td>
</tr>
<tr>
<td>Talked about tactics to keep costs low</td>
<td>17</td>
<td>18</td>
<td>8</td>
</tr>
<tr>
<td>Possibility of changing your contract</td>
<td>16</td>
<td>19</td>
<td>31</td>
</tr>
<tr>
<td>Suggested a tariff/ contract of £30 or more</td>
<td>5</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: BDRC Continental mystery shopping, June – September 2014  
Base: All telephone shops (445), all online shops (90), all store shops (120) *NB online excludes Three. Red text indicates mentions above 40%.
Information and advice from communications providers: information on social tariffs from the universal service operators

Ofcom’s programme of mystery shopping measured whether the universal service operators (BT and KCOM) offered social tariffs to mystery shoppers, when appropriate. The mystery shoppers presented themselves to the advisor as looking for a new phone contract. Shoppers were given a specific set of circumstances which they outlined to advisors, i.e. they indicated they were in receipt of one of a number of benefits that would make them eligible for the social tariffs. More details on the scenarios can be found in Figure 125.

The benefits mentioned by mystery shoppers in the research were:

**BT**
- Income Support
- Universal credit\(^{67}\)
- Income-Based Jobseekers Allowance (JSA)
- Pensions Credit (Guaranteed credit)
- Employment Support Allowance (income-related)

**KCOM**
- Income Support
- Universal credit
- Jobseekers Allowance (JSA)
- Pensions Credit
- Housing Benefit
- Disability Living Allowance
- Attendance Allowance

As with the other strands of this mystery shopping on appropriate information and advice given, this research did not measure whether the most appropriate package was suggested, but indicated whether or not the CPs were engaging in a process that was likely to result in an appropriate package being suggested, i.e. that those who could choose a social tariff if they wished were made aware of this option.

\(^{67}\) Universal credit was not used in many scenarios, as it had only relatively recently been introduced.
7.2.7 **Around half of the mystery shops mentioned the social tariff**

In the mystery shopping by telephone, around half (53%) of the shops resulted in some information about BT Basic being provided to the shoppers when they made their initial enquiry (i.e. before prompting). Forty-two per cent of the KCOM enquiries spontaneously produced information relating to the KCOM Social Access package.
When shoppers prompted the advisor about social tariffs, the proportion of mystery shops that resulted in information about BT Basic or KCOM Social Access being provided increased to 78% for BT and 70% for KCOM.

7.2.8 In almost all telephone mystery shops, appropriate advice relating to affordability was provided spontaneously

Although information about the social tariff itself was mentioned during the initial part of the enquiry in 53% of the BT and 42% of the KCOM telephone mystery shops, in 93% of all telephone shops, for both BT and KCOM, some appropriate information or advice was provided spontaneously (i.e. relating to affordability/low cost).

When mystery shoppers prompted the sales agent about social tariffs, 99% of BT’s mystery shops and 97% of KCOM’s mystery shops ended with at least one piece of appropriate information or advice having been provided.

Figure 127 Summary of provision of information related to the social tariff

<table>
<thead>
<tr>
<th></th>
<th>Spontaneous provision of information</th>
<th>Total provision (spontaneous &amp; prompted)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Telephone</td>
<td>Telephone</td>
</tr>
<tr>
<td>Any mention of social tariff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BT</td>
<td>53</td>
<td>78</td>
</tr>
<tr>
<td>KC</td>
<td>42</td>
<td>70</td>
</tr>
<tr>
<td>Any appropriate advice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BT</td>
<td>93</td>
<td>99</td>
</tr>
<tr>
<td>KC</td>
<td>93</td>
<td>97</td>
</tr>
</tbody>
</table>

Source: BDRC Continental mystery shopping, June – September 2014
Base: BT telephone shops: 110, KCOM telephone shops: 71. Although not reported here due to the lower base sizes, an additional 30 mystery shops were carried out with BT via their online webchat facility and an additional ten mystery shops with KCOM were carried out using email or webchat.

7.3 Consumer choices and range: spend on UK communications services

7.3.1 Change in spend on residential communications services

Ofcom analysis shows that average UK household spend on communications services fell in real terms (i.e. adjusted for inflation) in 2013, down by £2.09 per month (1.7%) to £117.24 (Figure 128). This equated to 5.5% of total average household spend, unchanged since 2012 and a 0.1 percentage point increase compared to 2008. During 2013, average spend increased for pay TV (up by just two pence per month), fixed internet (where it increased by 72 pence per month to £13.32 as a result of growing fixed broadband take-up and the migration to faster services), and postal services.

Average spend on fixed voice services fell by 51 pence per month (2.2%) to £22.36 during the year, as increasing prices partially offset falling spend as a result of declining call volumes per line. The largest fall (both in monetary and percentage terms) was a £2.58 per month (5.4%) decline in average mobile spend, to £45.65, which was due to falling prices and declining SMS message volumes, and occurred despite growing smartphone and
mobile data use. Average spend on radio (which relates to the proportion of the TV licence fee that is attributed to radio) increased by ten pence per month; to £2.70, during 2013.

**Figure 128 Average household spend on communications services**

<table>
<thead>
<tr>
<th>Year</th>
<th>Post</th>
<th>Radio</th>
<th>Television</th>
<th>Fixed internet</th>
<th>Mobile services</th>
<th>Fixed voice</th>
<th>% of total spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>126.81</td>
<td>29.68</td>
<td>11.85</td>
<td>52.32</td>
<td>126.81</td>
<td>5.3%</td>
<td>6%</td>
</tr>
<tr>
<td>2009</td>
<td>122.27</td>
<td>29.75</td>
<td>11.67</td>
<td>49.95</td>
<td>122.27</td>
<td>5.4%</td>
<td>5%</td>
</tr>
<tr>
<td>2010</td>
<td>121.56</td>
<td>30.68</td>
<td>11.36</td>
<td>49.32</td>
<td>121.56</td>
<td>5.4%</td>
<td>4%</td>
</tr>
<tr>
<td>2011</td>
<td>120.50</td>
<td>31.01</td>
<td>11.88</td>
<td>48.70</td>
<td>120.50</td>
<td>5.5%</td>
<td>3%</td>
</tr>
<tr>
<td>2012</td>
<td>119.33</td>
<td>30.59</td>
<td>12.60</td>
<td>48.23</td>
<td>119.33</td>
<td>5.5%</td>
<td>2%</td>
</tr>
<tr>
<td>2013</td>
<td>117.24</td>
<td>30.61</td>
<td>13.32</td>
<td>45.65</td>
<td>117.24</td>
<td>5.5%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Ofcom / operators / ONS

Notes: Fixed voice spend includes the price of fixed-line access; TV includes pay-per-view; figures are adjusted for CPI

7.3.2 Fixed voice pricing

Analysis in previous Ofcom Consumer Experience research reports has identified that while there is evidence of increasing UK stand-alone fixed voice prices over recent years, consumers are able to reduce their spend on communications services by purchasing fixed voice services as part of a bundle, or by paying their fixed-line rental in advance. In this section of the report we consider fixed voice prices, both including and excluding bundled services, and when looking at stand-alone prices it is important to bear in mind that the increasing take-up of bundles means that stand-alone prices are relevant to only a minority of fixed voice households.68

In Ofcom's International Communications Market Reports we analyse service prices using baskets of services that are designed to reflect the use of five 'typical' households. Four of these baskets include a fixed voice telephony requirement, and Figure 129 shows the weighted average stand-alone UK prices69 of these connections in the three years to 2014.

As the chart shows, in nominal terms (i.e. without any adjustment for inflation), weighted average stand-alone fixed voice prices increased in each of the three years to 2014, with these increases averaging 5.4% per annum. Similarly, in real terms (i.e. after adjusting for inflation, for which we use the Consumer Prices Index), prices increased by an average of 3.0% a year over this period, with prices increasing in all years except 2013, when they fell by 2.3%. However, between July 2012 and July 2013 Virgin Media and TalkTalk stopped

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68 Ofcom consumer research shows that 62% of UK households took more than one communications service from the same provider as part of a bundle in Q2 2014.

69 The weighted average of the cheapest stand-alone prices offered by the largest providers of residential fixed voice services, weighted by their market shares.
offering stand-alone fixed voice services on their websites\textsuperscript{70}, meaning that the 2012 and 2013 figures below are not a like-for-like comparison. Excluding these providers from the analysis shows a price increase in 2013, both before and after having adjusted for inflation, and higher average price increases over the three-year period.

### Figure 129 Fixed-line voice: prices for typical baskets of stand-alone voice services: 2010 to 2014

<table>
<thead>
<tr>
<th>Household 1</th>
<th>Household 2</th>
<th>Household 3</th>
<th>Household 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Typical household type</strong></td>
<td>Affluent couple with sophisticated use</td>
<td>A retired low-income couple</td>
<td>A couple of late adopters</td>
</tr>
<tr>
<td><strong>Outbound call minutes</strong></td>
<td>200</td>
<td>300</td>
<td>400</td>
</tr>
<tr>
<td><strong>Type of calls</strong></td>
<td>93% UK geographic and 7% UK mobiles</td>
<td>93% UK geographic and 7% UK mobiles</td>
<td>91% UK geographic, 7% UK mobiles and 2% international</td>
</tr>
<tr>
<td><strong>Time of day</strong></td>
<td>59% daytime, 25% evening and 16% weekend</td>
<td>58% daytime, 25% evening and 17% weekend</td>
<td>58% daytime, 25% evening and 17% weekend</td>
</tr>
</tbody>
</table>

![Graph showing changes in monthly cost over years]

Source: Ofcom / Teligen

Note: Tariff data collected in July each year; nominal prices.

**Stand-alone fixed voice price increases are also evident in other countries**

Figure 130 shows the change in the weighted average stand-alone prices of the four household fixed voice baskets (as outlined in Figure 129) in the EU5 countries and the US in the three years to 2014. We have included this analysis to assess whether the increases in stand-alone fixed voice prices observed in the UK over the last few years have also occurred in other countries.

The picture is mixed. While in the UK the total weighted average stand-alone price of the four connections increased by 17% in nominal terms during this period, the increase was even greater in France, at 19%. The increases in the connections' total weighted average

\textsuperscript{70} The Teligen pricing model (which contains the prices of services offered by the largest providers in the UK and five other countries) only includes tariffs that are available for purchase on these providers’ websites.
prices between 2011 and 2014 were lower than in the UK in Italy and Germany, at 13% and 2% respectively, while prices were unchanged in Spain and the US over the period. It is worthwhile noting that fixed voice call volumes are declining in all of these countries.

**Figure 130 Comparative international ‘weighted average’ stand-alone fixed voice basket pricing: 2011 and 2014**

Source: Ofcom / Teligen

Note: Tariff data collected in July each year; nominal prices.

**Per-minute fixed voice prices are increasing, partly due to falling call volumes per line**

The chart below shows average UK residential pence-per-minute fixed voice call prices, which are calculated using revenue and call volume data provided to Ofcom by telecoms providers. The analysis includes use by residential consumers buying fixed-line services on both a stand-alone and bundled basis (with operators being asked to allocate a proportion of bundled service revenues to fixed voice services), and the calculation of the average price of calls to UK geographic numbers includes the line rental fee and any revenues relating to bundled call services.

Our analysis shows that the average price of a residential fixed voice call minute increased by 12.3% in real terms (from 8.9 pence to 10.0 pence per minute) in 2013. As in 2012, an increase in the average price per minute of calls to UK was a largely the result of an increase in the average price of calls to UK geographic numbers (which make up over 85% of total residential call volumes for the call types shown below); from 8.7p per minute in 2012 to 10.0p in 2013, an increase of 14.9% (again, in real terms) which was the result of two main factors:

- **Increasing line rental fees**: the result of higher line rental prices (BT, TalkTalk, Virgin Media and Sky increased their standard line rental charges by an average of 5% in nominal terms in 2013) and consumers continuing to purchase call ‘add-ons’ that offer ‘free’ or reduced-rate calls in return for an additional monthly fee.

- **Falling call volumes per line**: average monthly outgoing call minutes to UK geographic numbers per residential fixed-line fell by 12% in 2013, from 201 to 178, meaning that a larger proportion of the line rental/call bundle fee is allocated to each call minute when calculating an average pence-per-minute call charge.

The average price of a call from a UK fixed phone to an international destination fell by 9.0%, from 4.9 pence per minute in 2012 to 4.5 pence per minute in real terms in 2013. This
was around half of the 8.9 pence-per-minute average in 2008, this decline being partly due to traditional fixed-line operators having reduced prices in order to compete with low-priced international mobile and voice over IP (VoIP) services. Most of the major UK residential fixed-line operators now offer call ‘add-ons’ offering either discounted or ‘free’ international calls to consumers in return for an additional monthly fee.

The average per-minute charge for a residential fixed-to-mobile call fell by 0.3 pence (2.1%) to 14.6 pence in 2013. This represented a slowing in the rate of decline in the average price since 2012, when it fell by 6.6%. Average fixed-to-mobile call prices have fallen by 10.4% since 2008 (when the average was 16.3 pence per minute), mainly due to a reduction in mobile termination rates; this has resulted in these calls increasingly being bundled with line rental services or being offered at reduced rates as call ‘add-ons’.

**Figure 131  Average per-minute residential fixed voice call charges: 2008 to 2013**

The increase in average UK fixed voice prices is high in comparison to other countries

In the 2014 *International Communications Market Report*71 we compare the average price of a fixed voice call minute in the UK to those in other countries. To calculate the average price per minute we divide total fixed voice revenues (including line rental) by the number of call minutes originating on fixed networks, and these figures therefore include calls made by both stand-alone and bundled fixed voice users. It should be noted that the figures below are not comparable to those shown in 136Figure 131, as they - include calls originated by business customers and managed VoIP calls.

Figure 132 shows that the UK had the second-highest average price for an outgoing fixed voice call minute among the ‘tier 1’ comparator countries included in the report in 2013, at 8.6 pence per minute, with only Japan being more expensive at 9.8 pence per minute. The data also show that the average price of a fixed voice call minute increased in four of the ten ‘tier 1’ countries in 2013 (the UK, Australia, Italy and Sweden), with the UK experiencing the largest increase in the average fixed call price during the year, up by 9.8%. Conversely, the

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largest rate of decline in the price of a fixed call minute in 2013 was in Germany, which experienced a 7.1% decrease in the average cost of a fixed voice call, from 4.7 pence to 4.4 pence per minute, during the year.

The steepest rate of decline in average fixed voice prices between 2008 and 2013 was in France, where the average price of a fixed call minute fell by 78% (an average of over 10% a year) as a result of the availability of low-cost bundled VoIP-based fixed voice telephony services. The average cost of a UK fixed voice call increased by 29.3% (an average rate of 5.3% per year) during this period, the highest average increase among these countries.

**Figure 132 Average price of a fixed voice call minute: 2008 to 2013**

<table>
<thead>
<tr>
<th>Country</th>
<th>1 year change</th>
<th>5 year CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>JPN</td>
<td>-1.0%</td>
<td>-6.2%</td>
</tr>
<tr>
<td>UK</td>
<td>9.8%</td>
<td>5.3%</td>
</tr>
<tr>
<td>AUS</td>
<td>4.6%</td>
<td>1.1%</td>
</tr>
<tr>
<td>NED</td>
<td>-1.5%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>ITA</td>
<td>4.9%</td>
<td>2.8%</td>
</tr>
<tr>
<td>SWE</td>
<td>3.6%</td>
<td>4.7%</td>
</tr>
<tr>
<td>ESP</td>
<td>-0.7%</td>
<td>-4.8%</td>
</tr>
<tr>
<td>USA</td>
<td>-3.5%</td>
<td>2.8%</td>
</tr>
<tr>
<td>GER</td>
<td>-7.1%</td>
<td>-5.0%</td>
</tr>
<tr>
<td>FRA</td>
<td>-3.9%</td>
<td>-11.2%</td>
</tr>
</tbody>
</table>

Source: IHS / industry data / Ofcom
Note: Includes managed VoIP calls; figures for the US include incoming calls.

**BT’s basic stand-alone fixed voice service price increases are more pronounced than those of other incumbent providers**

As mentioned previously, one factor that has contributed to increasing UK fixed voice prices is increasing line rental prices. As fixed voice call volumes have fallen, providers have rebalanced their tariffs by increasing line rental fees, to better reflect the fixed-cost dominated costs associated with providing services.

In order to see whether similar tariff rebalancing is taking place in other countries, Figure 133 shows the change in the price of the most basic fixed voice services offered by the incumbent providers in the EU5 countries, and by AT&T in the US, in the three years to 2013. The most basic service in each country has been chosen; these best reflect the line rental price, as these services include either no bundled calls, or a limited inclusive call allowance. For ease of comparison, we have created indices of these prices, with July 2011 being 100.

The analysis shows that the increase in the nominal price of basic stand-alone fixed voice services in the three years to July 2014 was significantly higher in the UK than in the other countries included in the analysis. Over this period the price of BT’s most basic service increased by 33%, while in the other five countries included in the analysis the increases ranged from no change in the US (where we have used AT&T’s tariffs) and Germany, to 6% increases in France and Italy. This suggests that fixed voice tariff rebalancing and/or line rental price increases are not taking place to the same extent in these countries as in the UK.
Rising line rental prices are likely to have the most impact on fixed-line customers without fixed broadband, who are less likely to switch

As discussed above, in the UK the price of residential fixed-line rental has been rising in real terms over recent years. As we will explore later in this section, this has also an effect on the price of bundles including fixed voice and other services, such as fixed broadband and pay-TV.

The importance of broadband in purchasing decisions for fixed-line and broadband bundles is underlined by consumer research we conducted looking at the motivations of, and use by, purchasers of fixed voice lines. The research indicated that 42% of bill payers with both a fixed-line and fixed-line broadband took the former in order to be able to receive the latter. Furthermore, a third (33%) said that making outgoing calls on their fixed-line was ‘not at all’ or ‘not very’ important to them, with 14% saying they never made calls over their fixed-line.

Consumers with a home fixed voice telephony service but no fixed broadband connection (who we call ‘fixed-line-only’ customers72) have a distinct demographic profile: they tend to be older (69% of them are aged 65 or older, and 44% are aged 75+) and are less likely to work (82% not working). Fixed-line-only customers are significantly less likely to have switched their fixed-line provider than those with fixed broadband; 65% of fixed-line-only customers said they had never switched provider, and 56% had not even considered switching. By contrast, the majority of fixed-line customers with broadband had switched provider (55%).

72 In our consumer research ‘fixed-line-only’ customers were classified as those who were either solely or jointly responsible for paying a fixed-line phone bill, but did not have fixed broadband in their household. These people may have had pay TV, mobile phone or mobile broadband in their household so they differ from the definition used in other sections of this report.
Figure 134  Demographic profile of ‘fixed-line-only’ customers compared to those with fixed broadband as well.

<table>
<thead>
<tr>
<th></th>
<th>Landline only</th>
<th>Landline with fixed broadband</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16-24</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>25-34</td>
<td>2%</td>
<td>19%</td>
</tr>
<tr>
<td>35-44</td>
<td>4%</td>
<td>19%</td>
</tr>
<tr>
<td>45-64</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>55-64</td>
<td>14%</td>
<td>20%</td>
</tr>
<tr>
<td>65-74</td>
<td>25%</td>
<td>13%</td>
</tr>
<tr>
<td>75+</td>
<td>44%</td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Landline only</th>
<th>Landline with fixed broadband</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socio Economic Group (SEG)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AB</td>
<td>7%</td>
<td>24%</td>
</tr>
<tr>
<td>C1</td>
<td>20%</td>
<td>35%</td>
</tr>
<tr>
<td>C2</td>
<td>22%</td>
<td>19%</td>
</tr>
<tr>
<td>DE</td>
<td>51%</td>
<td>21%</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under £20k</td>
<td>53%</td>
<td>30%</td>
</tr>
<tr>
<td>£20k or more</td>
<td>14%</td>
<td>38%</td>
</tr>
<tr>
<td>Refused</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>Working status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working</td>
<td>18%</td>
<td>69%</td>
</tr>
<tr>
<td>Not working</td>
<td>82%</td>
<td>41%</td>
</tr>
</tbody>
</table>

Source: Kantar Media Omnibus, November – December 2014

For consumers to take advantage of competition in the fixed-line market, they need to be aware of their choices. The data suggest that while at least three-quarters of all fixed-line customers are aware of the four largest operators (BT, Sky, Virgin Media and TalkTalk), only BT has similarly high levels of awareness among ‘fixed-line-only’ customers, compared to those with broadband as well. As shown in Figure 135, awareness of Sky, TalkTalk and Virgin Media was much lower for ‘fixed-line-only’ customers. Furthermore, many customers are not aware of other providers that may offer cheaper deals. For instance, less than a third (28%) of fixed-line-only consumers were aware that it was possible to purchase fixed-line services from the Post Office (which currently offers line rental for £15 a month, significantly less than many other providers).
Figure 135  Awareness of fixed-line providers

Source: Kantar Media Omnibus, November – December 2014

Q5A. Which provider do you use for your fixed-line service? Q11. Before today, which of the following companies were you aware it is possible to get a fixed-line service from?

7.3.3 Fixed broadband pricing

Average revenue per residential fixed broadband connection increased marginally in 2013

The average price of a residential fixed broadband connection is calculated from connection and revenue data provided to Ofcom by internet service providers (ISPs). When compiling these figures, ISPs split revenues from bundled services across those services included in the bundle, so the figures below should be purely for the fixed broadband element of any bundled service, and are based on the accounting conventions used to allocate bundled revenues. Our figures indicate that the average monthly price of a residential broadband connection increased by 0.8% to £16.96 in real terms in 2013 (Figure 136).

Consumers migrating to superfast broadband services (i.e. those with an access line speed of 30Mbit/s or more) have contributed to the increase in average revenue per residential fixed broadband connection, as connections with a headline speed of 30Mbit/s or higher typically command a price premium of £5 to £10 a month over standard broadband services (Ofcom data show that in the year to May 2014 the proportion of residential UK fixed broadband connections with a headline speed of ‘up to’ 30Mbit/s or higher increased from 20% to 28%).73 Growth in the take-up of superfast broadband services has also resulted in increasing average UK residential fixed broadband actual download speeds, which increased from 14.7Mbit/s to 18.7Mbit/s over the same period.74

73 http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/broadband-speeds/broadband-speeds-may2014/
74 http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/broadband-speeds/broadband-speeds-may2014/
The price of a bundle of fixed broadband and fixed broadband services continues to increase

Ofcom uses Teligen’s pricing model to compare the lowest available prices for a basket of fixed broadband and fixed voice services, using the tariffs provided by the largest fixed telecoms providers in each country. Here we compare two service combinations: a fixed-line with 400 minutes of outgoing voice calls, together with a fixed broadband connection with a minimum headline speed of ‘up to’ 10Mbit/s and 60GB of data use per month, and a combination which is identical to the first in all respects other than that it requires a broadband connection with a headline speed of at least ‘up to’ 30Mbit/s.

The analysis below shows that the lowest price available for both service combinations rose in 2014, with the rate of increase in the price of the basket that includes a standard broadband service (16.7%) being significantly higher than that of the basket including a fixed broadband connection of at least 30Mbit/s (5.9%). The difference between the lowest price available for each of the baskets in 2014 was £9.99 per month, down from £11.44 per month in 2013 (Figure 137).
7.3.4 Mobile pricing

UK mobile prices fell for most of the usage profiles used in our analysis in the year to July 2014

Our analysis of the tariffs offered by the largest UK retail communications providers enables us to track the prices of eight mobile connections of varying use in the same way that we track fixed voice prices. Overall, we find that the total ‘weighted average’ price of these eight connections, calculated using the tariffs available from the UK’s three largest mobile providers, fell by 2.4% in nominal terms (or 3.9% in real terms) in the year to 2014. The weighted average price of all but two of these connections fell during the year, with the price of Connection 5 having the largest percentage decline in nominal terms, at 17.0%.

‘SIM-only’ tariffs enable consumers to make savings on the cost of their mobile service in return for not receiving a new handset when they sign up to a new mobile contract. Instead, they are supplied with a SIM card which is used in a handset that they already own, and the mobile provider is able to pass on the lower costs associated with not having to subsidise a new handset, in the form of lower service prices. In the UK, 71% of the tariffs feeding into the UK average best-pricing analysis of our eight connections in July 2014 were SIM-only offers (where a tariff is SIM-only our model factors-in the cost of buying a mobile handset separately). This proportion was much higher than in the other EU5 countries (among which the proportion ranged from 4% in Italy to 42% in France), suggesting that UK SIM-only tariffs are more attractive to consumers than those in other countries.
Over a third of new mobile contract sales have a monthly rental under £15

Using GFK Retail Technology sales data, Figure 140 shows the value of new post-pay mobile contract sales in the five years to Q1 2014. At the end of this period, 35% of all new post-pay contracts sold had a monthly rental fee of less than £15 a month, approximately three times the 12% proportion recorded in Q1 2009 and up from 30% in Q1 2013. The increase in the proportion of new contracts with lower monthly fees is largely due to falling mobile prices and operators trying to migrate pre-pay customers onto low-price post-pay monthly contracts, including SIM-only tariffs.

The low monthly price and limited contractual commitment makes SIM-only contracts attractive to users who continue to use their existing handsets, and in January 2014 SIM-only tariffs were available from as little as £5 a month. Lower prices for pay-monthly contracts are also associated with longer minimum contract periods, and GFK data also show that in Q1 2014 60% of new mobile contracts had a minimum contractual term of 24 months, up from 13% five years previously. Conversely, in Q1 2014 40% of new mobile contracts had
a one- or 12-month minimum term, up from 27% in Q1 2009 and 32% in Q1 2013.\textsuperscript{75} Almost all of these connections will be SIM-only services.

\textbf{Figure 140 Monthly line rental prices for new mobile contract connections}

<table>
<thead>
<tr>
<th>Proportion of sales (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>£40+</td>
</tr>
<tr>
<td>£35-39.99</td>
</tr>
<tr>
<td>£30-34.99</td>
</tr>
<tr>
<td>£25-29.99</td>
</tr>
<tr>
<td>£20-24.99</td>
</tr>
<tr>
<td>£15-19.99</td>
</tr>
<tr>
<td>£10-14.99</td>
</tr>
<tr>
<td>£0-14.99</td>
</tr>
</tbody>
</table>

Source: GfK Retail and Technology UK Ltd, Contract Handset Acquisitions: price segments. Notes: England, Scotland and Wales only (excludes Northern Ireland); based on GfK’s coverage of 94% of the consumer market; based on new post-pay connections; excludes contract renewals; only represents sales through consumer channels (i.e. most business connections are excluded)

\subsection*{7.3.5 Pay-TV pricing}

\textbf{There was a mixed picture in the price of pay TV in the year to July 2014}

The TV licence fee has remained unchanged at £145.50 per year (£12.13 per month) for a colour licence since the government froze it for six years in 2010. When comparing the price of pay-tv services we use two service tiers:

- **Basic pay TV**: a service that includes channels which are not available on free-to-air platforms; and

- **HD premium pay TV**: a package including live Premier League football and a top entertainment package, including first-run Hollywood films and HD channels.

As shown in Figure 141 below, the lowest price available for a basic stand-alone pay-TV service increased by £1 per month (8%) to £17 per month in the year July 2014. This was 14% lower than the lowest price of a similar service in 2011, which was £20 per month. The 'lowest available' price for an HD premium pay-TV service fell by £3 per month (5%) to £63 per month in the year to July 2014.

\textsuperscript{75} http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr14/UK_5.pdf
7.3.6 Bundled service pricing

Purchasing more than one communications service from a single provider is attractive to consumers, as doing so is usually cheaper than purchasing the same services separately, and they also benefit from the convenience of receiving a single bill for multiple services. As a result, bundled services have grown in popularity over the last decade and, according to Ofcom consumer research, 63% of UK households purchased two or more communications services from the same provider as part of a bundle in Q2 2014.

Growing take-up of bundled services means that it is important to look at trends in bundle prices as well as those in stand-alone pricing, and Figure 142 shows the lowest prices available for a basket of communications services based on the (multi-play and stand-alone) tariffs offered by the largest UK providers of residential communications services. This basket of services is based on the usage profile of a family comprising two parents and two teenage children, and requires:

- a fixed voice service with high use (500 minutes of outgoing calls per month);
- a fixed broadband connection with an advertised speed of at least ‘up to’ 10Mbit/s and 60GB of data use per month;
- four mobile phones with varying call, SMS and data use; and
- a basic pay-TV subscription including HD content and a DVR.

Bundle discounts meant that in each of the three years to 2014 it was cheaper to purchase two or more of the services required by the household as part of a bundle. In 2014 the ‘lowest available’ priced combination of services included a TalkTalk triple-play bundle of fixed voice, fixed broadband and pay-TV services (Plus TV (Line Rental Saver + 100 Mobile Minutes Boost)) with the total ‘lowest available’ price for the household being £107.99 per month. This represented a saving of £19.62 (15%) compared to the total ‘lowest available’ stand-alone service price for the household’s use.
The 'lowest available' price for the household’s use increased by £12.37 a month (13%) in 2014, with most of this rise being due to an £8.56 a month increase in the price of the household’s highest-use mobile connection (which requires 250 minutes of calls, 100 text messages and 300MB of data per month). This was mainly due to T-Mobile withdrawing the SIM-only service that was the 'lowest available' tariff for this usage profile in the year to July 2014, although there was also an increase in the price of the premium smartphone handset required by the connection. The price of the bundle that was included in the 'lowest available' combination of services also increased during the year, with monthly rental (including installation, hardware and promotional discounts) up by £3.06 per month (11%), because TalkTalk (which also provided the triple-play bundle that was included in the lowest available priced combination of services in 2013) increased its prices.

**Figure 142 Lowest prices available for a basket of communications services typical of a ‘networked family’ household**

Source: Ofcom / Teligen
Note: TV includes the licence fee, the price of a set-top box/decoder and installation.

### 7.4 Consumer choices and range: international comparisons of the price of communications services

The UK and France have the lowest prices among the EU5 countries and the US

The 'connected family' household usage profile shown in Figure 142 above is one of five that are used to benchmark UK prices with those in France, Germany, Italy, Spain and the US in Ofcom’s *International Communications Market* reports. These are designed to reflect the usage profiles of five ‘typical’ households, and include a retired low-income couple with basic communications service needs, a couple of ‘late adopters’, a mobile-only ‘power user’ and an affluent couple with sophisticated use. In Figure 143 below we consider the stand-alone prices available to these households (i.e. without bundles) and calculate a weighted average price for each service by weighting the lowest prices offered by the three largest operators by their retail market shares. This gives a good indication of prices in each market.

The UK compared well in terms of weighted average stand-alone prices in July 2014, having the lowest weighted average stand-alone prices for four of the five household usage profiles used in the analysis, and the second-lowest for the final household. Comparatively low UK stand-alone prices were largely driven by low prices for mobile phone services in the UK (the

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UK had the second-lowest total weighted average prices for the eight mobile connections across our households), although the UK also benefited from having the lowest weighted average stand-alone prices for fixed voice and fixed broadband services.

France had the lowest ‘weighted average’ price for the final usage profile (the ‘sophisticated couple’ household) and the second-lowest prices for the other four households. The UK was comparatively expensive for HD premium pay-TV services (which include a top entertainment package plus top flight football/NFL and first-run Hollywood films), and this contributed to the UK’s lower price ranking for the ‘sophisticated couple’ household.

Figure 143 Comparative ‘weighted average’ pricing of single services for baskets of communications services typical of five household types

None of the ‘lowest available’ nor highest basket prices were found in the UK in 2014

Teligen’s pricing model can also be used to compare the lowest prices available for these households (including bundled services), calculated using the tariffs offered by the largest operators in each country (Figure 144).

This shows that none of the prices in the UK were either the lowest or the highest out of the comparator countries for any of the household usage profiles. France had the cheapest ‘lowest available’ prices for three of the five households, with the UK having the second-lowest prices in the same three households (the ‘late adopter’, ‘mobile power user’ and ‘connected family’ households). The highest prices for all five households were found in the US, with Spain having the second-highest prices for four households.
7.5 International stamp price comparison

7.5.1 The UK is among the cheapest countries in Europe to send a standard sized (C5) letter

This section looks at domestic stamp prices across the countries analysed in this report. In each case, we have considered the fastest letter mail product, which most commonly has a next day (D+1) delivery target, although as Figure 145 shows, there is some variance by country. The products that we have looked at are all single-piece, domestic tariffs, available to all consumers. In line with other currency conversions in this report, prices have been converted into GBP using the International Monetary Fund average exchange rates for 2013. The prices of the products are compared as they were published on the operators’ websites on 31 August 2014, and have not been adjusted for purchasing power parity. Where we look at previous years’ prices, these are the prices on 31 December of each year.

Figure 145 Delivery specifications for the fastest letter mail product

Source: WIK
Note: Delivery targets in Japan, Australia, Brazil, Russia, India and China are dependent on the point of origin and destination.

We have looked at the prices for three mailings with different characteristics, based on typical envelope sizes. These are:

- a small letter – based on a DL envelope, 110mm by 220mm by 5mm, weighing 20g or less;
• **a standard letter** — based on a C5 envelope, 229mm by 162mm by 5mm, weighing 100g or less; and

• **a large letter** — based on a C4 envelope, 324mm by 224mm by 25mm, weighing 101-150g.

In those countries where a Second Class product is available, we have also looked at those prices. However, these products are available to consumers only in the UK, France, Sweden, Poland, South Korea and Russia.

7.5.2 **The UK is the most expensive country in which to send a small letter, but among the cheapest in which to send a standard-size or large letter**

At 62p, the UK is the most expensive country in which to send a small letter, followed by Italy and Sweden (59p). The cheapest country in which to send a small letter is India, where it costs 5p, followed by China (12p). Outside the BRIC and the Asia Pacific countries, the US has the lowest price for sending a small letter (31p), closely followed by Spain (32p). As shown in Figure 146, both of these countries have a D+3 delivery standard for their fastest available letter product.

However, for sending a standard or large letter, the UK is among the cheapest in Europe. It costs 62p to send a First Class standard-size letter in the UK, and the only country in Europe where this is cheaper is Poland (48p). In the majority of our European comparator countries, it costs more than £1 to send a standard letter. The most expensive country is the Italy (£1.78), where the price increased by 40% in 2013. Singapore is the cheapest country to send a standard letter overall (26p), followed closely by India (27p).

In Europe, Poland is the cheapest country in which to send a large domestic letter (£1.03), followed by the UK (£1.24). The lowest price overall is India (44p), followed by Singapore (51p). The most expensive country in which to send a large letter is Australia (£4.45). This is because the maximum thickness of a large letter in Australia is 20mm, and as this analysis is based on the prices for letters which are up to 25mm thick, this price represents the ‘small parcel’ price offered by Australia Post. Excluding Australia, Sweden is the most expensive country in which to send a large letter (£2.36).

The reason why the UK is more expensive for a small letter, and cheaper for a standard-sized letter, is that different tariff structures are used in each country. Most postal operators in Europe have a lower price for small letters and postcards weighing 20g or less, and a higher price for items which weigh more than 20g or are larger than a DL envelope. In the UK there is no separate price for a small letter; the price is the same for a small or a standard-size letter.

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77 Most greetings cards in the UK are no larger than a C5 envelope
7.5.3 The price of sending a standard letter has risen in six of our comparator countries since 2013

Figure 147 shows the nominal trend since 2010 in the price of sending a standard letter. Current and previous years are indexed to 2010 prices in each of the comparator countries where prices have increased.

The highest proportional increase has been in the UK, where the price of a First Class stamp is 51% more expensive than in 2010. Prices in the UK have risen every year except 2013. In the Netherlands, the price for a standard letter has increased each year since 2010, and is now 45% higher than it was then. Similarly, the price of sending a standard-sized letter in Italy is now 40% higher than it was in 2010.
The largest year-on-year increase was in Australia: up by 16.7% since 2013 (from 74p to 86p).

**Figure 147  Increase in stamp price for the fastest available standard-size (C5) letter since 2010**

![Graph showing stamp price increase over years for different countries]

Source: WIK / Ofcom analysis.
Note: Figures are nominal.

7.5.4 Among our comparator countries which offer Second Class equivalent products, South Korea is the cheapest in which to send all sizes of letter

Not all of our comparator countries offer a lower-priced product with a slower delivery standard in the same way that Second Class is available in the UK. Alongside the UK, this choice is available to consumers in France, Sweden, Poland, South Korea and Russia. These are almost all D+3 products, with the exception of France and Russia, as shown below.

**Figure 148  Delivery specifications for Second Class equivalent letter products**

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>FRA</th>
<th>SWE</th>
<th>POL</th>
<th>KOR</th>
<th>RUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>D+3</td>
<td>D+3</td>
<td>D+3</td>
<td>D+3</td>
<td>D+3</td>
<td>Variable</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
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<tr>
<td>2013</td>
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<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Source: WIK
Note: Delivery targets in Russia are dependent on the point of origin and destination.

As Figure 149 shows, South Korea is the cheapest country in which to send all sizes of Second Class domestic letters, while France, Sweden and the UK are consistently among the most expensive.
Figure 149  Stamp prices for Second Class domestic letters

Source: WIK / Ofcom analysis
Note: Small letter is based on DL envelope, 110x220x5 <=20g; Standard letter is based on C5 envelope, 229x162x5 <=100g; Large letter is based on C4 envelope, 324x224x25 101g-150g
Values converted from the local currency unit to GBP (£1 = €1.177 / US$1.563 / JPY¥152.606 / AUS$1.619 / SEK10.941 / SGD$1.956/ KRW₩ 1711.543/ BRL3.371/ RUB49.789/ INR91.588 / CNY¥ 9.685
Section 8

Consumer interest and activity

Introduction

To take advantage of competitive markets, consumers need to be equipped to shop around to obtain the best deal. This section of the report sets out to what extent consumers are interested in, and engaged with, each of the communications markets, and satisfied with their current provider.

We also explore reasons why consumers switch or choose not to switch; this helps to identify current and emerging barriers to switching.

Consumer information plays an important role in enabling interested consumers to participate in the communications market. This section explores whether or not consumers know where to go to obtain comparative information to help them make informed choices.

Analysis points to note:

Please note that measures of switching reported in this section exclude consumers who switched service provider(s) as part of moving house.

The report provides a comparison of switching levels across total markets, and where sample sizes allow, compares switching by purchasing behaviour within markets i.e. standalone fixed-broadband customer vs. bundled fixed-broadband customer. This allows us better to understand the impact of purchasing choices on switching behaviour. Trends prior to 2012 reported on total market data and should be treated as indicative only, as the methodology used to calculate ‘total market data’ was improved in 2012.

For the charts in this chapter, the base for broadband from 2010 onwards represents those with fixed broadband rather than fixed or mobile broadband, as in previous years. Use of mobile broadband has declined, and the incidence of mobile broadband among UK adults continues to be too low to allow individual analysis, using the data sources for this report. Trend data prior to 2010 may be affected.

It should be noted that the satisfaction data in this section are not directly comparable to the satisfaction data published in Ofcom’s Communications Market Report 2014. This report publishes satisfaction among decision-makers, whereas the Communications Market Report 2014 published satisfaction levels among owners of each service.

Key trends

- Switching levels have declined since 2013 in all communications markets except digital TV. The largest decline is noted in the mobile market, down four percentage points since 2013 (11% in 2013 vs. 7% in 2014). Switching in the fixed-line and fixed broadband markets each dropped by three percentage points since last year (from 9% in

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78 There is evidence to suggest that the launch of the iPhone 6 may have impacted switching at the time of this study. Fieldwork was conducted in July-August 2014 just prior to the launch of the iPhone6 in September. Qualitative evidence suggests some potential switchers deferred their decision until after the launch of this device.
2013 to 6% in 2014). The total level of switching of the main TV provider remains lower at 2%, but statistically unchanged since last year (3%).

- **Switching declined among bundle purchasers in the past year.** Combining all consumers who bundle any of their services, one in ten (9%) switched provider for at least one service in the 12 months prior to the 2014 fieldwork. This is a decrease from 14% reported in the same period the year before.

- **Since 2013 there has been a decline in levels of engagement in all communications markets, although levels of interest have been maintained.** Over the past 12 months there have been small but significant falls in engagement in all markets; each down by four percentage points (at a total market level). Engagement levels stand at just over one in ten in each of the fixed-line (13%), fixed broadband (14%) and mobile (16%) markets, but remain lower, at just under one in ten (8%) in the digital TV market.

- **In the fixed-line market there is continuing decline in engagement among both bundle and stand-alone purchasers.** In the fixed broadband and digital TV markets the decline in engagement is largely among bundle purchasers. The mobile market remains a personal communications market, and as such the decline in engagement is among stand-alone purchasers only.

- **Reviewing finances, poor service and seeing better deals are the main triggers that prompted consumers to review their choice of provider.** In the fixed-line and digital TV markets the main trigger that prompted switchers to start looking for a new provider was a general review of finances (39% and 42% respectively). Poor service from current provider was the main stated trigger for engaging in each of the mobile (35%) and fixed broadband markets (36%).

- **Reasons for considering, but not switching provider vary by market.** In the broadband market ‘perceived hassle’ was the main reason considerers had not switched (28%). In the fixed-line market it was ‘satisfaction with the current provider’ (30%) and in the mobile market it was ‘terms and conditions’ (39%, up 16 percentage points since last year).

- **Despite a general response that it was ‘easy to switch’, half of all switchers (when prompted) said they had experienced difficulties when switching.** Most switchers considered it ‘easy to switch’; between 80% and 92% considered it very, or fairly, easy to switch provider. But when prompted with a range of potential difficulties, half of switchers said they experienced at least some of these. In the fixed broadband market the main difficulties were ‘provider persuasion to stay’ (21%) and ‘arranging start and stop times’ (16%). In the fixed-line market ‘provider persuasion to stay’ (28%) was also the top mention, followed by ‘obtaining information on switching from previous supplier’ (11%).

- **Around nine in ten consumers in each market are ‘very satisfied’ or ‘satisfied’ with their overall service.** Dissatisfaction levels stand at between 4% and 9% across markets, highest in the fixed broadband market. Dissatisfaction with value for money is highest for stand-alone fixed broadband purchasers (13%) and lowest for stand-alone mobile purchasers (8%).

- **Three-quarters of broadband customers are satisfied with the speeds they are getting while online.** Dissatisfaction was highest among the more engaged segments, and stood at 26% among ‘engaged’ fixed broadband customers and at 19% among those classified as ‘interested’.
• **Just under nine in ten (87%) adults are satisfied with the postal service overall.**
  Those aged over 75 were the most likely to state they were satisfied with the postal service (91%). Two-thirds of postal users are satisfied with the value for money provided by the postal service.

• **The internet continues to dominate as the main source of trusted information.** The ‘internet in general’ was by far the most often-cited source of accurate information for finding out about providers offering bundles (72%); broadband speeds, prices and providers (70%); ways of receiving multi-channel TV, packages and providers (63%); fixed-line providers, price plans and packages (58%); and mobile handsets, price plans, tariffs and providers (58%).

• **Around a fifth of consumers consider it difficult to compare the costs of bundles of communications services and stand-alone fixed-line services.** Twenty-one per cent stated that it is, or would be, ‘difficult’ to compare the costs of stand-alone fixed-line services and 19% said this about bundled services.

We now explore these key trends in more detail, within the following sub-headings:

• Consumer participation in communications markets

• Switching in communications markets

• Attitudes to switching in communications markets

• Ease of switching in communications markets

• Comparison with switching in other markets

• Satisfaction with communications services and providers

• Consumer information sources

### 8.1 Consumer participation in communications markets

We measure participation in communications markets by looking at a wide range of ways in which consumers can participate in the market, including by switching suppliers, staying informed, and being aware of changes in the markets. The segments analysed below are based on measures of past and present behaviour.

Consumers classified as ‘engaged’ have a high score for both past and present behaviour; they may have switched previously and are currently open to the idea of a new provider. Those classified as ‘inactive’ have a low score for both past and present behaviour; for example, they may not have switched or considered doing so in the past four years and are currently not reporting any interest in doing so.

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79 See Annex 3 for further details on how these segments were calculated

80 This definition is wider than that used in Ofcom’s qualitative research on consumer switching i.e. it goes beyond just ‘being willing to consider options’ and takes account of all participation past and present.
8.1.1 Decline in engagement in all markets, but levels of interest maintained

At a total market level, over the past 12 months there have been small but significant falls in engagement in all markets; down by four percentage points in each of the fixed-line, mobile, broadband and digital TV markets. Engagement levels are over one in ten in each of the fixed-line (13%), fixed broadband (14%) and mobile (16%) markets, but remain lower at just under one in ten (8%) in the digital TV market. Levels of interest have been maintained in most markets in the past 12 months; levels now stand at around four in ten in each of the fixed-line (37%), mobile (37%) and broadband (39%) markets. There are indications of increasing interest in the digital TV market since last year (up from 36% in 2013 to 40% in 2014).

The following charts show the comparable trend between 2012, 2013 and 2014 only. Further trend data can be found in previous reports but should be viewed as indicative only, as a change in methodology means that it is not directly comparable.

**Figure 150 Trend in levels of participation, by total market**

![Bar chart showing trend in levels of participation, by total market](image)

Source: Ofcom Switching Tracker, July - August 2012, 2013 and 2014

\(\downarrow\) Indicates significant decrease, \(\uparrow\) indicates significant increase, dotted arrow represents change at the 95 confidence level %

8.1.2 Fixed-line consumers in socio-economic group DE are less likely than those in other socio-economic groups to be engaged.

There were very few differences in levels of participation in the fixed-line market by socio-economic group. Fixed-line customers in socio-economic group C2 were the most likely to be engaged in this market (17%), and those in AB and DE socio-economic groups were the most likely to be 'interested' in this market (38% and 42% respectively).
8.1.3 In the broadband market there were no differences in participation between consumers in the ABC1 and C2DE socio-economic groups

Similarly, there were very few differences in participation in the fixed broadband market by socio-economic group, with between 13% -15% classified as ‘engaged’. The aggregate socio-economic groups ABC1 and C2DE show no difference in any participation segment but those in the C2 socio-economic group were more likely than other socio-economic groups to be classified as ‘interested’ (45% in C2 vs. 37%-40% in other groups).
8.1.4 Engagement in the digital TV market was higher among those in socio-economic groups ABC1 than those in C2DE

Consumers of digital TV in the AB (9%) and C1 (11%) socio-economic groups are around twice as likely to be engaged as their counterparts in the C2 (4%) or DE (5%) socio-economic groups.
8.1.5 Mobile consumers in socio-economic group DE more likely to be ‘inactive’ than other groups

In 2014 in the mobile market, consumers in the AB and C1 socio-economic groups are more likely to be engaged (17% and 20% respectively) than those in the C2 and DE socio-economic groups (15% and 10% respectively). While not shown on the chart below, a comparison to data from 2013 shows that the level of engagement among DE consumers has halved (from 21% in 2013 to 10% in 2014), whereas other socio-economic groups remain unchanged in this respect.

In line with this, DE consumers in the mobile market are more likely to be inactive (40%) or passive (16%) than consumers in each of the other socio-economic groups, as shown in the chart below.

Figure 154 Mobile market trend in participation, by SEG

Source: Ofcom Switching Tracker, July - August 2014
Base: All adults aged 16+ who are the decision-maker for mobile (whole market, 1679)

8.1.6 Levels of engagement and interest vary by purchasing behaviour

Comparing levels of participation within each market by purchasing behaviour provides further understanding of what may be driving the changes noted above. Just over three in five (61%) consumers purchase communications services as part of a bundle. The most popular bundles include fixed-line and fixed broadband services. In fact, the majority of consumers in the fixed-line (69%) and fixed broadband markets (76%) purchase these services as part of a bundle, as reported in Consumer choice and value above. Each market has been analysed individually below.

**Fixed-line market**

The proportion of consumers purchasing a fixed-line as a standalone product has continued to decline, as consumers move to bundled offers (the proportion of adults with a standalone fixed-line falling from 37% in 2012 to 31% in 2014). At an overall level, engagement in the fixed-line market has also continued to decline (17% in 2013 to 13% in 2014). This fall is notable among both stand-alone (-6 percentage points) and bundle (-4 percentage points).
purchasers. In the stand-alone market, half as many consumers remain engaged (7%) compared to those who bundle this service (14%). This lower level of engagement among stand-alone purchasers may be linked to the older age profile of this group of fixed-line customers; more than half (54%) are aged 65+, and this age group tends to be the least active.

**Mobile market**

The vast majority (95%) of mobile customer purchase this as a stand-alone service, which suggests it continues to be purchased at an individual rather than a household level. Consequently, there is relatively little bundling in this market, and as such, this method of purchasing has relatively little impact on engagement levels. In the stand-alone market levels of engagement have dropped by four percentage points (from 20% in 2013 to 16% in 2014).

**Fixed broadband**

The fixed broadband market is dominated by bundlers, with 76% of fixed broadband consumers purchasing broadband as part of a bundle (stable since last year; at 74%). The only significant decline in engagement in this market is among bundle purchasers (a fall of four percentage points from 19% in 2013 to 15% in 2014).

**Digital TV**

The purchasing behaviour in the digital TV market is polarised, with 53% of consumers purchasing this as part of a bundle. There are indications that since 2013 there has been an increase in bundling in this market (from 49% to 53% of pay-TV customers). The only significant decline in engagement in this market is among bundle purchasers; here, levels have declined by nine percentage points since 2013 (to 11%) following a rise in engagement last year. The rise in 2013 may have been driven by digital television customers considering/switching provider following the launch of new digital TV services. For example, BT TV announced it was acquiring a share of the rights to Premier League football television coverage for the 2013–14 to 2015–16 seasons (announced in June 2012); BT agreed a four-year exclusive rights deal for the broadcast of Premiership Rugby from the 2013/14 season (announced in September 2012) and BT launched ‘YouView from BT’ on 26 October 2012.
8.1.7 Decline in the proportion of consumers considering switching in all communications markets

Figure 156 shows further analysis of different types of ‘engagement activity’ that consumers undertook in each market, comparing these for each market as a whole and by purchasing behaviour. This type of behaviour has been categorised into four key groups: a) switched supplier – i.e. switched in the last 12 months; b) actively looking i.e. currently undertaking some form of assessment of their options; c) started looking but not switched i.e. undertaken some form of assessment, but not switched; and d) considered without looking i.e. considered a switch but not undertaken any form of assessment.

Comparing the proportion of consumers within each of these four groups, as shown in the figure below, there has been a decline in switching in most markets. Switching levels are discussed in detail below. There has also been a decline in the proportion of consumers who have ‘considered without looking’, in all markets. For example, this proportion of consumers in the fixed-line market fell from 6% to 3% and from 9% to 5% for fixed broadband.

The proportion of consumers engaging (i.e. falling into one of these categories) shows some variation by purchasing behaviour within market. For example, in the fixed-line market the proportion of bundlers switching, or considering without looking, have both declined. But for stand-alone purchasers in this market the only ‘engagement activity’ to have experienced a decline was switching; down from 6% to 1%.

Further details on barriers to switching are contained later in this section.
8.2 Switching in the communications market

8.2.1 Switching levels have declined since 2013 in all markets except digital TV

In this report, the data points that report switching behaviour are defined as a consumer actively changing supplier while remaining at the same address. This may not be comparable to industry subscriber data for churn, which are likely to be higher.\(^{81}\)

Overall, switching levels (those who have switched in the past 12 months) have declined, and are at the lowest reported level for most markets. The largest decline is in the mobile market, down four percentage points since 2013 (11% in 2013 vs. 7% in 2014) and lower than reported before 2013. However, the proportion of mobile switchers who ported their number has increased significantly since last year, up from 53% to 73%.

Some of the apparent decline in switching in the mobile market may be linked to the proportion of mobile customers on 24-month contracts\(^ {82}\) in this market and therefore, tied to a particular provider. To take account of the longer contract length in this market, it is worth

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81 Industry churn data includes all customers who have terminated their services from that supplier, excluding customers who have reinstated their services, within a given time period (generally 12 months).

82 Since early 2010, at least six in ten new mobile contract connections were for 24-month contracts.
noting switching levels over a longer period. The level of switching in the mobile market increases to 18% when including those who switched in the last two years.

Further context to this decline was provided by a recent qualitative study, conducted for Ofcom, the Consumer Switching Experience. This study suggests that switching levels in the mobile market, at the time of both the qualitative and the quantitative research, was impacted by the launch of the iPhone 6. Some respondents in the qualitative sample deferred their decision to switch until the launch of this new device/technology, which was launched on 19 September 2014.

Switching in the fixed-line and fixed broadband markets each dropped by three percentage points since last year (from 9% in 2013 to 6% in 2014). In the fixed broadband market, the increasing take-up of fibre, typically taken on at least an 18-month contract, may explain at least some of this decline. The proportion of fixed broadband customers who switched in the past two years stands at 14%.

The total level of switching of the main TV provider remains lower, at 2%, but is statistically unchanged since last year (3%). However, switching levels, specifically in the pay-TV market, are lower than reported last year (2% vs. 4%). The higher level of switching in the pay TV market reported last year may be linked to the launch of new digital TV services as noted above.

**Figure 157 Switching in communications markets in the past 12 months, year-on-year comparison**

Source: Ofcom Switching Tracker, July - August 2014

Base: All adults aged 16+ who are the decision-maker for fixed-line (2014, 1736) mobile (2014, 1679), broadband (2014, 1464), digital TV (2014, 1723)

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84 Data on switching levels were collected via fieldwork conducted in July-August 2014, before the launch of the iPhone 6 in September 2014.

85 In 2014, around three-quarters (73%) of fixed-line switchers kept their phone number when switching. Treat as indicative only, as base size less than 100.

86 This figure is based on switching while remaining at the same address. The comparable figure for switching in the last two years in the fixed-line market is 15%.
8.2.2 Fall in switching among bundlers in the last year

The following chart illustrates the trend in switching among all consumers who bundle any services (i.e. 63% of consumers). As shown in Figure 158, one in ten (9%) switched provider for at least one service in the 12 months prior to fieldwork (i.e. July 2013 to July 2014). This is a significant decrease from the 14% reported last year, but broadly comparable to levels reported between 2010 and 2011. Switching was at its highest among bundlers in 2008 (24%) when there was significant growth in triple-play bundling87.

Ofcom’s qualitative Consumer Switching Experience research88 suggests that switching among triple-play bundlers specifically may be influenced by the difficulty in finding a comparable and optimal bundle. The research found that for larger households there is often a requirement to balance the conflicting needs of individuals in relation to the services included in the bundle, e.g. broadband and TV channel packages. This requirement has the potential to increase the perceived level of ‘risk’ associated with a switch, and leads some consumers to either defer their decision, or drop out of the process altogether. This behaviour may be affecting switching levels in the triple-play market.

![Figure 158 Switching among all bundlers in the past 12 months](source: Ofcom Switching Tracker, July - August 2014)

Source: Ofcom Switching Tracker, July - August 2014

8.2.3 Around three in ten (29%) switchers changed provider for multiple services simultaneously

Just over one in ten (13%) consumers across the communications markets had switched at least one service in the past 12 months, and around three in ten (29%) of these said they had switched at least two services simultaneously. Consistent with the lower switching levels in most communication markets, the proportion switching at least one service in the past 12 months has declined since 2013 (from 20% to 13%).

In both the fixed-line and fixed broadband markets two-thirds of switchers (4% total) switched this service at the same time as one or more other services, compared to a third (2% total) who switched only this service. In the digital TV market switchers were equally

87 In 2008 32% of bundlers took a triple-play package, rising from 18% in 2007.
split between switching TV on its own and switching at the same time as two or more services. It is unsurprising, due to the fact that 95% of consumers purchase mobile as a stand-alone service, that in the mobile market all of those who switched did so with only their mobile service.

**Figure 159**  Switching multiple services in communications markets in the past 12 months, by total market\(^89\)

<table>
<thead>
<tr>
<th></th>
<th>Switched on its own</th>
<th>Switched at same time as 1 other service</th>
<th>Switched at same time as 2+ other services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed-line</strong></td>
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<td></td>
</tr>
<tr>
<td>2012</td>
<td>4</td>
<td>5</td>
<td>1</td>
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<tr>
<td>2013</td>
<td>4</td>
<td>4</td>
<td>1</td>
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<td>2014</td>
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<td><strong>Mobile</strong></td>
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<td>2012</td>
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<td>2013</td>
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<tr>
<td>2014</td>
<td></td>
<td>7</td>
<td></td>
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<tr>
<td><strong>Broadband</strong></td>
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<tr>
<td>2012</td>
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<tr>
<td>2014</td>
<td>2</td>
<td>3</td>
<td>1</td>
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<tr>
<td><strong>Digital TV</strong></td>
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</tr>
<tr>
<td>2012</td>
<td>2</td>
<td>1</td>
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<td>2013</td>
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<td>2014</td>
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</table>

Source: Ofcom Switching Tracker, July - August 2014
Base: All adults aged 16+ who are the decision-maker for fixed-line (2014, 1736) mobile (2014, 1679), broadband (2014, 1464), digital TV (2014, 1723)

8.2.4 Younger male consumers drive switching in the mobile market

Switching across all markets continues to be driven by younger consumers, and particularly so in the mobile market. Men are more likely than women to switch in the mobile market. There has been little change in the profile of switchers across markets since last year.

\(^89\) Figures for total switching levels may not match those in previous charts due to rounding. Use Figure 157 above when quoting yearly switching levels.
Consumers in the AB socio-economic group are twice as likely to those in the DE socio-economic group to switch fixed-line, mobile and fixed broadband. Switching varies by location, in terms of rural or urban, with those in urban locations twice as likely as those in rural locations to switch fixed-line, mobile and fixed broadband (Figure 161).

8.3 Attitudes to switching in the communications markets

8.3.1 Reviewing finances, poor service or better deals are the main triggers prompting consumers to review their choice of provider

For the first time the study explored consumers’ motivation for ‘engaging’ i.e. being willing to consider alternative providers, in each of the communications markets. The analysis below
is based on responses from consumers who either switched in the last 12 months, considered switching but didn’t, or said they were actively looking for a new provider.

In the fixed-line and digital TV markets the main trigger prompting engagement was a stated general review of finances; 39% in the fixed-line market and 42% in the TV market.

Poor service from current provider was the main stated trigger for engaging in each of the mobile (35%) and fixed broadband markets (36%).

Around a fifth of consumers in each market stated that an advertisement for a better deal prompted them to at least review their current service. And just less than a fifth (17%) of the sample of mobile customers, said the end of their contract period prompted engagement in the mobile market. The qualitative research suggested that in some cases the ‘advertisement for a better deal’ was from their current provider, aimed at new customers. In some cases this deal was better than theirs currently and prompted an immediate response to review their choice of provider.

In the mobile, broadband and digital TV markets specific aspects of the service also acted as a trigger. For example, 5% of the broadband sample said their desire for faster speeds prompted them to engage. As noted in the previous section, the lack of some of these prompts (i.e. end of contract period) can in some cases act as a barrier.

Figure 162 What prompted switchers to start looking for a new provider, by market

Source: Ofcom Switching Tracker, July - August 2014
Base: All adults aged 16+ who switched in the last 12 months, considered switching or are actively looking to change provider for fixed-line (287), mobile (179), fixed broadband (283), Digital TV (175)

QL9c – What prompted you to start looking for a new provider for your home landline service, or consider looking for a new provider? UNPROMPTED

8.3.2 Considerers less likely to say they were ‘put under pressure to stay’ than switchers

While not always essential to the switching process, many switchers and considerers contact their existing or current provider (i.e. losing provider) once they have decided to switch. The degree to which consumers make this contact is broadly similar among fixed-line, fixed broadband and mobile switchers, where around three-quarters of switchers (79%, 73% and 70% respectively) said they contacted their existing provider once they had decided to
switch. Contact with losing providers among considerers is lower, at around two in five. Due to low base sizes no data on digital TV are shown below.

As shown below, there is variation in stated pressure from the losing provider between switchers and considerers in the fixed-line and fixed broadband markets. Generally, considerers were less likely to say they had been put under pressure to stay. For example, in the fixed-line market 16% of switchers said that they felt they had been put under pressure to stay, compared to 6% of considerers. The same pattern occurs in the broadband market, where 17% of switchers said that they felt under pressure to stay, compared to 10% of considerers. Ofcom’s recent qualitative study suggests that many consumers who are considering a switch contact their existing provider, with a view to achieving a better deal. This attitude/behaviour may partly explain the lower stated ‘pressure’ among considerers (i.e. some may have been actively seeking a better deal in order to stay).

However, the vast majority (between 75% and 96%) of switchers and considerers in each market said that they were not put under pressure to stay. There has been a decrease since last year in the number of mobile considerers (from 14% in 2013 to 5% in 2014) and switchers (from 14% in 2013 to 4% in 2014) who said they were put under pressure to stay. All other changes, compared to last year, are not statistically significant.

8.3.3 Most switchers said they were happy with their decision to switch

The majority of switchers said they were happy with their decision to switch. Across each of the markets, between 2% and 8% of switchers said they were unhappy with their decision to switch; this was highest in the fixed broadband (8%) and mobile (8%) markets.
Happiness with the decision is lower among considerers in each market, particularly in relation to the proportion stating they were ‘very happy’, which stands at between 12-24% among considerers who did not switch. This is less than half the level noted among switchers. People who considered switching their fixed broadband provider, but didn’t, were the most likely to say they were unhappy with their decision (32%). Levels of happiness and unhappiness have remained broadly unchanged since last year. The section below looks at reasons for not switching among considerers, which vary by market and provide additional context for the lower satisfaction with decisions not to switch.

8.3.4 Reasons for considering, but not switching, provider vary by market

The following section explores the reasons consumers do not switch, by market. As noted in Figure 157 above, between 6% and 7% of consumers in all except the TV market (lower, at 2%) have switched their provider in the past 12 months. Similar and consistent proportions (2-4%) of consumers, across markets, say they are ‘actively looking for an alternative provider’. However, a higher proportion (4-5%) said they started looking but did not switch.

In the fixed-line market, satisfaction with current provider (30%) continues to be the most-mentioned reason for not switching provider, among those who have considered doing so. The mention of satisfaction stands at 24% in the digital TV market and 22% in the fixed broadband market. There has been a large decrease in the number of considerers in the mobile market stating satisfaction as a reason for not switching (from 31% in 2013 to 12% in 2014). As noted above, Ofcom’s recent qualitative study into consumers’ switching behaviour suggests that while some consumers were seeking an alternative, their preferred solution was to obtain a better deal from their existing provider. It is possible that stated levels of ‘satisfaction’ as a reason for not switching and ‘no cost benefit’ include consumers who did not switch as they were offered a better deal to stay with their existing provider.
In the broadband market ‘hassle’, or at least ‘perceived hassle’, is the main reason considerers are not switching (28%). Hassle is the third most cited factor for considerers in the fixed-line market (22%), but the number of considerers stating this as a reason for not switching is lower in both the mobile (13%) and digital TV (12%) markets. Ofcom’s qualitative Consumer Switching Experience research showed that, particularly in the case of broadband, there is a sense of uncertainty and nervousness about things going wrong, driven by a strong reliance on communications services. This is particularly evident for triple-play, which tends to include fixed broadband, and is viewed as a bigger/household decision, with decision-makers sometimes managing conflicting needs across the bundle of services, resulting in greater perceived risks.

The mention of ‘terms and conditions’ as a reason for not switching among considerers is highest in the mobile market (39%, up 16 percentage points since last year) where there is a relatively high proportion of 24-month contracts. Since early 2010, at least six in ten new mobile contract connections have been for 24-month contracts. Longer contracts enable consumers to pay the cost of their handsets in small amounts over a longer period. The proportion of considerers in the broadband market stating ‘terms and conditions’ as a reason for not switching, continues to grow, up to almost a quarter (23%) in 2014. This is the same for those who considered switching in the fixed-line market, up to 16% in 2014.

In the digital TV market a lack of perceived cost benefit is the main reason considerers are not switching (36%, up eight percentage points since last year). This is followed by around a quarter stating ‘satisfaction’ (24%). ‘Terms and conditions’ and ‘hassle’ were stated by just over one in ten (13% and 12% respectively).

Further details on difficulties/barriers to switching are contained in the following sub-section: Ease of switching.

**Figure 165 Reasons for considering, but not switching, provider**

Source: Ofcom Switching Tracker, July - August 2014
Base: All adults aged 16+ who are the decision maker for each service who have considered switching but did not switch (fixed-line, 130) (mobile, 119) (broadband, 129) (digital TV, 106).
8.4 Ease of switching in the communications markets

For consumers to take advantage of the increasing competition in the communications markets, and for communications markets to work effectively, consumers must be able to switch with comparative ease, if they choose to do so. As mentioned above in the Consumer choice and value section, 63% of consumers choose to purchase at least some of their household’s communications services as part of a package or bundle, and just under a third (29%) of all switchers across markets switch more than one service at the same time.

8.4.1 Most switchers consider it ‘easy to switch’ – the highest stated difficulty is among digital TV switchers

This section compares the trend in stated ease of switching among those who have ever switched. Caution should be applied when making trend comparisons, as differences may reflect changes to the demographic profile of switchers, rather than a real change in the ease of switching, particularly given the fall in switching levels noted this year.

The majority of switchers (between 80% and 92%) considered it very, or fairly, easy to switch provider. But for some switchers (between 5% and 20%) changing provider was something they considered ‘difficult’. Stated difficulty varied by market.

This year the digital TV market and the fixed broadband market reported the highest levels of stated difficulty (14% and 13% respectively across these markets as a whole). Stated difficulty was highest among stand-alone digital TV customers who had switched (20%).

Figure 166 Consumer opinions about ease of switching supplier, by purchasing behaviour, among those who have ever switched

Source: Ofcom Switching Tracker, July - August 2014
*Too few interviews were conducted with mobile bundle consumers who have switched, broadband standalone consumers who have switched, and mobile and digital TV consumers who switched multiple services at the same time.
8.4.2 Many continue to perceive switching as more difficult than it really is

The mobile market continues to report the lowest levels of perceived difficulty in switching among non-switchers, at around one in ten (9%). Around twice as many non-switchers in each of the fixed voice and fixed broadband markets perceive switching to be either very, or fairly, difficult (18% and 19% respectively). This perception may increase the ‘hassle’ barrier for some potential switchers.

As shown in the chart below (Figure 167), the stated ‘ease of switching’ remains broadly comparable among those who have ever switched, compared to those who have switched more recently (i.e. in the past two years). None of the differences shown in the chart below are statistically significant.

Figure 167 Consumer opinions about ease of switching supplier, by when switched and never switched

Source: Ofcom Switching Tracker, July - August 2014
Base: All adults aged 16+ who are the decision-maker and have ever switched provider for fixed-line (667), mobile (701), broadband (477), digital TV (243). Switched provider in the last 2 years for fixed-line (251), mobile (277), broadband (207), digital TV (100). Never switched provider for fixed-line (921), mobile (978), broadband (830), digital TV (1390)

8.4.3 Half of switchers had experienced difficulties when switching provider

The general perception among switchers, after switching, was that the process was at least relatively easy (as shown above). However, when prompted, around half of switchers in each of the fixed-line, fixed broadband and mobile markets said they had experienced some difficulties during their experience. Respondents were read out a list of potential issues and asked if they had experienced difficulties with any of these. Given the relatively low levels of switching in the digital TV market, sample sizes were too low to provide comparative analysis.

In the fixed-line market ‘provider persuasion to stay’ (28%) was the top mention, and stated more by fixed-line switchers than by broadband switchers (21%). This was followed by ‘obtaining information on switching from previous supplier’ (11%) and then ‘arranging start/stop dates’ (10%) and ‘provider sending bills for cancelled service’ (10%). None of the apparent changes since last year are significant, due to low base sizes.
A range of other potential issues were stated by switchers in each of the markets. These included ‘contacting provider to cancel service’, ‘temporary loss of service’ and ‘keeping phone number /email’.

**Figure 168 Experience of prompted difficulties among those who had switched fixed-line provider in past 12 months**

![Diagram showing percentages of issues among switchers]

Source: Ofcom Switching Tracker, July - August 2013 and 2014

Base: All adults aged 16+ who switched provider in the last 12 months for fixed (2014, *96) (2013, 159) *Caution: Low base, treat as indicative only.

In the fixed broadband market the top three issues causing difficulty among switchers were ‘provider persuasion to stay’ (21%), ‘arranging start and stop times’ (16%) and ‘technical issues’ (14%). None of the apparent changes since last year are significant, due to low base sizes.
Similarly, in the mobile market just under half (44%) of switchers said they had experienced difficulty with at least one of the prompted issues. Around one in ten stated each of the following aspects as difficulties experienced when switching: ‘provider persuasion to stay’, ‘temporary loss of service’, ‘took longer than expected’ and ‘technical issues’.

Source: Ofcom Switching Tracker, July to August 2014

Source: Ofcom Switching Tracker, July - August 2013 and 2014
Base: All adults aged 16+ who switched provider in the last 12 months fixed broadband (2014, *80) (2013, 141) *Caution: Low base, treat as indicative only.
8.5 Comparison with switching in other markets

8.5.1 Switching communications provider remains comparable with utilities

The following switching data for communications services are based on switching across all markets.

Consumers were asked whether they had switched supplier for other services and utilities within the past 12 months (Figure 171). Of the markets compared, consumers remain most likely to switch their car insurance provider on a yearly basis (33%), although the proportion doing so has declined over the last few years. Switching in each of the gas and electricity markets has remained relatively stable over the last three years and stands at 12% in each of these markets.

Levels of switching in the fixed-line, mobile and broadband markets are higher than levels of switching of bank accounts, while levels of switching in the digital TV market are similar to those for bank accounts.

Figure 171 Proportion of consumers who have switched communications and utilities supplier in the past 12 months

Source: Ofcom Switching Tracker, July - August 2014

8.5.2 Stated ease of switching utilities is comparable with telecoms markets.

Of the markets compared, car insurance (where we see the highest levels of yearly switching, at 33%) continues to report the lowest stated difficulty with switching, at 2%. In comparison, among those who had switched bank account in the past 12 months (where we see some of the lowest switching levels, at 3%), the proportion experiencing difficulty was significantly higher, at 16%.

For switching gas and electricity, 8% of switchers said this was difficult.

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90 Switching data in the communications markets are based on stand-alone purchasers for 2009 and 2011
Figure 172  Consumer opinions on ease of switching utilities supplier, among those who had switched in the past 12 months

Base: All adults aged 16+ who are the decision-maker and have switched provider in the last 12 months for electricity (2013, 204), gas (2013, 169), car insurance (2013, 442), bank account (2013, 56).
*Caution: Low base in 2013 so treat as indicative only, and base too low for reporting in 2011

8.6 Satisfaction with communications services and providers

Please note – with the exception of the data that report satisfaction with value for money, the following satisfaction data for 2012, 2013 and 2014 are based on opinions among all decision-makers within each market, and as such, are not directly comparable with data prior to 2012 which can be found in previous Consumer Experience Reports. Subsequent charts highlight demographic differences in the levels of dissatisfaction.

8.6.1 Around nine in ten consumers in all communications markets are now ‘very satisfied’ or ‘satisfied’ with their overall service

Data prior to 2012 was based on stand-alone purchasers only and as such are not directly comparable to the 2012-13 data. Consequently, these trend data have been removed and the chart below shows the trend in satisfaction across each market as a whole between 2012 and 2014.

The majority of consumers in each market remain satisfied with their services overall, with dissatisfaction at between 4% and 9% across markets - highest in the fixed broadband market. Furthermore, just over one in ten (12%) fixed broadband customers said they had had cause to complain about their fixed broadband service in the past 12 months, as reported in the Consumer protection section, which is higher than reported in each of the other communications markets (mobile, 7%; landline, 6%).

91 Data adjusted in 2012 to report total market satisfaction, and as such, data prior to 2012 are not directly comparable, so although analysis provides a good indication of trend, we cannot be certain whether any changes indicated are real or due to the change in methodology.
Levels of overall satisfaction remained fairly consistent from 2012 to 2014 across each of the communications markets, with significant increases in the number of very satisfied consumers in the bundle and digital TV markets over this time period, taking the proportion of ‘very satisfied’ consumers in each market above the 50% mark and reaching 60% for digital TV.

**Figure 173** Satisfaction with overall services from communications supplier, total market: 2012-2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Very satisfied</th>
<th>Fairly satisfied</th>
<th>Neither satisfied nor dissatisfied</th>
<th>Fairly dissatisfied</th>
<th>Very dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>48</td>
<td>39</td>
<td>39</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>2013</td>
<td>54</td>
<td>35</td>
<td>34</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>2014</td>
<td>57</td>
<td>34</td>
<td>34</td>
<td>6</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Ofcom Switching Tracker, July - August 2012, 2013 and 2014

In each of the fixed broadband and mobile markets, satisfaction varies according to specific factors. In the fixed broadband market around a fifth of engaged consumers (21%) are dissatisfied with the overall service from their current provider, twice the average level (around 12%). In the mobile market, there are indications of lower satisfaction among contract customers (88%).

### 8.6.2 Dissatisfaction with reliability of mobile and fixed broadband is highest in rural areas

The reliability of a service should not vary according to how consumers purchase it; we would expect the reliability of a service to be independent of consumers’ purchasing behaviour. So, the following data are based on consumers across each market regardless of purchasing behaviour.

Satisfaction with reliability is highest in the fixed voice (95%) and digital TV markets (94%) and remains unchanged over the past two years. Satisfaction is lower in the fixed broadband market (86%); it has remained broadly unchanged over the past 12 months, with dissatisfaction remaining at just over one in ten (13%-14%).
In the mobile market we ask about satisfaction with reception and the ease of accessing the network. This currently stands at 80%, broadly unchanged.

**Figure 174  Satisfaction with reliability of service (reception/ease of accessing mobile network) in all markets: 2012-2014**

Source: Ofcom Switching Tracker, July - August 2012, 2013 and 2014

The highest levels of dissatisfaction with reliability are noted among consumers living in rural areas, with dissatisfaction with fixed broadband at 16% and mobile at 23% - significantly higher than the averages for these markets (10% and 14%). There has been a rise in the dissatisfaction noted by rural consumers in the mobile market since last year (up from 19% to 23%). (The apparent rise in dissatisfaction noted in the fixed broadband market is not statistically significant).
8.6.3 Dissatisfaction with value for money lowest for mobile, and around one in ten for all other markets

Consumers purchasing a bundle of services tend to be billed, or pay a set monthly fee, for all the services included in their package. Therefore, the following analysis has been conducted among stand-alone purchasers in each market, compared to those who bundle any services.

In the fixed-line market, where there has been a continued shift towards bundling, dissatisfaction among the minority who continue to purchase this as a single stand-alone service stands at 12%, indicating no significant change over the last few years.

Similarly, in the fixed broadband market the majority of consumers purchase this service as part of a bundle. Dissatisfaction with value for money among those continuing to purchase fixed broadband from a single provider stands at 13%. The apparent decline in dissatisfaction since last year is not statistically significant.

Purchasing behaviour in the mobile market remains broadly unchanged, with the majority continuing to purchase this as a stand-alone service. However, there has been a significant shift towards contract mobiles and smartphones. Satisfaction with value for money in the mobile market among stand-alone purchasers remains unchanged since 2013, with dissatisfaction at 8%. In 2014 dissatisfaction with value for money was higher for contract mobile consumers (9%) than it was for pay-as-you-go mobile consumers (3%).

Among bundlers, the majority of whom purchase at least their fixed-line and fixed broadband services from the same provider, dissatisfaction with value for money stands at 12%. This is not significantly different to that reported last year (14%) but higher than in 2012 (8%). There is no statistical difference in satisfaction with value for money between triple-play bundlers and dual-play bundlers (13% and 11% respectively). The dissatisfaction with value for money among triple play bundlers has declined since last year (17%) but for dual-play bundlers it has remained the same (11%).
The following chart compares levels of dissatisfaction with value for money, across demographic groups, within each service. There were very few differences across the communications services. Due to the relatively low proportion of consumers purchasing stand-alone fixed broadband services, comparable data for this service are limited.

Significant differences were reported among bundlers, with dissatisfaction with value for money higher among AB and C1 socio-economic groups (14% and 15% respectively) than for those in C2 or DE socio-economic groups (10% and 7% respectively). Those in rural locations are more likely than those in urban locations to be dissatisfied with the value for money of their bundled service (11% vs. 18%).

While not shown on the chart below, the only socio-economic group reporting a change since last year is the DE socio-economic group. Lower levels of dissatisfaction were reported among bundlers in 2014 (7%) compared to 2013 (13%).

Digital TV was the only other market reporting significant differences in levels of satisfaction with value for money. Consumers in socio-economic group AB reported higher levels of dissatisfaction (17%) than other socio-economic groups.
8.6.4 Three-quarters of broadband customers are satisfied with the speeds they are getting while online

A service aspect specific to the broadband market is speed. As stated in the earlier Availability of services and providers section, Ofcom research has found that the overall average actual download speed in the UK had increased from 14.7Mbit/s in May 2013 to 18.7Mbit/s in May 2014.

Two in five fixed broadband customers who expressed an opinion said they were ‘very satisfied’ with the speed of their broadband service (Figure 178) and in total, three-quarters were satisfied. Since 2013 there have been increases in the total satisfaction with speed of broadband service (from 75% in 2013 to 80% in 2014), driven by an increase in the proportion of consumers stating that they are ‘very satisfied’ (from 39% to 45%). This may be related to the increased take-up of faster broadband services i.e. fibre, (for more information see Availability of services and providers, Section 55) which in turn leads to higher satisfaction with speeds.

While not shown on the chart below, dissatisfaction was highest among the more engaged segments and stood at 21% among ‘engaged’ fixed broadband customers and at 10% among those classified as ‘interested’. This suggests that for these consumers, speed of service might be a key factor driving potential switching decisions.

Levels of dissatisfaction also vary by urbanity, with fixed broadband customers living in rural areas twice as dissatisfied as those living in urban areas with the speed of their service (17% vs. 7%). These levels of dissatisfaction are lower than those reported in 2013 (32% vs. 16% respectively).
Figure 178  Satisfaction with speed of fixed broadband service: 2012-2014

Source: Ofcom Switching Tracker, July - August 2012-2014
Note: 'Don’t know' responses have been excluded from the base.

8.6.5  Just under nine in ten adults are satisfied with the postal service overall

Almost nine in ten (88%) residential consumers were satisfied with the postal service as a whole (Figure 179). Those aged over 75 were the most likely to say they were very satisfied (53% vs. 41% of all adults).

Figure 179  Overall satisfaction with the postal service, by age and gender

Source: Ofcom post tracking survey Q3 2013-Q2 2014
Base: All adults 16+ (4853)
QE2. Thinking about your experience of using the postal service to send and receive mail, how would you rate your overall satisfaction with the postal service?
As shown in Figure 180, satisfaction was higher than average (88%) for those in Scotland (91%), Northern Ireland (94%), off-shore\(^{93}\) (94%) and remote rural\(^{94}\) locations (95%). Postal users in Wales and remote rural areas were the most likely to say they were ‘very satisfied’ with the postal service (52% and 60% respectively).

Figure 180  Overall satisfaction with the postal service, by nation and urbanity

Source: Ofcom post tracking survey Q3 2013-Q2 2014
Base: All adults 16+ (4853)
QE2. Thinking about your experience of using the postal service to send and receive mail, how would you rate your overall satisfaction with the postal service?

8.6.6  More than seven in ten consumers are satisfied with most aspects of Royal Mail’s postal service

Consumers were asked how satisfied they were with specific aspects of the service provided by Royal Mail (Figure 181). The aspects of Royal Mail’s service receiving the highest ratings were the security of the service (86%), the time it takes to reach its destination (85%) and location of post offices and post boxes (80%). The lowest level of satisfaction was around the cost of postage, with just over half (55%) claiming to be satisfied with this aspect of the service. Eighteen per cent of adults claimed to be neither satisfied nor dissatisfied, and a quarter (25%) claimed to be very, or fairly, dissatisfied with the cost of postage.

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\(^{93}\) The ‘off-shore locations’ quota comprises the Scottish Islands (population 99859) and the Isle of Wight (population 140,500).

\(^{94}\) ‘Remote rural’ is defined as a village or hamlet with a population of fewer than 2,000 or open countryside that is more than ten miles from a large urban area (defined as having a population of at least 15,000).
Figure 181 Overall satisfaction with aspects of Royal Mail’s postal service

<table>
<thead>
<tr>
<th>Service</th>
<th>% of respondents</th>
<th>% change satisfied 2013 vs 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security of the service</td>
<td>47</td>
<td>39</td>
</tr>
<tr>
<td>Time it takes to get to destination</td>
<td>43</td>
<td>42</td>
</tr>
<tr>
<td>Location of post offices and post boxes</td>
<td>41</td>
<td>39</td>
</tr>
<tr>
<td>Number of post offices and post boxes</td>
<td>40</td>
<td>38</td>
</tr>
<tr>
<td>Time of delivery</td>
<td>39</td>
<td>35</td>
</tr>
<tr>
<td>Cost of postage</td>
<td>18</td>
<td>37</td>
</tr>
</tbody>
</table>

Source: Ofcom post tracking survey Q3 2013-Q2 2014
Base: All adults 16+ (4853)
Q: RM3: How would you rate the performance of Royal Mail as a recipient or sender in the following areas on a 5-point scale where 1 is very dissatisfied and 10 is very satisfied

8.6.7 Two-thirds of postal users are satisfied with the value for money provided by the postal service

Satisfaction with the value for money of the postal service is higher than with the cost of postage. Overall, 68% of all consumers said they were satisfied with the postal service in terms of value for money, highest among over-75s, at 72% (Figure 182).
As illustrated below, these satisfaction levels are significantly higher among participants in remote rural locations (74% remote rural vs. 68% overall).

 Consumers in Scotland are significantly less satisfied than consumers in other nations with the postal service in terms of value for money, with 57% satisfied compared to 70% in Northern Ireland, 68% in Wales and 68% in England (Figure 183).
The Consumer Experience of 2014 – Research report

Figure 183 Satisfaction with the postal service: value for money, by nation and location

Source: Ofcom post tracking survey. Q3 2013-Q2 2014
Base: All adults 16+ (4853)
QE4. How satisfied are you overall with the postal service in terms of value for money of sending mail?

8.6.8 Half of consumers considered First Class stamps offered good value for money

As shown in Figure 184 and Figure 185 below, when asked about the value for money of First and Second Class stamps, just over half of consumers (54%) considered that First Class stamps offered good value for money, while 46% considered Second Class stamps good value. The perceived value for money, for both First and Second Class stamps, declined with age.
Figure 184  Value for money of First Class stamps, by age and gender

Source: Ofcom residential post tracking survey. Q3 2013-Q2 2014
Base: All adults 16+ (4853)
QF3: It currently costs 60/62p to send a standard letter First Class within the UK, how would you rate Royal Mail’s First Class service in terms of value for money?
*Note: Price of 1st class stamp increased on 31st March 2014 to 62p

Figure 185  Value for money of Second Class stamps, by age and gender

Source: Ofcom residential post tracking survey. Q3 2013-Q2 2014
Base: All adults 16+ (4853)
QF3: It currently costs 50/53p to send a standard letter Second Class within the UK, how would you rate Royal Mail’s Second Class service in terms of value for money?
*Note: Price of 2nd class stamp increased on 31st March 2014 to 53p
Comparison of value for money across sectors

A recent survey\(^5\) asked consumers to rate, on a scale of 1 to 10, their main provider, within several sectors, for value for money. While not directly comparable with the data shown above, this report provides a useful comparison of levels of satisfaction across different sectors.

Home broadband and mobile phone providers performed strongest for value for money among the sectors explored, with just under half (home broadband 48%; mobile phone 46%) rating their provider highly for value for money. Of the other services reported, home telephone companies (41%) and the postal service (42%) also rated comparatively high for this measure.

**Figure 186  Customers’ perception of value for money across sectors**

Source: *Customers in Britain 2014, Firebrand Insight*
Base: all adults (1,007)

**Value for money across sectors: 2005-2014**

Over the last ten years the economic climate of the UK has changed. Over the same period, consumer ratings with the value for money of eight sectors have been tracked. For many of the sectors, value for money ratings have fallen over this time - most markedly banks, gas/electricity providers and supermarkets. Postal services and delivery is the only sector to have seen an increase in consumer perception of value for money.

Perception of value for money home telephone services, satellite/cable TV providers and mobile providers has remained relatively stable between 2005 and 2014.

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\(^5\) *Customers in Britain*, conducted by Firebrand Insight in April 2014
http://www.firebrandinsight.co.uk/sector-experience/our-life-in-britain-series
8.7 Consumer information sources

8.7.1 The internet continues to dominate as the main source of trusted information

Participants were asked whether they could spontaneously name any information sources if they wanted to find out about:

- fixed-line providers, price plans and tariffs
- mobile phone handsets, price plans and tariffs and network providers
- broadband speeds, price plans, packages and providers
- ways of receiving multi-channel TV, channel packages and providers
- providers offering packages of services, and the types of packages available

Over 90% could name at least one source of trusted information on aspects of the mobile (92%), broadband (93%) and bundle markets (92%) – broadly unchanged since 2012. The proportion able to cite at least one source of information on the fixed-line market was lower than for the other markets, at 84%, with no significant change in awareness since 2013 (86%). Awareness of information on ways of receiving multi-channel TV, and the packages and providers available, stood at 88%.

However, awareness of trusted sources of information falls dramatically among older consumers, for each of these markets. The proportions of consumers aged 65+ unaware of
any trusted sources of information are around double the average in each market, and range from 13% in the broadband market to 32% in the fixed-line market. This lower awareness may indicate a lack of interest in these markets, but may also act as a barrier to switching, by increasing the perceived level of hassle involved for these consumers when searching for alternatives.

**Figure 188  Actual sources of trusted information**

<table>
<thead>
<tr>
<th>Source of Information</th>
<th>Landline providers, price plans and tariffs</th>
<th>Mobile phone handsets, price plans and network providers</th>
<th>Broadband speeds, price plans and packages and providers</th>
<th>Ways of receiving multichannel TV, channel packages and providers</th>
<th>Providers offering packages of services and the types of packages available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Websites of suppliers/ service providers</td>
<td>4%</td>
<td>5%</td>
<td>4%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Cost comparison websites</td>
<td>14%</td>
<td>9%</td>
<td>13%</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>Internet in general</td>
<td>58%</td>
<td>58%</td>
<td>70%</td>
<td>63%</td>
<td>72%</td>
</tr>
<tr>
<td>Family members</td>
<td>7%</td>
<td>9%</td>
<td>8%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Friends</td>
<td>5%</td>
<td>8%</td>
<td>7%</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Colleagues</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Supplier already using for this service</td>
<td>5%</td>
<td>3%</td>
<td>2%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Another supplier not already using</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Visit shop/ store selling the technology/ device</td>
<td>1%</td>
<td>16%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Magazines/ newspapers</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>TV/ radio programmes/ advertising</td>
<td>1%</td>
<td>*%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Leaflets in store/ post</td>
<td>*%</td>
<td>*%</td>
<td>1%</td>
<td>1%</td>
<td>*%</td>
</tr>
<tr>
<td>Government body/ regulator</td>
<td>*%</td>
<td>*%</td>
<td>*%</td>
<td>*%</td>
<td>*%</td>
</tr>
<tr>
<td>Other source of information</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Would not look for information/ advice</td>
<td>4%</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>12%</td>
<td>6%</td>
<td>5%</td>
<td>9%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Ofcom Switching Tracker, July - August 2014  
Base: All adults aged 16+ who are the decision-maker for fixed-line (1736), mobile (1679), broadband (1464), digital TV (1723), bundle (1374).
Use and influence of price comparison websites

A recent survey\textsuperscript{96} asked consumers about their use of price comparison sites. Around one in five reported that they used price comparison sites on a monthly basis, and of these 4\% used them more frequently. Over-55s are the least likely to be monthly users of comparison sites, and, along with those in the socio-economic group C2DE, are the least likely to use them at all (13\% and 11\% respectively saying they never use them).

*Figure 189  Frequency of using price comparison websites*

\textbf{Source: Customers in Britain 2014, Firebrand Insight}

\textbf{Base: All participants (1,007)}

The importance to consumers of seeking a good deal, and using the internet and personal recommendations as trusted sources of information, is also illustrated in this survey. Three-quarters (74\%) of participants said they agreed with the statement: "I make more of an effort than in the past to find the best deal".

As shown in *Figure 190* below, 59\% of consumers stated that price comparison websites had ‘a fair amount’ or ‘a great deal’ of influence on their purchasing decisions. Their influence varies by age, with 5\% of 18-34s stating they had no influence at all, compared to 15\% of over-55s.

\textsuperscript{96} *Customers in Britain*, conducted by Firebrand Insight in 2014

http://www.firebrandinsight.co.uk/sector-experience/our-life-in-britain-series
8.7.2 Around a fifth of consumers consider it difficult to compare the costs of bundles of communications services and stand-alone fixed-line services

The different ways in which consumers use their devices, and the vast number of alternative tariffs and packages available, makes it important that consumers are able to make comparisons across providers on the aspects important to them with relative ease.

The following analysis focuses on the ease of making cost comparisons within each market and in relation to comparing the costs of bundles of services. Further trend data on ease of making cost comparisons are available in previous reports, although previous data are based on stand-alone purchasers only.

Consumer opinions on the ease of making cost comparisons are becoming more comparable across markets. While consumers continue to be less likely to say it is easy to make comparisons in the fixed-line market (63%), stated ease of comparing costs is broadly comparable across each of the other markets, at around seven in ten. But across markets, varying proportions of participants were unable to give a response, and it is interesting to look at the proportion who said it was ‘difficult’ to make this type of comparison. This analysis suggests that the greatest difficulty is in comparing the costs of standalone fixed-line services, with 21% saying that this is, or would be, difficult to do. Last year, the analysis suggested that the greatest difficulty in comparing costs was in the bundle market; however, we see a reduction in the number consumers stating that this year (25% in 2103 vs. 19% in 2014). Ofcom’s recent qualitative research into consumer switching behaviour is consistent with these findings. This research reports difficulty, among those intending to switch, in making comparisons between stand-alone fixed voice and broadband services. Participants said there appeared to be an industry focus on comparisons of bundles of services rather than stand-alone services.
8.7.3 Lower stated difficulty in making cost comparisons among older consumers may indicate lack of interest

Consumers aged 45-74 appear most likely to consider it difficult to make cost comparisons across each of the markets. The lower stated difficulty among older consumers (aged 75+) may indicate a lack of interest, as opposed to less difficulty, with higher than average proportions of this age group stating ‘don’t know’ (35% of those aged 75+, compared to 12% of all adults).

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97 These data are based on stand-alone purchasers in each market, compared to bundlers as a whole, as consumers who bundle their services are unlikely to be able to separate out costs for individual services.
There are no indications that consumers in the ABC1 socio-economic group are more or less likely to think it is difficult to make cost comparisons in any of the markets, compared to those in socio-economic group C2DE.

Source: Ofcom Switching Tracker carried out by Saville Rossiter-Base in July to August 2014.
Base: All adults aged 16+ who are the decision-maker for fixed-line (1736), mobile (1679), broadband (1464), digital TV (1723), bundle (1374).
*Base too low for reporting for 16-24 for fixed-line, broadband, TV or bundled services
Section 9

Consumer protection

Introduction

This section reports on the types of complaints that consumers are making to Ofcom and their communications providers, as well as monitoring those who say they have had cause to complain but may not have made an actual complaint.

Key trends

- **Broadband customers are the most likely to say they have had a reason to complain (12%)**, followed by mobile (7%), and fixed-line (6%) customers. Not all of these consumers proceeded to make a complaint. In total, 8% of broadband customers said they had made a complaint (this equates to 69% of those with cause to complain) and compares to 4% among mobile customers and 4% among fixed-line customers.

- **One in ten (10%) adults reported that they had reason to complain about Royal Mail’s service in 2014.** The most common cause of complaint was mis-delivered mail and in 2014 6% of adults said they actually complained.

- **Telecoms continues to dominate complaints received by Ofcom.** The level of telecoms complaints between September 2013 and October 2014 generally fluctuated at between 6000 and 7000 per month, although some months were exceptions. This compares to about 1500 complaints about broadcasting standards and around 25 per month relating to postal services.

- **Complaints to Ofcom about abandoned and silent calls rose in the first half of 2014 to reach a peak in June.** This peak, at 4,135, was higher than the highest number of complaints recorded in the previous year (April 2013: 3,900). Since June, complaints about abandoned and silent calls have declined (to 3,382 in October 2014) but remain higher than the level recorded in October 2013 (2,857). Ofcom’s market research has found in November 2014 seven in ten (71%) fixed-line users reported that they received a nuisance call on their fixed-line in the previous four weeks (39% reporting that they had received a silent call) and almost half (48%) of mobile phone users reported they had received a nuisance call on their mobile in the last four weeks (14% reporting that they had received a silent call).

- **Complaints about fixed-line and mobile mis-selling have decreased over the past 12 months.** Complaints about fixed-line mis-selling have decreased significantly since a peak of around 1,200 in April 2005. Between 2005 and 2008 the number of complaints declined and in 2008 volumes ranged between 786 and 1203, falling to between 664 and 1139 by 2009 and 2010. Since early 2011 complaints about fixed-line mis-selling remained below 600 a month, and have steadily declined since then to a low of 261 in December 2014. Mobile mis-selling complaints have decreased over the past seven years, from a high of 756 in January 2008, to 204 in January 2009. There has been a continuation of this decline since 2009 and in the past 12 months they have fallen from a peak of 180 complaints a month in October 2013 to 101 in August 2014.
The Consumer Experience of 2014 – Research report

- Complaints received about MAC codes have declined significantly since their peak in 2007, to 50 per month on average in 2014. From a peak of 843 complaints in March 2007 there has been a general downward trend. From January 2007 to December 2007 there were, on average, 485 complaints per month; in 2008 the average was 387. This yearly average continued to decline in 2009-10, to around 200 per month and declined steadily since then, to average 46 per month in 2014.

- Broadcasting complaints to Ofcom continue to focus on content standards. In October 2014 there were 1,042 broadcasting complaints, of which 975 were about television and 67 were about radio. Between October 2013 and October 2014 the number of complaints about television fluctuated, with peaks of 1591 in October 2013, 2404 in January 2014 and 5098 in June 2014. Complaints about radio remained stable across the year with an average of 65 comments per month.

- There are indications of a further decline in the incidence of unexpectedly high bills (UHBs) for mobile. Five per cent of mobile contract customers said they had experienced bill shock in 2014. This indicates a continued decline from 8% reported in 2013 and 10% reported in 2012. Making calls to non-geographic numbers is the primary cause of UHBs for mobile.

- There are indications of further decline in the average amount of mobile bill shock. The mean average amount of bill shock in the total mobile market was £36 (£37 for mobile contract), which is £10 less than reported in 2012. Almost a quarter (24%) of those who experienced mobile phone bill shock indicated that it was between £11 and £20 more than their usual bill.

- Consumers who purchase their fixed-line as a single service are more likely than customers in other communications markets to receive only a paper bill. Forty-four per cent of consumers who purchase a stand-alone fixed-line service receive only a paper bill. This compares to the other communications markets, in which receipt of paper bills ranges between 18% (bundles of services) and 11% among mobile contract customers.

These key trends are explored in more detail below under the following sub-headings:

- Reasons to complain to provider
- Consumer complaints to Ofcom
- Experience of particular issues in the communications markets

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98 Migration authorisation code (MAC) is a unique code that a customer must give to his or her new broadband service provider, to allow the service to be transferred smoothly from the existing service provider.
99 These levels do not include bill-shock caused by incorrect charges, but do include those caused by ‘increased charges’
9.1 Reasons to complain to provider

9.1.1 Broadband customers are the most likely to say they have had reason to complain to their provider

The analysis below shows the proportion of customers using each service who said they had reason to complain about the provider of their broadband, fixed line and/or mobile in the 12 months prior to the interview. However, not all consumers will make a complaint, and further details on the proportions actually making a complaint are set out below.

Figure 194 illustrates that across the services, broadband customers are the most likely to say they had reason to complain to their provider (12%), followed by mobile (7%), and fixed-line customers (6%). The methodology between waves varied from telephone to face-to-face interviews, and despite this variation, the level of complaints has remained stable.

9.1.2 Broadband customers are the most likely to cite disruption of service as a reason to complain

Among broadband customers with reason to complain (Figure 195), the two reasons that were stated most frequently by participants were disruption of service (39%) and poor quality of service (33%).
While not shown on the chart below, each of these reasons increased by 10 percentage points on 2013, and appeared in the top three, with ‘speed of internet connection’ the main reason last year (34%). In 2014, over a quarter (28%) said they felt they had cause to complain about the speed of internet connection, down 6 percentage points on 2013.

Just over one in ten (14%) said they felt the service differed to that advertised/promised, and incorrect billing accounted for just 5% of complaints. In total 26% gave various other reasons, each of these mentioned by less than 5% of consumers. In the broadband market these included charging and billing issues, unsatisfactory customer service and inappropriate content.

**Figure 195 Main reason to complain about broadband service or supplier**

![Bar chart showing reasons for complaints](chart.png)

Source: Ofcom research, omnibus survey, fieldwork carried out by Saville Rossiter-Base in August and September 2014

Base: All UK households with reason to complain about each service in the last 12 months (301 fixed broadband) Chart shows reasons given in 2014 by at least than 5% of those with reason to complain.

Q16. What was the issue you had reason to complain about in connection with your fixed broadband? (spontaneous responses, multi coded)

Note: ‘any other reason’ includes reasons given by fewer than 5% of those with reason to complain

9.1.3 Fixed-line customers are most likely to cite disruption of service as a reason to complain

Among fixed-line customers with reason to complain (Figure 196), the two reasons that were most likely to be mentioned were disruption of service (37%) and poor quality of service (23%). This follows the same trend as 2013, with both of these reasons comparable to last year. Just under a fifth (19%) said they had cause to complain about an incorrect bill, which was a 13 percentage points increase on 2013, and 14% said they felt that charges were not made clear or were unexpected – an 8 percentage points increase on 2013. A further 13% said they were overcharged, and 11% said the service was not as promised/advertised.

Various other reasons accounted for 23%, and each were mentioned by less than 3% of consumers. In the fixed-line market these included: unfair terms of contract, staff attitude/problem with staff, inappropriate content, bill not received, and advertised tariffs not being available.
9.1.4 Mobile customers are most likely to cite poor coverage as a reason to complain

Among mobile customers with reason to complain (Figure 197); poor coverage (25%) is the most likely reason given, with lower proportions of customers citing poor quality of service (19%) and disruption of service (14%). These three reasons follow the same trend as 2013, with proportions comparable to last year. Other reasons in 2014 included incorrect bill (13%), service not as promised/advertised (11%), overcharging (9%), and unclear or unexpected charges (7%).

Various other reasons accounted for 35%, and each were mentioned by less than 5% of consumers. In the mobile market these included: speed of internet connection, unfair terms of contract, staff attitude/problem with staff, advertised tariffs not available, inappropriate content, and bill not received.
Figure 197  Main reason to complain about mobile service or supplier

Source: Ofcom research, omnibus survey, fieldwork carried out by Saville Rossiter-Base in August and September 2014
Base: All UK households with reason to complain about each service in the last 12 months (188 Mobile phone) Chart shows reasons given in 2014 by at least than 5% of those with reason to complain.
Q13. What was the issue you had reason to complain about in connection with your mobile phone service? (prompted responses, multi coded)
Note: ‘any other reason’ includes reasons given by fewer than 5% of those with reason to complain

9.1.5 Broadband customers with a reason to complain were the most likely to proceed with a complaint.

Consumers with a complaint may choose to contact their provider, Ofcom or other advisory bodies such as Citizens Advice. Most customers with reason to complain said they did make a complaint. Broadband customers were the most likely to have a complaint (12%), with 69% of these going on to make a complaint. Fixed-line and mobile customers were less likely to have a complaint (6% and 7% respectively), with 64% of landline customers with a complaint and 53% of mobile customers with a complaint then going on to make a complaint.

As shown in Figure 198, the proportion of consumers in each market with cause to complain has remained broadly unchanged. However, the proportion of these consumers who proceed to make a complaint has fallen in both the mobile and fixed-line markets. The biggest decline is in the mobile market, down by 15 percentage points on 2013 (to 53%), followed by a fall of 9 percentage points in the landline market (to 64%). The broadband market remains comparable to 2013 (69% in 2014 vs. 64% in 2013).
Figure 198  Whether consumers with reason to complain went on to make a complaint in the past 12 months: 2009, 2010, 2011, 2012, 2013 and 2014

Source: Ofcom research, omnibus survey, fieldwork carried out by Saville Rossiter-Base in August and September 2014
Base: All UK households with reason to complain about each service in the last 12 months (In 2014 - 301 Broadband, 161 Fixed line, 188 Mobile phone) * Caution: Base below 100, ** Base below 50, not reported.
Q11/Q14/Q17. And did you go ahead and make a complaint about your broadband/ fixed line/ mobile phone service or supplier? (prompted responses, single coded)

It is worth noting that the there is no correlation between the likelihood to complain and the type of issue a consumer has with their provider, in each of the broadband, fixed line and mobile markets.

9.1.6  Almost four in ten have experienced a problem with Royal Mail, with mis-delivered post being the most common issue

There has been no change in experience of problems with Royal Mail in the past 12 months, with 37% of adults claiming to have experienced at least one problem with Royal Mail in the past 12 months (Figure 199).

The issue cited most by those who had experienced a problem remains mis-delivered post (67% of those with a problem) followed by delayed mail (38%), lost mail (27%) and damaged mail (24%).
Figure 199  Problems experienced with Royal Mail’s postal services in the past 12 months

Type of problem

% of respondents

Mail has been tampered with
2013 15 2014 13
Lost mail
2013 35 2014 27
Damaged mail
2013 29 2014 24
Delayed mail
2013 45 2014 38
Mis-delivered mail
2013 60 2014 67

Source: Ofcom post tracker survey
Base: All respondents (2013 4844); (2014 4853)
Base: Those with a problem in the past 12 months (2013,973); (2014, 997)
QG1A-1E: In the last 12 months, have you experienced problems with Royal Mail’s service in terms of...

Figure 200 shows that those aged 75+ were the least likely to have experienced a problem (29%); while those aged 35-44 were the most likely (44%). Since 2013, a higher proportion of adults aged 65-74 and 75+ reported having experienced a problem in the past 12 months.
As last year, one in ten (10%) adults reported that they had a reason to complain about Royal Mail’s service. Cause to complain was highest among those aged 25-34 (13%), while 16-24s (7%) and over-75s (6%) reported the lowest levels of reason to complain.
QG2 In the last 12 months, have you had a cause to complain to Royal Mail about its services?

Respondents were asked if they had had a reason to complain to Royal Mail about its services in the past 12 months and if they had, they were asked if they actually went on to make a complaint.

Of the 10% overall who claimed to have had a reason to complain about Royal Mail services (Figure 202) just over half of these (57%) went on to make a complaint to Royal Mail; this translates as 6% of all respondents.

Those aged 35-44 (65%) made the most complaints, and the lowest incidence of complaints was among those aged 65-74 (36%).
The Consumer Experience of 2014 – Research report

Figure 202  People who complained about Royal Mail’s postal services, by age and gender

Source: Ofcom post tracker survey
Base: Respondents who had a cause to complain to Royal Mail (2013, 252) (2014, 258)
QG2 In the last 12 months, have you have you had a cause to complain to Royal Mail about its services?

9.2  Consumer complaints to Ofcom

Consumers with cause to complain will not always follow the same route. As noted above, some may not complain at all, others may contact their provider or seek advice or support from regulatory bodies such as Ofcom or the Telephone Preference Service (TPS).

Ofcom’s Consumer Contact Team (CCT) offers a point of contact for consumers enquiring or making complaints about issues in the telecoms, broadcasting and postal markets. The following section provides details on the types of contacts received by the CCT, and in some cases from other bodies such as the TPS. Although Ofcom handles only a small share of the total number of complaints relating to communications services, these data give insight into the extent of certain issues faced by consumers in 2014.

The data are presented alongside consumer research into particular issues such as nuisance calls and unexpectedly high bills, and provide greater insight into the experience of particular issues among the general population.

9.2.1  Telecoms continues to dominate complaints received by Ofcom

The number of telecoms complaints between September 2013 and October 2014 generally fluctuated between 6000 and 7000. The exceptions to this were in December 2013, when they fell to under 5000, and April to July 2014, when they rose to just over 7000 (Figure 203). Silent calls, mis-selling and communications providers’ customer service, including complaints handling, continue to drive complaints in this sector (see Figure 204). The fluctuations in broadcasting complaints is driven by programmes on television, and explored in more detail later in this section.
Nuisance calls

9.2.2 Complaints about nuisance calls rose in the first half of 2014 but have declined since then

Complaints to Ofcom about abandoned and silent calls rose in the first half of 2014 to reach a peak of 4,135 in June. In 2013 the highest number of complaints recorded was in April (3,900). Since then complaints have declined, and in October 2014 there were 3,382 complaints.
Figure 204  Number of telecoms complaints received by Ofcom, by month: 2013-2014

Source: Ofcom, CCT data
Note: following a review of Ofcom’s complaint categories, we have decided to include an additional complaints sub-category - lack of information/incorrect advice - to our customer service (including complaints handling) category. This is because our review has identified that these complaints have a customer service element. These complaints have been added retrospectively, which has resulted in an overall increase in our customer service (including complaints handling) complaints category over the reporting period.

Under the Privacy and Electronic Communications (EC Directive) Regulations 2003 (PECR) Ofcom is required to maintain a register of people who do not want to receive live telesales calls. Telephone Preference Service Ltd provides the register, the Telephone Preference Service (TPS), on Ofcom’s behalf. Since August 2012 Ofcom has published the number of complaints about live telesales calls made to the TPS. As shown in Figure 205, these complaints peaked at 8,262 in July 2014 (this was lower than the peak last year, of 10,373 in February 2013). Complaints have fallen since then and in October 2014 5,685 complaints were made to the TPS.

Under PECR, the Information Commissioner’s Office has primary responsibility for enforcement action when unsolicited live telesales calls are made to a person registered with the TPS.
Focus on the effectiveness of the Telephone Preference Service (TPS)

During 2013/4 Ofcom conducted research to look at the effectiveness of the Telephone Preference Service (TPS), specifically to explore whether signing up to the TPS significantly reduces the number of live sales calls received\(^{102}\).

Ofcom commissioned Ipsos MORI to run a randomised control trial (RCT). The trial involved 782 people, whose home fixed-line number had not previously been signed up to the TPS, to keep a diary of all nuisance calls received on their home fixed-line phone during November 2013. To measure the impact of registering with the service, this group was then separated into two equal groups: one group was (unknowingly) signed up to the TPS list (the ‘TPS-registered’ group) while the other was not (the ‘non-TPS’ group). The diary exercise was then repeated by both groups in March 2014 to evaluate the effect of signing up to the TPS.

Registering with TPS reduced the number of live sales calls received by about a third

During the November 2013 research period, the combined group, none of whom were signed up to the TPS, received an average of 4.2 unsolicited live sales or marketing calls. In March 2014, the number of these calls received by the people who had been signed up to the TPS fell by 41% (from 4.2 to 2.5 calls on average). This compared to a 10% reduction in calls (from 4.1 to 3.7 calls on average) for the group that were still not registered with the TPS.

In addition, the TPS-registered group were more likely than the non-TPS group to receive no unsolicited live sales calls; nearly half (45%) of the people in the TPS-registered group did

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not receive any unsolicited live sales calls during March 2014, compared to a quarter (26%) of those in the non-TPS group.

**TPS registration reduced the number of PPI and energy-related nuisance calls**

The TPS-registered group reported that live sales calls about payment protection insurance (PPI) fell by 58% between November 2013 and March 2014, compared to a 12% fall among the non-TPS group. Live sales calls about energy products fell by 47% for those on the TPS, while the non-TPS group saw an 18% reduction.

**Registering with the TPS was also effective at reducing all types of nuisance calls - signing up reduced the number of all nuisance calls by about a third**

While the TPS exists to help reduce live sales and marketing calls received by consumers, registering triggered a reduction in the total volume of all types of nuisance calls. This includes silent and abandoned calls and recorded messages. Overall, those who became TPS-registered by March 2014 saw a 51% drop in all nuisance calls (from 11.9 to 5.8 calls on average). The group that was not registered with the TPS recorded a fall of 16% over the same period - from 11.9 to 10 calls on average.

### 9.2.3 Reported experience of all nuisance calls on fixed lines in the previous four weeks has fallen from eight in ten (82%) in February 2013 to seven in ten (71%) in November 2014

Ofcom carries out market research to track changes in nuisance calls over time. Following a pilot in February 2013, we revised our Consumer Concerns tracker methodology, to capture more timely and accurate information regarding consumers’ experience of nuisance calls. Since July 2013 we have tracked this every other month and asked about personal experience “in the last four weeks” (the previous research was quarterly, and asked about personal experience “in the last six months”). As a result, tracking data prior to 2013 are not comparable and the new approach is considered to be more robust.

Figure 206 shows data from our study in February 2013 (which was carried out alongside the nuisance calls panel research, and is outlined below) and continuous tracking since July 2013. Since February 2013, reported experience of all nuisance calls on fixed lines in the previous four weeks has fallen from eight in ten (82%) to seven in ten (71%) in November 2014.

In November 2014, 57% of UK adults with a fixed-line phone had received a live telesales call in the previous four weeks, and four in ten (39%) had received a silent call. We estimate that 41% received an automated marketing message and 7% received an abandoned call.

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103 Note: data on automated marketing calls are not comparable between the February survey and the new tracking study
Figure 206  Unsolicited/nuisance calls received on fixed line in ‘the last four weeks’

Source: Kantar Media face-to-face omnibus
Base All with a fixed-line phone (July 2013, 848); (Sept 2013, 896); (Nov 2013, 786); (Jan 2014, 848); (Mar 2014, 865); (May 2014, 817); (July 2014, 807); (Sept 2014, 808) (Nov 2014, 786)
* These percentages are derived from a low base size - indicative only. Based on questions relating to
the type of call that was listened to
** Data from pilot study: Source: GFK Random Location Omnibus; Base: All with a fixed-line phone
(1614)

Focus on nuisance calls

To obtain information about the number of nuisance calls received, the types of industries making nuisance calls and the availability of caller information, Ofcom has repeated its
nuisance calls consumer panel research, first conducted in 2013. This research commissioned a nationally representative sample of UK adults with home fixed-line phones to undertake a diary study to record all unwanted calls received on their home fixed-line phone across a four-week period (13 January 2014 to 9 February 2014).

Panellists were provided with a paper diary and were instructed to complete a diary page every time they received a call that they considered unwanted on their fixed-line phone. This allowed collection of information about these types of calls in ‘real time’, and provided greater insight than a traditional (retrospective) survey - such as information on the industries making these types of calls, availability of the caller’s telephone number and company details.

Figure 207 shows that among those who received any nuisance calls, an average of about nine calls (8.7) in the four-week period were received, or two per week. Three in ten (29%) of those who received a nuisance call received more than ten over the four-week period, and less than one in ten (8%) received more than 20 calls over the period, or more than five a week.

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104 Nuisance calls can also be called unwanted calls.
105 http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-
research/nuisance_calls_research/
106 The term ‘unwanted calls’ was used in the recruitment letter, instruction sheet and paper diary provided to participants, as it was considered to be a clearer, more consumer-friendly term than ‘nuisance calls’. In this report ‘unwanted calls’ are referred to as ‘nuisance calls’.
107 Some calls recorded as nuisance calls may have been the result of participants giving the
company prior consent to contact them (e.g. ticking a consent box on a marketing form or company website)
Among all those who reported receiving them, silent calls and live telesales calls were received most frequently, with an average of four silent (4.5) and four live telesales calls (4.1) received over the four-week period. All those who received automated marketing (recorded sales) calls received an average of two (2.4) and those receiving abandoned calls received an average of two (1.5) calls in the period.

Among those who received nuisance calls, there were no statistically significant differences in the frequency received in 2013 compared to 2014, both overall and by type of call. The only difference year on year was a decline in the proportion of participants who received two abandoned calls; from 29% to 14%.

Figure 207 Number of calls received over four weeks among all who received each call type

<table>
<thead>
<tr>
<th>Call Type</th>
<th>Average Calls</th>
</tr>
</thead>
<tbody>
<tr>
<td>All nuisance calls</td>
<td>8.7</td>
</tr>
<tr>
<td>Silent</td>
<td>4.5</td>
</tr>
<tr>
<td>Abandoned</td>
<td>1.5</td>
</tr>
<tr>
<td>Recorded sales</td>
<td>2.4</td>
</tr>
<tr>
<td>Live sales</td>
<td>4.1</td>
</tr>
<tr>
<td>Other</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Source: GfK nuisance calls panel research, Jan-Feb 2014
Base: All UK panel participants with fixed lines who received each type of call (n=790, 581,126,357,641,274)

Overall experience of nuisance calls increased with age, and those aged 35 years and over reported a significantly higher incidence of any nuisance calls compared with those under 35. Non-working participants reported a higher incidence of nuisance calls overall than working participants. Compared with 2013 findings, the only statistically significant difference was a decline in the incidence of abandoned calls among those aged 65+ (from 25% in 2013 to 7% in 2014).

In addition, as shown below, the call incidence among 35-54s was also significantly higher than for those under 35. Among all who received any nuisance calls, those aged 55-64 (11.2) and 65+ (11.0) and not working (9.9) reported significantly more calls on average over the four weeks compared to younger (16-34: 5.7; 35-54: 8.1) and working (7.8) participants.
Figure 208  Number of calls received by all who received each type of call, by demographics

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Average Calls</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-34</td>
<td>5.7</td>
</tr>
<tr>
<td>35-54</td>
<td>8.1</td>
</tr>
<tr>
<td>55-64</td>
<td>11.2</td>
</tr>
<tr>
<td>65+</td>
<td>11.0</td>
</tr>
<tr>
<td>Working</td>
<td>7.8</td>
</tr>
<tr>
<td>Not Working</td>
<td>9.9</td>
</tr>
<tr>
<td>ABC1</td>
<td>8.4</td>
</tr>
<tr>
<td>C2DE</td>
<td>9.1</td>
</tr>
</tbody>
</table>

Source: GfK nuisance calls panel research, Jan-Feb 2014
Base: All UK panel participants with fixed lines who received each type of call (n=171, 313, 138, 168, 429, 361, 473, 317)

Product or service being promoted (where identified)

Figure 209 shows the proportions of nuisance calls that were promoting products and services, for all calls where participants were able to provide a description of the product or service being promoted (participants were able to provide a description of the product/service being promoted in just under half (45%) of nuisance calls).

Overall, calls about PPI claims made up 13% of all nuisance calls in which the product or service was identifiable, followed by insurance (8%), home/loft insulation (8%) and 'market research'108 (8%). PPI claims calls constituted more than a quarter (28%) of all abandoned calls and recorded sales calls, and almost one in ten (8%) live marketing/sales calls, where the product or service was able to be identified.

Compared with 2013, there has been a decline in the proportion of calls identified as being about PPI claims (22% to 13% overall), energy (10% to 7%) and pension rebates (4% to 1%). There has been an increase in the percentage of calls about home/loft insulation (2% to 8%), solar panels (2% to 6%), other home improvements e.g. kitchens, windows (3% to 7%), phone/broadband services (3% to 5%), financial products and services (<1% to 5%), accident claims (2% to 4%), and debt collection/repayment (2% to 4%).

108 This number may include calls made under the guise of market research but actually with the intention of collecting sales leads, also known as ‘sugging’
Consumers’ experience of nuisance calls on mobile phones remains lower than their experience of these types of calls on a fixed-line phone. In November 2014, three in ten (29%) UK adults with a mobile phone reported receiving a marketing text message, three in ten (28%) reported receiving a live telesales call and less than one in five (14%) reported receiving a silent call in the past four weeks. Overall, in November 2014 the proportion of UK adults who said they had received a nuisance call or text on their mobile phone in the past four weeks was almost one in two (48%).

**Figure 210  Nuisance calls received on mobile phone in ‘the past four weeks’**

Source: Kantar Media face-to-face omnibus
Base: All with a mobile phone (July 2013, 895); (Sept 2013,923); (Nov, 2013 838); (Jan 2014, 922); (Mar 2014, 965); (May 2014, 902); (July 2014, 873); (Sept, 903); Nov 2014 (923)
NB: base size too low to calculate abandoned calls and automated marketing messages

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**Table: Top six products or services being promoted, by call type, where identified**

<table>
<thead>
<tr>
<th>All nuisance calls</th>
<th>Abandoned</th>
<th>Automated marketing</th>
<th>Live telesales</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPI claim</td>
<td>13%</td>
<td>28%</td>
<td>28%</td>
<td>8%</td>
</tr>
<tr>
<td>Insurance</td>
<td>9%</td>
<td>8%</td>
<td>3%</td>
<td>11%</td>
</tr>
<tr>
<td>Home/loft insulation</td>
<td>8%</td>
<td>17%</td>
<td>19%</td>
<td>5%</td>
</tr>
<tr>
<td>Market research</td>
<td>8%</td>
<td>1%</td>
<td>8%</td>
<td>31%</td>
</tr>
<tr>
<td>Other home eg kitchen/ windows</td>
<td>7%</td>
<td>3%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Energy company</td>
<td>7%</td>
<td>3%</td>
<td>5%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: GfK Nuisance Calls panel research, Jan-Feb 2014
Base: All nuisance calls received on UK fixed lines in which product/service was able to be identified (n=3055, 100, 653, 2044, 235)
Base size too low to show for silent calls
NB: This was the respondent’s understanding of the product or service being promoted and may not reflect the actual reason for the call. The table displays only the top six products and services.
Telecoms and broadcast consumer complaints to Ofcom

9.2.1 Complaints about fixed-line and mobile mis-selling have decreased over the past 12 months

The term ‘mis-selling’ covers a range of sales and marketing activities that can work against the interests of consumers and competition, and can undermine confidence in the industry as a whole. These include:

- the provision of false and/or misleading information (for example, about potential savings, or promising offers or gifts that do not actually exist);

- applying unacceptable pressure to change provider, such as refusing to leave until the customer signs, or using threatening or otherwise intimidating behaviour; and

- 'slamming', an extreme form of mis-selling, where customers are simply switched from one company to another without their knowledge or consent. Forms of slamming can include, for example, passing off (i.e. where representatives claim to represent a different company to the one they are actually working for), and customers being told they are merely signing for information and then being switched to another provider.

Complaints about fixed-line mis-selling have decreased significantly since a peak of around 1,200 in April 2005. Figure 211 shows the downward trend in fixed-line mis-selling complaints since 2008. In 2008 complaint volumes ranged between 786 and 1203, falling to between 664-1139 between 2009 and 2010. Since early 2011 complaints about fixed-line mis-selling have remained below 600 a month, and have steadily declined since then to 261 in December 2014.

There are fewer complaints about mis-selling/slamming in the mobile market than in the fixed-line market. There was a rapid decrease in the number of mobile mis-selling complaints, from a high of 756 in January 2008, to 204 in January 2009. Between 2010 and 2013 the number of complaints was relatively stable at around 200 a month, and since mid-2013 the number has remained below 200 a month, to reach a low of 108 in August 2014.

Figure 211 Complaints received by CCT regarding mis-selling, by month

Source: Ofcom, CCT data
9.2.2 Complaints about erroneous landline transfers (ELT’s) have decreased since 2010

Ofcom continues to monitor complaints relating to erroneous landline transfers (’ELTs’). ELTs are caused by deficiencies in switching processes, primarily weaknesses in the industry’s home-mover process, rather than by intentional mis-selling. The result is that consumers’ fixed-line109 voice services are erroneously switched to a new provider, without their knowledge or consent.

As part of its monitoring and enforcement programme, Ofcom considers absolute volumes of ELT complaints as well as ELT complaints as a percentage of the volume of working line takeover (’WLT’) orders placed. Absolute numbers enable us to identify the CPs causing harm to the greatest number of consumers, whereas looking at complaints as a percentage of WLT orders placed helps us to identify which CPs are generating the greatest volume of ELT complaints as a proportion of their WLT orders.

ELT complaints are shown below as a percentage of WLT orders. This shows that there has been a significant reduction in ELT complaints as a percentage of WLT orders since 2010. The number of complaints relating to ELTs has decreased from a peak of 60% in December 2010 to 8% in November 2014. This is despite the fact that the volume of WLT orders has increased over the past 12 months.

![Figure 212 ELT complaints as a percentage of industry WLT orders placed](source: CCT and Openreach data)

9.2.3 Mobile mis-selling complaints have fluctuated over the long term, and complaints about cash-back schemes remain relatively low and stable

Figure 213 shows the volume of mis-selling complaints received by Ofcom in relation to the mobile market from October 2010 to October 2014. From their peak in October 2008 (277 complaints per month), complaints about mobile mis-selling and slamming reached a low of 100 in February 2010. From that point onwards, complaints about mis-selling and slamming

109 Note that landline and fixed-line services are the same thing
rose steadily, reaching another high in August 2012 (268). From October 2013 to October 2014, although levels have fluctuated, we have seen a broad downward trend, with a low of 101 in August 2014.

Compared to mobile mis-selling complaints, complaints about cashback schemes are much fewer, and relatively stable, with an average of four complaints per month between October 2013 and October 2014.

Figure 213 Monthly complaints about mobile mis-selling / slamming and cashbacks

![Graph showing monthly complaints about mobile mis-selling and cashbacks](image_url)

Source: Ofcom, CCT data

9.2.4 Complaints about additional charges have decreased year on year, and largely relate to early termination charges

Additional charges that consumers may face from their communications supplier, over and above those which they already pay for the service, can be due to a number of factors, including not paying by direct debit, late payment of bills, having a service restored following a restricted or suspended service after a late payment, and early termination charges (ETC).

Consumers potentially suffer financial harm if such charges are unclear, or if they do not take the charges into account when choosing their communications provider, and as a result do not make the best choice. In addition, competitive pressures may not act to reduce these charges, which can then be set significantly above cost, and consumers who are not aware of them cannot take measures to avoid them.

Some consumers are potentially more at risk of incurring additional charges, for instance, those who do not have a bank account and so cannot pay by direct debit. For further information see the Payment methods section later in this chapter.

Figure 214 shows the trend in the volume of complaints that Ofcom has received about additional charges, across all communications services. Complaints about additional charges have decreased year on year, from 163 in October 2013 to 134 in October 2014, with a low point of 98 in July 2014, which is lower than last year’s lowest point (December 2012: 114). The majority of these complaints relate to early termination charges (ETC).
9.2.5 Complaints about MAC codes have declined significantly since their peak in 2007, with 50 per month on average in 2014

When consumers wish to change their broadband supplier they have to request a migration authorisation code (MAC) from their current ISP. A MAC is a unique code that a customer must give to his or her new broadband service provider, to allow the service to be transferred smoothly from the existing service provider. Ofcom used to receive large volumes of complaints from consumers who had experienced difficulties in obtaining a MAC from an ISP.

Ofcom introduced broadband migration rules requiring suppliers to provide a MAC on request in February 2007. The volume of complaints about broadband migration in general has decreased significantly since then. The chart below illustrates the trend in the volumes of complaints specifically relating to MAC since 2007 (Figure 215).

The sharpest monthly decrease was from 843 in March 2007 to 530 in April 2007. Complaints fluctuated over the following year, before dropping again from 570 in March 2008 to 446 in April 2008. The general downward trend has since continued, more gradually and with some variation, stabilising at between 60 and 130 complaints per month from April 2011. Between October 2013 and October 2014 there were about 50 monthly complaints about this issue; this is down from the same period last year where there was an average of 90 monthly complaints.
9.2.6 Broadcasting complaints to Ofcom continue to focus on content standards

Broadcasting complaints are few in comparison to the level of complaints received by Ofcom relating to telecoms, but have been at a similar level to spectrum complaints at points during the past year.

Over the course of 2014 the Content Standards, Licensing and Enforcement team received approximately 1,500 complaints each month on average about the content of programmes. Complaints about radio programming have remained at a low level throughout 2014. In October 2014 there were 1,042 broadcasting complaints, of which 975 were about television and 67 were about radio (Figure 216).
Figure 217 shows the individual TV programmes which received the most complaints between September 2013 and October 2014. The level of broadcasting complaints increased in October 2013 largely due to complaints about *The X Factor Results Show* (ITV), in January 2014 due to complaints about *Benefits Street* (Channel 4) and *Celebrity Big Brother* (Channel 5), and in August 2014 due to complaints about *Celebrity Big Brother* (Channel 5) and *Big Brother* (Channel 5). There was a large spike in complaints in June 2014 due to complaints about *Big Brother* (Channel 5) and *Cutting Edge: Going to the Dogs* (Channel 4).

### Figure 217  Top programmes complained about: September 2013 - October 2014

<table>
<thead>
<tr>
<th>Month of broadcast</th>
<th>Top programmes complained about (over 100 complaints)</th>
<th>Number of complaints in a month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct-13</td>
<td>Downton Abbey, ITV</td>
<td>246</td>
</tr>
<tr>
<td>Oct-13</td>
<td>The X Factor Results Show, ITV</td>
<td>123</td>
</tr>
<tr>
<td>Oct-13</td>
<td>The X Factor Results Show, ITV</td>
<td>317</td>
</tr>
<tr>
<td>Jan-14</td>
<td>Celebrity Big Brother, Channel 5</td>
<td>145</td>
</tr>
<tr>
<td>Jan-14</td>
<td>Benefits Street, Channel 4</td>
<td>483</td>
</tr>
<tr>
<td>Jan-14</td>
<td>Benefits Street, Channel 4</td>
<td>439</td>
</tr>
<tr>
<td>Feb-14</td>
<td>Coronation Street, ITV</td>
<td>103</td>
</tr>
<tr>
<td>May-14</td>
<td>The Island with Bear Grylls, Channel 4</td>
<td>112</td>
</tr>
<tr>
<td>Jun-14</td>
<td>Big Brother: Power Trip, Channel 5</td>
<td>208</td>
</tr>
<tr>
<td>Jun-14</td>
<td>Cutting Edge: Going to the Dogs, Channel 5</td>
<td>1,803</td>
</tr>
<tr>
<td>Jun-14</td>
<td>Big Brother: Power Trip, Channel 5</td>
<td>366</td>
</tr>
<tr>
<td>Jun-14</td>
<td>Big Brother: Power Trip, Channel 5</td>
<td>1,559</td>
</tr>
<tr>
<td>Jun-14</td>
<td>Big Brother, Channel 5</td>
<td>130</td>
</tr>
<tr>
<td>Jun-14</td>
<td>Big Brother, Channel 5</td>
<td>383</td>
</tr>
<tr>
<td>Jul-14</td>
<td>Sky News with Lorna Dunkley, Sky News</td>
<td>205</td>
</tr>
<tr>
<td>Jul-14</td>
<td>Big Brother, Channel 5</td>
<td>178</td>
</tr>
<tr>
<td>Aug-14</td>
<td>Dangerous Dog Owners and Proud, Channel 5</td>
<td>103</td>
</tr>
<tr>
<td>Aug-14</td>
<td>Big Brother: The Live Final, Channel 5</td>
<td>469</td>
</tr>
<tr>
<td>Aug-14</td>
<td>Celebrity Big Brother, Channel 5</td>
<td>167</td>
</tr>
<tr>
<td>Aug-14</td>
<td>Celebrity Big Brother, Channel 5</td>
<td>101</td>
</tr>
<tr>
<td>Aug-14</td>
<td>Celebrity Big Brother, Channel 5</td>
<td>220</td>
</tr>
<tr>
<td>Aug-14</td>
<td>Celebrity Big Brother, Channel 5</td>
<td>245</td>
</tr>
<tr>
<td>Aug-14</td>
<td>Celebrity Big Brother, Channel 5</td>
<td>103</td>
</tr>
<tr>
<td>Oct-14</td>
<td>Sky News</td>
<td>172</td>
</tr>
</tbody>
</table>

Source: Ofcom, Standards data

Figure 218 below lists the most complained-about television series of programmes, or individual programmes, between September 2013 and October 2014. *Big Brother: Power Trip* was the television programme that received the highest number of complaints (10% of all broadcasting complaints received by Ofcom; this includes TV, radio and non-specific broadcast media complaints).

As there were no radio programmes which received more than three individual complaints during the timeframe specified, they have not been shown in the chart below.

The relatively high level of ‘other’ issues (each mentioned by less than 1% of consumers; in this case ‘consumers’ refers to audience members who submit a broadcast complaint to
The Consumer Experience of 2014 – Research report

Ofcom) in both television and telecoms highlights the wide variety of issues that consumers complain about within the communications market.

Figure 218 Most-mentioned complaints to Ofcom

<table>
<thead>
<tr>
<th>Television</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Brother: Power Trip</td>
<td>10%</td>
</tr>
<tr>
<td>Celebrity Big Brother</td>
<td>9%</td>
</tr>
<tr>
<td>Cutting Edge: Going to the Dogs</td>
<td>9%</td>
</tr>
<tr>
<td>Big Brother</td>
<td>5%</td>
</tr>
<tr>
<td>Benefits Street</td>
<td>5%</td>
</tr>
<tr>
<td>The X Factor Results Show</td>
<td>2%</td>
</tr>
<tr>
<td>Big Brother: The Live Final</td>
<td>2%</td>
</tr>
<tr>
<td>Coronation Street</td>
<td>2%</td>
</tr>
<tr>
<td>The X Factor</td>
<td>2%</td>
</tr>
<tr>
<td>EastEnders</td>
<td>2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Telecoms</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Silent calls</td>
<td>41%</td>
</tr>
<tr>
<td>Complaints handling</td>
<td>12%</td>
</tr>
<tr>
<td>Migration</td>
<td>4%</td>
</tr>
<tr>
<td>Mis-selling (fixed-line)</td>
<td>3%</td>
</tr>
<tr>
<td>Additional charges - ETC breakdown (consumer)</td>
<td>2%</td>
</tr>
<tr>
<td>Mis-selling (mobile)</td>
<td>2%</td>
</tr>
<tr>
<td>Charged for cancelled service</td>
<td>1%</td>
</tr>
<tr>
<td>Contracts</td>
<td>1%</td>
</tr>
<tr>
<td>Mis-selling (bundled services)</td>
<td>1%</td>
</tr>
<tr>
<td>Mis-selling (other)</td>
<td>1%</td>
</tr>
<tr>
<td>Others (1% or less)</td>
<td>32%</td>
</tr>
</tbody>
</table>

Source: Ofcom data September 2013 to October 2014

9.3 Experience of particular issues in the communications markets

Unexpectedly high bills (UHBs) in the mobile market

In 2014 we conducted research to understand the impact of UHBs in the mobile contract market. We replaced research conducted annually (a face-to-face survey to measure incidence of UHBs), to collecting data continuously as part of Ofcom’s Consumer Concerns Tracker. This change in methodology, from one annual wave per year to continuous fieldwork throughout the year, means that results between 2012/13 and 2013/14 are not directly comparable. However, the consistency of findings across waves on aspects such as ‘amount of bill shock’ suggests that the change in methodology has had minimal impact on
data. A summary of this year’s findings is set out below, and the full report and data are available on our website.\textsuperscript{110}

\subsection*{9.3.1 There are indications of a further decline in the incidence of UHBs for mobile}

Five per cent of mobile contract customers said they had experienced bill shock in the 12 month period ending April 2014. This indicates a continued decline from the 8\% reported in 2013 and 10\% reported in 2012.\textsuperscript{111}

\subsection*{9.3.2 Making calls to non-geographic numbers is the primary cause of UHBs for mobile}

As shown in Figure 219 below, making calls to non-geographic numbers (e.g. 0845, 0870), making calls to numbers not included in the monthly allowance (which will overlap with non-geographic numbers) and exceeding call and data allowances were the primary causes of mobile phone bill shock in the 12-month period covered by this study.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure219.png}
\caption{Reason for unexpectedly high bill, in the mobile market}
\label{fig:reasons}
\end{figure}

Source: Ofcom’s Consumer Concerns Tracker, conducted face to face by Kantar. Data collected in July, September and November 2013 and January, March and May 2014. Each wave respondents were asked about experience of bill-shock in the previous eight weeks, data aggregated to produce experience over the full 12-month period of the research.


In total, 0.5\% of those responsible for a mobile phone bill said they had been charged for unauthorised calls due to their phone being lost or stolen, in the 12 month period covered by the research.\textsuperscript{112}

\begin{itemize}
\item Late payment
\item Receiving text/SMS
\item Mis-sold/mis-leading information
\item Data more expensive
\item Calls to TV line
\item SIM hacked
\item Roaming in Northern Ireland
\end{itemize}

\textsuperscript{110} http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/bill-shock/1398439/Bill_shock_chart_pack.pdf

\textsuperscript{111} These levels do not include bill shock caused by incorrect charges, but do include those caused by increased charges.
9.3.3 Indications of a further decline in the average amount of bill shock for mobiles

The mean average amount of bill-shock in the total mobile market was £36 (£37 for mobile contracts), which is £10 less than was reported in 2012. Almost a quarter (24%) of those who experienced mobile phone bill shock indicated that it was between £11 and £20 more than their usual bill. Around one in ten (9%) continued to say they had experienced bill shock in excess of £100.\(^{113}\)

Figure 220 How much more than usual was the unexpected bill, total mobile market

![Graph showing percentage distribution of bill shock amounts]

Source: Ofcom’s Consumer Concerns Tracker, conducted face to face by Kantar. Data collected in July, September and November 2013 and January, March and May 2014. Each wave respondents were asked about experience of bill-shock in the previous eight weeks, data aggregated to produce experience over the full 12-month period of the research. These data include incorrect charges and increased charges.

Paper bills

9.3.4 Consumers purchasing a fixed line as a stand-alone service are more likely than those in other communications markets to receive only a paper bill

To help increase our understanding of the ways in which consumers pay their bills, and any demographic differences, we conducted consumer research in April 2014. This has helped to inform our engagement with communications providers about the charges that some apply

\(^{112}\) Previous studies reported that 2% of mobile contract customers had been charged for unauthorised use due to a lost or stolen phone, but these are not directly comparable, and so we are unable to say whether this represents a real decline.

\(^{113}\) This analysis includes those who said their bill was bigger than expected due to ‘incorrect charges’ and those who reported mobile contract bill shock due to ‘provider increasing the monthly fee/tariff’.
to the use of particular payment methods. A summary of key findings are set out below, and the full report and data are available on our website.\textsuperscript{114}

As shown below, 44\%\textsuperscript{115} of consumers who purchase their fixed line as a stand-alone service (i.e. those that purchase other communication services but not as part of a bundle with their fixed line) receive only a paper bill. This is compared to the other communications markets where receipt of paper-only bills ranges between 18\% (for bundles of services) and 11\% for stand-alone mobile contract customers.

As shown in Figure 221, consumers who purchase only a fixed-line service (and purchase no other communications services) are more likely to receive only a paper bill (92\%).

\textbf{Figure 221} Billing preferences: incidence of bill types

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{billing_preferences.png}
\caption{Billing preferences: incidence of bill types}
\end{figure}

Source: Kantar Media Omnibus, April 2014  
Base: All responsible for fixed line, not part of a bundle (N=1049), and those with a fixed line only (91\%). *Low base: treat as indicative only  
Question: Q.B2 Do you receive a paper bill, an online bill or both for your fixed-line service?

9.3.5 Receipt of paper bills is more common in utility markets than in all communications markets, except the stand-alone fixed-line market

Paper billing (either paper bill only or alongside another method, e.g. paper and online bill) stands at 62\% for water, 55\% for electricity and 51\% for gas. The corresponding figures in each of the stand-alone communications markets are: 49\% fixed line, 20\% fixed broadband, 21\% pay TV and 15\% mobile contract.\textsuperscript{116} A quarter (26\%) of consumers who purchase at least two services from the same provider (i.e. bundle) receive a paper bill.

\textsuperscript{114}http://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0CCEQFjAA&url=http%3A%2F%2Fstakeholders.ofcom.org.uk%2Fbinaries%2Fresearch%2Ftelecoms-research%2Fbill-

\textsuperscript{115}A proportion of these do receive a form of notification charges

\textsuperscript{116}Data for each individual market are based on stand-alone purchasers only
9.3.6 Checking bills via alternative methods was the main reason for not receiving paper bills

For fixed-line customers the main reason for receiving paper bills was the stated need or desire to retain hard copies. Forty per cent of fixed-line consumers who receive a paper bill stated the reason as ‘to retain hard copies’, this was followed by 29% who said it was due to habit.

Among fixed-line customers who do not receive paper bills, almost two in five (37%) said it was because they checked their bills via alternative methods, and around one in five (18%) said it was because it was cheaper not to.
Figure 223  Fixed-line customers’ billing preferences: reasons for not receiving paper bills

Source: Kantar Media Omnibus, April 2014.
Base: All who do not receive paper bills for their fixed-line service (N=1382). Note: Only responses of 1% or more are shown.

Question: Q.B9 You said earlier that you do not receive paper bills for your fixed line, why is this?

Payment methods

To help increase our understanding of the ways in which consumers pay their bills, and any demographic differences, we conducted consumer research in April 2014. This has helped to inform our engagement with communications providers about the charges that some apply to the use of particular payment methods. A summary of key findings are set out below and the full report and data are available on our website 117.

9.3.1 Most customers pay their bills by direct debit (DDR)

In the stand-alone fixed-line market, 83% of customers said they paid their bills via direct debit. The comparable figures in each of the other communications markets are; 95% among mobile contract consumers, 93% among those with a bundle of services, 92% for stand-alone pay TV and 91% for stand-alone fixed broadband. Fixed-line customers are therefore less likely to pay by DDR than those in other communications markets, with the exception of mobile pre-pay customers, where 80% pay via non-DDR methods.

In the fixed-line market, the next most common method after DDR is to pay by a face-to-face method (11%), with cash being the most popular (8%). Face to face payment is less common in all the other communication markets.

117 [http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/bill-shock/1398439/Payment_Methods.pdf]
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Figure 224 Fixed-line service payment methods: alternative methods used

% of adults responsible for a standalone landline service

- Direct Debit: 83%
- Face-to-face using cash: 8%
- Cheque: 2%
- Online using a bank card (credit or debit): 1%
- Online using a banking app or website: 1%
- Over the phone using a bank card (credit or debit): 1%
- Face-to-face using bank card (credit or debit): 1%
- Face-to-face using cheque: 1%
- Face-to-face using BT Chargecard/ Paypoint card: 1%
- Non DDR: 16%
- Face-to-face: 11%
- Online: 1%
- Post: 2%
- Phone: 2%

Source: Kantar Media Omnibus, April 2014
Base: All responsible for a fixed line, not part of a bundle (N=1049).
Note: Only responses of 1% or more are shown.
Question: Q.B3 Which of the following best describes how you pay for your fixed-line service?

9.3.2 The main reason fixed line customers don’t use DDR is habit

Sixteen per cent of stand-alone fixed-line customers pay their bills via methods other than DDR. Their main reasons for not using DDR payment were; historic/habit (56%), followed by ‘control and trust’ (20%).

Three per cent of stand-alone fixed-line customers who do not pay by DDR attributed this to reasons considered to be outside their control, such as: ‘bank account does not allow DDR’, ‘do not have bank account’ (1%), ‘do not know how to set up a DDR’ (1%) and ‘provider does not allow DDR payments’ (1%). This equates to 0.4% of stand-alone fixed-line customers.
9.3.3 Use of non-DDR methods is higher among those without internet access

Thirty-three per cent of fixed-line customers without internet access pay by non-DDR methods for their fixed-line service, compared to 8% of those with internet access (see Figure 226). Use of non-DDR methods is also higher for older stand-alone fixed-line customers (21% of those aged 65-74 and 30% of those aged 75 and over), DE socio-economic groups (27%) and, while not shown on the chart below, non-DDR payment is also higher than average among single-person households with a fixed line (25%).
Figure 226 Fixed-line payment methods: demographics of those paying by non-DDR only

% of adults responsible for a standalone landline service

<table>
<thead>
<tr>
<th>Category</th>
<th>Male</th>
<th>Female</th>
<th>16-34</th>
<th>35-54</th>
<th>55-64</th>
<th>65-74</th>
<th>75+</th>
<th>AB</th>
<th>C1</th>
<th>C2</th>
<th>DE</th>
<th>Internet access</th>
<th>No internet access</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>16%</td>
<td>15%</td>
<td>16%</td>
<td>8%</td>
<td>9%</td>
<td>16%</td>
<td>21%</td>
<td>30%</td>
<td>6%</td>
<td>9%</td>
<td>17%</td>
<td>27%</td>
<td>8%</td>
</tr>
<tr>
<td>Male</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Kantar Media Omnibus, April 2014
Base: All responsible for fixed line not as part of a bundle (1049): Male (468), Female (581), 16-34 (121), 35-54 (317), 55-64 (163), 65-74 (209), 75+ (239), AB (235), C1 (228), C2 (200), DE (386), any internet access (676), no internet access (373)
Question: Q.B3 Which of the following best describes how you pay for your fixed-line service?

9.3.4 More than nine in ten mobile contract customers pay by DDR

In the mobile contract market 4% pay by methods other than DDR\textsuperscript{118}. For this group, the most common method of payment is online (2%), followed by face-to-face (1%) and over the phone (1%).

Figure 227 Mobile contract customers’ payment methods: alternative methods used

% of adults responsible for a standalone mobile service (not part of a package)

- Direct Debit: 95%
- Face-to-face using cash: 1%
- Over the phone using a bank card (credit or debit): 1%
- Online using a bank card (credit or debit): 1%
- Other: 1%
- Don’t know: 1%
- Non DDR: 4%
- Face-to-face: 1%
- Phone: 1%
- Online: 2%

Source: Kantar Media Omnibus, April 2014
Base: All responsible for a mobile contract service not part of a bundle (N=1619). Note: Only responses of 1% or more are shown.
Question: Q.C3 Which of the following best describes how you pay for your mobile phone service?

\textsuperscript{118} Note: low base size for non-DDR users, treat as indicative only, limited analysis available
9.3.5  The main reason why some mobile contract customers don’t use DDR is habit

Among those who did not use DDR payment, the main reasons were historic/habit (40%), followed by ‘control and trust’ (21%) and ‘rather pay how much I owe’ (11%).

Four per cent of mobile contract customers who pay by non-DDR methods attributed this to reasons they considered to be outside their control, such as ‘do not have a bank account’ (1%) and ‘bank account does not allow DDR’ (1%).

Base sizes for this group are too small to draw out any demographic differences.

Figure 228  Mobile contract payment methods: reasons for paying via non-DDR

<table>
<thead>
<tr>
<th>Reason</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always paid in this way</td>
<td>40%</td>
</tr>
<tr>
<td>I have more control over payments</td>
<td>21%</td>
</tr>
<tr>
<td>Rather pay how much I owe than pay upfront</td>
<td>11%</td>
</tr>
<tr>
<td>Don’t trust the right amount will be taken</td>
<td>4%</td>
</tr>
<tr>
<td>Don’t trust they’ll take the money on the right day</td>
<td>4%</td>
</tr>
<tr>
<td>Too much hassle to set up a direct debit</td>
<td>2%</td>
</tr>
<tr>
<td>Don’t use it much</td>
<td>2%</td>
</tr>
<tr>
<td>Suits me</td>
<td>2%</td>
</tr>
<tr>
<td>Cheaper</td>
<td>2%</td>
</tr>
<tr>
<td>Don’t like direct debits</td>
<td>2%</td>
</tr>
<tr>
<td>Do not have a bank account</td>
<td>2%</td>
</tr>
<tr>
<td>Too much hassle to get money back if overpay</td>
<td>2%</td>
</tr>
<tr>
<td>I have a bank account but cannot do direct debits</td>
<td>2%</td>
</tr>
<tr>
<td>Worry about charges if something goes wrong</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>9%</td>
</tr>
<tr>
<td>Any voluntary reasons</td>
<td>87%</td>
</tr>
<tr>
<td>Any non-voluntary reasons</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: Kantar Media Omnibus, April 2014
Base: All who do not pay by direct debit for their mobile contract service (N=68*). Low base size. Only responses of 1% or more are shown.
Question: Q.C4 Why do you pay for your mobile service in this way, rather than paying by direct debit?
Note: ‘Other’ responses recoded into voluntary and non-voluntary, multi-coded question so totals may add to more than 100%
Annex 1

Research methodologies

Time series data

Where possible, data from Q2 or Q3 2014 have been compared with data from a similar time period in previous years. However, where analysis by nation has been included, different time periods have been used – 2014 data were collected in Q1 2014 and are compared to annual rolled data collected in 2006 and 2007 (Q1 – Q4 combined) and Q1 2008, 2009, 2010, 2011, 2012 and 2013 data.

The switching tracker questionnaire was revised in 2012 in order to provide switching data for each market as a whole, as well as comparisons by purchasing behaviour across the market. Data from 2012, 2013 and 2014 are directly comparable but total market trend data prior to this is indicative only.

Statistical reliability

For reporting purposes, sub-group differences are noted in the report only when they are significantly different from the total sample or subgroups within the sample. We have reported differences at the 99% confidence level; this means that if you asked 100 people in the population, 99 of them would give a similar response to the finding reported. Where differences are referred to as ‘indicative’ these tested positive at the 95% confidence level.

To show this trend on the charts a solid arrow (red or green) represents a significant change (increase or decrease) to the 99% confidence level while a dotted arrow (red or green) represents an ‘indicative’ change (increase or decrease) to the 95% confidence level.

Insufficient sample sizes (i.e. fewer than 50 participants) were achieved for some demographic groups for some metrics. Where this is the case, no data have been reported.

Low sample sizes (i.e. between 50 and 100 participants) were achieved for some demographic groups for some metrics. Where this is the case, it has been highlighted that the data should be viewed with caution and as indicative only, as they are subject to high margins of error.

The data tables for the tracking studies detailed below can be found at: http://stakeholders.ofcom.org.uk/market-data-research/statistics/stats14/

Ofcom technology tracker

Methodology

Face-to-face survey run by Saville Rossiter-Base

Core objective

To provide Ofcom with continued understanding of consumer behaviour in the UK communications markets (covering mobile and fixed telecoms, internet use, TV, radio and bundling), to help monitor changes and assess the degree and success of competition.

Sample size

2000+ per wave
### Ofcom switching tracker

**Methodology**
Telephone survey to mobile and landline phones

**Core objectives**
- To explore the fixed-line, mobile, internet/broadband markets, and multi-channel TV recognising that with increased convergence bundled purchasing may affect consumers’ decision-making.
- To monitor levels of participation in terms of switching and keeping an eye on the communications markets.
- To monitor levels of satisfaction by demographic groups to understand whether some groups are more vulnerable than others.

**Sample size**
2014: 1596 fixed-line decision-makers, 1718 mobile decision-makers, 1291 fixed broadband decision-makers, 1102 digital TV decision makers

**Fieldwork period**

**Sample definition**
Representative sample of UK adults aged 16+, reflecting the UK profile of sex, age, socio-economic group, region, employment status, cabled/non-cabled areas, rural/urban areas and levels of deprivation.

**Weighting**
Data have been weighted to ensure the sample is representative of the UK adult population

### Ofcom residential consumer postal tracker

**Methodology**
Quantitative face-to-face, pen and paper. Average interview length of 30 minutes with UK adults who personally send and/or receive items through the post

**Core objectives**
- To provide trend data that enables us to monitor the industry over time.
- To collect data that enables comparisons to be made with
historic data collected by Postcomm and other surveys in communications markets by Ofcom.

The topic areas covered in this summary include:

- The use of postal services
- Volumes and types of post sent and received
- Communication methods used instead of post
- Awareness of postal services providers
- Postal spend, cost awareness and perceived value for money of post
- Experience of problems with postal services
- Overall satisfaction with postal services and with elements of postal services

Sample size

400 UK adults per month; rolling monthly interviews throughout the year, rolled into quarterly waves of approximately 1200. 4853 interviews completed in Year 2.

Fieldwork period

Period covered is from Q3 2013 – Q2 2014. Fieldwork was July 2013 - June 2014

Sample definition

Representative sample of UK adults aged 16+, reflecting the UK profile of sex, age, socio-economic group, region, employment status, cabled/non cabled areas, rural/urban areas and levels of deprivation.

Quotas set for each of the 98 sampling points across the UK to match Census information for that area for age, gender and socio-economic group.

Weighting

Data have been weighted to ensure the sample is representative of the UK adult population. Significant weighting applied to the data by geography to be representative of all UK adults - to take account of the coverage of remote rural locations, off-shore islands and areas east and west of the River Bann in Northern Ireland.
Annex 2

Glossary of terms and definitions

2G Second generation of mobile telephony systems. Uses digital transmission to support voice, low-speed data communications, and short messaging services.

3G Third generation of mobile systems. Provides high-speed data transmission and supports multi-media applications such as video, audio and internet access, alongside conventional voice services.

4G Fourth generation of mobile systems. It is designed to provide faster data download and upload speeds on mobile networks.

ADSL Asymmetric digital subscriber line. A digital technology that allows the use of a standard telephone line to provide high speed data communications. Allows higher speeds in one direction (towards the customer) than the other.

Broadband A service or connection that is capable of supporting always-on services which provide the end-user with high data transfer speeds. A large-capacity service or connection that allows a considerable amount of information to be conveyed - often used for transmitting bulk data or video or for rapid internet access.

Bundle multiple communications services purchased together from the same provider.

CCT Consumer Contact Team (previously known as the Ofcom Advisory Team).

Communications Act Communications Act 2003, which came into force in July 2003.

Connection speed The rate at which information can be transferred from the internet to a computer. Dependent on the type of connection, i.e. modem, cable, DSL, etc.

CP Communications provider. A person or company providing an electronic communications network or providing an electronic communications service.

DAB Digital audio broadcasting. A set of internationally accepted standards for the technology by which terrestrial digital radio multiplex services are broadcast in the UK.

DCMS Department for Culture, Media and Sport

Deadlock letter A letter or email from a Communications Provider to a Complainant agreeing that the Complaint can be referred to the relevant Alternative Dispute Resolution scheme.

DSL Digital subscriber line. A family of technologies generally referred to as DSL, or xDSL, capable of transforming ordinary phone lines (also known as 'twisted copper pairs') into high-speed digital lines, capable of supporting advanced services such as fast internet access and video-on-demand. ADSL, HDSL (high data rate digital subscriber line) and VDSL (very high data rate digital subscriber line) are all variants of xDSL).

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119 These are not binding or statutory definitions but are written in broad layman’s terms to aid the reader. More comprehensive definitions are in other Ofcom or legislative documents.
DSO Digital switchover. The process of switching over the current analogue television broadcasting system to digital, as well as ensuring that people have adapted or upgraded their televisions and recording equipment to receive digital TV.

DTT Digital terrestrial television. Currently most commonly delivered through the Freeview service.

ETC Early termination charge. A charge for consumers who terminate their contract before the end of any Minimum Contract Period (or Subsequent Minimum Contract Period).

Free to Air Television service which can be received in a given area without charge to the viewer. Some free-to-air services may be broadcast in scrambled form in order to limit access to viewers in a specific geographic area. Other free-to-air services may be broadcast in the clear – i.e. unscrambled.

Freeview Free digital service giving access to over 30 TV channels, over 20 radio stations plus interactive services.

Internet A global network of networks, using a common set of standards (e.g. the Internet Protocol), accessed by users with a computer via a service provider.

Involuntary non-ownership Whereby potential consumers are without access to a service but not through choice.

IP (internet protocol) The packet data protocol used for routing and carrying messages across the internet and similar networks.

IPTV Internet protocol television. The term used for television and/or video signals that are delivered to subscribers or viewers using internet protocol (IP), the technology that is also used to access the internet. Typically used in the context of streamed linear and on-demand content, but also sometimes for downloaded video clips.

ISP Internet service provider. A provider of access to the internet.

LLU Local loop unbundling. Process whereby incumbent operators (in the UK this is BT and KCOM) make their local network (the lines that run from the customers’ premises to the telephone exchange) available to other communications providers. The process requires the competitor to deploy its own equipment in the incumbent’s local exchange and to establish a backhaul connection between this equipment and its core network.

Local loop Access network connection between the customer’s premises and the local PSTN exchange, usually a loop comprised by two copper wires twisted together.

Mbit/s Megabits per second (1,000,000 bits per second). A unit of measurement of data transmission speed.

Migration authorisation code (MAC) a unique code that a customer must give to his or her new broadband service provider, to allow the service to be transferred smoothly from the existing service provider.

Mis-selling A term that covers a range of sales and marketing activities that can work against the interests of both consumers and competition and can undermine confidence in the industry as a whole.
MMS Multimedia messaging service. The next generation of mobile messaging services, adding photos, pictures and audio to text messages.

MNO Mobile network operator, a provider who owns a cellular mobile network.

Mobile broadband Various types of wireless, high speed internet access through a mobile telephone or a mobile data dongle.

Mobile termination The charge operators which originate calls have to pay to mobile operators to deliver calls to their mobile customers.

Multichannel In the UK, this refers to the provision or receipt of television services other than the main five channels (BBC One and Two, ITV1, Channel 4/S4C, Five) plus local analogue services. 'Multichannel homes' comprise all those with digital terrestrial TV, satellite TV, digital cable or analogue cable, or TV over broadband. Also used as a noun to refer to a channel only available on digital platforms (or analogue cable).

Multiplex A device that sends multiple signals or streams of information on a carrier at the same time in the form of a single, complex signal. The separate signals are then recovered at the receiving end.

MVNO Mobile virtual network operator. An organisation which provides mobile telephony services to its customers, but does not have allocation of spectrum or its own wireless network and instead, buys a wholesale service from a mobile network operator.

Next generation access networks (NGA) New or upgraded access networks that will allow substantial improvements in broadband speeds and quality of service compared to today's services. This can be based on a number of technologies including cable, fixed wireless and mobile. Most often used to refer to networks using fibre optic technology.

Omnibus Quantitative market research survey carrying questions on different topics.

Openreach The access division of BT which provides equivalent inputs to services provided in downstream markets by other divisions of BT and other network and service providers.

PC Personal computer.

Platform The device on which a technology runs.

Postcode The geographic area identified by letters and numbers which appears as the first part of a postcode, e.g. SW8.

Postal Services Act Postal Services Act 2011, which came into force in October 2011.

PSTN Public switched telephone network. The network that manages circuit switched fixed-line telephone systems (e.g. BT’s current copper telephone network).

Silent call Telephone call generated by a dialler which does not have an agent immediately available to handle the call.

SIM-only A mobile contract that is sold without a handset.

Slamming Unauthorised switching of a customer's phone service to another carrier.

Smartphone A mobile phone that offers more advanced computing ability and connectivity than a contemporary basic ‘feature’ phone.
**SMS** Short messaging service.

**Socio-economic group (SEG)** A social classification, classifying the population into social grades, usually on the basis of the Market Research Society occupational groupings (MRS, 1991). The groups are defined as follows.

**A.** Professionals such as doctors, solicitors or dentists, chartered people like architects; fully qualified people with a large degree of responsibility such as senior civil servants, senior business executives and high ranking grades within the armed forces. Retired people, previously grade A, and their widows.

**B.** People with very senior jobs such as university lecturers, heads of local government departments, middle management in business organisations, bank managers, police inspectors, and upper grades in the armed forces.

**C1.** All others doing non-manual jobs, including nurses, technicians, pharmacists, salesmen, publicans, clerical workers, police sergeants and middle ranks of the armed forces.

**C2.** Skilled manual workers, foremen, manual workers with special qualifications such as lorry drivers, security officers and lower grades of the armed forces.

**D.** Semi-skilled and unskilled manual workers, including labourers and those serving apprenticeships. Machine minders, farm labourers, lab assistants and postmen.

**E.** Those on the lowest levels of subsistence including all those dependent upon the state long-term. Casual workers and those without a regular income.

**Standalone service** a single communications service purchased from a provider, which is not purchased alongside any additional service. However, other services may be purchased from a different provider.

**Tariff** Schedule of rates and charges for a service.

**UHF** Ultra-high frequency. The frequency range from 300 MHz to 1 GHz.

**Unbundle** See LLU.

**USO** Universal service obligation. An obligation placed on a universal service provider requiring it to supply a service.

**VoIP** Voice over Internet Protocol. A technology that allows users to send calls using internet protocol, using either the public internet or private IP networks.

**Voluntary non-ownership** Whereby potential consumers are without access to services, primarily due to a perceived lack of need for a service or satisfaction with using alternative methods.
Annex 3

Measuring participation in communications markets

The metric is created using measures of past and present participation behaviour.

**Past behaviour** – whether consumers have switched or considered switching, whether they have made a change to an existing contract – e.g. negotiated a better deal with their current supplier.

**Present behaviour** – whether they keep informed about developments, or ‘keep an eye out’ for better deals on the market.

Consumer segments:

1. **Inactive consumers** – consumers may have had some past involvement, but have low interest in the market. This group does not keep up to date with the market.

2. **Passive consumers** – more likely than inactive consumers to have participated in the past, and indicate some current interest in the market.

3. **Interested consumers** – while broadly similar to passive consumers in terms of their past behaviour, they are more likely to keep an eye on the market, looking out for better deals.

4. **Engaged consumers** – the most active group in terms of past behaviour and current interest.
## Annex 4

### Further information on Ofcom publications

#### Publications cited in the research or policy report

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<th>Document</th>
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