



Business services – fixed and mobile

Overview

This chapter focuses on the service quality experience of small and medium-sized enterprises (SMEs).¹³⁶ In 2017, there were around 5.7 million SMEs, accounting for over 99% of all businesses in the UK. Of these, around 5.4 million were micro-businesses, with less than 10 employees.¹³⁷

SMEs are vital to the success of the UK economy, and communications services are of key importance for such businesses. Previous Ofcom research has found that around eight in ten (81%) SMEs agreed that communication services were fundamental to their business.¹³⁸ For broadband, SMEs have highlighted the importance of having sufficient bandwidth to enable them to conduct routine business operations quickly, reliably and predictably.¹³⁹

However, compared to larger businesses, SMEs can face particular challenges when engaging with communications services, especially where they do not employ technical experts. They can struggle to understand some of the technology involved and to understand which products and services are best suited to their needs.¹⁴⁰ Some are also unaware of the level of service quality that their provider offers.¹⁴¹

This chapter first looks at business landline and fixed broadband services and then business mobile services.¹⁴² The focus is on services provided to customers on standard business contracts, as opposed to more bespoke contracts (e.g. leased lines for fixed services).¹⁴³ However, some SMEs

¹³⁶ SMEs are defined as any business with fewer than 250 employees.

¹³⁷ Department for Business, Energy & Industrial Strategy, [Business population estimates 2017](#).

¹³⁸ Ofcom, 2017, [“The SME experience of communications service: research report”](#), p.8.

¹³⁹ BDRC, 2018, [SME Communications Needs](#), p.27.

¹⁴⁰ *ibid*, p.15.

¹⁴¹ *ibid*, p.37.

¹⁴² Ofcom did not carry out a repeat of the “SME experience of communications service: research report” in 2017, therefore this section draws on provider responses: Ofcom, 2017, [Narrowband Market Review](#), and a new piece of qualitative research, BDRC, 2018, [SME Communication Needs](#).

¹⁴³ Different providers classify their business customers in different ways, including by employee count, wallet spend, products purchased. In the absence of a common approach across providers, we have looked at the SLAs offered to

choose to purchase communications products marketed at residential consumers and have contracts that reflect this.¹⁴⁴ The comparisons we make elsewhere in the report will therefore be relevant to those businesses.

Business landline and fixed broadband services

The market that provides fixed services to businesses is very complex with many suppliers and a wide variety of specialist landline and broadband products. In 2017, BT Business accounted for the largest share of SME customers (estimated to be over 40%), with TalkTalk, Virgin Media, XLN Telecom and Verastar¹⁴⁵ combined making up an estimated 25%, and a long tail of other providers and resellers making up the rest.¹⁴⁶ For the purposes of this report we have focused on the standard business contracts that these five main providers offer. For this report, standard business contracts exclude leased lines, ISDN 30 products, and residential contracts or packages.

Most of the main providers offer a choice of service quality

A key distinguishing feature of business contracts for landline and fixed broadband is the use of service level agreements (SLAs). These set out a provider's commitment to offer services at an agreed quality. SLAs often cover, but are not limited to, fault repair times, installation times, the time period within which action will be taken when a query or complaint is raised, and some also state the maximum number of days without service before compensation is paid to the business.

A provider will typically offer a range of SLAs for business customers to choose between. On repair times, for instance, service care levels ranged from repairs within as little as six hours to repairs within two to three working days, depending on the provider, service (landline or broadband), and the package selected by the SME. Businesses usually paid an additional charge to sign up to a higher SLA, although providers such as Virgin Media bundled higher SLAs as part of their higher speed packages.

customers on standard rather than more bespoke contracts (i.e. leased lines for fixed services), which are more likely to be used by SMEs, though some larger businesses may also use such contracts.

¹⁴⁴ Ofcom research indicates that 30-33% of SMEs have a residential contract for their internet service, while 25-30% have a residential landline contract. This is based on two pieces of research: Ofcom, January 2017, [SME experience of communications services](#), p.85 and Jigsaw, March 2017, [Automatic compensation research](#), slide 66, questions B8A and B11A.

¹⁴⁵ Verastar is the parent company for Unicom, kinex, Woav and Clear Business.

¹⁴⁶ Figures are based on SME research from: Ofcom, 2017, [Narrowband Market Research review](#). See questions 7A and 8A for more information.

Four of the five providers covered in this section, BT Business, Verastar, Virgin Media and XLN Telecom, offered a choice of SLAs to customers on standard business contracts. TalkTalk, however, applied a standard single service care level across all such contracts.¹⁴⁷

Of the main providers:

- Only Virgin Media offered a broadband repair time of twelve hours; the fastest repair time offered by Openreach providers is by end of next business day.
- Most offered faster repair times for landline services, starting from six hours.

Figure 44: The range of fault repair times offered to customers on standard business contracts for landline and broadband services

Provider	Fault repair times (from day of report)
BT Business	Fixed line: Between six hours to midnight on the 2 nd working day Broadband: Between midnight on the next weekday or Saturday to midnight on the 2 nd working day
TalkTalk Business	5 days (from standard terms and conditions for business contracts)
Verastar	Fixed line: Between six hours to midnight on the 2 nd working day Broadband: Between midnight on the next weekday or Saturday to midnight on the 2 nd working day
Virgin Media Business	Fixed line: Between 6-24 hours Broadband: Between 12-48 hours
XLN Telecom	Fixed line: Between six hours to midnight on the 2 nd working day Broadband: Between midnight on the next weekday or Saturday to midnight on the 2 nd working day

Source: Ofcom analysis of provider information.

BT, Virgin Media and XLN Telecom offered compensation related to SLAs

Not all providers offer compensation if they fail to meet their SLAs. Of the main providers, only BT Business, Virgin Media and XLN Telecom offered such compensation in 2017. For example, BT Business set out that failure to meet a service level would entitle the business customer to service credits. Virgin Media offered one month's line rental for certain products where faults were not fixed within 24 hours of being reported. XLN compensated the customer by reimbursing them the daily rate of their package for each day that the agreed SLA is missed. In some circumstances XLN also offered a full month's package price as compensation.

¹⁴⁷ TalkTalk aims to resolve faults and installation issue within a fixed number of days and includes this within the terms and conditions for standard business contracts.

Phone was the most popular way for SMEs to contact their fixed provider

Phone was the most popular method of contact, accounting for between seven in ten and nine in ten contacts.¹⁴⁸ Verastar was the only main provider that offered a call-back service to its customers on standard business contracts.¹⁴⁹ Other methods, such as email and webchat, accounted for a much smaller proportion of contacts.¹⁵⁰

Of the main providers, Verastar, Virgin Media, and XLN responded to individual business customer queries or complaints via social media (such as Twitter and Facebook), while BT Business and TalkTalk Business did not.

Business mobile services

The market for business mobile services is largely served by EE, O2 and Vodafone.

EE and O2 mobile customers preferred to call whilst Vodafone's customers mainly contacted their provider by email or webchat

Phone was the most popular method of contact for EE and O2 business customers. For these providers, email and webchat accounted for a much smaller proportion of customer contacts. However, for Vodafone, email and webchat combined were more popular methods of contact compared to the phone.

All three providers responded to customer queries or complaints via social media, such as Twitter and Facebook (however they did not differentiate between residential and business customers).

Providers offered business customers enhanced service features

Mobile providers offered business customers enhanced features,¹⁵¹ including features to enhance service quality. Examples included the following:

- EE offered businesses on its 'small business plan' a free phone replacement if the phone develops a fault.¹⁵² Business that have between five and nine eligible connections had priority routing of their calls when contacting EE, and faster phone replacement.
- O2 offered an extended manufacturer's warranty on mobile equipment for the duration of the minimum term of the agreement.

¹⁴⁸ Across providers this ranged from 72%-89% of all contacts made in 2017.

¹⁴⁹ By 'call back facility' we are referring to whether customers are given the option to be called back by a customer services agent before or while they are queuing to speak to a call services agent.

¹⁵⁰ Across providers, this ranged from 11%-28% in 2017.

¹⁵¹ These may not necessarily be available to residential customers.

¹⁵² By comparison, for a typical residential contract, the customer would need to send a faulty phone to EE for repair.

- Vodafone provided its business customers with an insurance product that guarantees a replacement for faulty handsets within 4 hours. Vodafone also offered a service that provides customers with a dedicated point of contact for advice and assistance.