



# The Consumer Experience 2011

Research Document

Publication date: 6 December 2011

# Contents

## Section

1	Introduction	1
2	Executive summary	3
3	Consumer access and take-up	6
4	Consumer choices, value and range	59
5	Consumer empowerment	87
6	Consumer protection	120

## Annex

1	Research methodologies	141
2	Additional demographic analysis	143
3	Analysis of disabled people	149
4	Analysis by ethnic profile	154
5	Glossary of terms and definitions	159

## Section 1

# Introduction

## Background

This is Ofcom's sixth annual report on the consumer experience of telecoms, the internet and digital broadcasting. 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.

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

### **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 survey**

Ofcom has run a survey of consumer decision-making since 2006, 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 now Ofcom's key data source for monitoring switching and satisfaction in communications markets.

### **Consumer concerns research**

Ofcom monitors consumer concerns in the communications markets on a six-monthly basis. The objective is to measure and track levels of concern as well as to investigate consumers' experience of specific topical issues.

## The scope

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

- telecoms (fixed-line and mobile);
- internet (largely focusing on fixed broadband);
- digital broadcasting (television and radio); and
- bundle purchasers (largely focusing on discounted bundles).

The report presents data on each of the markets under the following section headings:

- consumer access and take-up – the availability and take-up of communications services (including non-ownership, both voluntary and involuntary);
- consumer choices, value and range – trends in prices of communications services, consumers' use of suppliers, and their levels of satisfaction;
- consumer empowerment – the level of participation in communications markets in terms of switching and shopping around, and use of consumer information; and
- consumer protection – complaints, experience of issues, and awareness of complaints procedures.

The report covers the UK adult population, and compares findings in three ways:

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

With the exception of take-up data, findings have not been analysed at a national or regional level across the UK, as this is covered by Ofcom's annual *Nations & Regions Communications Market* report, last published in August 2011<sup>1</sup>.

## Time series data

Where possible, data from Q2 or Q3 2011 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 – 2011 data were collected in Q1 2011 and are compared to annual rolled data collected in 2006 and 2007 (Q1 – Q4 combined) and Q1 2008, 2009 and 2010 data.

## 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.

Insufficient sample sizes (i.e. fewer than 50 respondents) 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 respondents) 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.

---

<sup>1</sup> <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr11/>

## 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.

- Take-up levels of services have remained fairly stable:
  - Fixed voice ownership has stabilised at 84%, and is highest among older consumers, higher socio-economic groups and consumers living in a rural location. Older consumers and those in socio-economic group DE are most likely to purchase fixed voice services as a single service.
  - While overall mobile ownership remains stable (91%), there has been an upward trend in take-up of mobiles among older consumers. The shift towards full contracts, away from pre-pay, continues, and this trend is now consistent across all but the oldest age groups. While growth in contract packages is highest among the AB socio-economic group, all social groups have seen a notable rise over the past year – a third of those in the DE group are now on a mobile contract. In addition, mobile contracts are becoming longer, with more than two-thirds of new contract connections in Q1 2011 being for 24 months (vs. 50% in Q1 2010).
  - The growth in the take-up of smartphones (38% of mobile owners) is likely to have played a role in the rise of pay-monthly and longer contracts, as users repay much of the cost of an expensive handset over a number of months, rather than upfront. In Q2 2011 83% of adults with a smartphone were on a monthly contract.
  - Three-quarters of households now have access to at least one internet connection – this includes use of smartphones. Fixed broadband-only remains most popular (59%). Mobile broadband-only (excluding smartphones) stands at 8%, with a further 9% using this in addition to fixed broadband. Socio-economic group AB is driving use of mobile broadband as an additional method of connection (15%). Laptops are driving growth in home internet devices, with homes more likely to own a laptop (59%) than a desktop PC (44%).
  - Use of the internet anywhere has continued to rise steadily, with 80% of adults accessing the internet either at home or elsewhere. This increase is largely driven by older consumers.
  - The use of VoIP services has doubled since 2008 and stands at just over a fifth of households.
  - The proportion of adults receiving pay-TV has increased from 54% in 2009 to 58% in 2011. Pay-TV is more popular among younger households; DE households and those in rural areas are less likely than average to have pay-TV services.
  - Use of bundling remains unchanged. Around half of all adults purchase some of their services within a bundle. Demographics of those choosing to purchase services on a standalone basis vary by market – older consumers tend to purchase fixed voice services on their own, younger consumers tend to purchase

fixed broadband as a standalone product and those in rural areas are most likely to purchase pay-TV on its own.

- Overall levels of consumer satisfaction with communications services remain high.
  - Satisfaction is lowest among fixed broadband customers who do not purchase as part of a discounted bundle (81% satisfaction).
  - Satisfaction with fixed broadband speeds remains consistent with previous years (80%). Satisfaction with the speed of mobile broadband service has risen since 2009, up from 70% to 80%. This may be a result of improvements in the quality of service delivered to consumers, but may also reflect more realistic expectations of the levels of speed the service can deliver.
  - Satisfaction levels in relation to reliability of service are stable, with the standalone fixed broadband market reporting the lowest level of satisfaction (81%).
  - Household spend on communications services continues to decline, despite increased stated use of TV, internet and mobiles.
  - Analysis of tariffs from the largest operators indicates that, overall, prices of communications services have increased over the past year. However, there is little evidence that the average cost to customers is increasing, and this also comes in the context of enhanced service offerings and increasing overall inflation.
- Switching levels have remained stable in the standalone fixed-line (6%) and standalone pay-tv (2%) markets. Pay-TV remains the market with the highest level of inactivity (89%).
  - Yearly switching levels in the standalone mobile market have been declining over recent years (currently at 9%), coinciding with the rise in take-up of longer contracts. The proportion who have switched mobile provider the last two years stands at 18%.
  - Switching standalone broadband provider has declined over the past 12 months to 4%. However, total switching in the broadband market (including those switching this element in a bundle) stands at 7%. This is lower than reported in 2007-08 (10%-9%) but comparable with total switching in the fixed-line market. 15% of standalone broadband switchers said it had been difficult to switch provider.
  - Switching in the bundled market is broadly comparable to switching levels in the mobile market (10%). There were no significant differences in switching levels according to type of bundle. Nearly a quarter (23%) of consumers who had switched a bundled service said they found it difficult, making this the market with the highest level of stated difficulty in switching. This may be because most switchers have to manage multiple processes at the same time.
- Ofcom continues to see improvement in areas of consumer complaints.
  - Telecoms remains the most complained-about sector, driven by complaints about silent calls. But research data indicate that the proportion of consumers receiving these calls is declining, which suggests that the continuing high level of

complaints is perhaps due to an increased awareness of the ability to complain as opposed to an increase in incidence.

## Section 3

# Consumer access and take-up

## Introduction

This section of the report highlights the availability of communications services across the UK. It also reports trends in take-up of communications services, and consumers' reasons for and against taking up specific services.

We have grouped the reasons for not taking up services into two categories: 'voluntary' (a positive decision taken by the consumer not to own a certain technology) and 'involuntary' (where the consumer is prevented from owning the technology by a factor such as affordability).

## Consumer access and take-up metrics

Consumer access and take-up is measured by four metrics:

- Metric 1: availability of communications services
- Metric 2: take-up of communications services
- Metric 3: non-ownership of communications services
- Metric 4: degree of difficulty in using technology

The numbers shown in this section are at an overall UK level, based on the percentage of all adults/households.

We have analysed the key findings in this report by a number of demographic groups, to highlight whether any specific consumer groups are more likely to be excluded than others. These groups are: gender, age, socio-economic group and urbanity. Wherever possible, the results are shown over time. Sub-group differences are noted only when they are significantly different from the total sample.

All 2010 and 2011 data shown for adults aged 75+ in this section of the report have been weighted separately to more accurately represent the different profile of this group compared to other age ranges; as such, percentages for the over-75s may vary slightly to those in reports prior to 2010. Trend data for over-75s have been shown only for 2008-2011. Sample sizes prior to this were too small for analysis.

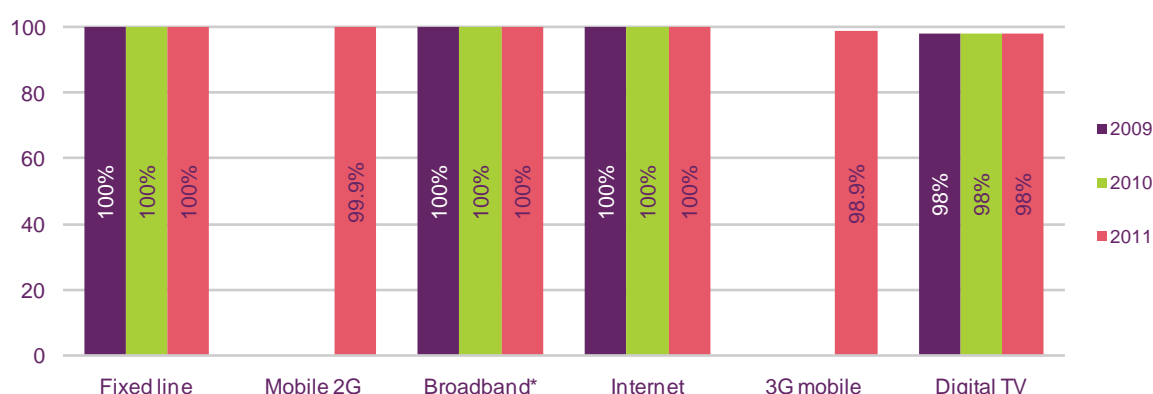
The survey providing the national comparison for 2011 was conducted in January-February 2011, while all other UK and demographic take-up data were collected in May-July 2011.

### 3.1 Consumer access and take-up – metric 1: availability of communications services

This first metric shows the availability of each service across the UK. Time series data for fixed lines, internet (including fixed broadband) and digital television are shown in Figure 1 below.



**Figure 1 Availability of communications services**



Sources: Ofcom and operators

\* Proportion of premises able to receive broadband DSL services based on data reported by BT.

Overall availability of communications services is high and has not changed over the past three years. Most households in the UK have access to the key broadcasting and telephony services, with all consumers covered by fixed lines, broadband and digital broadcasting. The methodology used by operators to calculate the availability of mobile 2G and 3G communications has changed since 2010, making previous years not directly comparable. In 2011, 99.9% of households are covered by second-generation (2G) and 98.9% by third-generation (3G) mobile services.

### 3.1.1 Availability of landlines

Fixed-line services continue to be universally available across the UK.

The universal service obligation (USO) is currently provided by BT and Kingston Communications in Hull. All households in the UK must be able to have access to 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.

### 3.1.2 Availability of mobile

Ofcom's Infrastructure Report collected data on predicted mobile signal strength (based on operator planning models) for both 2G and 3G networks in the UK and calculated two measures of coverage<sup>2</sup>. The first considers the proportion of postal addresses that are within coverage of the networks ('premises coverage'), while the second considers the overall geographic coverage i.e. what the percentage of land mass is served ('geographic coverage'). We have based our analysis on a signal strength that should be sufficient to make or receive a call outdoors<sup>3</sup>.

A summary of coverage across the UK and for each of the nations is shown below.

<sup>2</sup> 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-source approach are limited by the number of test devices and where the phones are used.

<sup>3</sup> See Annex 1 in Ofcom's Infrastructure Report for details on the signal thresholds we have used

**Figure 2 Availability of mobile**

Mobile Coverage								
	2G				3G			
	Geographic coverage		Premises coverage		Geographic coverage		Premises coverage	
	no signal from any operator	signal from all operators	no signal from any operator	signal from all operators	no signal from any operator	signal from all operators	no signal from any operator	signal from all operators
<b>England</b>	1.4%	83.8%	<0.1%	97.5%	8.9%	20.4%	0.4%	76.3%
<b>Scotland</b>	15.5%	37.9%	0.2%	94.5%	60.6%	3.1%	3.9%	63.0%
<b>Northern Ireland</b>	2.2%	73.4%	0.4%	93.2%	51.7%	5.7%	13.0%	51.7%
<b>Wales</b>	5.8%	59.0%	0.2%	91.6%	31.5%	6.8%	3.5%	49.9%
<b>UK</b>	6.4%	66.3%	<0.1%	96.8%	29.9%	12.8%	1.2%	73.1%

Source: Ofcom Infrastructure Report, see figure 12<sup>4</sup>

### 3.1.3 Availability of internet

Consumers now have an increased choice of broadband service providers. The combination of local loop unbundling (LLU), cable operators, the wireless broadband market, mobile broadband services and the ability to bundle services together, give consumers a wide choice of broadband products, access platforms and purchasing options.

Availability of unbundled local loop lines has grown from 80% at year-end 2007 to 85% at year-end 2010. Cable availability has fallen by 1% due to an overall increase in the number of households, while ADSL availability remains unchanged at 99.98%. However, ADSL availability to individual households may be limited by local factors (such as distance from the exchange and the technical quality of local networks).

<sup>4</sup> <http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/bbspeeds2011/infrastructure-report.pdf>

**Figure 3 Availability of broadband internet**



Source: Ofcom and operators

Note: Data refer to availability in December of each year.

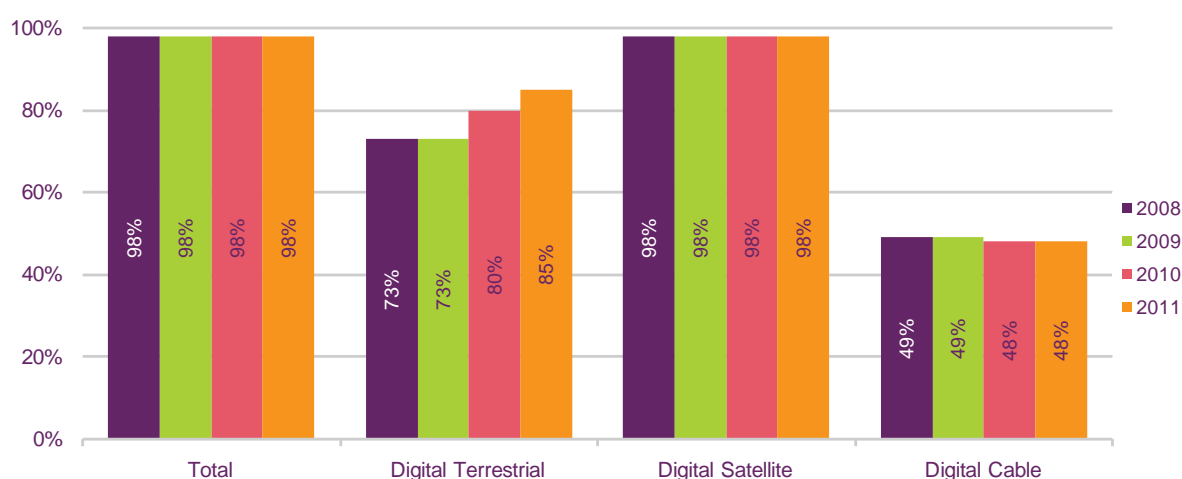
\*Availability of cable declined due to overall increase in number of households

### 3.1.4 Availability of digital television

UK viewers can choose from four types of digital distribution technology to receive live broadcast-quality television - digital terrestrial, satellite, cable and IPTV - which have varying levels of availability.

Figure 4 shows that digital TV services that are delivered over the airwaves have the highest availability, with digital satellite having near-universal coverage at 98%. Digital terrestrial (DTT) was available to 85% of the population by June 2011, a figure that is rising as digital switchover progresses. A year ago, DTT coverage was at 81% (having risen from a figure of 73% at DTT's launch in 1998). Cable coverage stands at 48% of UK homes as at Q1 2011.

**Figure 4 Availability of digital television**



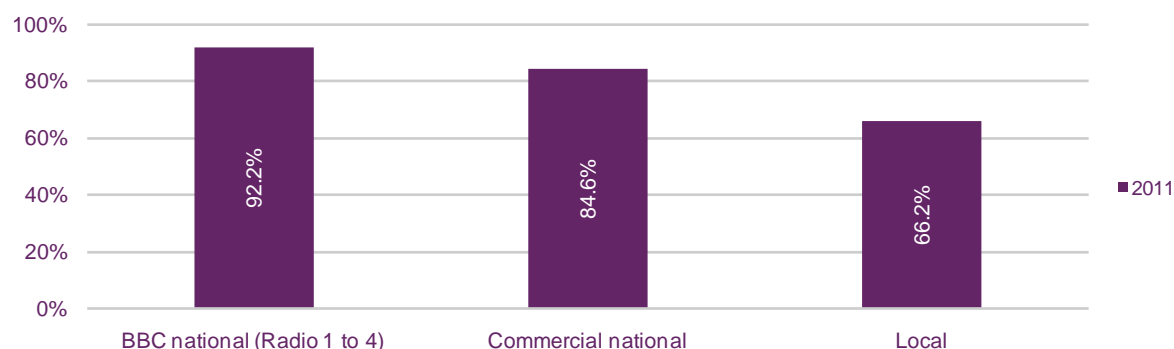
Source: Ofcom

Digital terrestrial calculations based on the estimated proportion of households that can now receive at least 17 channels, versus the coverage of the DTT signal prior to digital switch-over.

### 3.1.5 Availability of digital radio

The BBC has the most widespread DAB coverage, with BBC national Radio 1 to 4 available to 92.2% of UK households. Commercial national DAB radio is available to 84.6%, and local DAB radio to 66.2% of UK households.

**Figure 5 Availability of DAB radio**



Sources: Ofcom

\*BBC nations' radio services are included in the local coverage figures.

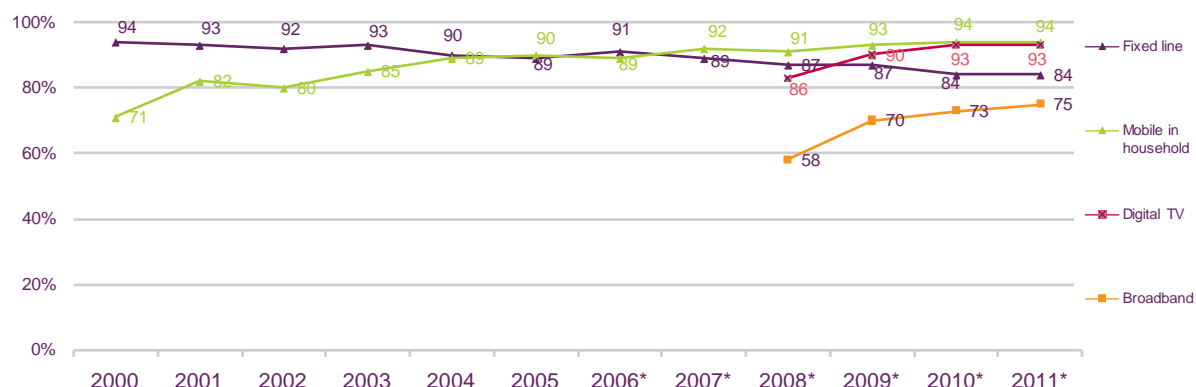
## 3.2 Consumer access and take-up – metric 2: take-up of communications services

This metric identifies the extent to which consumers have communications services available in their household. It also looks at take-up figures over time, consumers' demographic profiles and international comparisons.

### 3.2.1 Take-up of communications services

The chart below illustrates take-up of communications services within the UK. Mobile phone and digital TV have the highest penetration, with over nine in ten consumers having access to these services in their household.

**Figure 6 Take-up of communications services in the household**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q4 2000, 2133) (Q4 2001, 2159) (Q4 2002, 2138), (Q4 2003, 2150) (Q4 2004, 2131) (Q4 2005, 2214) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

\*Note: Data for 2006-2011 based on Q2, all other data based on Q4

The following sub-sections compare take-up of the individual communications services at an international level, and then in more detail within the UK.

### **3.2.2 Take-up of fixed lines – international comparisons**

Figure 7 indicates that in the UK, as in all other comparator countries, there has been a fall in the number of fixed lines per head of population over the past five years.

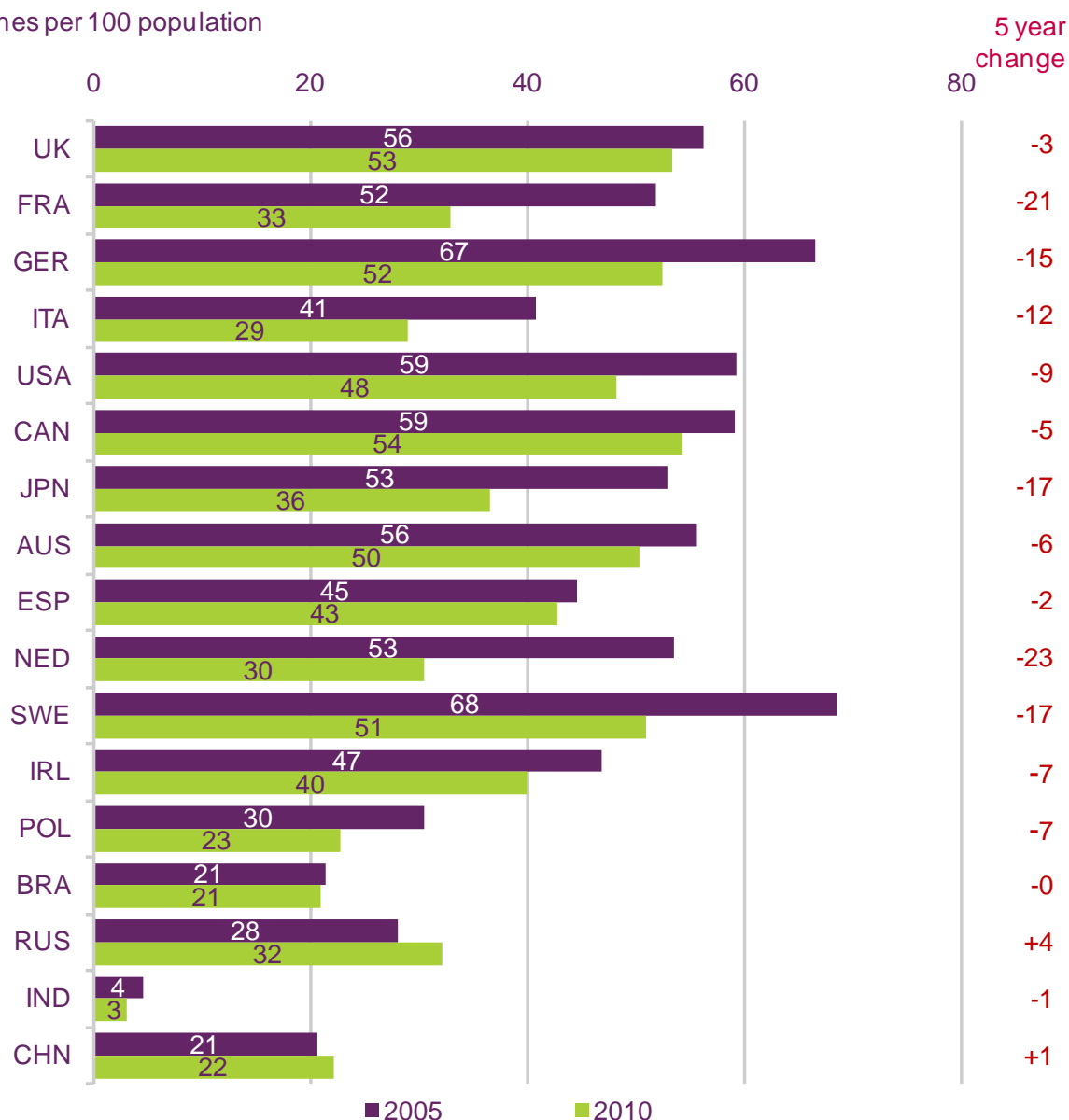
These falls are due primarily to the increasing use of mobile, with an increasing number of households choosing to use a mobile for all of their telephony needs (and typically saving costs, compared to having both fixed and mobile connections). Our research finds that in Q2 2011 15% of households in the UK had a mobile phone connection but no fixed-line connection, up from 9% of households five years previously.

However, the decline in the UK has been less than in some other countries. There are two main explanations for this:

- DSL broadband (i.e. broadband delivered over the copper phone line) accounts for 79% of fixed-line broadband connections in the UK. The requirement to pay for a telephone service in order to receive DSL broadband has constrained the growth of mobile-only households. In comparison, those countries where cable broadband has higher take-up (for example, the US) have seen a sharper fall in fixed-line connections. Similarly, in countries where 'naked DSL' is available (that is, where consumers can buy DSL without having to purchase a telephone service, such as the Netherlands, Sweden and France), a higher proportion of households have opted to give up their voice line and use mobile for their phone calls. Furthermore, in the UK, cable operator Virgin Media has priced its broadband and fixed telephone bundles so that it is cheap for consumers to purchase a fixed telephone line if they require broadband.
- The pricing strategies of fixed and mobile operators also play a role in determining the extent to which fixed lines are substituted for mobile connections. BT is the only incumbent operator in Europe which does not have its own mobile network, so is more vulnerable to the threat from mobile, and has developed strategies to try to reduce fixed-mobile substitution. One of the more significant strategies is its introduction of an advance payment option for line rental, which cuts the monthly cost by £3.90. The Line Rental Saver product locks in customers for 12 months because it requires an annual payment. BT also offers free weekend calls and three free calling features (such as voicemail) to try to persuade customers not to abandon their fixed line.

**Figure 7 Take-up of fixed lines, by country**

Lines per 100 population



Source: IDATE/ Industry data/ Ofcom

### 3.2.3 Take-up of fixed lines – UK

The following charts illustrate the trend in take-up of fixed-line phones within the UK and consumers' changing use of suppliers.

Following the decline in fixed-line ownership noted last year, this has stabilised at 84%.

**Figure 8 Take-up of fixed lines, 2000-2011**



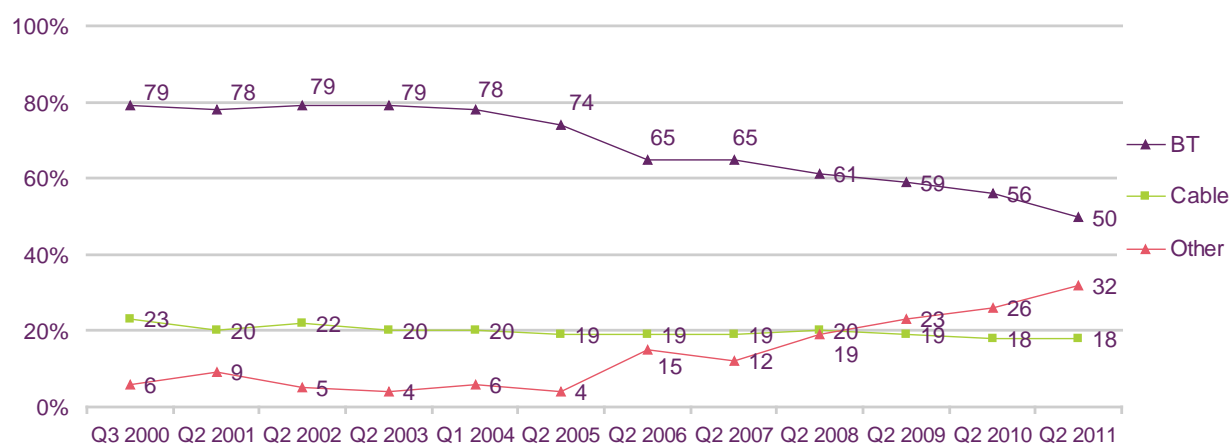
Source: Ofcom communications tracking survey

Base: All adults 16+ (Q4 2000, 2133) (Q4 2001, 2159) (Q4 2002, 2138), (Q4 2003, 2150) (Q4 2004, 2131) (Q4 2005, 2214) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

\*Note: Data for 2006-2011 based on Q2, all others based on Q4

Use of BT has continued to decline and now stands at 50%. While the proportion using cable services remains unchanged at around a fifth (18%) the proportion using other suppliers has continued to rise, to just under a third (32%) of households. These shifts have been driven by local loop unbundling (LLU) which allows companies to compete with BT, cable and wholesale line rental (WLR) operators for fixed-line services. The range of suppliers that consumers are using illustrates how competitive the fixed-line market is.

**Figure 9 Penetration of fixed-line suppliers, 2000-2011**



Source: Ofcom communications tracking survey, Q3 2000, Q2 2001-2003, Q1 2004, Q2 2005-2011

Base: UK adults with a landline phone at home

### 3.2.4 Voice over internet protocol (VoIP)

VoIP is an alternative to fixed-line voice communication. In some countries VoIP is already having an impact on use of fixed voice telephony. Due to methodological changes in 2009 please view trends prior to this as indicative only.

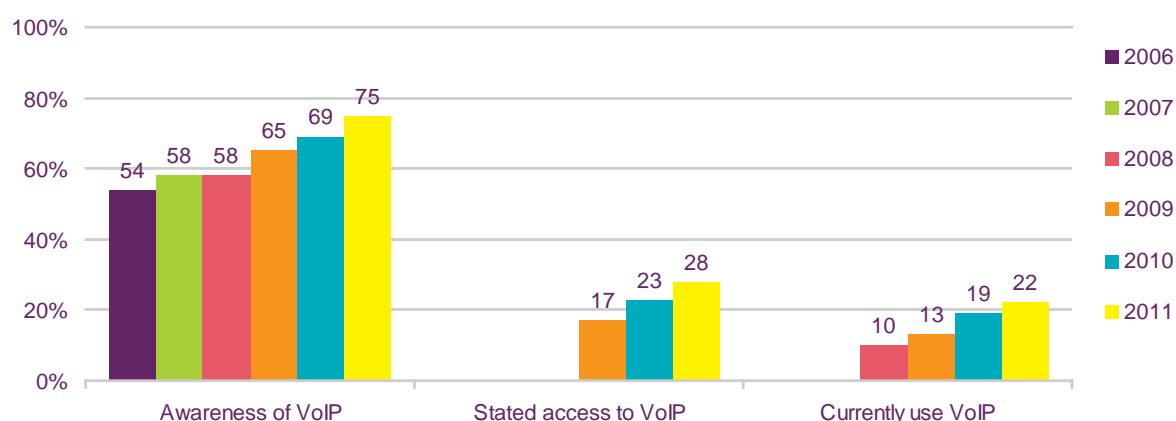
Awareness and current use of VoIP services both continued to rise in the UK in 2011. Awareness of the ability to make voice calls over the internet rose to 75%. Almost three in

ten (28%) adults said they had access to VoIP services at home – with 22% saying they currently use these - almost double the level reported in 2009 (13%).

Adults aged 16-54 years, males, ABC1s and those working continue to drive awareness. Over-65s remain least likely to be aware of the service. Younger age groups, males, ABC1s, those living in an urban environment and those with children in the household are driving access to VoIP, with those in socio-economic groups AB and C1 continuing to drive current use.

The four main VoIP suppliers that consumers say they are using are: Skype, MSN Messenger and BT Home Hub.

**Figure 10 Awareness and use of VoIP**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 1547) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

Note: 2009/10/11 data not directly comparable with previous years as question wording amended to understand access to VoIP services as well as use of these.

### 3.2.5 Profile of consumers who have taken up fixed-line services

The figure below shows a demographic comparison of fixed-line ownership across the nations of the UK. Full national and regional comparisons of ownership and use of communications services can be found in Ofcom's *Communications Market Report: Nations and Regions 2011*<sup>5</sup>.

The nations data are taken from a different time period to the UK-level data, and are therefore not directly comparable. Furthermore, previous reports included data between 2005 and 2007 which were not directly comparable to the trend data shown below, so this has been removed from this report. Data from 2008 and 2011 are directly comparable and therefore trend comparisons can be made.

England has higher fixed-line ownership (85%) than Scotland (80%) and Wales (80%). Fixed-line ownership in Northern Ireland stands at 84%.

<sup>5</sup> <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr11/>



**Figure 11 Profile of consumers who have taken up fixed-line services, by nation**

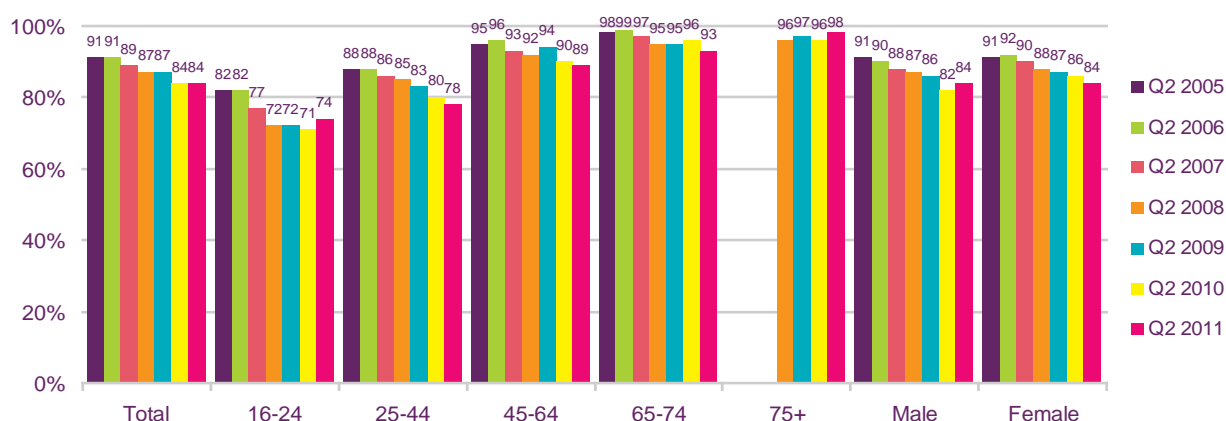


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1 2008, 5812) (Q1 2009, 6090) (Q1 2010, 9013) (Q1 2011, 3474)

There has been no significant change in landline ownership across all age groups since 2010, and it remains highest among older people.

**Figure 12 Age and gender profile of consumers who have taken up fixed-line services**

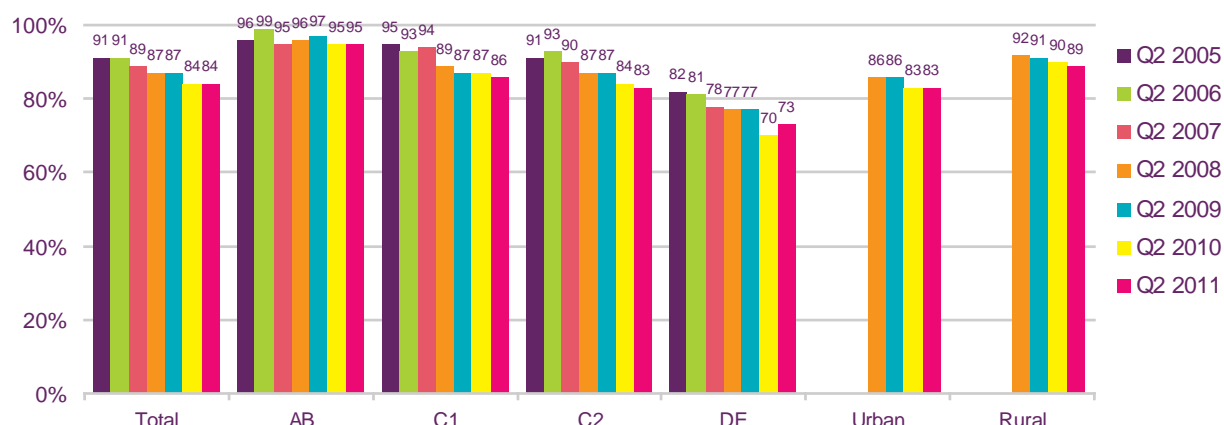


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2005, 2206) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q1 2011, 2862)

There has been no change in take up by socio-economic group, with AB socio-economic groups more likely to take up landline services than DE socio-economic groups. Those living in a rural environment are more likely to have a fixed-line service than those living in an urban environment (89% vs 83%).

**Figure 13 Socio-economic and urbanity profile of consumers who have taken up fixed-line services**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2005, 2206) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862) \*2010 data for £11.5-17.5k income households from Q1 due to data fluctuations in Q2

### 3.2.6 Take-up of mobile services – international comparisons

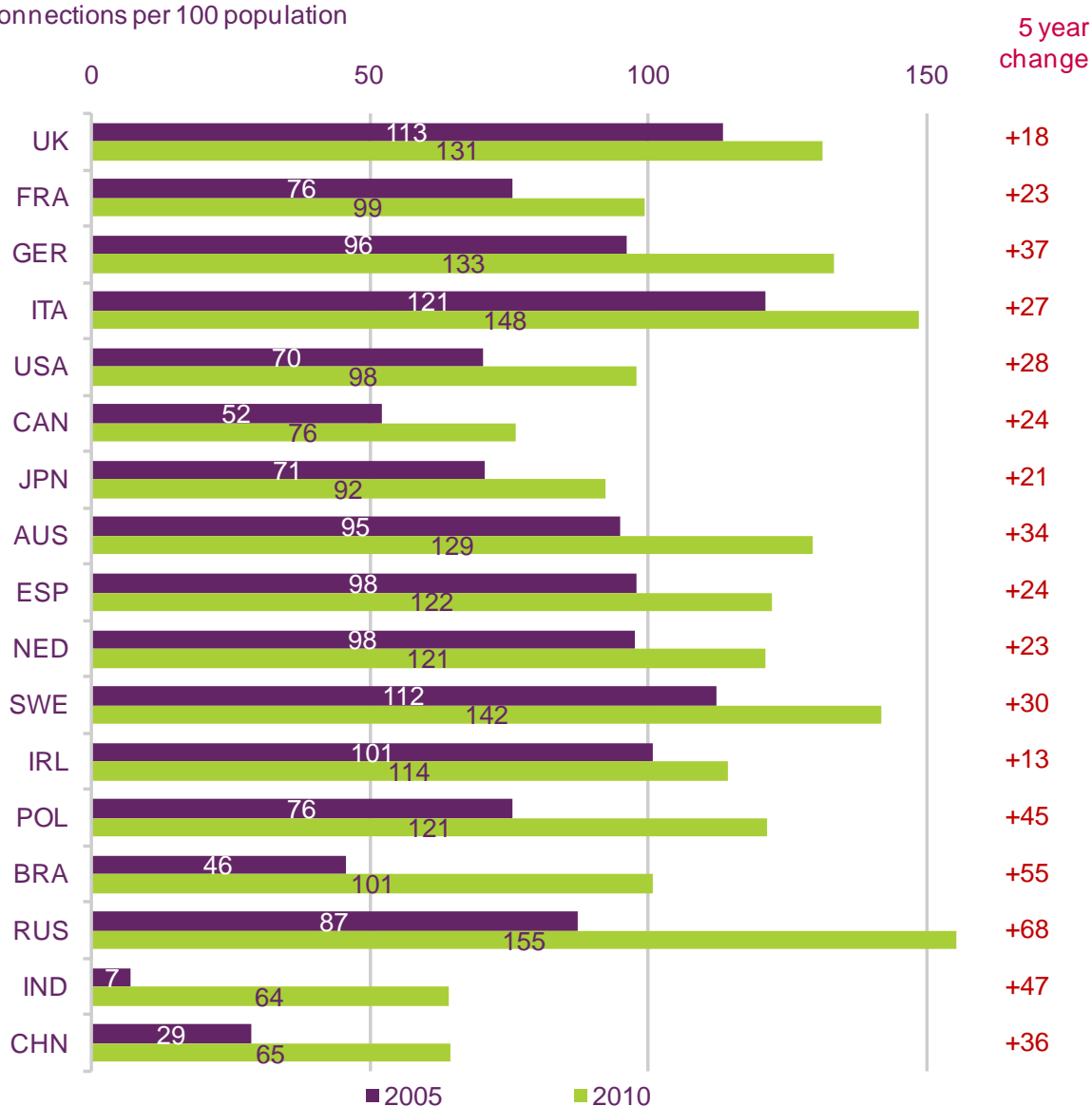
There were over 80 million active mobile connections<sup>6</sup> in the UK at the end of 2010, equivalent to 131 connections for every 100 people. Figure 14 indicates that this is comparable to Germany, the Netherlands and Sweden, is significantly higher than in France, the US, Canada and Japan, and is lower than in Russia, Sweden and Italy.

In a saturated market, multiple SIM ownership has driven increasing numbers of connections. In part this is due to multiple device ownership; for example, people having one mobile for home use and one for work use, or one mobile phone connection and one mobile broadband connection. However, high numbers of connections are closely connected to the take-up and availability of pre-pay SIM cards. For example, in the UK and all the countries where there are more mobile connections than people, pre-pay accounts for the highest proportion of mobile connections and consumers may often have more than one mobile connection active at any one time. Because pre-pay SIM cards are typically inexpensive (and are sometimes even free of charge), they may be infrequently used. The widespread availability of low-priced SIM cards also encourages consumers to acquire different SIM cards from different operators and swap them in and out of their handset in order to take advantage of different promotions and tariffs. There is, however, a growing trend in the UK from pre-pay tariffs towards contract deals, as discussed in the section below.

<sup>6</sup> A mobile connection is considered active if it has been used in the previous 90 days.

**Figure 14 Take-up of mobile services, by country**

Connections per 100 population



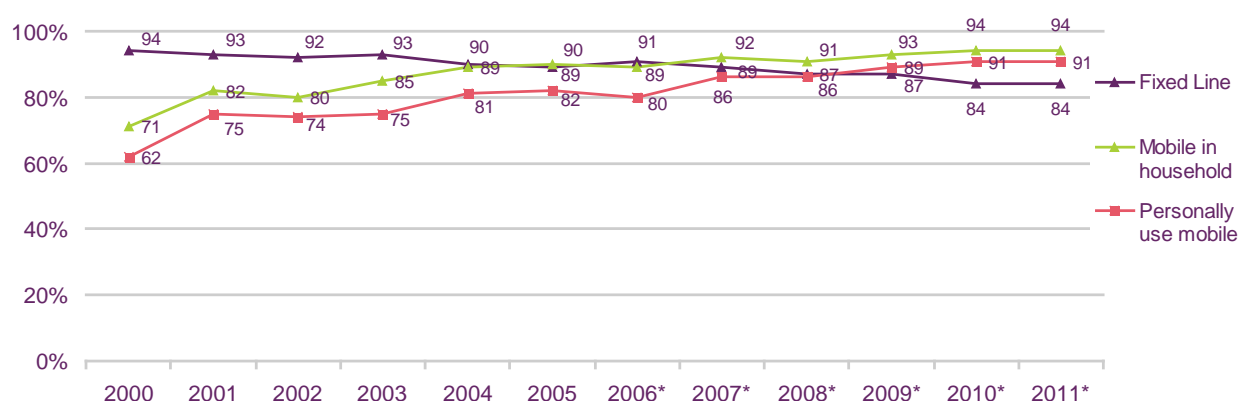
Source: IDATE/ Industry data/ Ofcom

### 3.2.7 Take-up of mobile services – UK

The following chart illustrates the trend in mobile ownership among UK households and UK adults. 'Household penetration' 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: 94% of households have access to at least one mobile phone, and homes are significantly more likely to have a mobile than a fixed line (94% versus 84%). Ninety-one per cent of adults personally use a mobile phone.

**Figure 15 Take-up of mobile services: 2000-2010**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q4 2000, 2133) (Q4 2001, 2159) (Q4 2002, 2138), (Q4 2003, 2150) (Q4 2004, 2131) (Q4 2005, 2214) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

\*Note: Data for 2006-2010 based on Q2, all other data based on Q4

### 3.2.8 Profile of those who personally use mobile services

Figure 16, below, shows that personal use of mobile phones remains high. Mobile phone use is higher in England (92%) than in Scotland (86%) and Wales (87%). In Northern Ireland personal use of a mobile phone increased by four percentage points to 92%, returning to its 2009 level.

**Figure 16 Those who personally use mobile services, by nation**

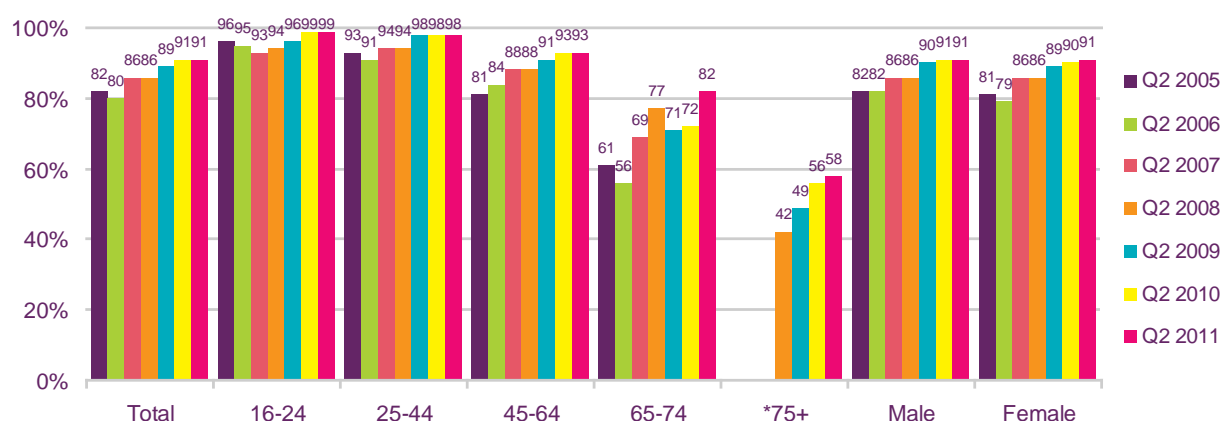


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2/3 2005, 4426) (Annual 2006, 9134) (Q1 2008, 5812) (Q1 2009, 6090) (Q1 2010, 9013) (Q1 2011, 3474)

Mobile phone ownership among 16-44s remains almost universal (99% and 98% respectively). Mobile phone ownership among 65-74s has increased by 10 percentage points over the past year, and is now at 82%.

**Figure 17 Age and gender profile of those who personally use mobile services**

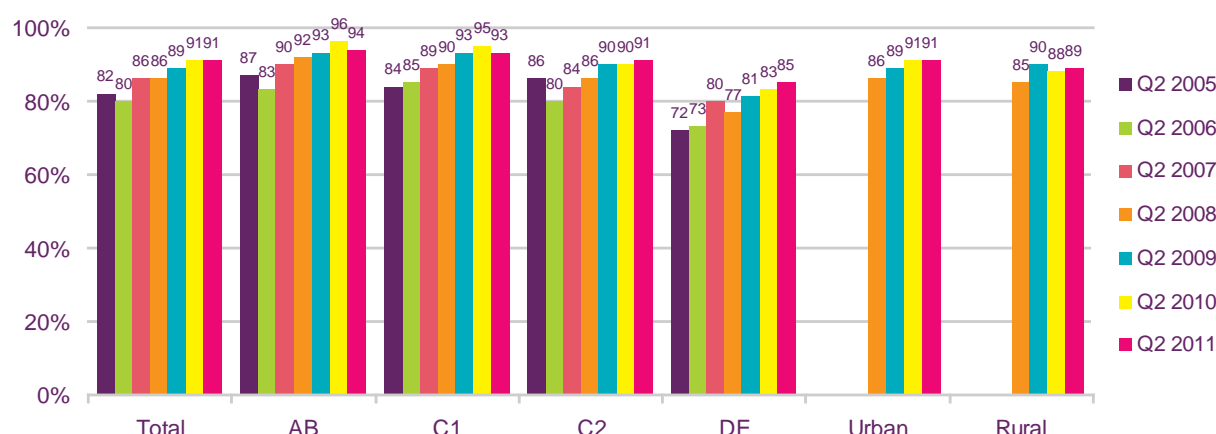


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2005, 2206) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862) \* 2005- 2007 base for 75+ too small to analyse

Mobile use among all socio-economic groups and urban/ rural locations has remained stable since 2010.

**Figure 18 Socio-economic and urbanity profile of those who personally use mobile services**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2005, 2206) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

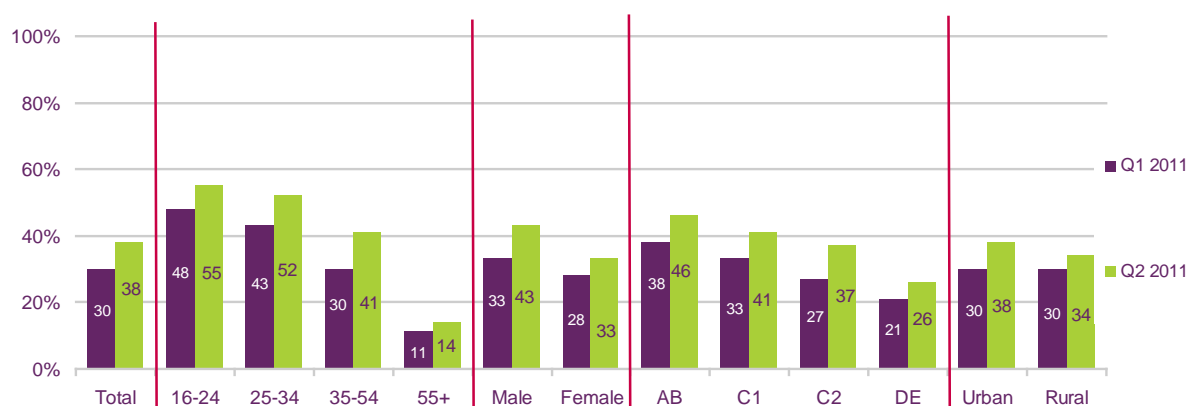
### 3.2.9 Trend in smartphones

There has been a huge growth in smartphone take-up and use in the past 12 months. Ofcom's *Communications Market Report 2011* reports that smartphone sales nearly tripled between Q1 2009 and Q1 2011, and by the first quarter of 2011, around half of new handsets sold were smartphones (defined by the operating system).

Ofcom research has been monitoring take-up of smartphones since the start of 2011, and as the figure below shows, in the first two quarters of this year there has been a sharp increase in ownership. Thirty-eight per cent of UK mobile phone owners now claim to own a smartphone - an increase of 8% since Q1. Smartphone ownership is highest among 16-34s,

with over half of mobile phone owners in this age group claiming to have a smartphone. Smartphone ownership is also higher among males and those in socio-economic group AB.

**Figure 19 Age, gender, socio-economic and urbanity profile of smartphone owners**



Source: Ofcom communications tracking survey

Base: Adults 16+ who personally use a mobile phone (Q1 2011, 3,091)(Q2 2011, 2543)

There are indications that smartphone growth may slow down over the coming quarters; 3% of non-smartphone users say they are certain to get a smartphone in the next 12 months and a further 11% say they are likely to get one. A third of non-smartphone owners say they are unlikely to get one, and 40% say they are certain that they will not.

### 3.2.10 Trend in use of mobile packages

Figure 20 illustrates the proportion of consumers using each of the mobile packages on offer. The most recent introduction is SIM-only contract packages, which allow consumers to purchase a SIM card for use in any handset capable of accessing the relevant network. Consumers sign up to relatively short (from one month) rolling contracts.

The proportion of mobile customers opting for contract packages has been gradually increasing since 2005, and now 52% of mobile users have a contract service. Most of this increase has been driven by longer-term contracts as opposed to the SIM-only option (5% of mobile phone users now have a SIM-only contract).

It is likely that the growth in the take-up of smartphones has played a role in the increasing take-up of pay-monthly and longer contracts, as users repay much of the cost of an expensive handset over a number of months, rather than upfront. In Q2 2011, 83% of adults with a smartphone were on a monthly contract.

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 some element of bundled data use.

**Figure 20 Take-up of mobile packages**



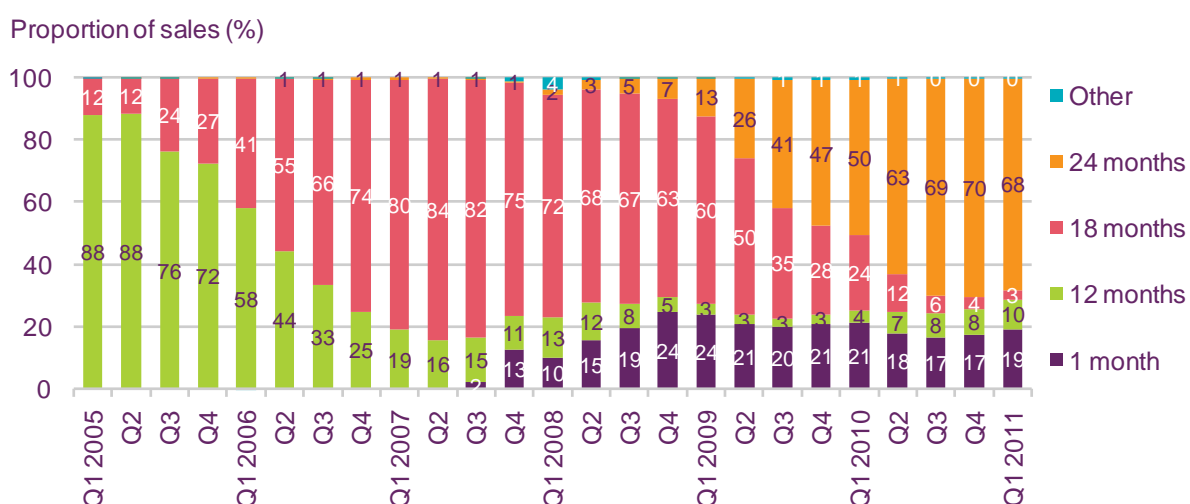
Source: Ofcom communications tracking survey

Base: Adults 16+ who personally use a mobile phone (Q2 2005, 1806) (Q2 2006, 1883) (Q2 2007, 1273) (Q2 2008, 1699) (Q2 2009, 1835) (Q2 2010, 1892) (Q2 2011, 2543)

\*Note - the comparable contract figure for 2009 is 42% and for 2010 is 44% as data relating to SIM-only contracts have been collected only since 2009

Figure 21, below, shows the trend in the length of new contract mobile phone connections. On- month contracts (i.e. SIM-only) came onto the market in Q3 2007 and rapidly increased in popularity through the later half of 2007 and 2008. Growth has now levelled off and in Q1 2011 these accounted for almost a fifth (19%) of new mobile contract connections. The biggest increase in connections since 2008 is among those taking longer contracts, with just over two-thirds (68%) of new contract connections in Q1 2011 being made on the basis of a 24-month contract.

**Figure 21 Length of new mobile contract connection**



Source: GfK Retail and Technology Ltd

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)

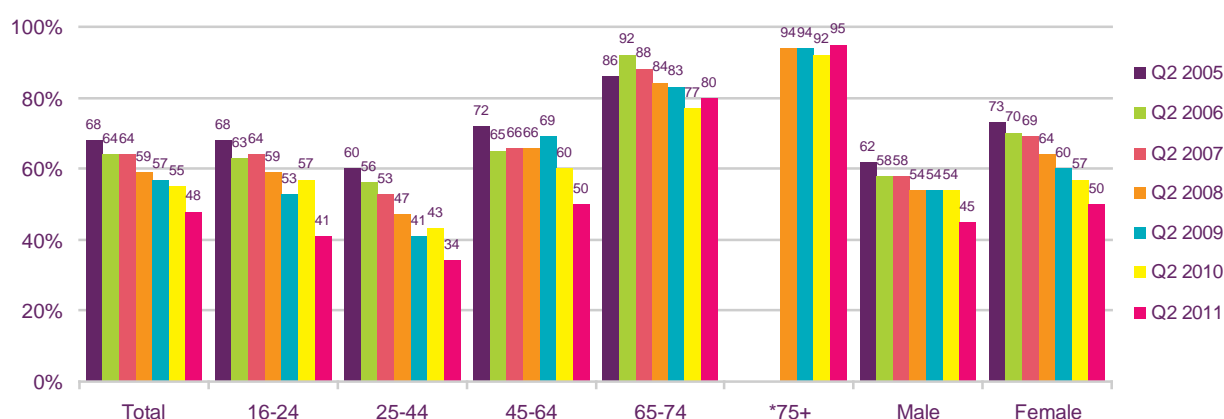
### 3.2.11 Profile of users of pre-pay packages

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

As previously mentioned, there has been a steady decline in use of pre-pay mobiles since 2005, and between 2010 and 2011 use fell by seven percentage points: now, fewer than half (48%) of mobile phone users have a pre-pay mobile phone, compared to two-thirds five years ago.

This decline has been driven by 16-64s, with pre-pay use among 16-24s falling from 57% to 41% over the past year, use among 25-44s falling from 43% to 34% in 2011 and use among 45-64s falling from 60% to 50%. Use of pre-pay remains highest, and stable, among those aged 65 and over.

**Figure 22 Age and gender profile of pre-pay users**



Source: Ofcom communications tracking survey

Base: Adults 16+ who personally use a mobile phone (Q2 2005, 1806) (Q2 2006, 1883) (Q2 2007, 1273) (Q2 2008, 1699) (Q2 2009, 1835) (Q2 2010, 1892) (Q2 2011, 2543).

\* small base size; treat as indicative only

All socio-economic groups experienced a decline in use of pre-pay mobiles, although use remains highest among DEs. Use of pre-pay mobiles has fallen among those living in an urban location; from 56% in Q2 2010 to 46% in Q2 2011, while it has remained stable (at 55%) among those in a rural location.



**Figure 23 Socio-economic and urbanity profile of pre-pay users**



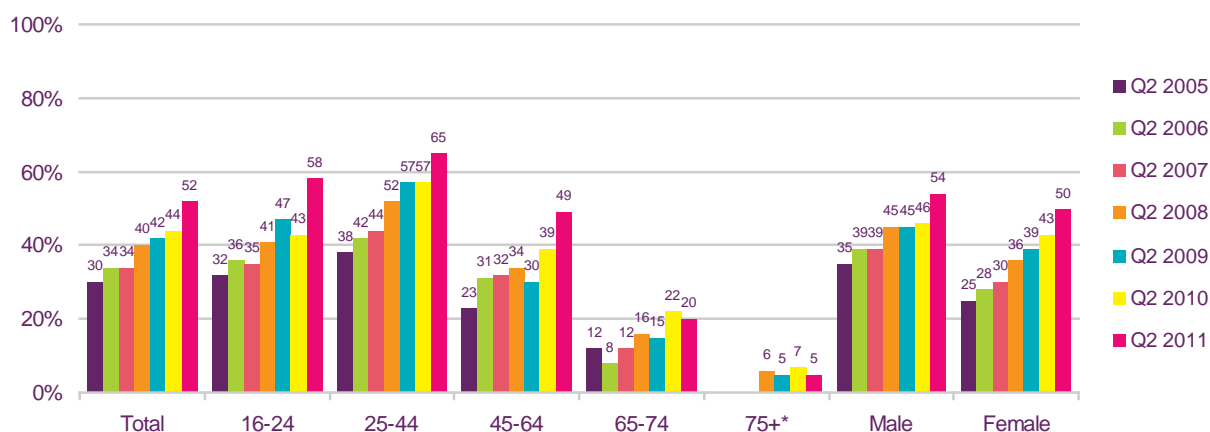
Source: Ofcom communications tracking survey

Base: Adults 16+ who personally use a mobile phone (Q2 2005, 1806) (Q2 2006, 1883) (Q2 2007, 1273) (Q2 2008, 1699) (Q2 2009, 1835) (Q2 2010, 1892) (Q2 2011, 2543)

### 3.2.12 Profile of users of contract packages

Fifty-two per cent of mobile users have a contract mobile phone (including 5% who are SIM-only users); a significant rise since 2010. Use of contract rose significantly among mobile customers aged 16-64, which corresponds with the fall in use of pre-pay among this demographic.

**Figure 24 Age and gender profile of contract users**



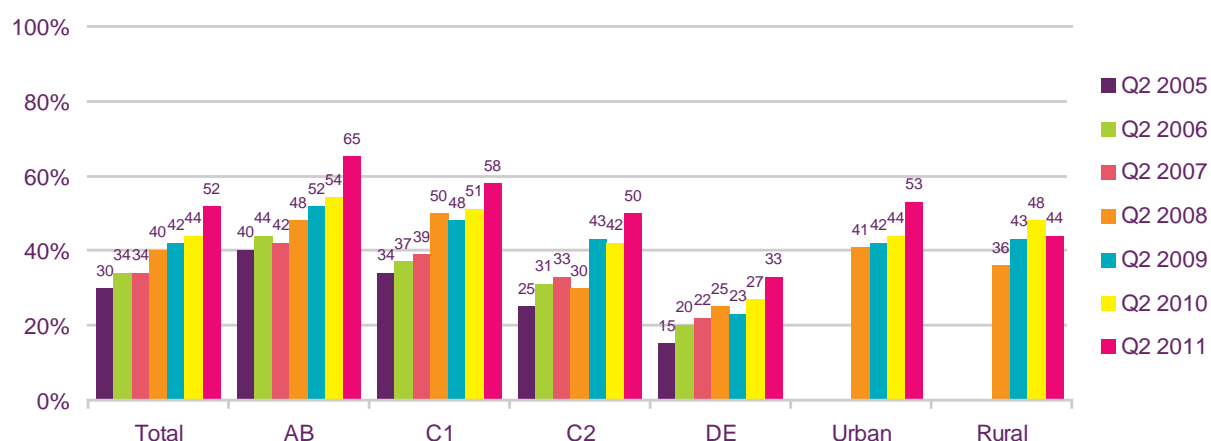
Source: Ofcom communications tracking survey

Base: Adults 16+ who personally use a mobile phone (Q2 2005, 1806) (Q2 2006, 1883) (Q2 2007, 1273) (Q2 2008, 1699) (Q2 2009, 1835) (Q2 2010, 1892) (Q2 2011, 2543)

\* Small base size; treat as indicative only

All socio-economic groups experienced a rise in use of contract mobile phones in 2011. Among mobile customers in socio-economic group AB, it rose to nearly two-thirds (65%). Use of contract mobile phones has increased among those in an urban location, to 53%, but has remained relatively stable among those in a rural location (44%).

**Figure 25 Socio-economic and urbanity profile of contract users**



Source: Ofcom communications tracking survey

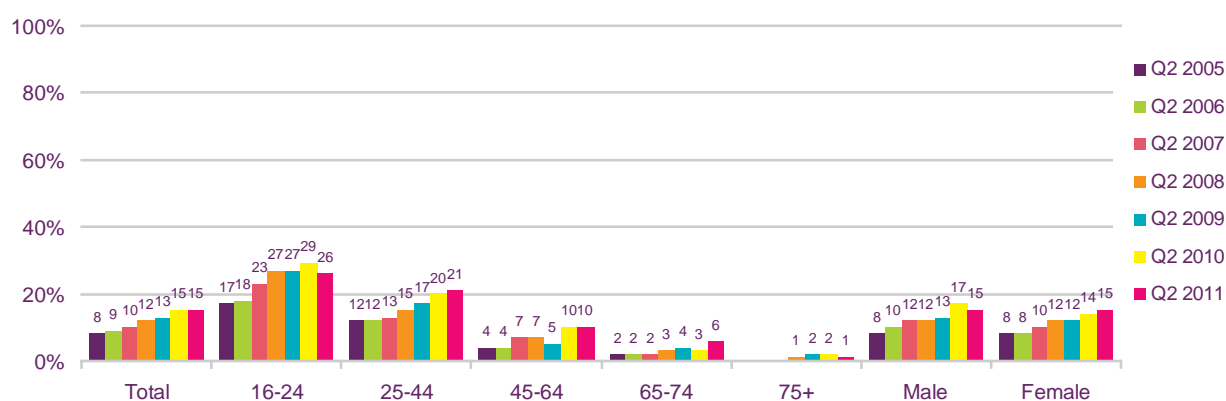
Base: Adults 16+ who personally use a mobile phone (Q2 2005, 1806) (Q2 2006, 1883) (Q2 2007, 1273) (Q2 2008, 1699) (Q2 2009, 1835) (Q2 2010, 1892) (Q2 2011, 2543)

### 3.2.13 Profile of users of mobile-only telephony

The following chart illustrates the changing profile of adults who live in a household with access to a mobile phone but no landline. The proportion of households using mobile services as their only means of telephony doubled between 2005 and 2010, from 8% to 15%, but has remained stable since then.

The profile of consumers who rely only on a mobile phone in the household remains broadly unchanged and is most common among younger age groups. One quarter of adults aged 16-24 and a fifth of adults aged 25-44 rely solely on mobile telephony – they are significantly more likely to rely only on a mobile phone than are older age groups.

**Figure 26 Age and gender profile of users of mobile-only telephony**

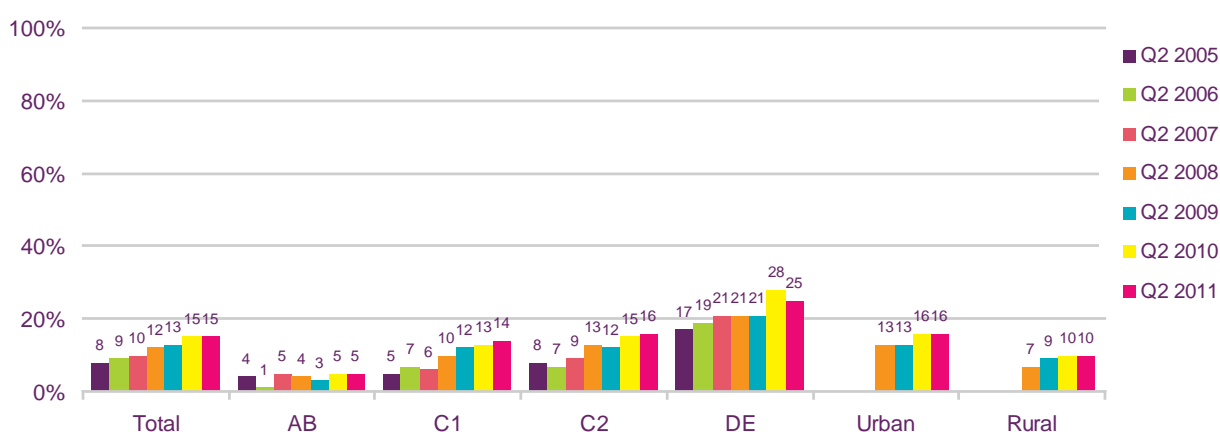


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2005, 2206) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2019) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

The use of mobile-only telephony across all socio-economic groups has remained relatively unchanged. Mobile-only telephony continues to be higher in urban than in rural locations (16% vs 10%).

**Figure 27 Socio-economic and urbanity profile of users of mobile-only telephony**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2005, 2206) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2019) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

### 3.2.14 Take-up of fixed-line and mobile services

The overall take-up of fixed-line and mobile services remains unchanged since 2010. Just under four-fifths of households have both a fixed-line and a mobile, 5% have fixed-line only and 15% have mobile only.

**Figure 28 Take-up of fixed-line and mobile services**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q4 2000, 2133) (Q4 2001, 2159) (Q4 2002, 2138), (Q4 2003, 2150) (Q4 2004, 2131) (Q4 2005, 2214) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

\*Note: Data for 2006-2011 based on Q2 data, all other data based on Q4

### 3.2.15 Take-up of internet services

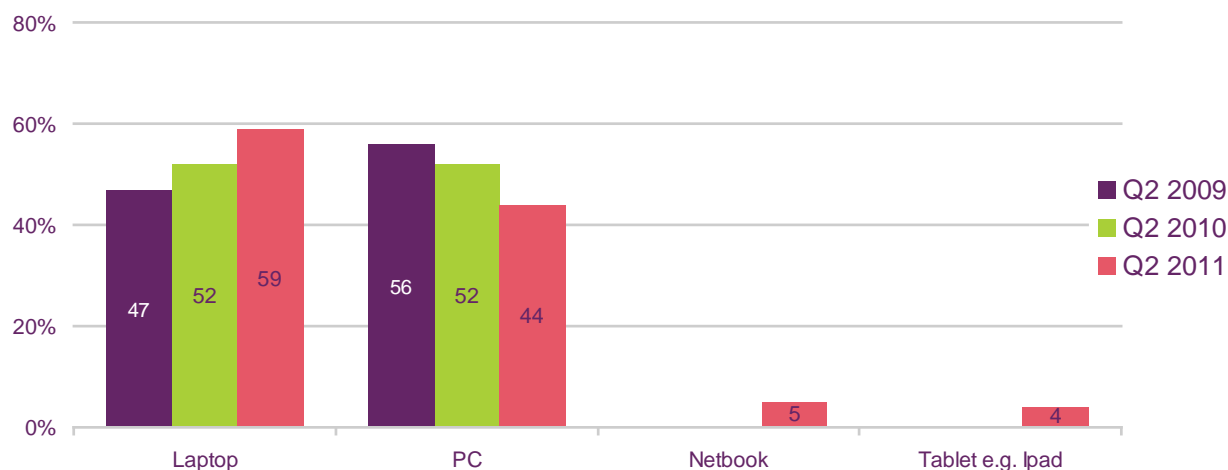
Before we look at take-up of internet services, we look at the ways consumers can access the internet at home.

Since 2009 we have been able to identify whether ownership of a computer in the household is a laptop and/ or a desktop PC. The figure below shows a steady increase in laptop ownership and a decline in PC ownership since 2009. Laptops are now the most popular device in the household, with almost three in five (59%) adults having one in the household,

followed by a PC (44%). This decline in desktop PC ownership and increase in laptops has been experienced across all ages and socio-economic groups.

For the first time this year we have also measured the ownership of netbooks and/ or tablet computers (such as an iPad). Ownership of a netbooks or tablet computers is currently at 5% and 4% respectively.

**Figure 29 Ownership of PCs, laptops, netbooks or tablet computers in the home**



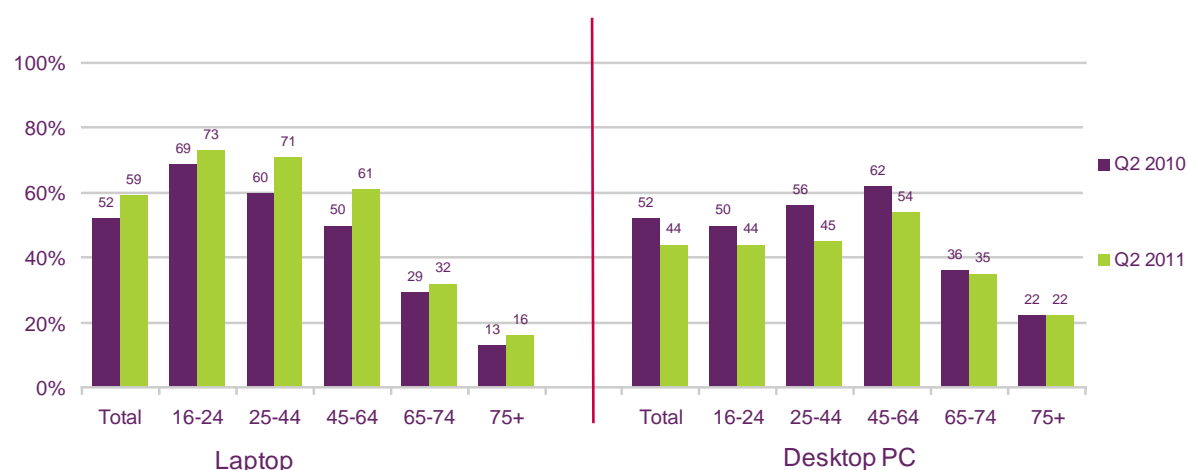
Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

Note: Devices are not mutually exclusive and many respondents had multiple devices in their household

The increase in laptop ownership has been largely driven by those aged 25-64, and ownership among 25-44s is at a level equal to 16-24s (about 7 in 10).

**Figure 30 Age profile of laptop and PC users**

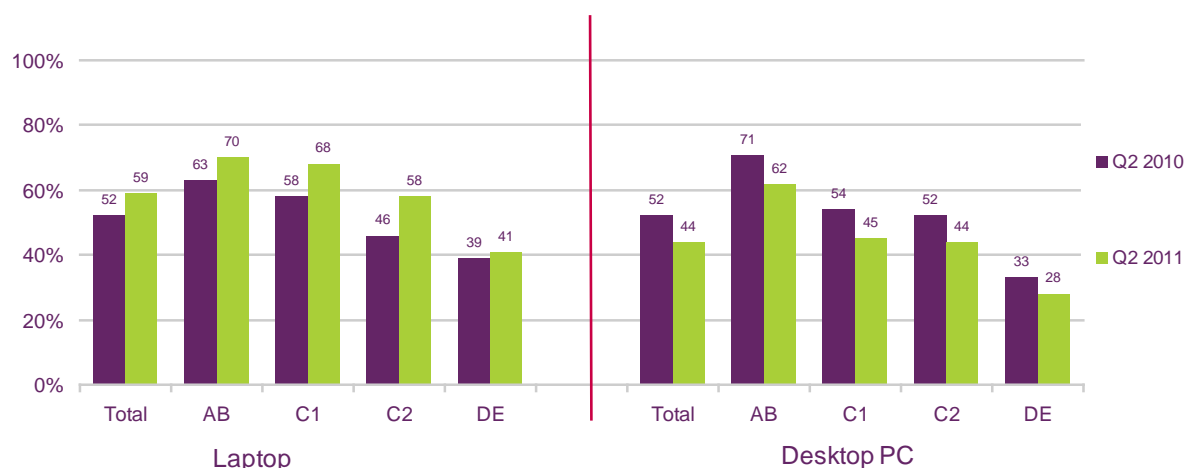


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2010, 2106) (Q2 2011, 2862)

There has been a rise in laptop ownership among all socio-economic groups except DE, which remains stable at about 40%.

**Figure 31 Socio-economic group profile of laptop and PC users**

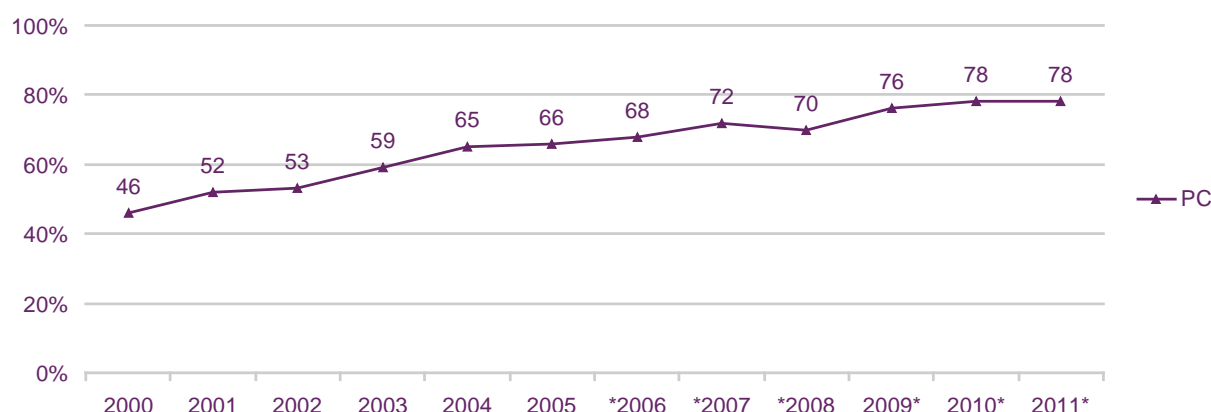


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2010, 2106) (Q2 2011, 2862)

The figure below shows that ownership of devices to access the internet has remained stable at 78%.

**Figure 32 Ownership of PCs, laptops, netbooks or tablet computers in the home**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q4 2000, 2133) (Q4 2001, 2159) (Q4 2002, 2138), (Q4 2003, 2150) (Q4 2004, 2131) (Q4 2005, 2214) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

\*Note: Data for 2006-2011 based on Q2, all other data based on Q4

### 3.2.16 Profile of owners of PCs, laptops, netbooks or tablet computers

Figure 33 below shows a comparison of device ownership (in terms of PC, laptop, netbook and/or tablet computer) across the nations. In England, Scotland and Northern Ireland ownership has remained relatively stable since Q1 2009, while there has been a significant increase in ownership in Wales: from 65% of households in Q1 2009 to 74% now.

**Figure 33 Nation profile of those who own a PC, laptop, netbook and/or tablet computer**

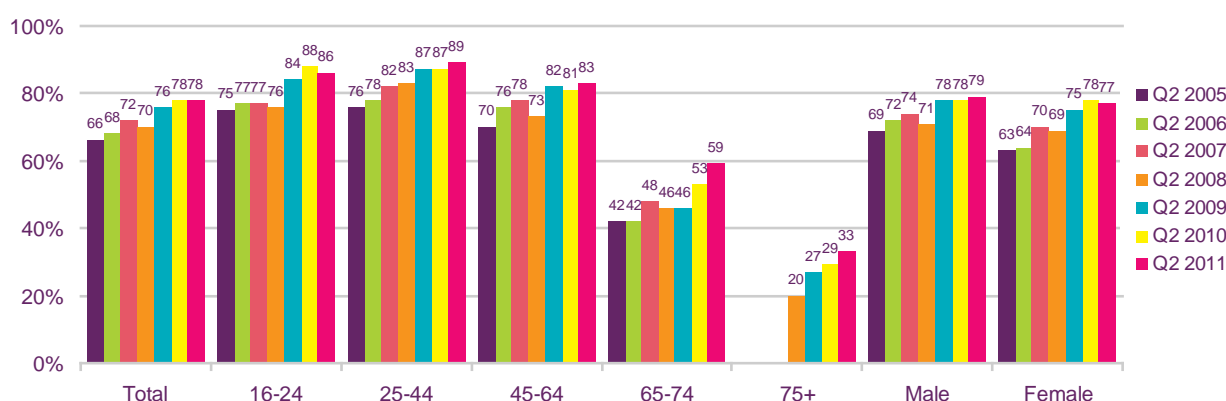


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1 2008, 5812) (Q1 2009, 6090) (Q1 2010, 9013) (Q1 2011, 3474)

While device ownership remains most popular among the under-65s, over the last couple of years there has been significant growth in ownership among the over-65s. Nearly three-fifths (59%) of 65-74 year olds now have access to at least one of these devices at home, as do a third of those aged 75+.

**Figure 34 Age and gender profile of those who own a PC, laptop, netbook or tablet computer**

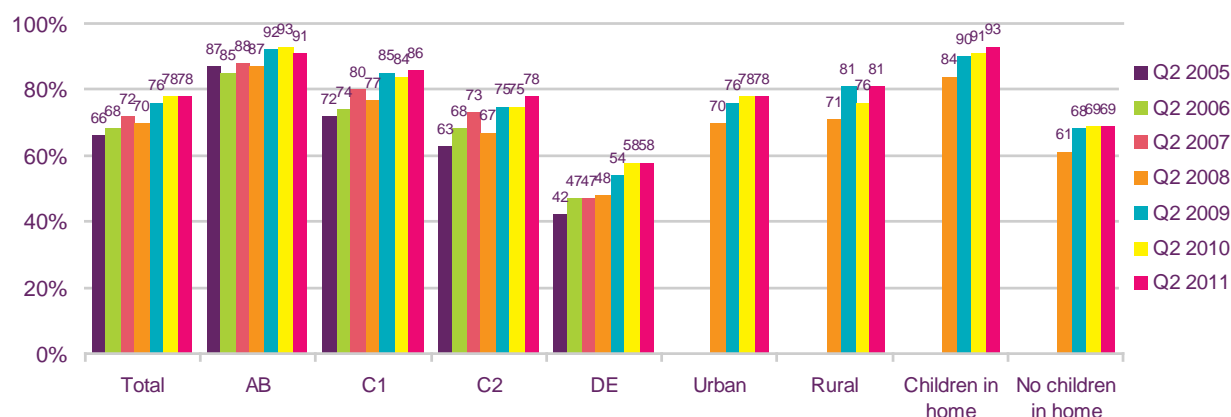


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2005, 2206) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

Ownership of these devices at an overall level has remained stable for all socio-economic groups since 2010, and is higher among ABC1s. Presence of children in the household has a large impact on ownership. Households with children are more likely than those without children to own one of these devices (93% compared to 69%).

**Figure 35 Socio-economic, urbanity and children-in-home profile of those who own a PC, laptop, netbook or tablet computer**



Source: Ofcom communications tracking survey

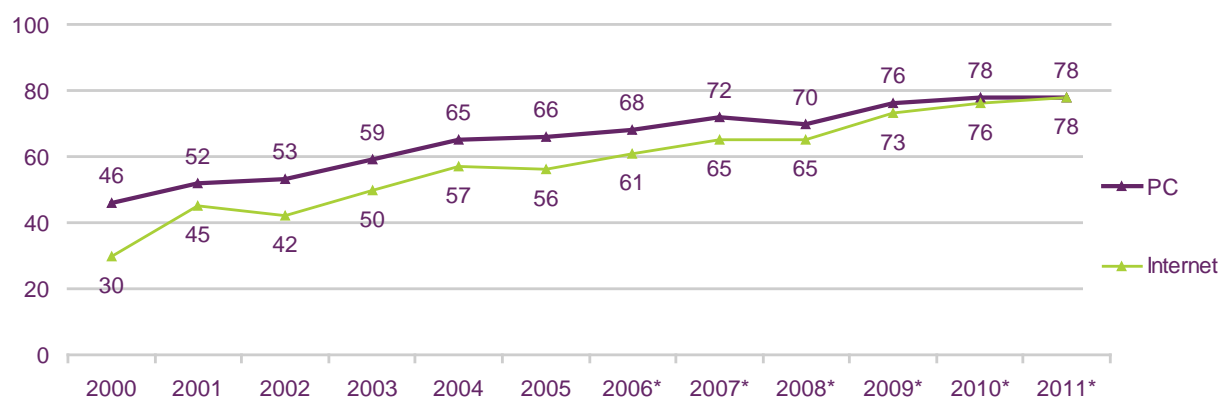
Base: All adults 16+ (Q2 2005, 2206) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

### 3.2.17 Take-up of internet access at home

We measure take-up of the internet in two ways. The first metric covers consumers who access the internet at home<sup>7</sup>, and the second measures the proportion of consumers who access the internet in any location.

Take-up of the internet at home has continued to rise steadily, and 78% of households now have access equal to the level of PC ownership<sup>8</sup>.

**Figure 36 Take-up of the internet at home**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q4 2000, 2133) (Q4 2001, 2159) (Q4 2002, 2138), (Q4 2003, 2150) (Q4 2004, 2131) (Q4 2005, 2214) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

\*Note: Data for 2006-2011 based on Q2, all other data based on Q4

<sup>7</sup> Internet access at home includes access via a mobile phone

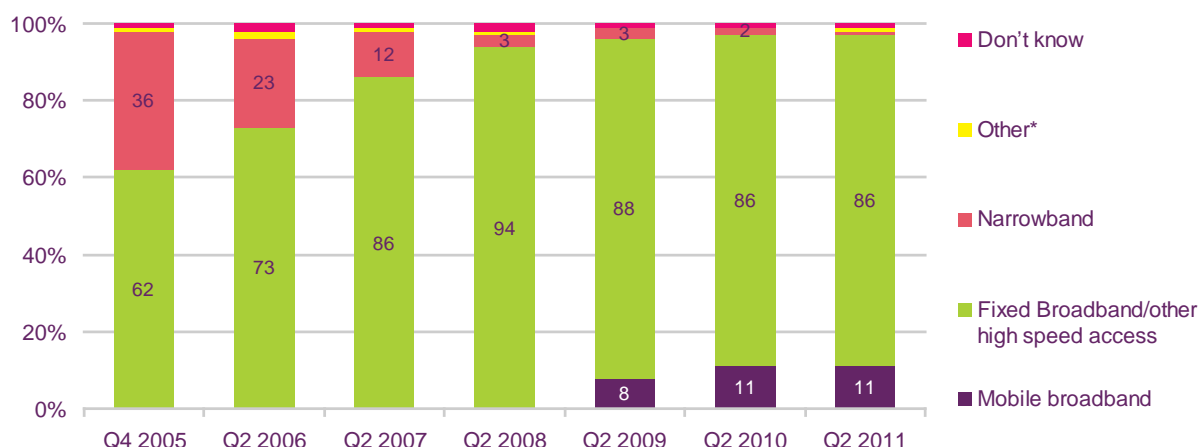
<sup>8</sup> This includes access to the internet via PC, laptop, netbook or tablet computer

### 3.2.18 Take-up of broadband access at home

The proportion of households using broadband as their main internet connection has remained stable for the third year running, at 97%. Just over one in ten (11%) use mobile broadband as their main household internet connection, while the majority (86%) use fixed broadband. In this report smartphones are not included in mobile broadband data. Ofcom estimates one to two per-cent of smartphone users do not have fixed or mobile broadband in their household

Fifty-four per cent of those using mobile broadband consider it to be their main method of internet connection at home.

**Figure 37 Trends in main connection methods**



Source: Ofcom communications tracking survey

Base: Adults 16+ with access to the internet at home (Q4 2005, 1159) (Q2 2006, 1267) (Q2 2007, 1398) (Q2 2008, 1344) (Q2 2009, 1493) (Q2 2010, 1541) (Q2 2011, 2141)

\*Note: 'Other' includes ISDN and mobile handset.

### 3.2.19 Take-up of fixed broadband – international comparisons

Figure 38, below, compares the number of fixed-line broadband connections per 100 households in the UK with levels in other countries.

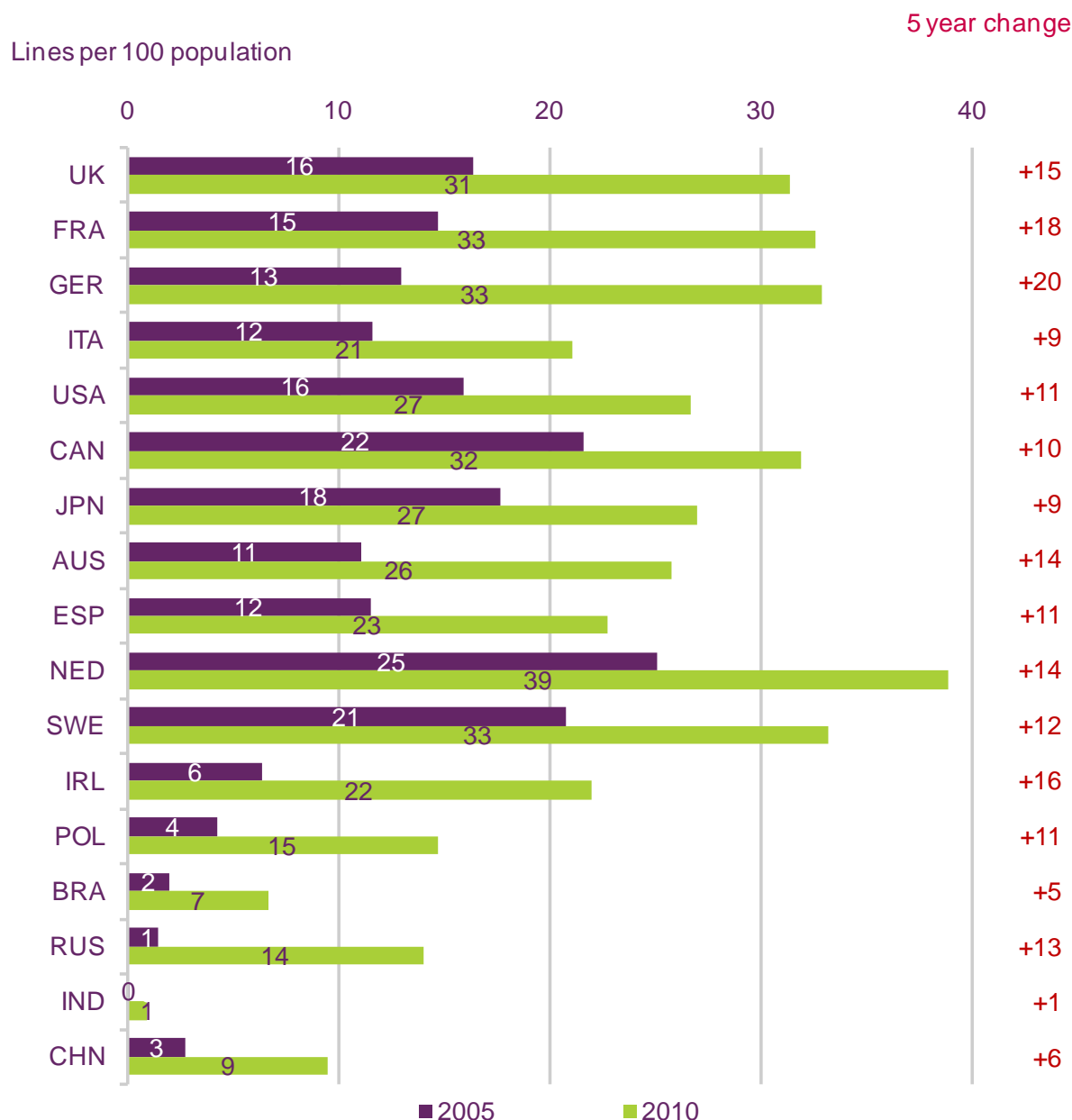
It should be noted that, because separate data for residential and business broadband connections are not available for most countries, the numbers below include some business connections (although the dedicated corporate access market is excluded) and so are not comparable with consumer survey data published elsewhere in this report. The data also exclude mobile broadband connections, which around 17% of UK households had in Q2 2011.

All the countries in this comparison have seen significant increases in broadband ownership since 2004. However, levels of broadband penetration across European countries vary significantly. The Netherlands had the highest take-up, at 39 connections per 100 people, due to a combination of high gross domestic product (GDP), dense population, a competitive market, fast infrastructure and low prices. The density of the population enables broadband services to be deployed at relatively low cost (95% of households are passed by cable), resulting in relatively low prices for consumers. The lowest take-up among these comparator countries was in India, with one connection per 100 people – this is due to relatively low GDP, a fast-growing mobile infrastructure and poor fixed-line infrastructure.



With thirty-one broadband connections per one hundred people, the UK has relatively high take-up of broadband services. This reflects the near-universal availability of DSL broadband since 2005, and also relatively low broadband pricing, compared to other countries, particularly when taken in a bundle with other services such as fixed-line voice or pay-TV.

**Figure 38 Take-up of fixed broadband, by country**



Source: IDATE and Ofcom

### 3.2.20 Profile of consumers who have taken up broadband connections – UK

The chart below shows a comparison of take-up of broadband services across the nations. Since last year, take-up of broadband at home has remained stable for England, Scotland and Northern Ireland, and has increased significantly for Wales. For all nations, fixed-only broadband is the most popular type of connection.

**Figure 39 Nation profile of those who have broadband access at home**

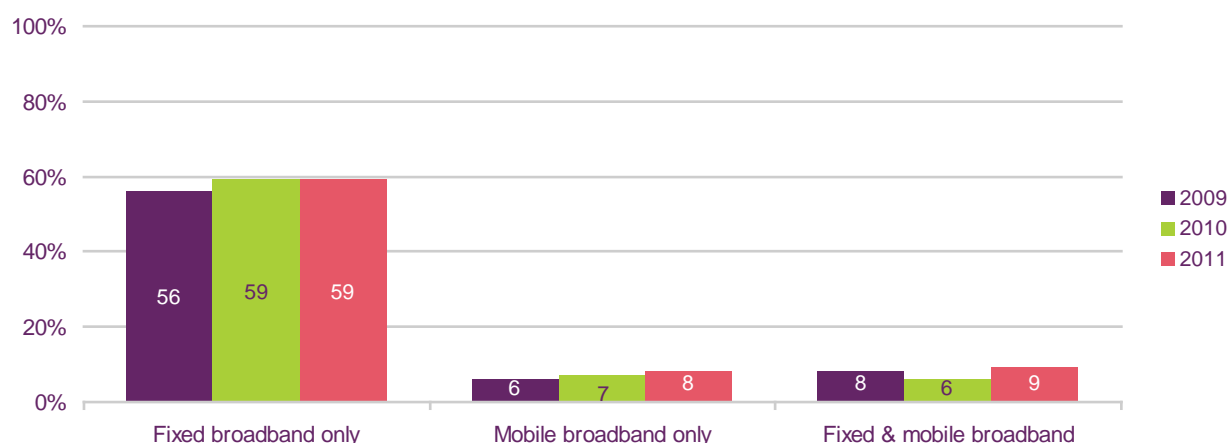


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1 2008, 5812) (Q1 2009, 6090) (Q1 2010, 9013) (Q1 2011, 3474)

The chart below shows the proportions using fixed and/or mobile broadband connections at home. Total use of fixed and mobile broadband remains broadly unchanged, with two-thirds of adults using fixed and 17% using mobile.

**Figure 40 Type of broadband connection**



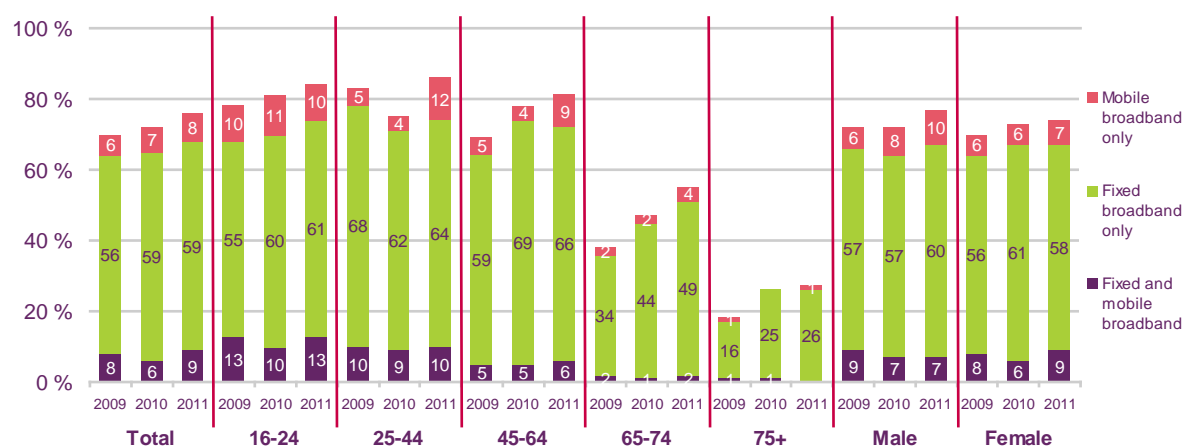
Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) Q2 2011, (2862)

Take-up of broadband as a method of internet connection at home has continued to rise, and now 76% of households use either fixed and/or mobile broadband. The largest increase in broadband access has been among those aged 65-74, driven by the adoption of fixed broadband. This corresponds with the rise in device ownership (as defined above) among this age group. Younger age groups dominate the take-up of broadband, while over-75s remain the least-likely group to have broadband access at home, and also the least likely to own any of the devices mentioned above.

Mobile broadband continues to be most popular among younger age groups - in particular sole use of mobile broadband, which has seen significant growth among 25-44s (up from 4% in 2010 to 12% in 2011).

**Figure 41 Age and gender profile of those who have broadband access at home**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2005, 2206) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) Q2 2011, (2862).

As with device ownership, broadband access, particularly mobile broadband, is higher among ABC1s and households with children.

**Figure 42 Socio-economic, urbanity and presence of children in the household profiles of those who have broadband access at home**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2005, 2206) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) Q2 2011, (2862).

### 3.2.21 Awareness of broadband subscription type

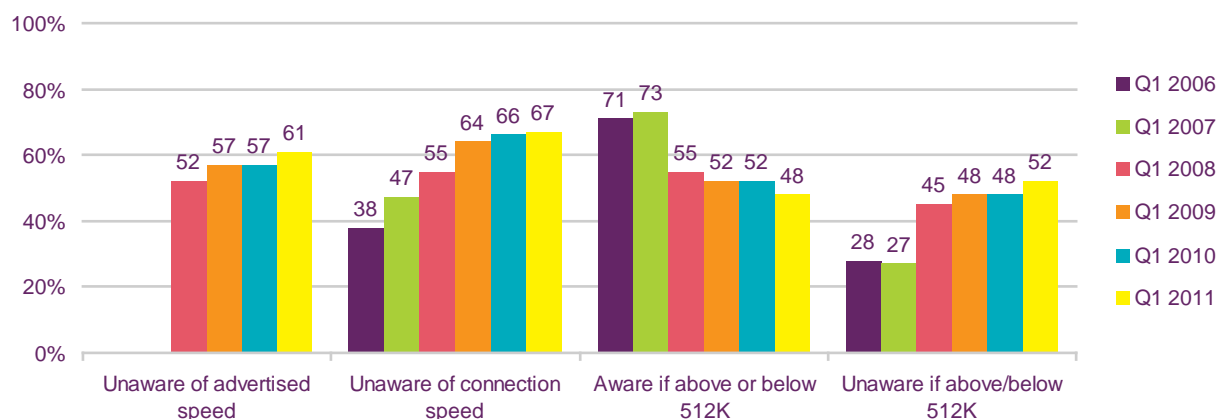
It is important for consumers to be aware of some of the technical aspects of their internet connections, such as speed, in order for them to make informed supplier and service choices. The results of our latest broadband speed research<sup>9</sup> show that in May 2011 average actual broadband speeds in the UK were 6.8Mbit/s, a 0.6Mbit/s (10%) increase since our last round of testing in November/December 2010. This increase in average speeds is the result of consumers increasingly moving to faster broadband services: 47% of

<sup>9</sup> <http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/bbspeeds2011/bb-speeds-may2011.pdf>

UK broadband connections had a headline speed above 10Mbit/s in May 2011, compared to 42% in November 2010, 24% in May 2010 and 8% in April 2009.

The proportion of broadband customers unaware of their actual connection speeds has remained at two-thirds. Awareness increased with prompting, but just over half (52%) were still unaware whether their speed was above or below 512K.

**Figure 43 Level of awareness of broadband connection speed**

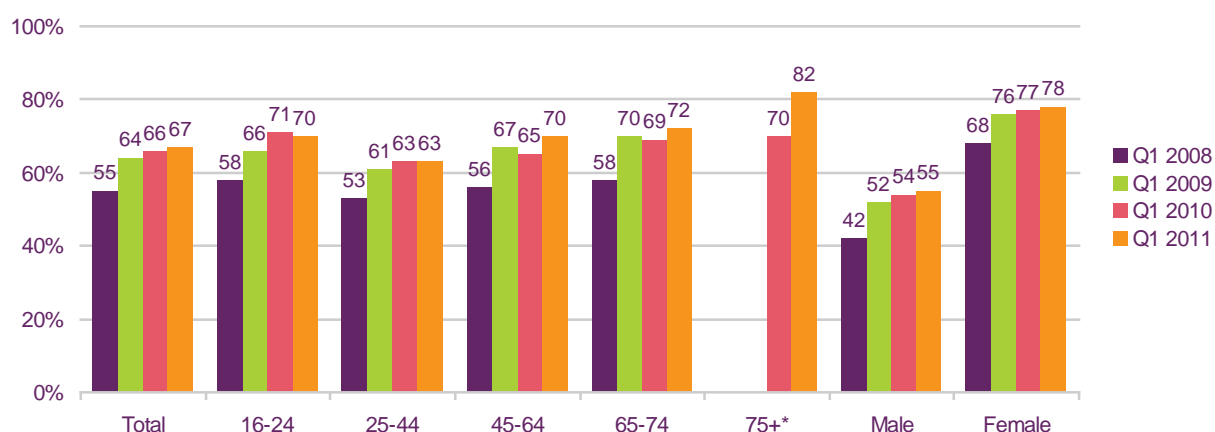


Source: Ofcom communications tracking survey

Base: All adults 16+ with broadband as their main connection at home (Q2 2005, 1025) (Q2 2006, 2439) (Q2 2007, 806) (Q1 2008, 3219) (Q1 2009, 3702) (Q1 2010, 5941)(Q1 2011, 2481).

There was little difference in stated awareness of broadband connection speeds by age, and younger consumers (16-24) were as likely as older consumers (65+) to say they did not know their internet access speed. The lack of awareness in this younger age group may be due to these consumers not being the decision-maker (i.e. the person responsible for purchasing the service) in the household. However, there was a clear gender divide, with just over half of male broadband consumers stating they were unaware of their speeds, compared to around three-quarters of women.

**Figure 44 Those unaware of broadband connection speed, by age and gender**



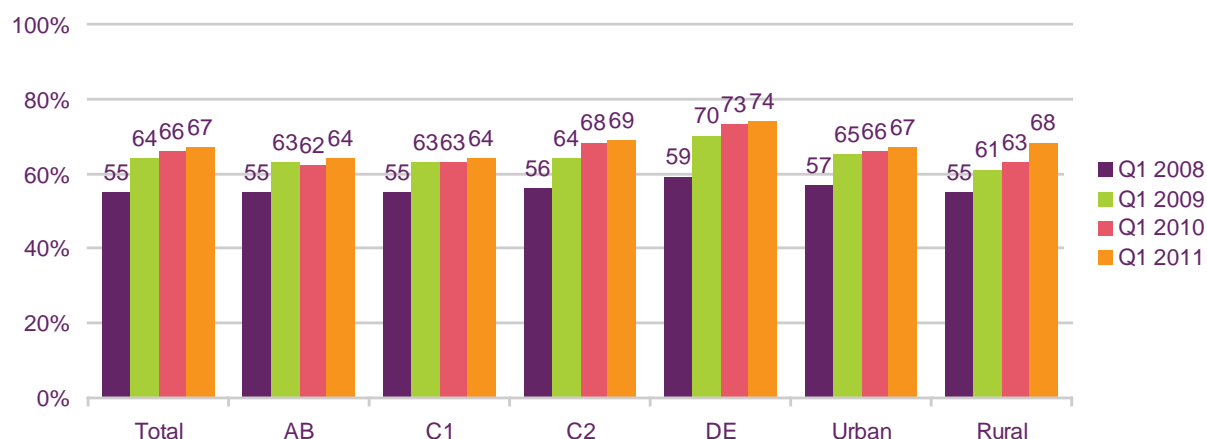
\* Base size for 75+ adults in 2008 and 2009 too low for reporting

Source: Ofcom communications tracking survey

Base: All adults 16+ with broadband as their main connection (Q1 2008, 3209) (Q1 2009, 3702) (Q1 2011, 2481)

Those in socio-economic group DE were more likely to be unaware of broadband connection speeds than ABs and C1s. There was no difference between consumers in urban and rural locations.

**Figure 45 Those unaware of broadband connection speed, by socio-economic group and urbanity**



Source: Ofcom communications tracking survey

Base: All adults 16+ with a broadband connection (Q1 2008, 3219) (Q1 2009, 3702) (Q1 2011, 2481).

### 3.2.22 Consumers with dial-up internet connection

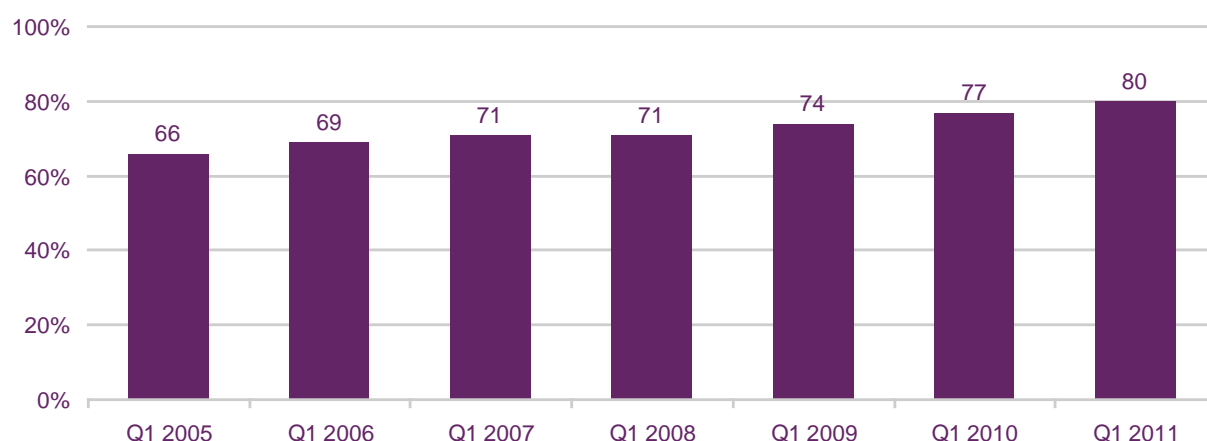
One per cent of adults say they use a dial-up internet connection for their home internet. The sample size is too small to analyse data further.

### 3.2.23 Users of internet services anywhere

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

Use of the internet has continued to rise steadily, and currently 80% of adults say they access the internet either at home or elsewhere. This increase may be at least partly due to the steady rise in home internet connections and the rapid take-up of smartphones.

**Figure 46 Use of the internet in any location**

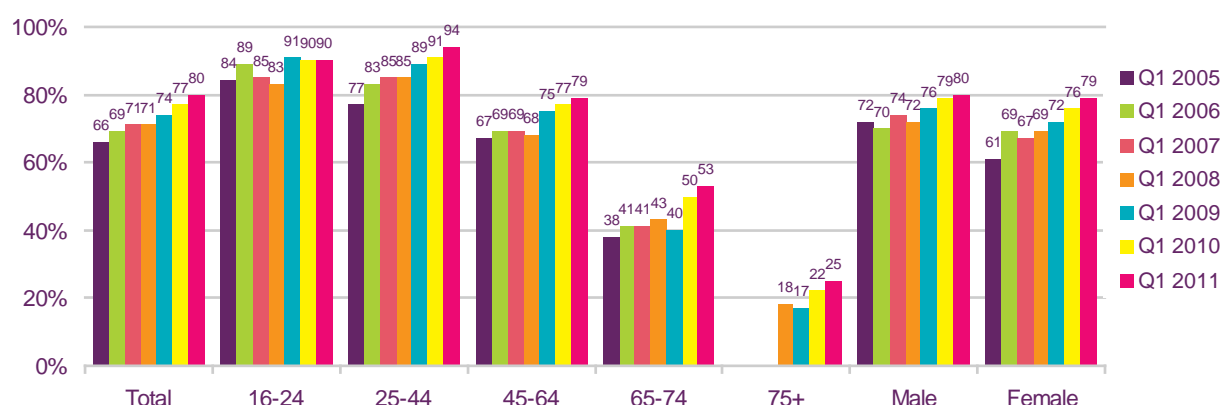


Source: Ofcom communication tracking survey

Base: All adults 16+ (Q1 2005, 2217) (Q1 2006, 2214) (Q1 2007, 2311) (Q1 2008, 5812) (Q1 2009, 6090) (Q1 2010, 9013) (Q1 2011, 3474).

Although use of the internet is higher among those under 45 than among those over 45, more than half of all adults aged 65-74 now say they use it; a rise from 40% in 2009. The rise in home internet access among this age group at least partly explains this increase in use.

**Figure 47 Use of the internet anywhere, by age and gender**



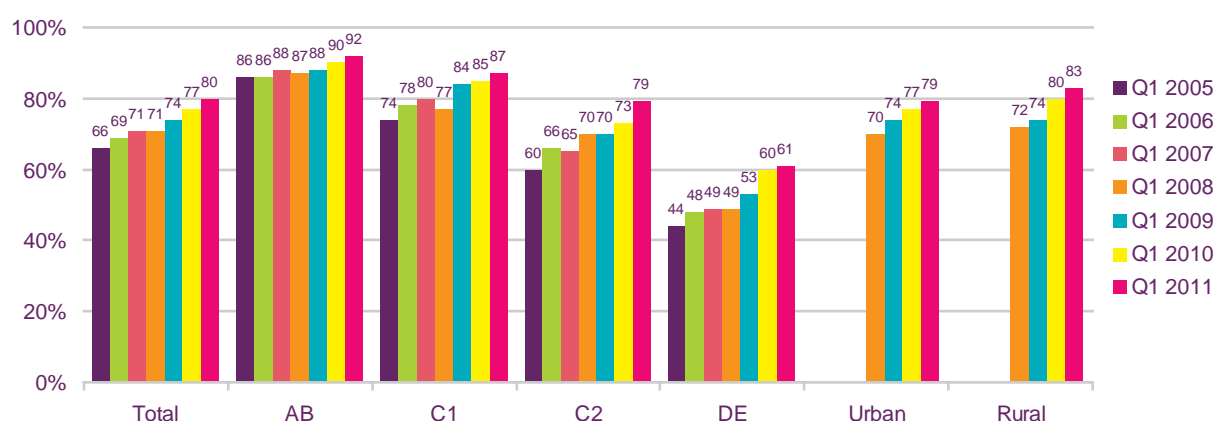
Source: Ofcom communication tracking survey

Base: All adults 16+ (Q1 2005, 2217) (Q1 2006, 2214) (Q1 2007, 2311) (Q1 2008, 5812) (Q1 2009, 6090) (Q1 2010, 9013) (Q1 2011, 3474)

The largest increases in use are noted among those in socio-economic group C2. This group also experienced a significant rise in home internet ownership.

Adults living in rural areas are as likely to use the internet as those living in urban areas.

**Figure 48 Use of the internet anywhere, by socio-economic group and urbanity**



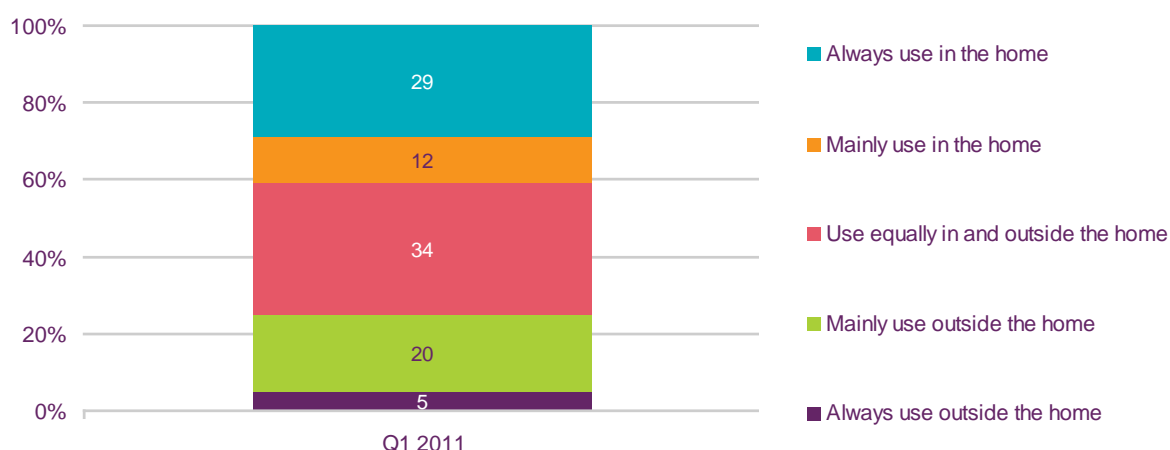
Source: Ofcom communication tracking survey

Base: All adults 16+ (Q1 2005, 2217) (Q1 2006, 2214) (Q1 2007, 2311) (Q1 2008, 5812) (Q1 2009, 6090) (Q1 2010, 9013) (Q1 2011, 3474).

### 3.2.24 Users of mobile broadband

The following chart illustrates places where consumers with mobile broadband use it. Despite the 'mobile' functionality of mobile broadband, the majority of use takes place in the home. Overall, 95% of adults with mobile broadband say they use it at home (29% saying they always use it in the home, 12% mainly in the home, 34% equally inside and outside the home and 20% mainly outside the home) while just 5% say they always use it outside the home.

**Figure 49 Places where mobile broadband is used**



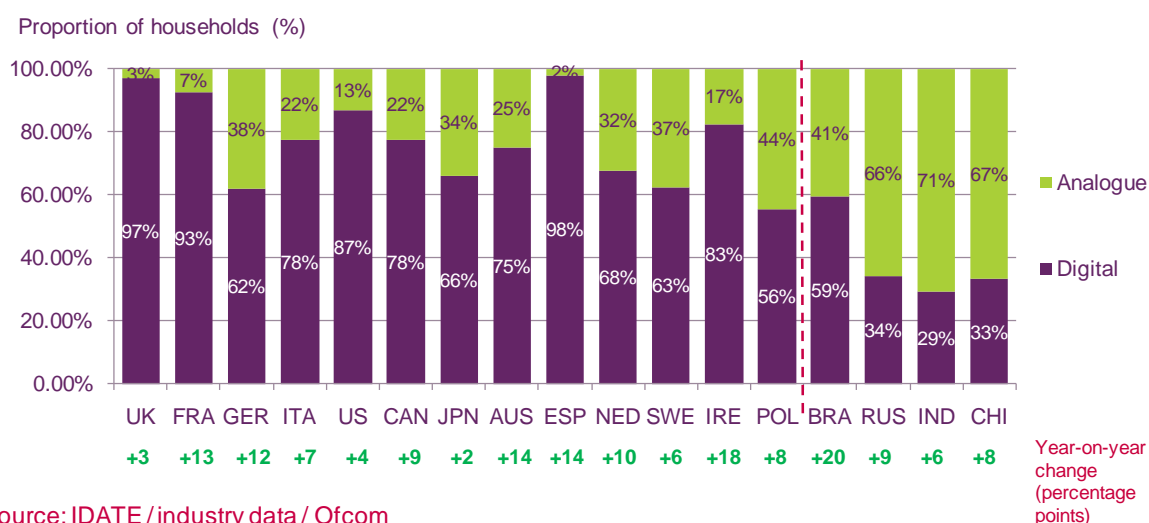
Source: Ofcom communications tracking survey

Base: All adults 16+ who use mobile broadband to access the internet (Q1 2011, 471)

### 3.2.25 Take-up of digital television, international comparisons

People in the UK (97%), France (93%) and Spain (98%) have almost universal access to digital television on their main television sets. This may be explained by the recent (in the case of Spain) or imminent completion of digital terrestrial television switchover, coupled with the popularity of the terrestrial television platform in these countries.

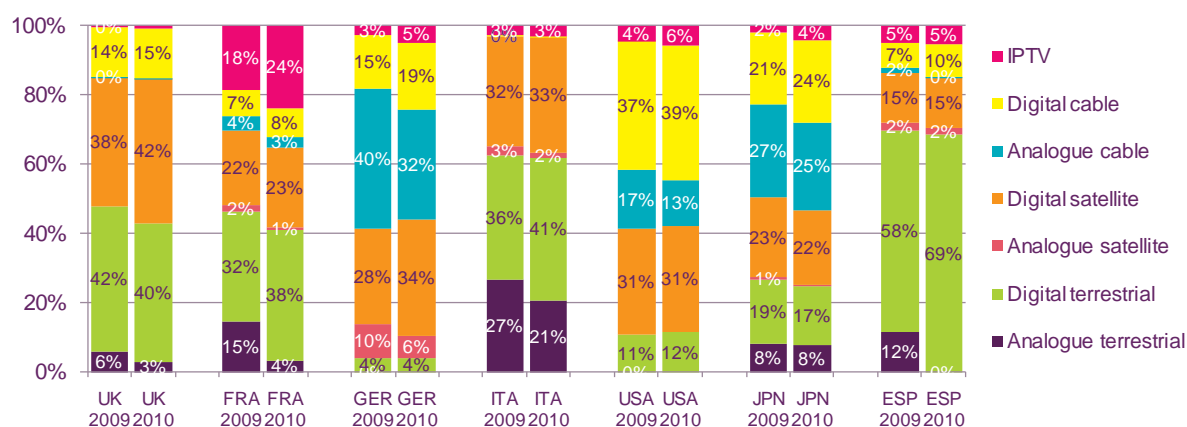
**Figure 50 Take-up of digital television, by country: 2010**



Source: IDATE / industry data / Ofcom

Digital satellite is the largest platform in the UK, with 42% of households using it on their main television set at the end of 2010. Digital terrestrial (40%) is the second most popular television platform and has higher take-up than in all comparator countries except Italy (41%), Australia (43%) and Spain (69%). Digital cable services are received in 15% of households in the UK, and unlike most comparator countries, the upgrade from analogue to digital cable is virtually complete. However, the UK has comparatively low take-up of internet protocol TV (IPTV).

**Figure 51 Take-up of digital television – international comparisons, by platform, 2010**



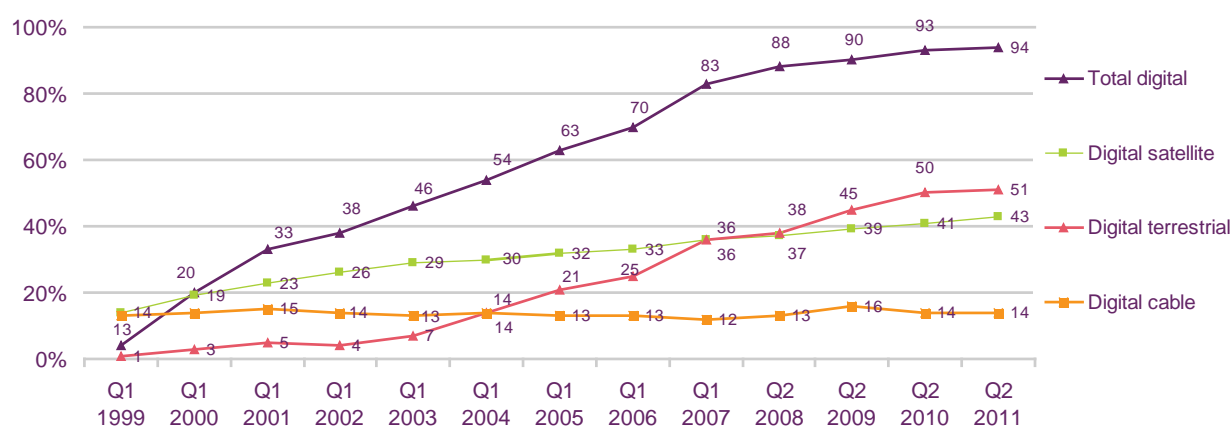
Source: IDATE/industry data/Ofcom

### 3.2.26 Take-up of digital TV services, by platform – UK

The chart below shows the continued growth of digital TV take-up, currently at 94% of households. Take-up has risen consistently year on year since 2000, although the current level remains broadly similar to that reported last year. The previous growth was driven by the increase in digital terrestrial (Freeview) penetration, and in satellite ownership over the same period. Digital terrestrial remains more popular than satellite and cable services.



**Figure 52 Take-up of digital TV services, by platform**



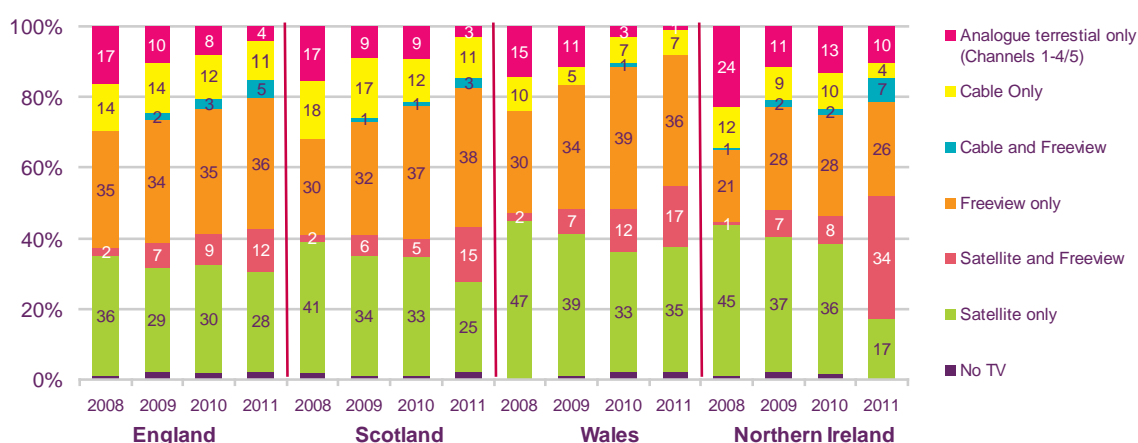
Source: Ofcom *Digital Television Update*, figures rounded up to a whole %

### 3.2.27 Profile of owners of digital TV services

Figure 52, above, shows household data provided by industry. It is not possible to derive demographic information from these data and, therefore, 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).

All nations have experienced an increase in proportions using satellite and Freeview. This is most notable in Northern Ireland (where proportions have increased from 8% in 2010 to 34% in 2011) and in Scotland (where proportions have increased from 5% in 2010 to 15% in 2011). For both nations, increases are largely due to a decrease in satellite-only customers. Northern Ireland has a significantly lower proportion of Freeview-only and satellite-only customers, and a significantly higher proportion of satellite and Freeview customers than the other nations. England and Scotland have both experienced a decline in the proportions using analogue terrestrial only.

**Figure 53 Multi-platform ownership, by nation**



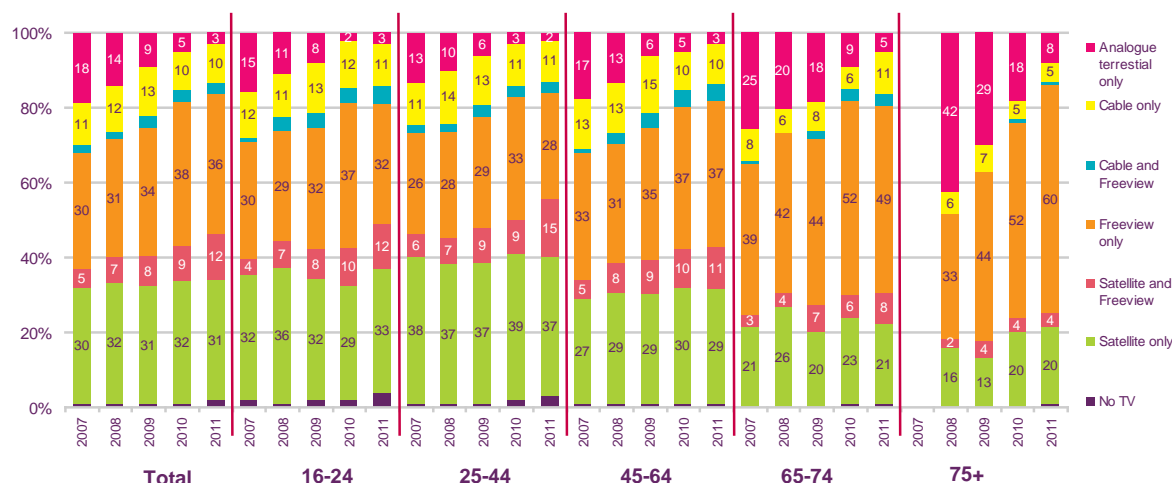
Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1 2008, 5812) (Q1 2009, 6090) (Q1 2010, 9103) (Q1 2011, 3474)

Half of all adults use Freeview to access multichannel television at home. This compares to 43% using satellite and 13% using cable. There has been a steady decline across all age

groups in use of analogue terrestrial-only services, with use remaining highest among older age groups. Having said that, digital take-up among older consumers has continued to rise, driven largely by Freeview (up by eight percentage points since last year among over-75s) and reducing the proportions using analogue terrestrial-only significantly. There were no significant differences to the average trend by gender.

**Figure 54 Trend in multi-platform ownership, by age**

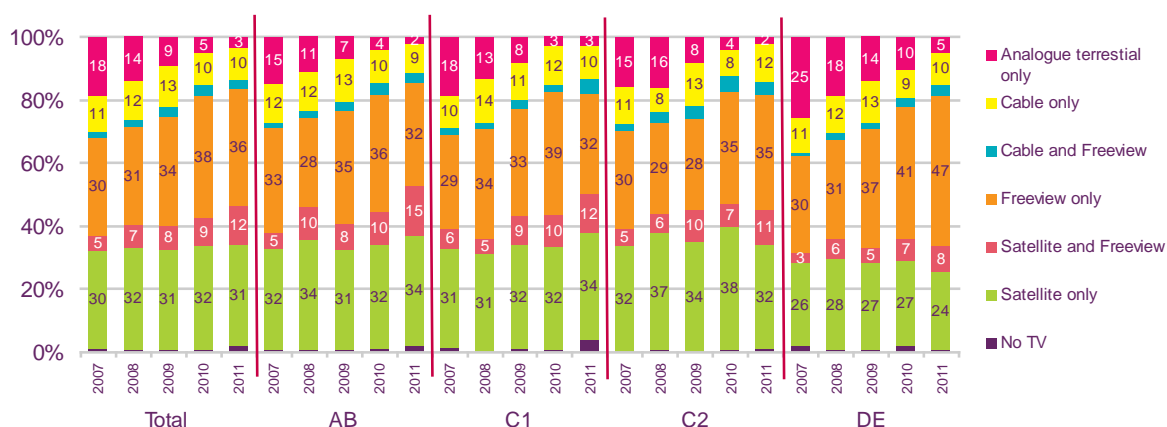


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1 2008, 5812) (Q1 2009, 6090) (Q1 2010, 9103) (Q1 2011, 3474)

Multi-platform ownership has remained relatively stable for all socio-economic groups. DE groups continue to be more likely to use Freeview than satellite or cable services.

**Figure 55 Trend in multi-platform ownership, by socio-economic group**

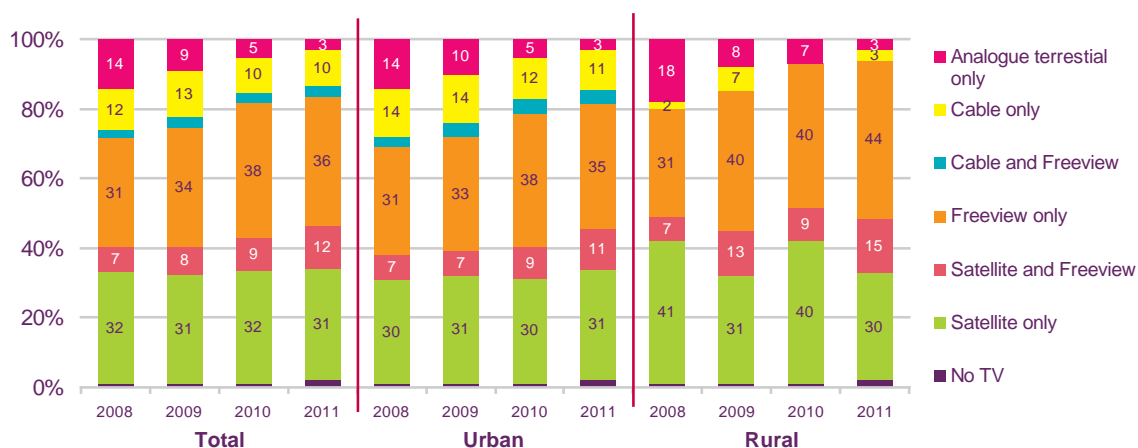


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1 2008, 5812) (Q1 2009, 6090) (Q1 2010, 9103) (Q1 2011, 3474).

Both rural and urban areas have seen an increase in multichannel ownership since 2008, driven by Freeview. Freeview ownership is higher among consumers in rural locations than those in urban locations.

**Figure 56 Trend in multi-platform ownership, by urbanity**

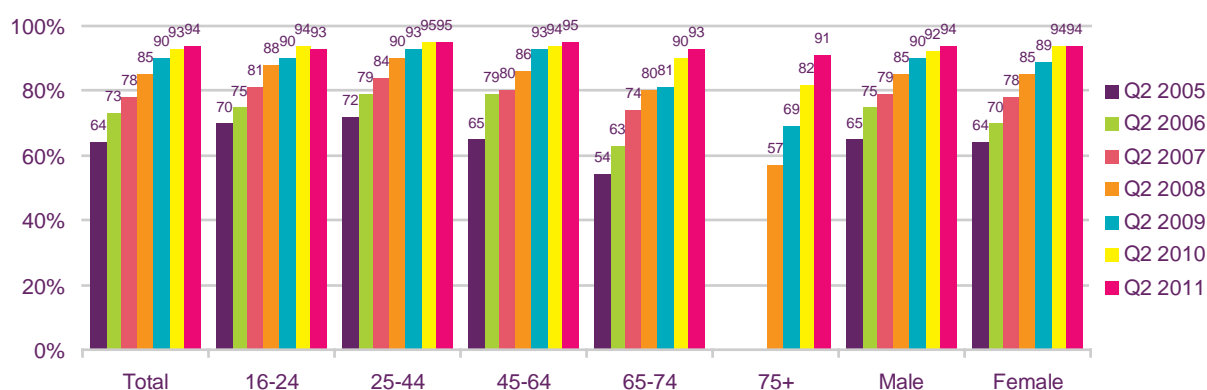


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1 2008, 5812) (Q1 2009, 6090) (Q1 2010, 9103) (Q1 2011, 3474).

Digital TV take-up is stable at 94%. Take-up is broadly comparable across most age groups, with those aged 75+ experiencing an increase in take up from 82% in 2010 to 91% in 2011.

**Figure 57 Age and gender profile of consumers receiving digital TV**

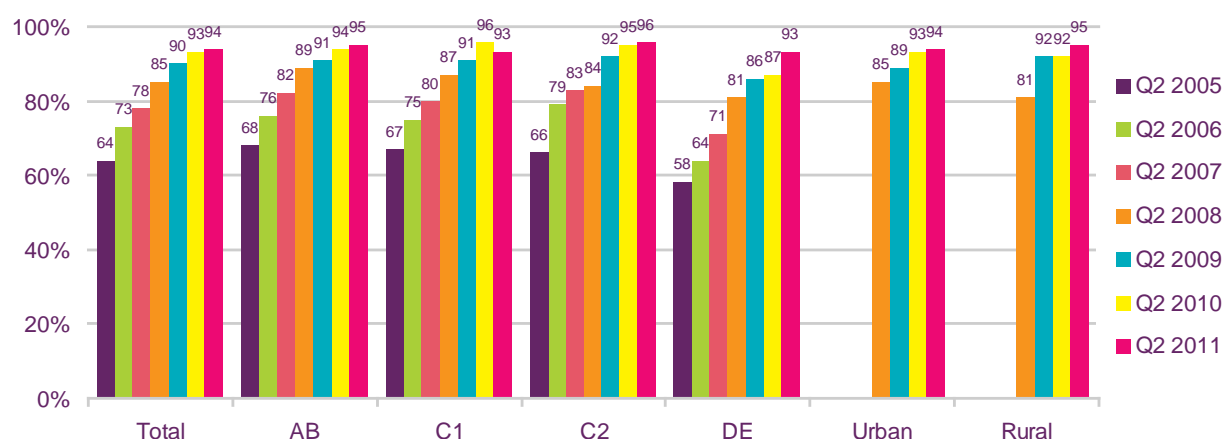


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1 2008, 5812) (Q1 2009, 6090) (Q1 2010, 9103) (Q2 2011, 2862).

Take-up of digital TV increased among DE households. with ownership relatively stable among all other socio-economic groups and locations.

**Figure 58 Socio-economic and urbanity profile of consumers receiving digital TV**



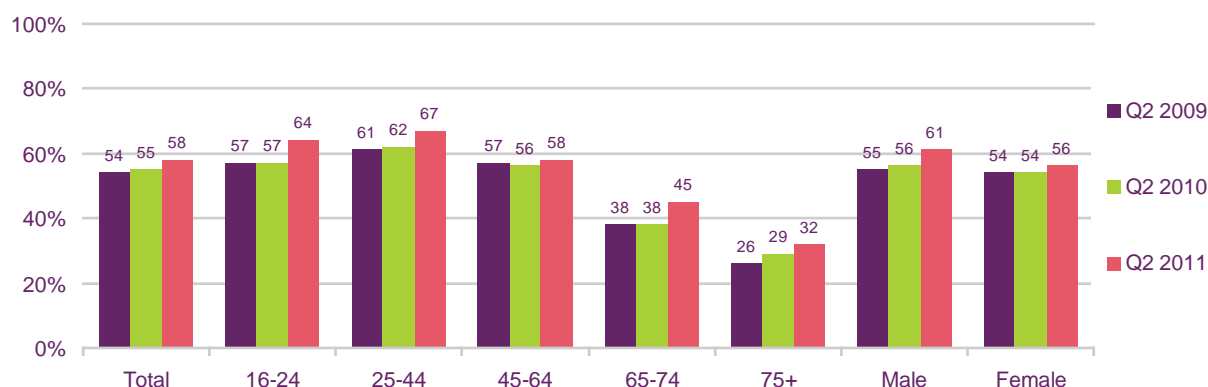
Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1 2008, 5812) (Q1 2009, 6090) (Q1 2010, 9103) (Q2 2011, 2862).

### 3.2.28 Take-up of pay-TV

The proportion of adults receiving pay-TV has increased from 54% in 2009, to 58% in 2011. All age groups except 45-64s have experienced this increase, but those aged 64 and over remain less likely to have pay-TV.

**Figure 59 Age and gender profile of consumers receiving pay-TV**



Source: Ofcom communication tracking survey

Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862).

Socio-economic groups AB and C1 have driven the rise in pay-TV since 2009. Consumers in socio-economic group DE remain least likely to receive it (46%). There has been a significant rise in pay-TV among consumers in an urban location (60%). As a result, those in an urban location are more likely to receive pay-TV compared to those in a rural location.

**Figure 60 Socio-economic group and urbanity profile of consumer receiving pay-TV**



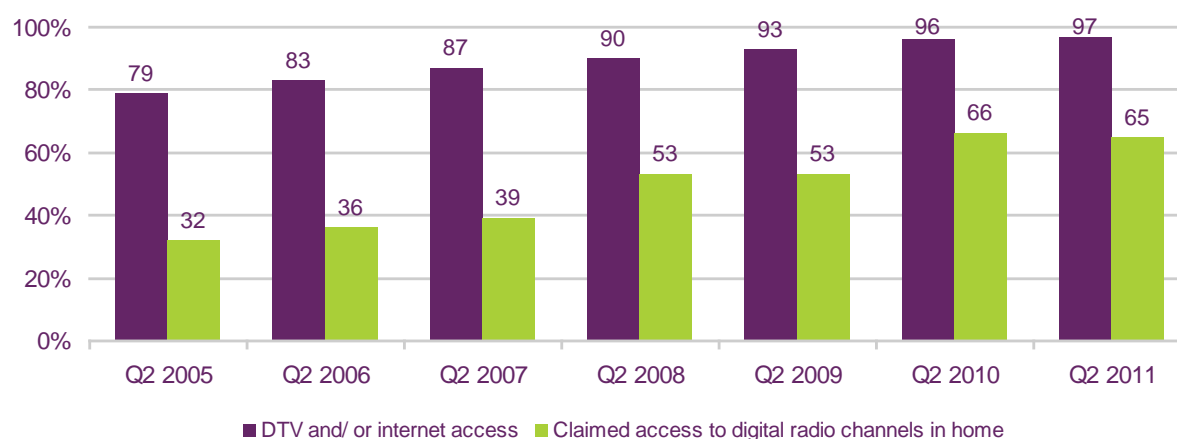
Source: Ofcom communication tracking survey

Base: All adults 16+ (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

### 3.2.29 Take-up of digital radio services

Take-up of digital services that can deliver digital radio (i.e. digital TV and internet) has stabilised at around 97% of homes, after increasing steadily since 2007. Two-thirds of consumers claimed to have access to digital radio services at home (via DTV, internet or DAB set). 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'.

**Figure 61 Access to digital radio services in the home**

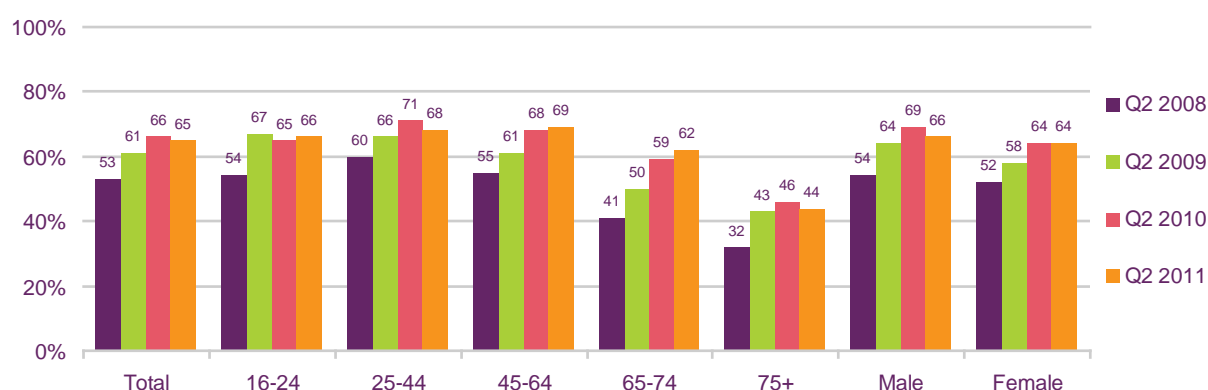


Source: Ofcom communication tracking survey

Base: All adults 16+ (Q2 2005, 2206) (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862).

The most significant increases in claimed access to digital radio channels in the home were among the 65-74 age group (rising from 50% in 2009 to 62% in 2011). However, fewer than half of all consumers aged 75+ stated they had access to digital radio in the home.

**Figure 62 Age and gender profile of adults aware they have access to digital radio**



Source: Ofcom communication tracking survey

Base: All adults 16+ (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862).

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 access digital radio services in the home (77%).

**Figure 63 Socio-economic group and urbanity profile of adults aware they have access to digital radio**



Source: Ofcom communication tracking survey

Base: All adults 16+ (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862).

### 3.2.30 Take-up of bundled services

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.

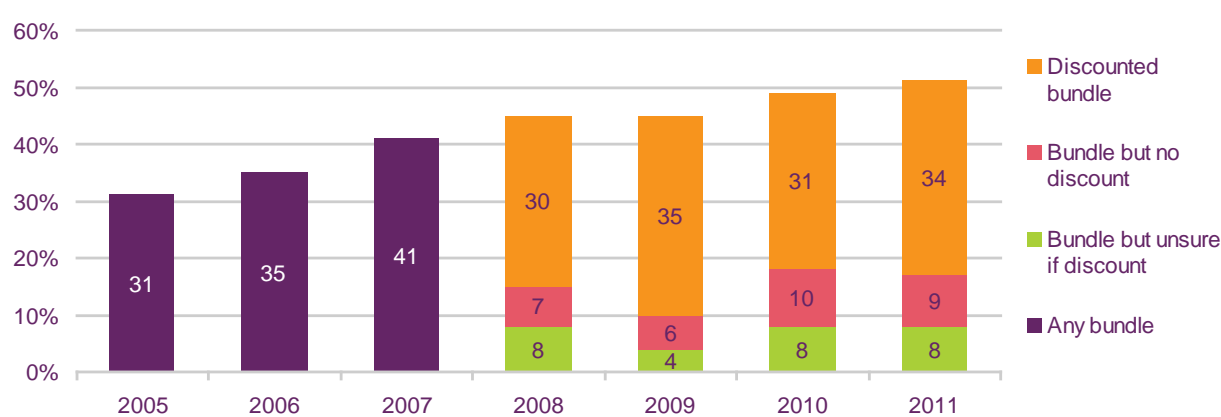
The figure below illustrates the trend in 'simple' bundled purchasing – whereby a consumer purchases more than one service from a single supplier, which may or may not include a discount. Since 2008, the majority of the analysis in this report has been conducted among consumers purchasing a 'discounted' bundle.

Around half of all UK households now buy two or more communications services from a single supplier in a bundle. Just over a third (34%) said they received a discounted bundle,

with a further 8% unsure if their package was discounted or not. The proportion of customers with a non-discounted bundle has remained stable at 9%.

The 'potential' for bundling can be based on current ownership of each of the services included in each of the two main types of bundle, namely: dual-play fixed voice and fixed broadband, and triple-play fixed voice, fixed broadband and pay-TV. Just over two-thirds (64%) of adults have fixed-line and fixed broadband in their household, and therefore have the 'potential' for dual-play, while just under half (48%) of adults have fixed-line, fixed broadband and pay-TV, and therefore have the 'potential' for triple-play. Given that 15% of all adults currently purchase their fixed-line and fixed broadband as a dual-play discounted bundle, and a further 12% purchase their fixed-line, fixed broadband and pay-TV services as a triple-play discounted bundle, there is potential for significant growth in the discounted bundle market.

**Figure 64 Percentage of consumers buying bundled services**

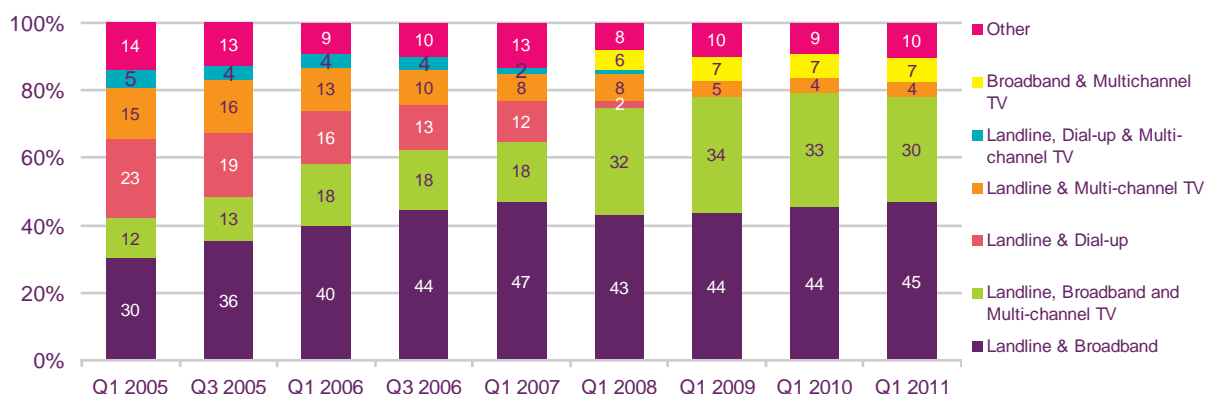


Source: Ofcom communication tracking survey

Base: All adults 16+ (2005, 8766) (2006, 9134) (2007, 8960) (2008, 7496) (2009, 8199) (2010, 10611) (2011, 5072).

There has been little change in the types of 'simple bundles' that consumers are taking. The most popular is a combination of landline and broadband services, currently used by 45% of bundlers. The second most popular is a triple-play combination of landline, broadband and multichannel TV (30% of bundlers). For data regarding take-up of bundles by nation, see Ofcom's Communications Market Report 2011.

**Figure 65 Trends in purchasing multiple communications services from a single supplier**



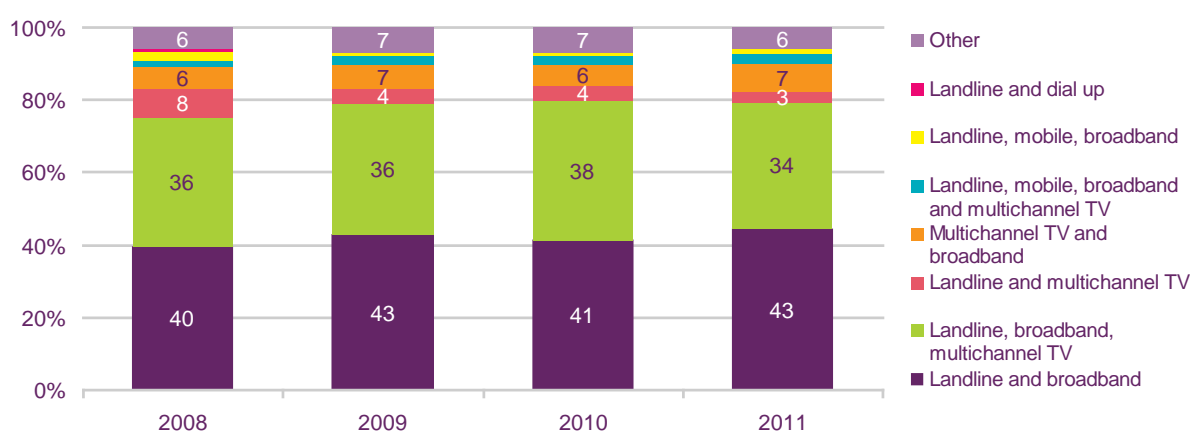
Source: Ofcom communication tracking survey

Base: All adults 16+ who bundle at least two services (Q1 2005, 640) (Q3 2005, 681) (Q1 2006, 686) (Q3 2006, 730) (Q1 2007, 914) (Q1 2008, 812) (Q1 2009, 2467) (Q1 2010, 4167) (Q1 2011, 1680)

Note: 2005-2007 broadband and multichannel TV bundle included in 'other' category.

In terms of discounted bundles, dual-play landline and broadband bundles remain the most popular type of bundle (43%), followed by triple-play landline, broadband and multichannel TV (38%).

**Figure 66 Types of discounted bundled packages**



Source: Ofcom communication tracking survey

Base: All adults 16+ who bundle at least two services and receive a discount or special deal (Q1 2008, 1267) (Q1 2009, 1690) (Q1 2010, 2554) (Q1 2011, 1117).

For the first time this report compares the types of discounted bundles being purchased across each of the demographics. There has been little change in the profile of packages by demographic over time and so we report only the latest data in this report.

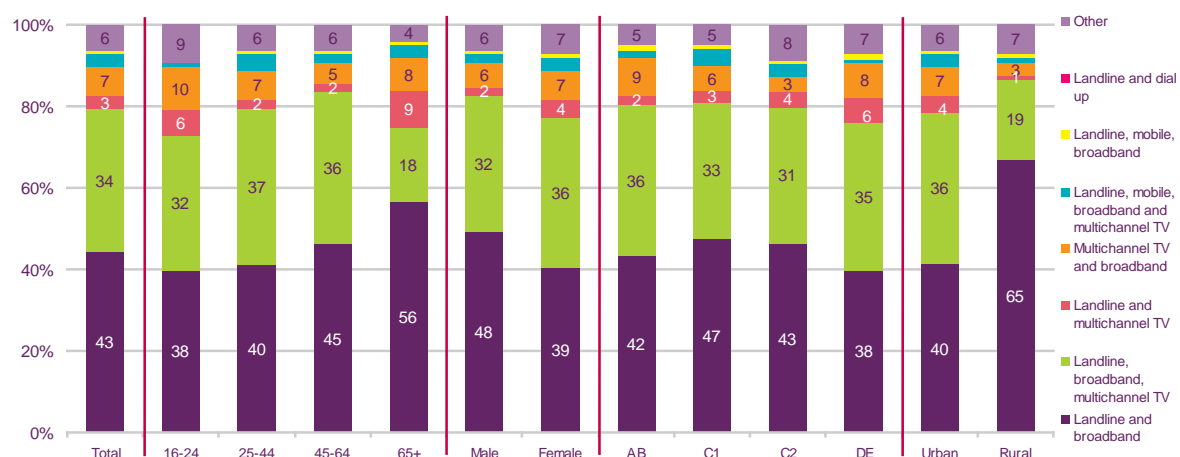
Across all age groups and both genders, dual-play landline and broadband bundles are the most popular, followed by triple-play landline, broadband and multichannel TV.

Dual-play bundles account for most of the bundling in rural areas, with two-thirds of consumers living in a rural location bundling at least two services and receiving a discount or



special deal for bundling their landline and broadband services. This compares to two-fifths of those in urban areas with this type of bundle.

**Figure 67 Types of discounted bundled packages, by age and gender**



Source: Ofcom communication tracking survey

Base: All adults 16+ who bundle at least two services and receive a discount or special deal (Q1 2009, 1690) (Q1 2010, 2554) (Q1 2011, 1117).

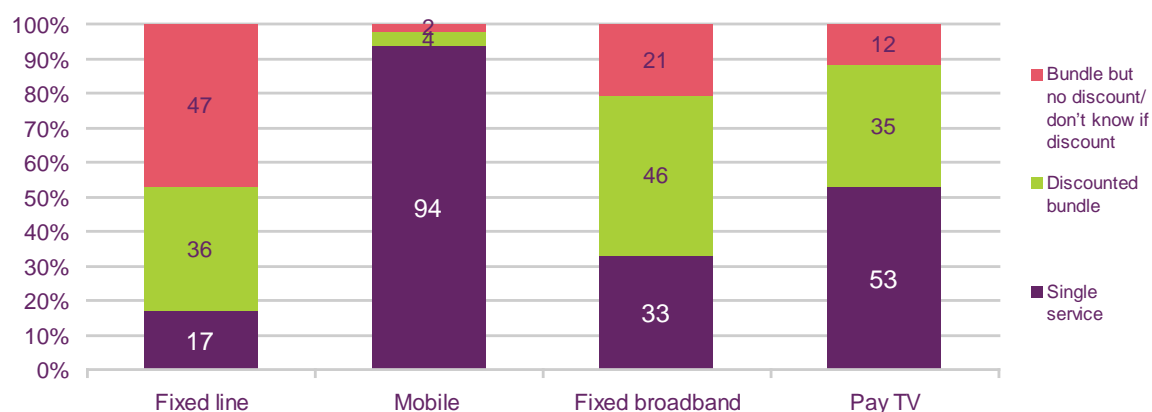
### 3.2.31 Purchasing behaviour - demographic profile of single service and discounted bundle consumers

The next section of this report is new, and compares purchasing behaviour across each market by demographic. Specifically, it compares discounted bundling with single service purchasing. The following charts are based on data taken from wave 1 of Ofcom's communications tracking survey, and as such do not compare directly to the take-up data in this section of the report.

Consumers purchasing discounted bundles of services are potentially receiving better value for money from their provider than those purchasing the services individually. Further information on prices is contained in the choices, value and range section of this report. The data illustrates that some consumers are not aware of whether or not they receive a discount for their bundle of services.

The most popular way to purchase both fixed-line and fixed broadband is within bundles; in total, 83% and 67% respectively purchase these services this way, with 36% purchasing their fixed line and 46% aware that they are purchasing their fixed broadband as a discounted bundle. Just over half (53%) of pay-TV consumers purchase it as a single service, with 35% purchasing it in a discounted bundle. The vast majority (94%) of mobile customers say they purchase it as a standalone service.

**Figure 68 Discounted bundle and single service/non-discounted bundle purchase behaviour – among consumers in each market**



Source: Ofcom communications tracking survey Q1 2011

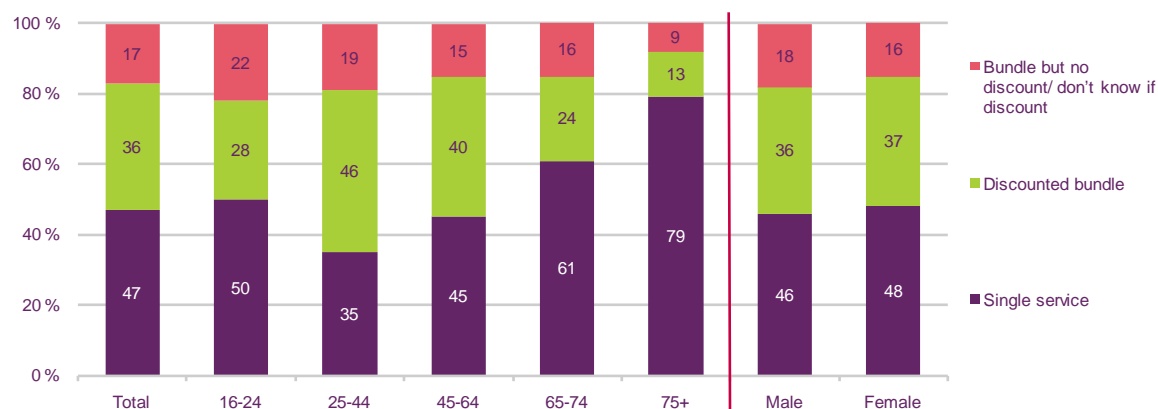
Base: All adults 16+ with fixed line (Q1 2011, 2943), All adults 16+ who personally own a mobile phone (Q1 2011, 3091), All adults 16+ with fixed broadband (Q1 2011, 2243), All adults 16+ with pay-TV (Q1 2011, 1895).

### Fixed-line services

The following charts illustrate the purchasing behaviour of consumers in each market by demographic.

Just over a third (36%) of consumers using fixed-line services are aware that they purchase them as part of a discounted bundle - highest among 25-44s (46%), and lowest among the two older age groups of fixed-line users.

**Figure 69 Purchase method among fixed-line customers, by age and gender**



Source: Ofcom communication tracking survey

Base: All adults 16+ with fixed line (Q1 2011, 2943).

Those in socio-economic group DE are less likely than average to purchase their fixed line via a discounted bundle (28% vs. total of 36%). Consumers in a rural location are less likely to bundle than those in an urban location (31% vs 37%).

**Figure 70 Purchase method among fixed-line customers, by socio-economic group and urbanity**

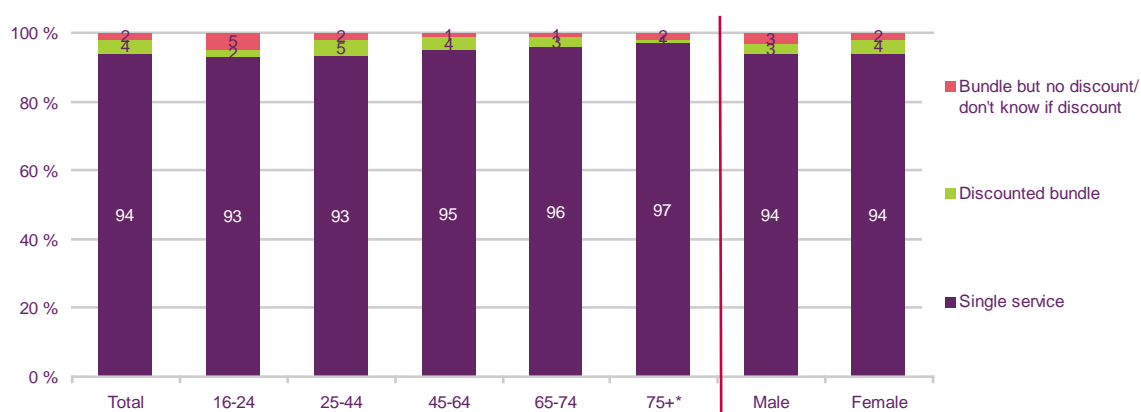


Source: Ofcom communication tracking survey  
Base: All with fixed line 16+ (Q1 2011, 2943).

## Mobile phone

As mentioned above, the vast majority (94%) of mobile phone purchases are made as a standalone or non-discounted bundle. There are no significant differences according to age or gender.

**Figure 71 Purchase method of those who personally have a mobile phone, by age and gender**



Source: Ofcom communication tracking survey  
Base: All adults 16+ who personally own a mobile phone (Q1 2011, 3091)  
Small base size; treat as indicative only.

There is no difference across mobile customers in the method of purchasing mobiles, either by socio-economic groups or by urban / rural location.

**Figure 72 Purchase method of those who personally have a mobile phone, by socio-economic group and urbanity**



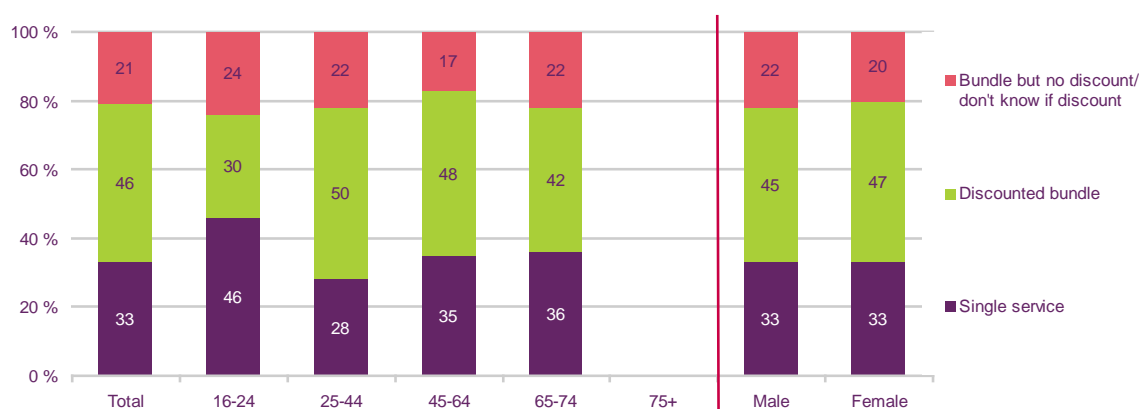
Source: Ofcom communication tracking survey

Base: All adults 16+ who personally own a mobile phone (Q1 2011, 3091).

### Fixed broadband

Just under half (46%) of consumers with fixed broadband at home purchase it in a discounted bundle. Those aged 16-24 are less likely than other age groups to purchase it in a discounted bundle, and more likely to purchase a standalone broadband product.

**Figure 73 Purchase method of those who have fixed broadband at home, by age and gender**



Source: Ofcom communication tracking survey

Base: All adults 16+ with fixed line broadband (Q1 2011, 2243)

Sample size for 75+ too small to analyse.

A significantly lower proportion of consumers living in a rural location purchase their fixed broadband via a discounted bundle than those living in an urban location (36% vs 48%).

**Figure 74 Purchase method of those who have fixed broadband at home, by socio-economic group and urbanity**



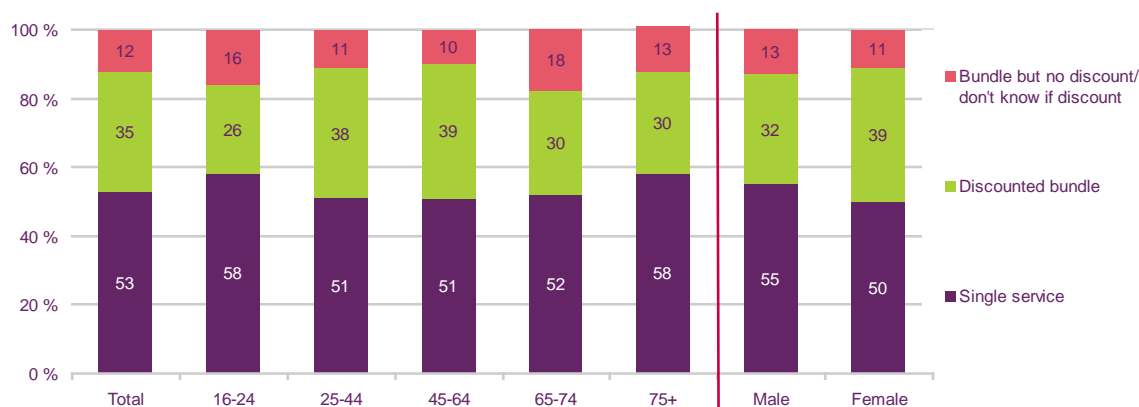
Source: Ofcom communication tracking survey

Base: All adults 16+ with fixed line broadband (Q1 2011, 2243).

## Pay-TV

Just over a third (35%) of consumers with pay-TV purchase it as a discounted bundle. Those aged 16-24 are less likely than average to have a discounted bundle.

**Figure 75 Purchase method of those who have a pay-TV service, by age and gender**

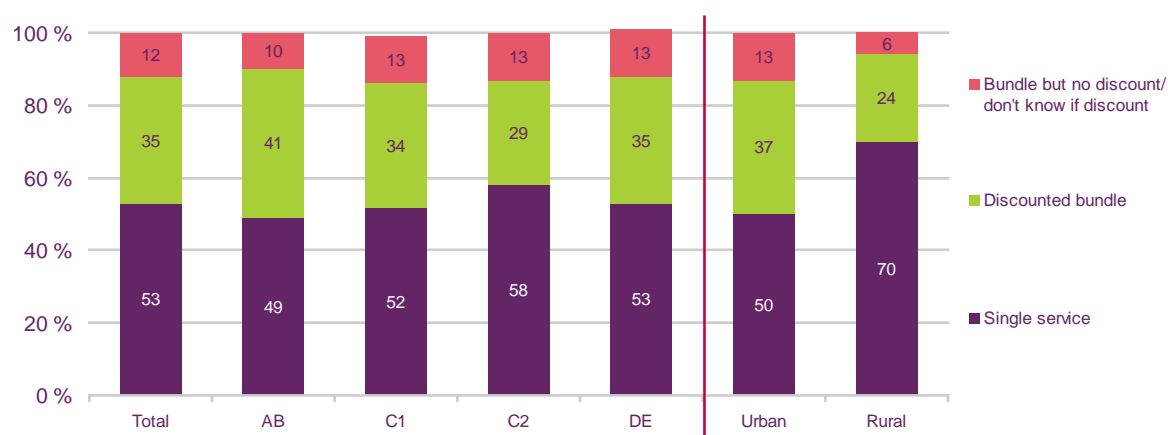


Source: Ofcom communication tracking survey

Base: All adults 16+ with pay-TV (Q1 2011, 1895)

Discounted bundled purchasing is higher among those in socio-economic group AB (41%) than in other socio-economic groups. Consumers in an urban location are more likely to purchase pay-TV as a discounted bundle than consumers in a rural location (37% compared to 24%).

**Figure 76 Purchase method among pay-TV customers, by socio-economic group and urbanity**



Source: Ofcom communication tracking survey  
 Base: All adults 16+ with pay-TV (Q1 2011, 1895)

### 3.3 Consumer availability and take-up – metric 3: non-ownership of communications services

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.

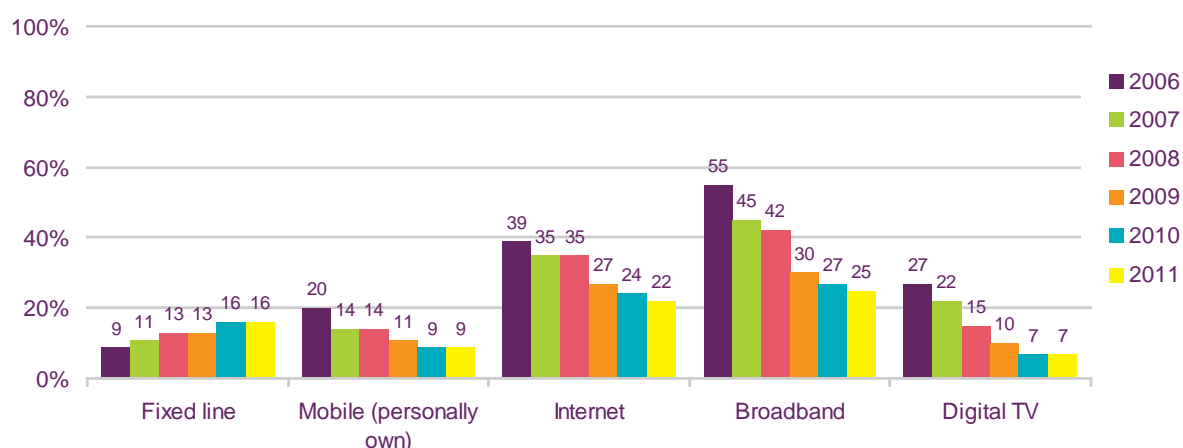
There are many reasons for not owning a particular communications service, and these generally fall into one of two categories: voluntary and involuntary. Voluntary non-ownership is where potential consumers do without services because they perceive they do not need them, or because they are satisfied with alternative services. Involuntary non-ownership is where potential consumers do without services but not through choice; this is mainly due to affordability. See Annex 2 for a full demographic profile of voluntary and involuntary reasons for not owning specific communications services.

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

#### 3.3.1 Non-ownership of communications services

Non-ownership of communications services has not changed significantly since 2010.

**Figure 77 Non-ownership of communications services**

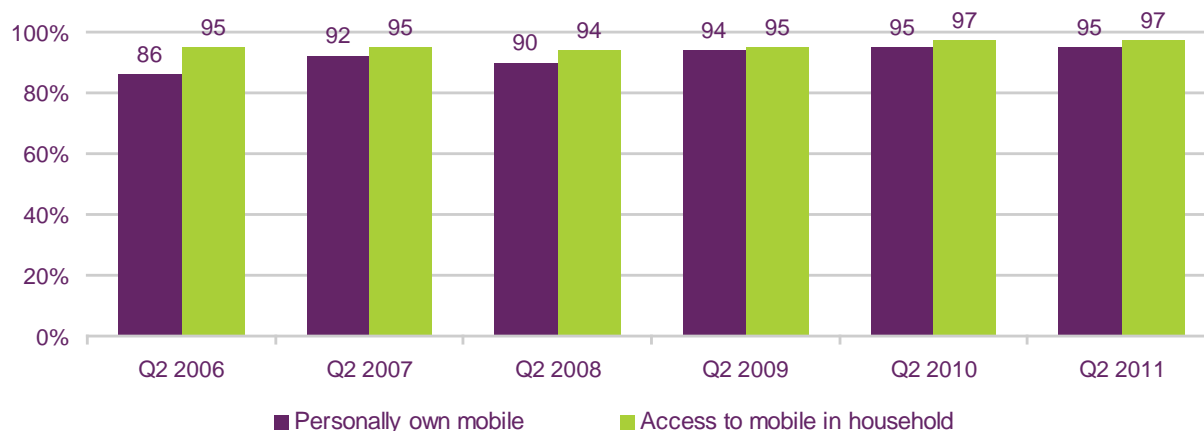


Source: Ofcom communication tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2253) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862).

Among those living in a household without access to a fixed line, as last year, the majority (95%) personally own a mobile phone and 97% have access to at least one mobile in their household.

**Figure 78 Access to mobile services among those who do not have access to a fixed line**



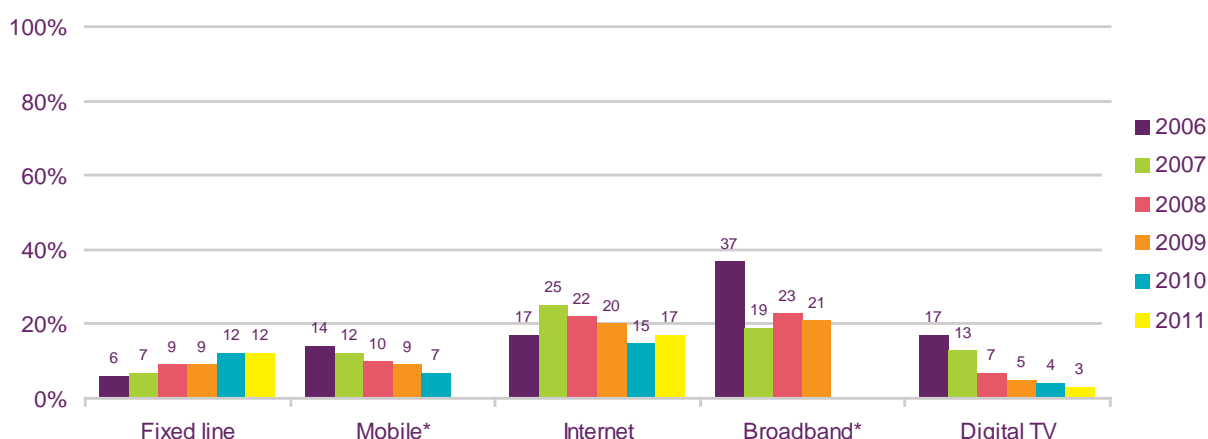
Source: Ofcom communication tracking survey

Base: All adults 16+ who do not own a fixed-line (Q2 2006, 217) (Q2 2007, 243) (Q2 2008, 261) (Q2 2009, 274) (Q2 2010, 340) (Q2 2011, 400).

### 3.3.2 Intention to take up communications services

The majority of those without a fixed line or the internet say they are unlikely to take up these services; this compares to just under half of those without digital television.

**Figure 79 Do not intend to take up services in the next 12 months**



Source: Ofcom communication tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2253) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

\*Data for mobile not available in 2011. Data for broadband not available for Q2 2010 and 2011 although responses for 'internet' will largely relate to take-up of broadband.

### 3.3.3 Voluntary non-ownership of communications services

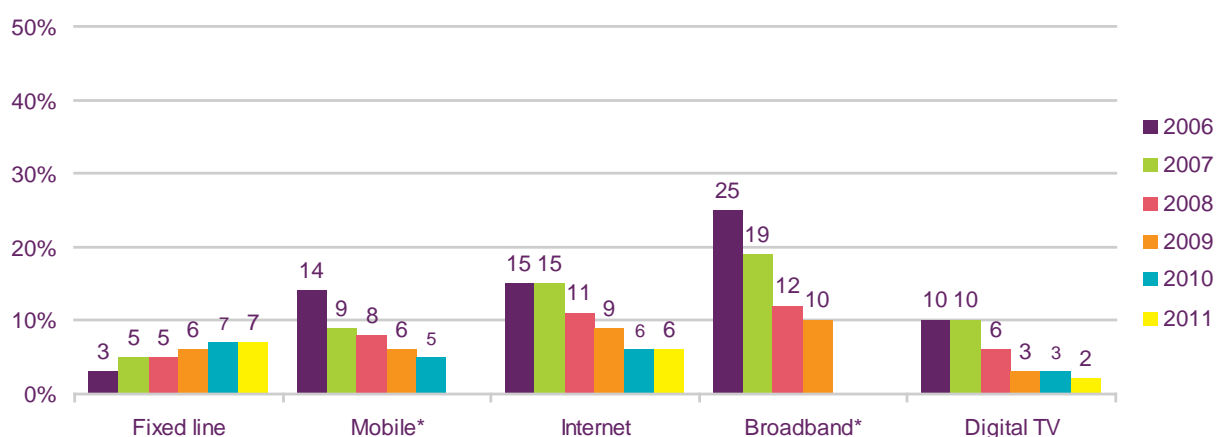
This section assesses the numbers, and profiles, of consumers who do not own various communications devices for voluntary reasons.

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 and profile of consumers who have not taken up fixed-line or internet services for voluntary reasons has remained broadly stable since 2008. Voluntary reasons for not subscribing to digital TV have decreased from 10% in Q1 2007 to 2% in Q2 2011. This decrease will have been influenced by the overall increase in take-up of digital TV in the population as a whole.



**Figure 80 Voluntary (only) non-ownership of communications services**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

\*Data for mobile not available for Q2 2011, data for broadband not available for Q2 2010 or Q2 2011.

Across all communications services, a lack of perceived need remains the main voluntary reason for not taking up services.

#### **Profile of those who have not taken up communications services for voluntary reasons**

There are a number of demographic variations across the different communications services.

**Fixed line:** Voluntary reasons for not owning a fixed line are highest among 15-24 year olds and the DE socio-economic group.

**Internet:** Voluntary non-ownership is highest among over-65s and consumers in the DE socio-economic group.

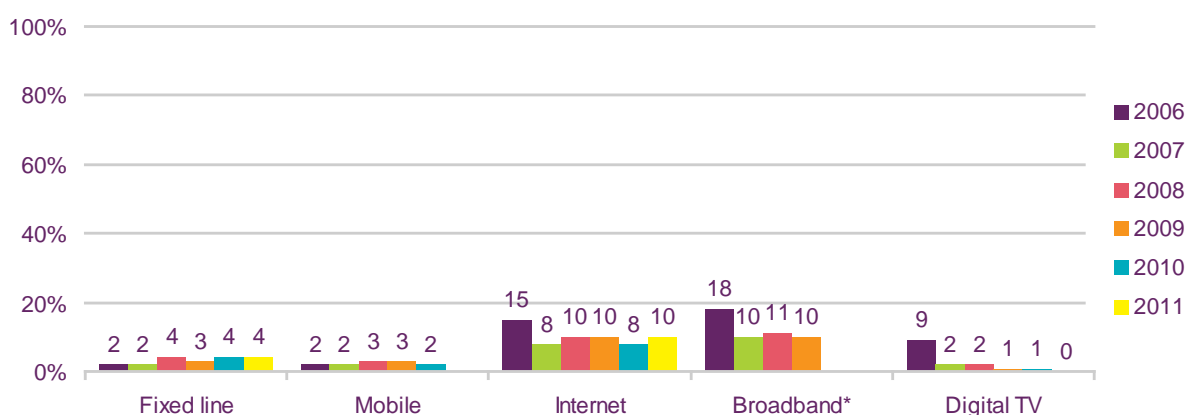
See Annex 2 for a full demographic profile of voluntary and involuntary reasons for not owning specific communications services.

### **3.3.4 Involuntary non-ownership of communications services**

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. Relatively few consumers gave reasons that were both voluntary and involuntary; these responses have been reported under 'involuntary' non-ownership.

There has been no significant change in the percentage or profile of consumers who do not own the communications services for involuntary reasons; affordability is still the main reason for involuntary exclusion from communications markets. The internet market continues to portray the highest level of involuntary non-ownership (10%).

**Figure 81 Involuntary non-ownership of communications services**



Source: Ofcom communications tracking survey

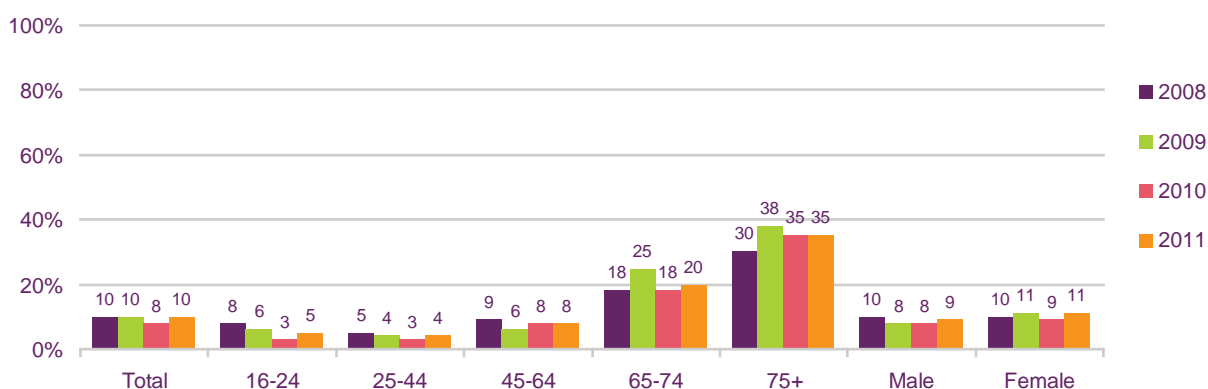
Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

Note: Broadband data includes reasons for non-ownership of internet. \*Data for broadband not available for Q2 2010 or Q2 2011.

The proportion of those who have not taken up communications services for involuntary reasons are too small to analyse further for all communications services except the internet.

Involuntary non-ownership of the internet has remained relatively stable for all ages over time, and remains significantly higher among the 65-74s (20%) and those aged over 75 (35%).

**Figure 82 Involuntary non-ownership of internet, by age and gender**

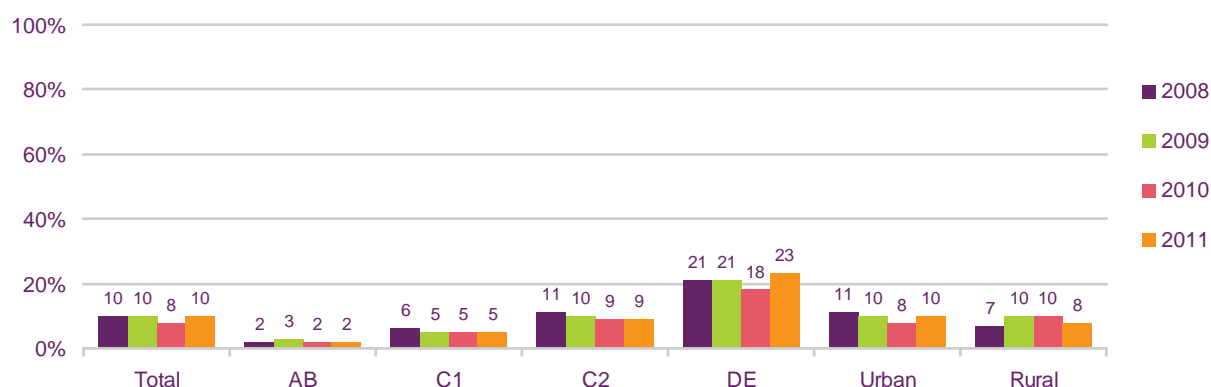


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862).

Involuntary non-ownership of the internet has also remained relatively unchanged among socio-economic groups and location. Involuntary ownership of the internet increases among lower socio-economic groups, accounting for almost one in four (23%) DEs. There were no differences in the levels of involuntary non-ownership between rural and urban areas.

**Figure 83 Involuntary non-ownership of internet, by socio-economic group and urbanity**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862).

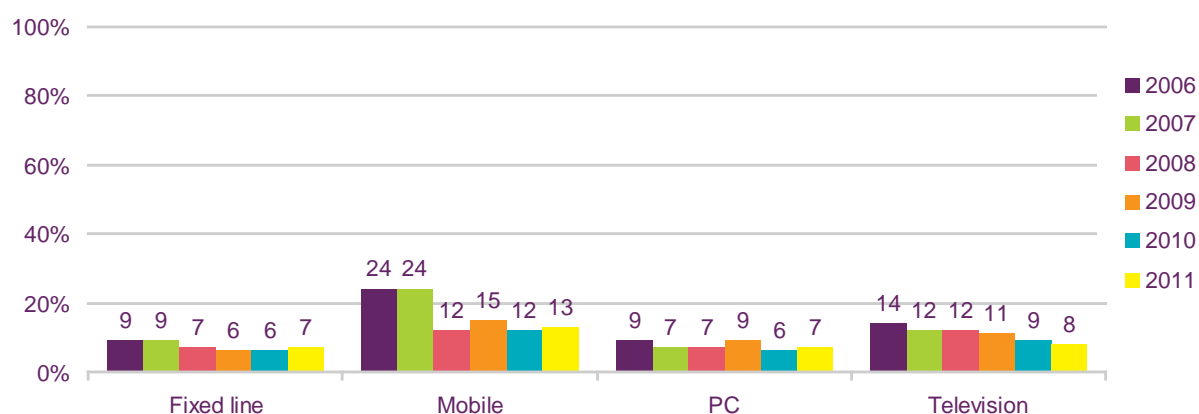
### 3.4 Consumer availability and take-up – metric 4: degree of difficulty in using technology

#### 3.4.1 Overall difficulty using technology

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, with mobile phones appearing to cause the most difficulty among owners.

**Figure 84 Difficulties using communications services**



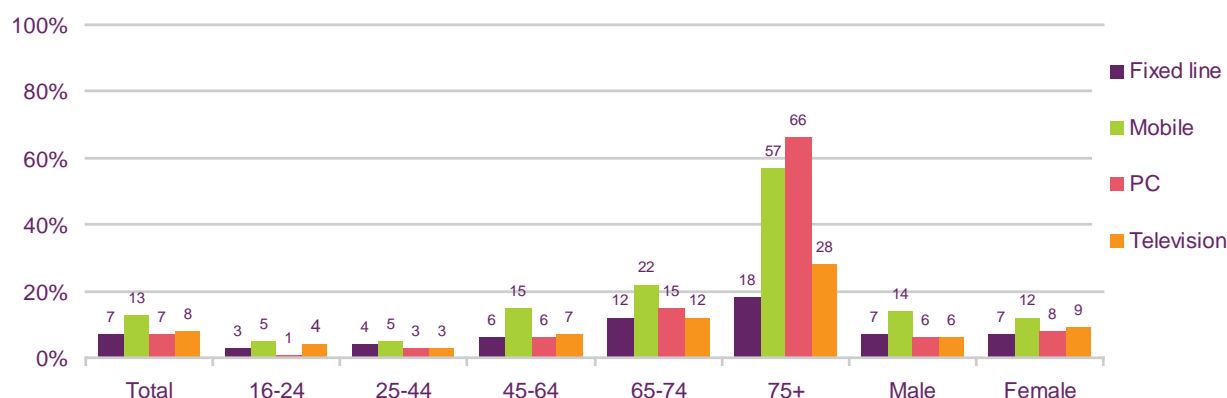
Source: Ofcom communications tracking survey

Base: All adults 16+ with a fixed line (Q2 2006, 2214) (Q2 2007, 1497) (Q2 2008, 1845) (Q2 2009, 1810) (Q2 2010, 1766) (Q2 2011, 2456). Mobile (Q2 2006, 2234) (Q2 2007, 768) (Q2 2008, 1911) (Q2 2009, 1835) (Q2 2010, 1892) (Q2 2011, 2543). PC (Q1 2006, 2214) (Q1 2007, 768) (Q2 2008, 1824) (Q2 2009, 2308) (Q2 2010, 1593) (Q2 2011, 2150). Television (Q1 2006, 2214) (Q1 2007, 1497) (Q2 2008, 1910) (Q2 2009, 2064) (Q2 2010, 2076) (Q2 2011, 2794).

### 3.4.2 Profile of those who experience difficulties when using technology

Older consumers, particularly the over-75s, are the most likely to state that they have difficulties using each of the communications services. Fifty-seven per cent of this age group said they had difficulty using their mobile phone and two-thirds said they had difficulty using their PC.

**Figure 85 Difficulties using various communications services, by age and gender**

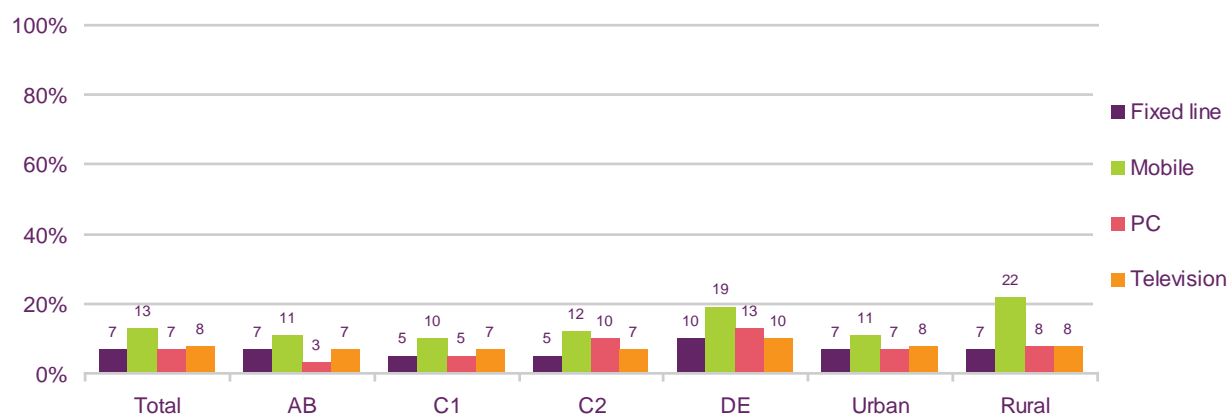


Source: Ofcom communications tracking survey

Base: All adults 16+ with a fixed line (Q2 2011, 2456). Mobile (Q2 2011, 2543). PC (Q2 2011, 2150). Television (Q2 2011, 2794)

Those in socio-economic group DE appear to have the most difficulty using mobile phones and PCs, although they were no more likely than average to have difficulties using a fixed line or TV. Interestingly, a fifth of mobile customers in rural areas said they had difficulty using their mobile phones; however, this may relate to coverage issues as opposed to dexterity or understanding of the technology.

**Figure 86 Difficulties using various communications services, by socio-economic group and urbanity**



Source: Ofcom communications tracking survey

Base: All adults 16+ with a fixed line (Q2 2011, 2456). Mobile (Q2 2011, 2543). PC (Q2 2011, 2150). Television (Q2 2011, 2794).

## Section 4

# Consumer choices, value and range

## Introduction

The 'consumer choices, value and range' metrics show the range of operators in the market and consumer satisfaction with various aspects of their supplier's service.

We provide an overview of the prices of communications services in the UK and how these have changed over time. Wherever possible, we have also provided international pricing comparisons.

## Consumer choices, value and range metrics

Four metrics are used in this chapter:

- range of operators available
- satisfaction with communications services
- spend on UK communications services
- international comparisons with the cost of UK communications services

The numbers shown in this section are at the overall UK level, based on the percentage of all adults/households.

We have analysed the key findings in this report by a number of demographic groups to highlight whether any specific consumer groups are more likely than others to be excluded. These groups are: age, income, socio-economic group and urbanity. Wherever possible, the results are shown over time.

Sub-group differences are noted only when they are significantly different.

For the charts in this chapter, the base for broadband in 2010 and 2011 represents those with fixed broadband, rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by this change.

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 2011*; this report published satisfaction among decision-makers, whereas the *Communications Market Report 2011* published satisfaction levels among owners of each service.

### 4.1 Consumer choices and range - metric 1: range of operators available

Consumers in the UK are able to choose from a number of operators, which offer a wide range of single and combined (bundled) communications services.

**Figure 87 Range of operators in the communications market**

Bundled operators	13	13	14	13	13
Fixed line (estimated)	118	118	116	116	116
Mobile MNOs	5	5	5	4	4
Television channels	470	495	492	490	499
PSB channels	12	13	13	13	13
Radio*- analogue services	347	359	351	288	297
Radio simulcast on DAB	129	133	178	146	131
Radio – DAB only	40	38	38	46	39

Source: Ofcom. \*Not all radio stations are available to all listeners. +Source: PurePricing

#### **4.1.1 Bundled service operators**

There are at least 13 major suppliers of bundled residential communications services, offering multiple services that are interdependent (for example, a fixed line and a multichannel TV bundle, where the customer has to take both services to get the advertised price). See Ofcom's *Communications Market Report 2011* for details of the services offered.

#### **4.1.2 Fixed-line operators**

There are estimated to be 116 operators with conditions of entitlement in the fixed-line market, and a significant, and increasing, number of smaller companies which are not obliged to publish their tariffs.

#### **4.1.3 Mobile operators**

There are five mobile network operators (MNOs) offering mobile services on a nationwide basis: Vodafone, O2, Three, Orange UK and T-Mobile UK<sup>10</sup>. In addition there are around 100 virtual mobile network operators (MVNOs) and mobile service providers. An MVNO or mobile service provider is a company that buys airtime from one of the four network operators and resells it under a different brand name. For example, Virgin uses the T-Mobile network (which is being integrated with the Orange network) and Tesco Mobile uses the O2 network. A new range of MVNOs and service providers has recently launched, offering niche services such as low-cost international calls to customers from ethnic and immigrant groups.

#### **4.1.4 Television channels**

There are 499 television channels available to consumers in the UK. Thirteen of these are public service channels and the remaining 486 are commercial channels.

<sup>10</sup> In 2010 Orange UK and T-Mobile UK merged to form a new company called Everything Everywhere Ltd, but they continue to operate separate retail arms.

#### **4.1.5 Radio stations**

There are now 297 analogue services in the UK. There are also 170 stations available on DAB, of which 39 stations are digital-only brands.

### **4.2 Consumer choices and range – metric 2: satisfaction with communications services**

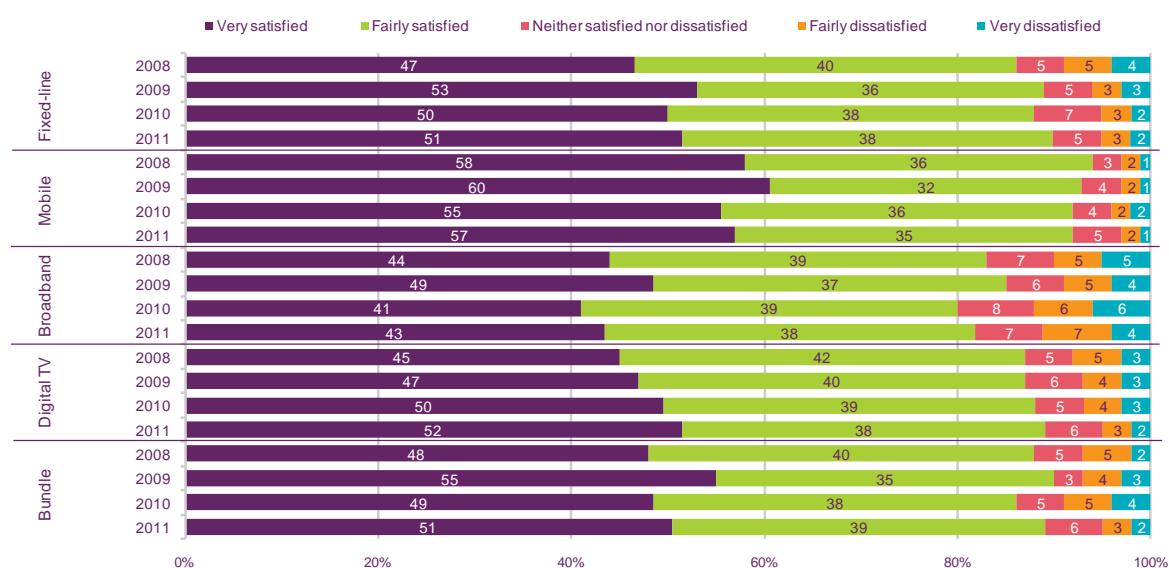
#### **4.2.1 Satisfaction with overall services from communications supplier**

For all markets, the level of satisfaction with overall service has remained relatively stable. Satisfaction with overall service in the single service broadband market is lower (and consequently dissatisfaction is higher) than for all other single services and for the bundled service market (despite broadband being included in the majority of bundled service packages). Overall, 81% of broadband consumers are either 'very' or 'fairly' satisfied, compared to 89% of fixed-line consumers, 90% of digital TV consumers, 90% of bundled services consumers and 92% of mobile consumers.

Eleven per cent of broadband consumers are either 'very' or 'fairly' dissatisfied, compared to 3% of mobile consumers, 4% of bundled services consumers, 5% of fixed-line consumers and 5% of digital TV consumers.

Satisfaction data for mobile broadband are reported in Ofcom's *Communications Market Report 2011*. Although these data, reflecting all mobile users, are not directly comparable to the data in this report, which reflect only decision-makers, they do show that overall satisfaction has improved since 2009 (from 82% to 88%).

**Figure 88 Satisfaction with overall services from communications supplier, over time**



Source: Ofcom switching tracker carried out by Saville Rossiter-Base in July to August 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the decision-maker and express an opinion on fixed line\*\* (2008, 928) (2009, 779) (2010, 617) (2011, 579), mobile\*\* (2008, 1265) (2009, 1224) (2010, 1189) (2011, 1556), broadband\*\* (2008, 454) (2009, 384) (2010, 222) (2011, 251), digital TV\*\* (2008, 891) (2009, 826) (2010, 768) (2011, 937), bundled services (2008, 534) (2009, 631) (2010, 566) (2011, 793).

\*Don't know responses have been excluded from the base. \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

#### 4.2.2 Dissatisfaction with overall services from communications suppliers, by demographic group

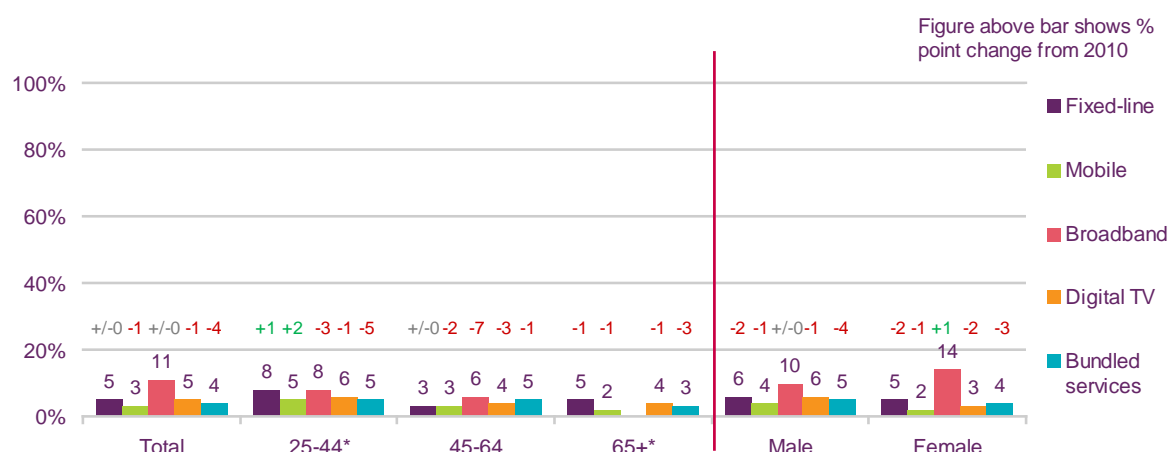
The following charts illustrate the proportion of consumers who were dissatisfied with their overall service, by demographic group, in order to identify whether particular groups of consumers are driving dissatisfaction levels, and to understand what factors may be influencing this.

The level of dissatisfaction in each market was broadly comparable across each age group, and by gender. Dissatisfaction with a discounted bundled provider among 25 to 44 year olds has fallen by 5% since 2010, bringing it back to a similar level of dissatisfaction as other age groups.

Dissatisfaction with broadband services among 45-64 year olds has declined by 7% since 2010 (to 6%). Within gender, males' dissatisfaction with discounted bundled providers has declined by 4% since the previous year.



**Figure 89 Dissatisfaction with overall services from communications suppliers, by age and gender**



Source: Ofcom switching tracker carried out by Saville Rossiter-Base in June to July 2011

Base: All adults aged 16+ who are the decision maker and express an opinion on fixed line\*\* (2011, 579), mobile\*\* (2011, 1556), broadband\*\* (2011, 251), digital TV\*\* (2011, 937), bundled services (2011, 793). \*Caution: Low base. Base for 16-24 years olds and 75+ too small to analyse. Base for 65+ for broadband too small to analyse. Don't know responses have been excluded from the base.

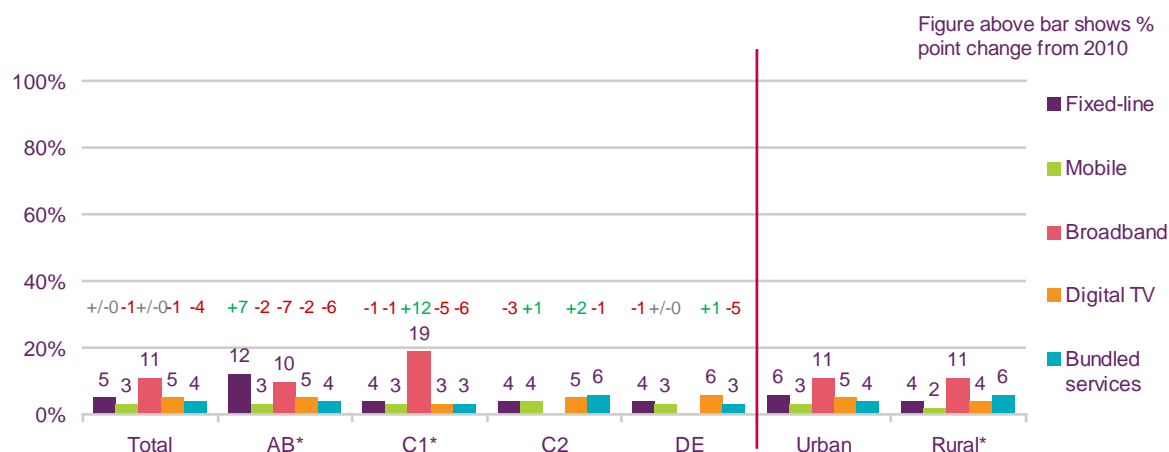
\*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

Since 2010 dissatisfaction in the fixed-line standalone market has been driven by those in socio-economic group AB, where dissatisfaction has risen by seven percentage points (to 12%). This group now reports a significantly higher level of dissatisfaction than any other socio-economic group.

The higher level of dissatisfaction in the standalone broadband market appears to be driven by socio-economic group C1. This group has seen a significant rise in dissatisfaction, bringing levels for this group higher than ABs (19% vs. 10%). As illustrated in the charts below, this demographic group appears to be driving dissatisfaction with various aspects of the broadband standalone market including value for money and reliability.

There has been a fall in dissatisfaction among socio-economic group C1, for both digital TV (-5%) and discounted bundle providers (-6%).

**Figure 90 Dissatisfaction with overall services from communications suppliers, by socio-economic group and urbanity**



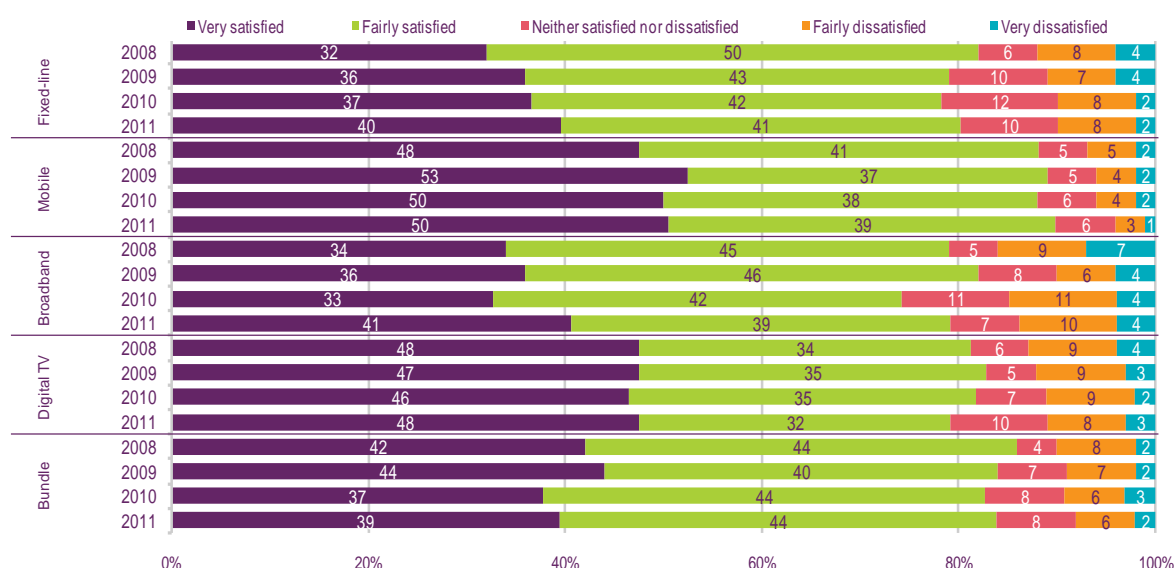
Source: Ofcom switching tracker carried out by Saville Rossiter-Base in June to July 2011  
 Base: All adults aged 16+ who are the decision maker and express an opinion on fixed line\*\* (2011, 579), mobile\*\* (2011, 1556), broadband\*\* (2011, 251), digital TV\*\* (2011, 937), bundled services (2011, 793). \*Caution: Low base for broadband. Base for C2 and DE for broadband too small to analyse. Don't know responses have been excluded from the base.\*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

### 4.2.3 Satisfaction with value for money, over time

There has been little change in levels of satisfaction with value for money across communications services since 2010.

Of all the sectors, mobile customers continue to have the highest level of satisfaction with value for money (89%). All other sectors have similar levels of satisfaction; with between 80% and 83% stating they are either 'very' or 'fairly' satisfied.

**Figure 91 Satisfaction with value for money, over time**



Source: Ofcom switching tracker carried out by Saville Rossiter-Base in July to August 2008, 2009 and 2010, June to July 2011

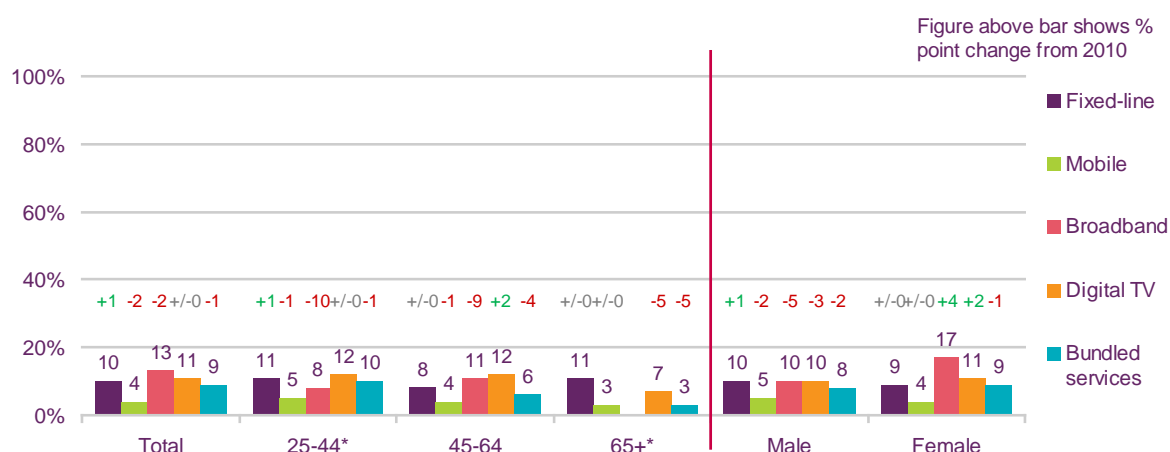
Base: All adults aged 16+ who are the decision maker and express an opinion on fixed line\*\* (2008, 928) (2009, 779) (2010, 617) (2011, 569), mobile\*\* (2008, 1265) (2009, 1224) (2010, 1189) (2011, 1544), broadband\*\* (2008, 454) (2009, 384) (2010, 222) (2011, 248), digital TV\*\* (2008, 891) (2009, 826) (2010, 768) (2011, 923), bundled services (2008, 534) (2009, 631) (2010, 566) (2011, 790).

\*Don't know responses have been excluded from the base. \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

#### 4.2.4 Dissatisfaction with value for money, by demographic group

Overall, there are few demographic variations or differences over time for dissatisfaction with value for money. The only exception to this is a nine percentage point fall in dissatisfaction among 45-64 year olds for broadband services.

**Figure 92 Dissatisfaction with value for money, by age and gender**



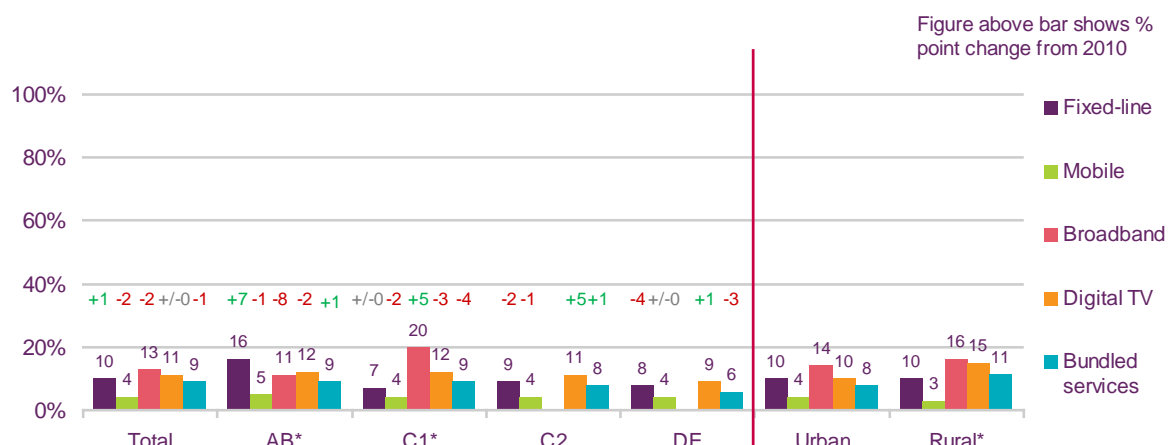
Source: Ofcom switching tracker, carried out by Saville Rossiter-Base in June to July 2011

Base: All adults aged 16+ who are the decision maker and express an opinion on fixed line\*\* (2011, 569), mobile\*\* (2011, 1544), broadband\*\* (2011, 248), digital TV\*\* (2011, 923), bundled services (2011, 790). \*Caution: Low base for broadband aged 25-44, bundled services aged 65+. Base for 65+ for bundled services too small to analyse. Don't know responses have been excluded from the base. \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

Consumers in socio-economic group AB appear to be driving the dissatisfaction with value for money of fixed-line services (16%).

Levels of dissatisfaction did not vary between consumers living in rural or urban areas for any communications services.

**Figure 93 Dissatisfaction with value for money, by socio-economic group and urbanity**



Source: Ofcom switching tracker carried out by Saville Rossiter-Base in June to July 2011  
 Base: All adults aged 16+ who are the decision maker and express an opinion on fixed line\*\* (2011, 569), mobile\*\* (2011, 1544), broadband\*\* (2011, 248), digital TV\*\* (2011, 923), bundled services (2011, 790). \*Caution: Low base for broadband AB, C1, Rural, bundled services Rural. Base for C2 and DE for broadband too small to analyse. Don't know responses have been excluded from the base. \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

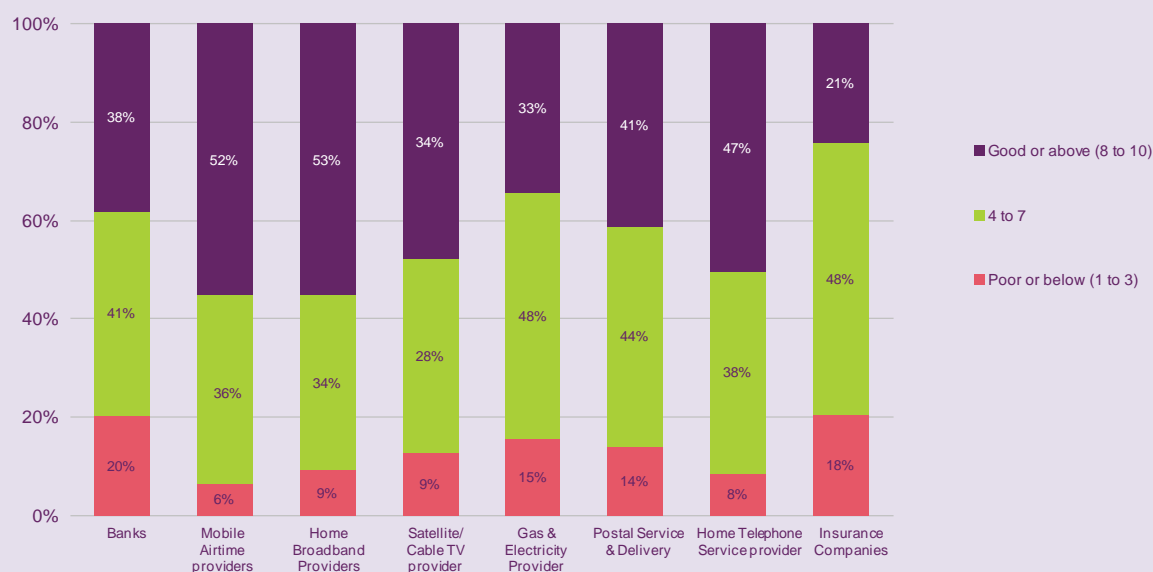
### Comparison of value for money across sectors

A recent survey<sup>11</sup> asked consumers to rate their main provider within specific sectors for value for money. While not directly comparable to the data shown here, this report provides a useful comparison of levels of satisfaction across different sectors.

Home broadband (including bundle providers) and mobile providers performed the strongest value for money among the sectors explored, followed by home telephone providers. Banks and insurance companies were seen as offering the least value for money, with around a fifth of customers scoring them as poor, or below, for this measure.

<sup>11</sup> Customer Life in Britain, conducted by Andrew Smith Research in 2011

**Figure 94 Consumers' attitudes towards value for money across sectors**



Source: *Customer life in Britain 2011*

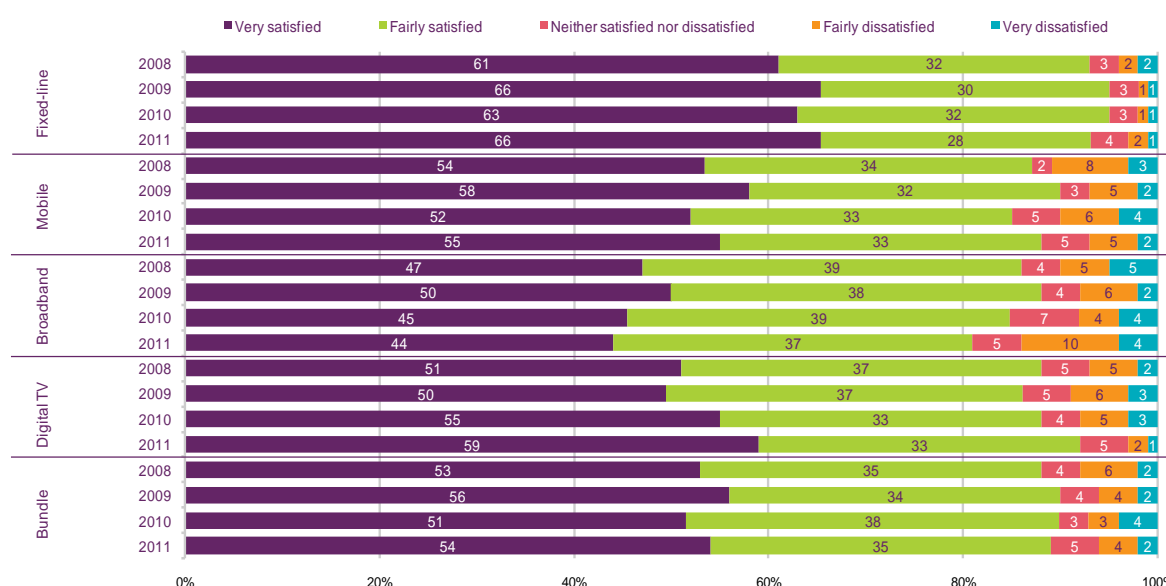
Base: All respondents (1002)

Q22b. Please give a rating for value for money for your main provider in each category

#### 4.2.5 Satisfaction with reliability of service

Satisfaction with 'reliability of service' has remained stable in all sectors. In the fixed-line and digital TV markets over nine in ten consumers are 'very' or 'fairly' satisfied. Satisfaction with reliability of service within the mobile and bundled markets remains at just under nine in ten. Satisfaction with reliability of service remains lowest in the standalone broadband market, at 81%.

**Figure 95 Satisfaction with reliability of service, over time**



Source: Ofcom switching tracker carried out by Saville Rossiter-Base in July to August 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the decision maker and express an opinion on fixed line\*\* (2008, 928) (2009, 779) (2010, 617) (2011, 577), mobile\*\* (2008, 1265) (2009, 1224) (2010, 1189) (2011, 1559), broadband\*\* (2008, 454) (2009, 384) (2010, 222) (2011, 251), digital TV\*\* (2008, 891) (2009, 826) (2010, 768) (2011, 939), bundled services (2008, 534) (2009, 631) (2010, 566) (2011, 793).

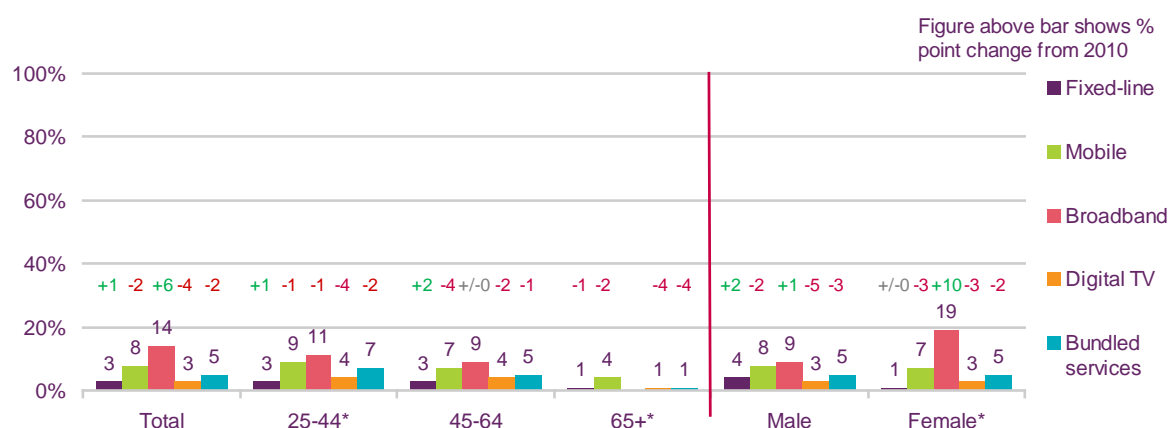
\*Don't know responses have been excluded from the base. \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

#### 4.2.6 Dissatisfaction with reliability of service, by demographic group

There have been some significant changes in satisfaction with reliability since 2010. Dissatisfaction with reliability of broadband services has increased to 14% and appears to be driven by females rather than males (19% vs. 9% dissatisfaction).

However, dissatisfaction with the reliability of digital TV services has fallen by four percentage points (to 3%). There are indications that this has been driven by both the 25 to 44 and 65+ age groups, and by males.

**Figure 96 Dissatisfaction with reliability of service, by age and gender**



Source: Ofcom switching tracker carried out by Saville Rossiter-Base in June to July 2011

Base: All adults aged 16+ who are the decision maker and express an opinion on fixed line\*\* (2011, 577), mobile\*\* (2011, 1559), broadband\*\* (2011, 251), digital TV\*\* (2011, 939), bundled services (2011, 793). \*Caution: Low base for broadband 25-44, 65+ and female, bundled services 65+. Base for 65+ for broadband too small to analyse. Don't know responses have been excluded from the base.

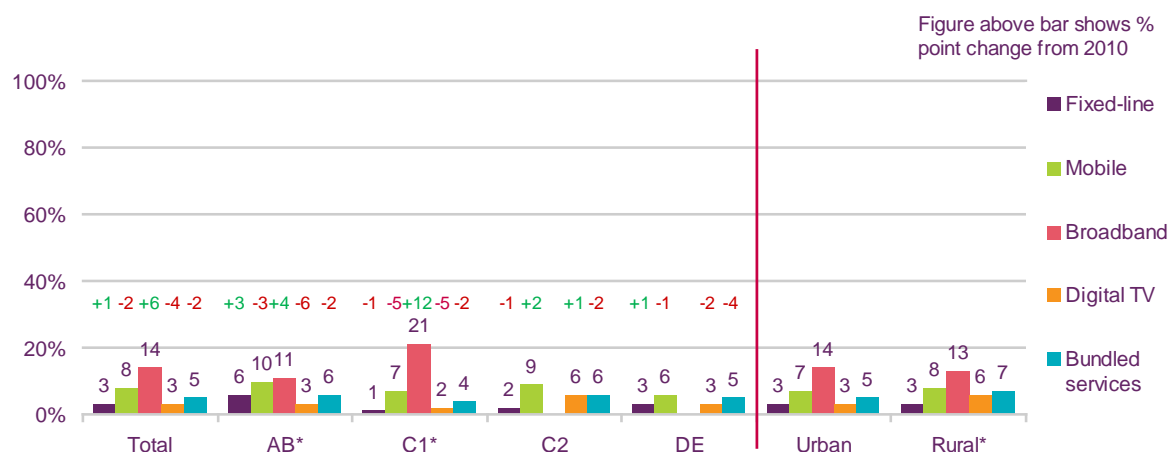
\*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

There has been a 12 percentage point rise in dissatisfaction with the reliability of broadband services among those in socio-economic group C1; this group now has a significantly higher level of dissatisfaction than socio-economic group AB (21% vs. 11%).

Conversely, both the mobile and digital TV markets have seen a fall in dissatisfaction among those in socio-economic group C1.



**Figure 97 Dissatisfaction with reliability of service, by socio-economic group and urbanity**



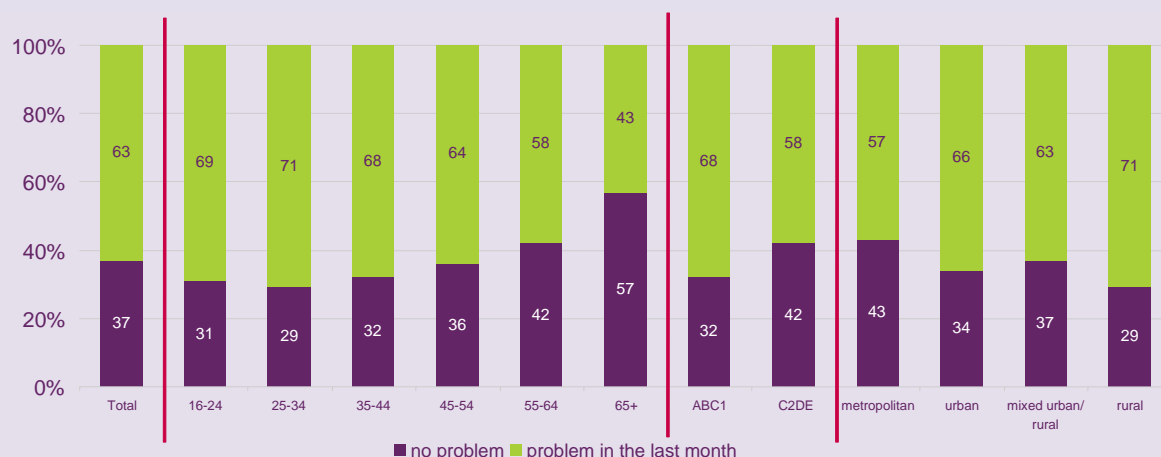
Source: Ofcom switching tracker carried out by Saville Rossiter-Base in June to July 2011

Base: All adults aged 16+ who are the decision maker and express an opinion on fixed line\*\* (2011, 577), mobile\*\* (2011, 1559), broadband\*\* (2011, 251), digital TV\*\* (2011, 939), bundled services (2011, 793). \*Caution: Low base for broadband AB, C1 and Rural, bundled services Rural. Base for C2 and DE for broadband too small to analyse. Don't know responses have been excluded from the base. \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

### Mobile coverage: consumer experience

Ofcom's conducted some targeted research on consumers' experiences with mobile coverage in September 2011, which identified that 63% of mobile users had experienced poor coverage in the month prior to the fieldwork. A recent experience of poor coverage is more likely for younger (69-71%), ABC1 (68%) and rural (71%) respondents.

**Figure 98 Incidence of poor mobile coverage in the last month**



Source: Research on consumer experience of mobile coverage, September 2011

Base: All mobile phone users (1,470)

When asked about areas requiring improved coverage, consumers were most likely to mention 'in homes' (18%), 'rural areas' (19%) and 'on roads' (15%).

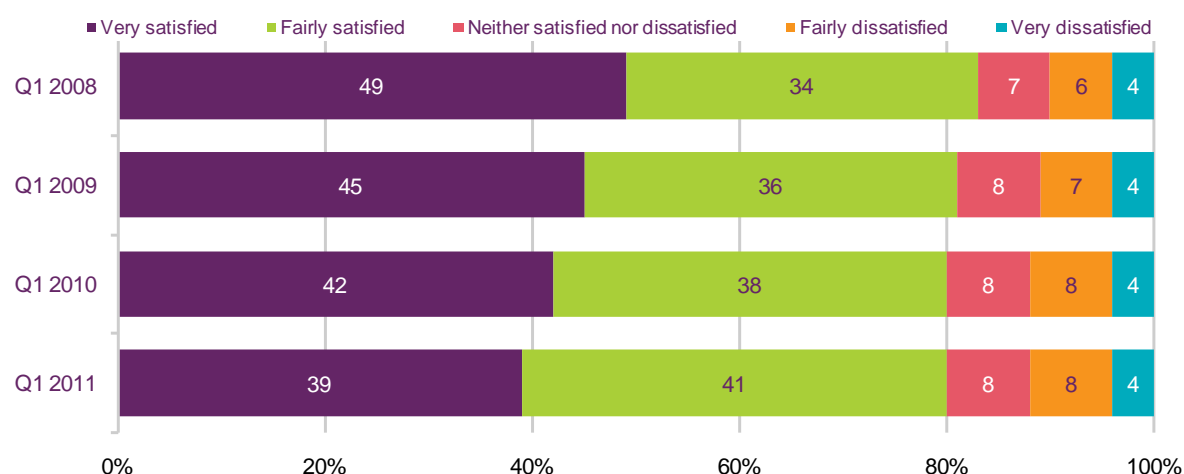
## 4.2.7 Satisfaction with speed of broadband service, over time

A service aspect specific to the broadband market is speed. In recent years consumers have become more concerned about their internet service; our consumer concerns research indicates that 30% of consumers said their broadband speed was slower than expected a fall from 35% in each of the last two years. (see Section 6).

Ofcom introduced the *Voluntary Code of Practice on Broadband Speeds* in 2008 and has subsequently strengthened this to ensure that consumers are provided with the most meaningful and accurate information on broadband speeds before they purchase a service.<sup>12</sup> ISPs which sign up to the revised Code commit to give consumers a more accurate estimate of the maximum speed likely to be achievable on their line, through the use of a speed range rather than a single value. The intention is that if consumers have more accurate information about the service, they will have a more realistic expectation of the speeds they are likely to receive. The following chart illustrates that in 2011, 80% of broadband consumers who expressed an opinion were satisfied with the speed of their broadband service.

While overall satisfaction with the speed of their fixed broadband service has remained relatively stable since 2008, the number of customers stating they were 'very satisfied' has steadily declined (49% in 2008 vs. 39% in 2011).

**Figure 99 Satisfaction with speed of fixed broadband service, over time**



Source: Ofcom communications tracking survey

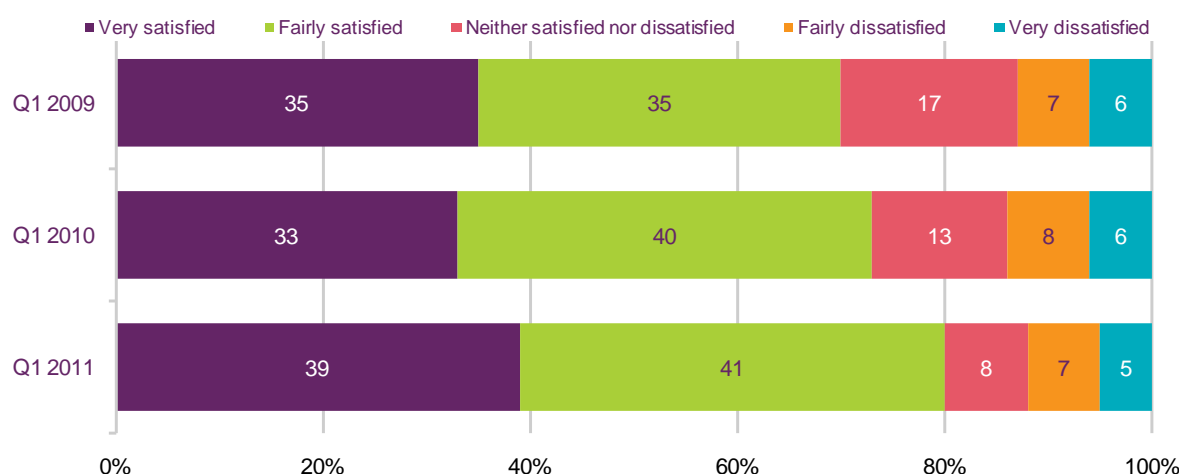
Base: All adults aged 16+ with a fixed broadband connection (Q1 2008,3062 )(Q1 2009,3429)(Q1 2010,5410)(Q1 2011, 2243).

The level of satisfaction with the speed of mobile broadband service has risen since 2009, from 70% to 80%. This may be a result of improvements in the quality of service delivered to consumers, but may also reflect more realistic expectations of the levels of speed the service can deliver.

<sup>12</sup> 2010 Voluntary code of practice: broadband speeds

<http://stakeholders.ofcom.org.uk/telecoms/codes-of-practice/broadband-speeds-cop-2010/>

**Figure 100 Satisfaction with speed of mobile broadband service, over time**



Source: Ofcom communications tracking survey

Base: All adults aged 16+ with a mobile broadband connection (Q1 2009,592)(Q1 2010,1353)(Q1 2011, 513)

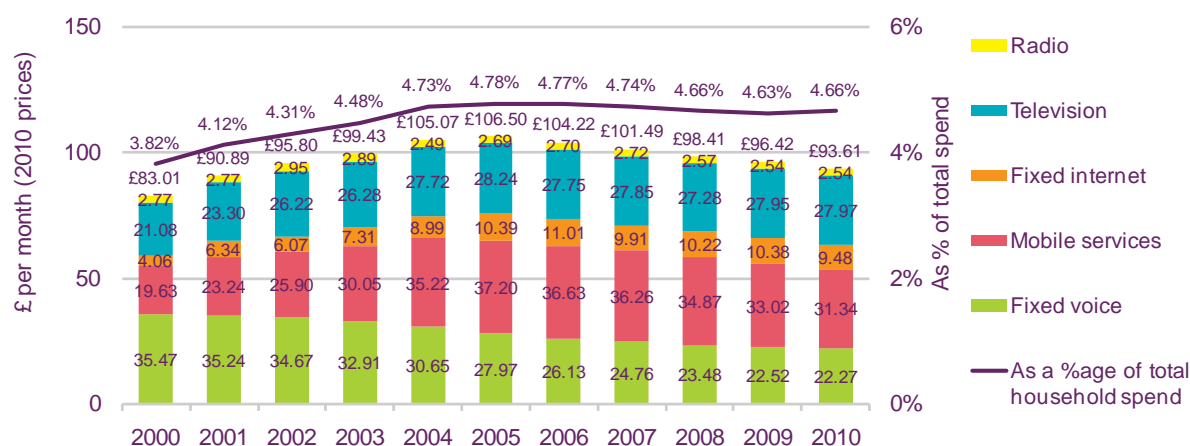
## 4.3 Consumer choices and range – metric 3: spend on UK communications services

### 4.3.1 Change in spend on residential telecoms services

Although the take-up of broadband, mobile services and pay-TV have all increased in recent years, average monthly spend on communications services (in real terms, i.e. adjusted for inflation) has continued to fall. Average household expenditure in 2010 was £93.61, down by 2.9% on 2009 and 12% lower than in 2005. Spend on communications services accounted for 4.66% of total household expenditure in 2010, compared to 4.78% in 2005. These falls in household spending also come in the context of enhanced service offerings. For example, broadband speeds are increasing, data services are increasingly bundled into mobile phone access charges and the range of television channels and services is increasing.

While television subscriber spend and radio spend (licence fee funding) remained stable over the past year (at £27.97 and £2.54 respectively), spend on fixed internet declined for the first time in three years to £9.48 (-8.7%). This is a reflection of the shift towards bundled broadband services, which typically offer households the opportunity to reduce their spending by purchasing broadband with fixed voice and/or television services in a discounted 'bundle'. Average spend on fixed voice services fell slightly in 2010 (down 1.1%) as the number of connections and call volumes decreased. Expenditure on mobile services fell by 5.1% in the year due to lower prices, particularly on two-year pay-monthly contracts.

**Figure 101 Average household spend on telecoms services**



Source: ONS/ Ofcom

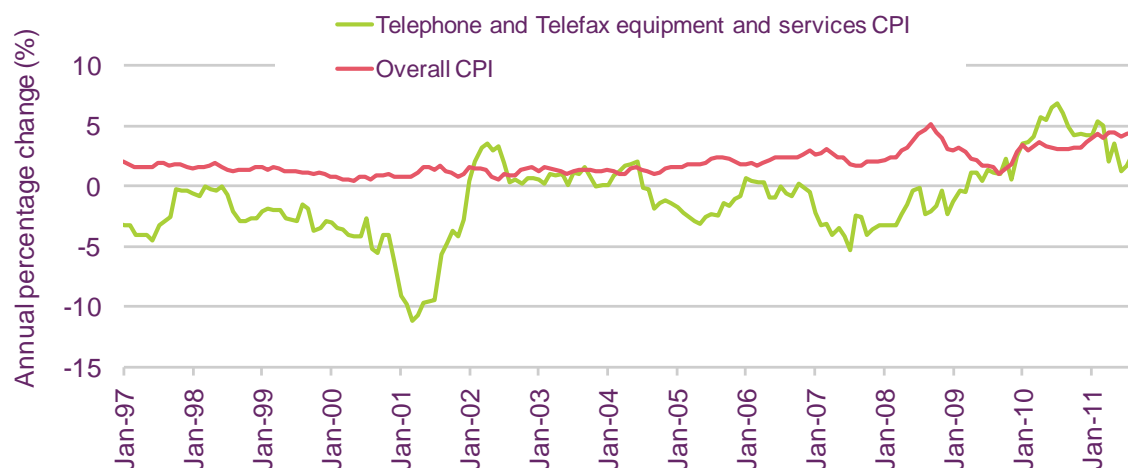
Notes: Radio data prior to 2004 were compiled using a different methodology and are not directly comparable to subsequent figures. TV includes PPV from 2004 onwards.

2010 % of average household spend uses an estimate of household spend based on data for the previous four years; figures are adjusted for RPI.

### 4.3.2 Pricing of services

After more than a decade of deflation in the actual prices of telecoms services and equipment, there are indications that prices have been increasing since 2009. The Office of National Statistics tracks the prices of 'baskets' of services in order to track inflation, and during 2010 the rate of increase in the price of its basket of telecoms services and equipment was higher than the overall rate of inflation. Prices of telecoms services and equipment continued to increase during 2011, but generally at below the overall rate of inflation.

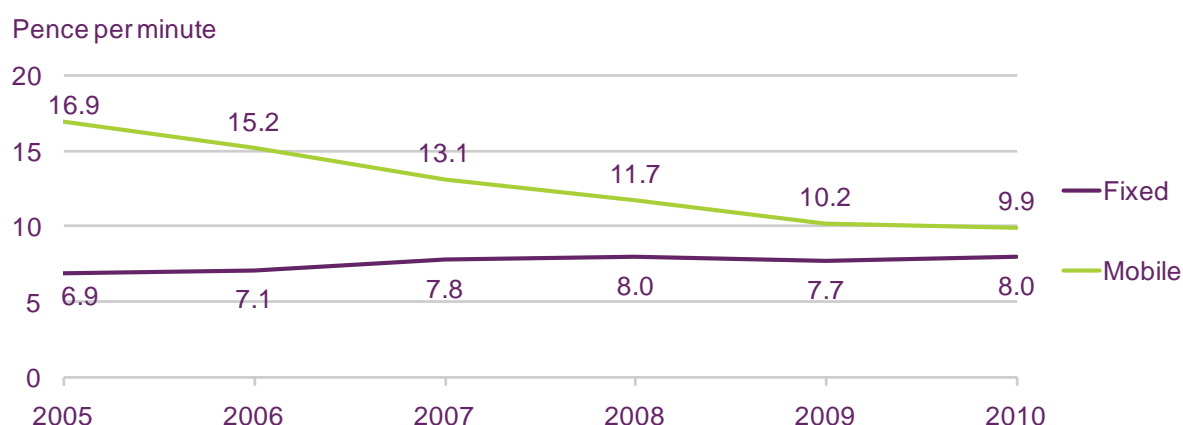
**Figure 102 Year-on-year changes in CPI**



Source: ONS

We are able to calculate the cost per minute for fixed and mobile calls from data submitted by operators to Ofcom on retail voice revenues and call volumes. This finds that the average cost per minute for calls made from residential fixed lines has remained fairly stable (in real terms) since 2007, while the average cost of a mobile minute has fallen. Whereas in 2005 the average cost of a mobile minute was more than double that of a fixed minute, the average cost in 2010 was only 24% more expensive. Some caution should be applied to these figures, which are likely to overstate the cost of voice minutes as they include access fees (line rental): many fixed lines are also used for broadband access, while mobile pay-monthly fees frequently include a messaging and/or data allowance, and sometimes also include a handset subsidy. It should also be noted that this cost per minute is not a proxy for price – fixed voice tariffs often include unlimited voice minutes for certain types of calls and pay-monthly mobile tariffs are typically offered with an inclusive ‘bundle’ of minutes.

**Figure 103 Comparison of average residential fixed and mobile voice call charges**



Source: Ofcom / operators

Note: Includes estimates where Ofcom does not receive data from operators; fixed calculation excludes non-geographic voice calls; mobile calculation includes business calls; adjusted for RPI

### Fixed voice pricing

Since 2008, Ofcom has commissioned pricing consultancy Teligen to collect data on all tariffs available from the largest retail providers in July of each year. A pricing model identifies the lowest prices available from all operators to fulfil ‘baskets’ of communications services. Baskets are defined to be representative of the communications needs of typical households. The analysis looks both at the best offer available from any of the largest providers, and the average of the best offers available from the three largest providers (BT, TalkTalk and Virgin Media for fixed voice services), weighted by retail market share.

The figure below shows the fixed voice element of these baskets for four ‘typical’ household types. It indicates that, based on the weighted average of the lowest price available from each of the three largest operators, lower prices were available in July 2011 than in July 2010. However, this fall is entirely due to the availability of BT’s *Line Rental Saver* product, which was launched in October 2010 and offers significant discounts on line rental to those who opt to pay 12 months in advance. For example, including this tariff in the analysis means that the weighted price of a basket of voice services for Basket 1 (constructed to be typical of the usage profile of a retired low-income couple) fell by 5% between July 2010 and July 2011; however, when this tariff is excluded, the weighted average price for Basket 1 increased by 5.8% (in nominal terms; inflation-adjusted prices have increased by 0.8%).

**Figure 104 Fixed-line voice: prices for typical baskets of standalone voice services, 2008-2011**

### Composition of fixed voice baskets

	Basket 1	Basket 2	Basket 3	Basket 4
'Typical' household type	A retired low-income couple	A couple of late adopters	A 'networked' family	Affluent couple with sophisticated comms use
Outbound calls	225mins	430mins	600mins	250mins
Type of calls	97% UK geog 3% to UK mobile	94% UK geog 3% to UK mobile 3% international	91% UK geog 2% to UK mobile 7% international	80% UK geog 12% to UK mobile 8% international
Time of day	58% daytime 25% evening 17% weekend	58% daytime 25% evening 17% weekend	59% daytime 25% evening 16% weekend	59% daytime 25% evening 16% weekend

### 'Weighted average' of best prices available from three largest operators



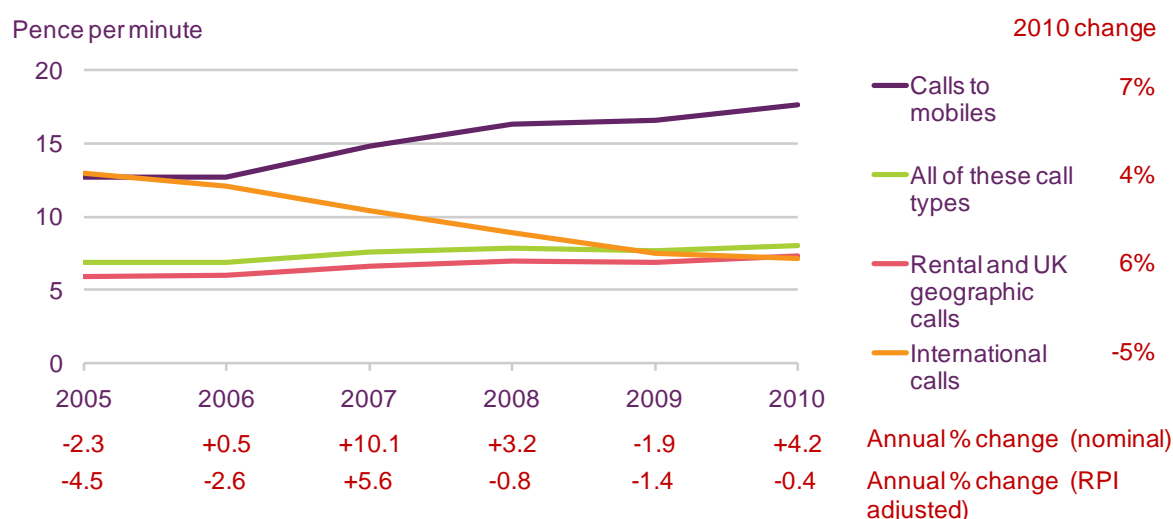
Source: Ofcom / Teligen

Note: Tariff data collected in July each year; nominal prices; full details of methodology, basket composition and in-depth analysis will be provided in Ofcom's *International Communications Market report* (scheduled for publication on 14 December 2011)

Overall, the cost per minute of residential voice calls has increased since 2007, although increases have been below the rate of inflation. However, there have been variations in the price changes for different types of calls. The cost per minute for international calls has fallen significantly since 2005, as fixed-line operators have offered lower prices in order to compete with lower-cost mobile tariffs (the European Commission's 'Eurotariff' in June 2007 placed a cap on roaming charges for mobile calls within the EC, while MVNOs such as Lebara and Lyca Mobile have focused on offering low-cost international calls) and voice over IP (VoIP) operators. All the leading fixed-line operators now offer 'add-ons' which offer heavily discounted international calls for consumers paying an additional monthly fee. The greatest increase has been in the cost of calls to mobiles, which increased by 7% (in nominal terms) in 2011. However, there are indications that the price of calls to mobiles has fallen during 2011, following the reduction in mobile termination rates; for example, in May 2011 BT

reduced per-minute daytime calling prices by between 13% and evening calling prices by 24%<sup>13</sup>, and TalkTalk introduced a new option offering 500 minutes of calls to mobiles for £5 a month<sup>14</sup>.

**Figure 105 Average cost per minute for residential fixed voice calls**



Source: Ofcom / operators

Note: Nominal prices; Includes estimates where Ofcom does not receive data from operators; calculation of total and UK geographic calls costs include line rental revenues; excludes non-geographic voice calls; adjusted for RPI; includes VAT

## Broadband pricing

Analysis of tariffs available from the largest broadband providers in July each year shows general increases (in nominal terms) in the standard prices of broadband from the leading providers between 2008 and 2011. However, prices available from BT for a bundle of broadband and voice services have fallen since deregulation, in September 2009, removed restrictions preventing BT from offering discounted bundles of voice and broadband services.

<sup>13</sup> <http://www.productsandservices.bt.com/consumerProducts/displayTopic.do?topicId=32810>

<sup>14</sup> <http://www.talktalkgroup.com/press/press-releases/2011/17-05-2011a.aspx>

**Figure 106 Best price available for a basic voice and broadband bundle from the UK's three largest providers**

	Broadband only	Broadband plus standard line rental
<b>BT</b>		
2008	£15.99	£27.74
2009	£15.65	£28.15
2010	£15.99	£27.28
2011	£16.40	£25.60
<b>Virgin Media</b>		
2008	£18.00	£21.00
2009	£21.25	£26.25
2010	£21.25	£25.74
2011	£21.00	£27.40
<b>TalkTalk</b>		
2008	£14.99	£17.00
2009	£14.99	£18.99
2010	£14.99	£21.24
2011	£15.31	£19.10

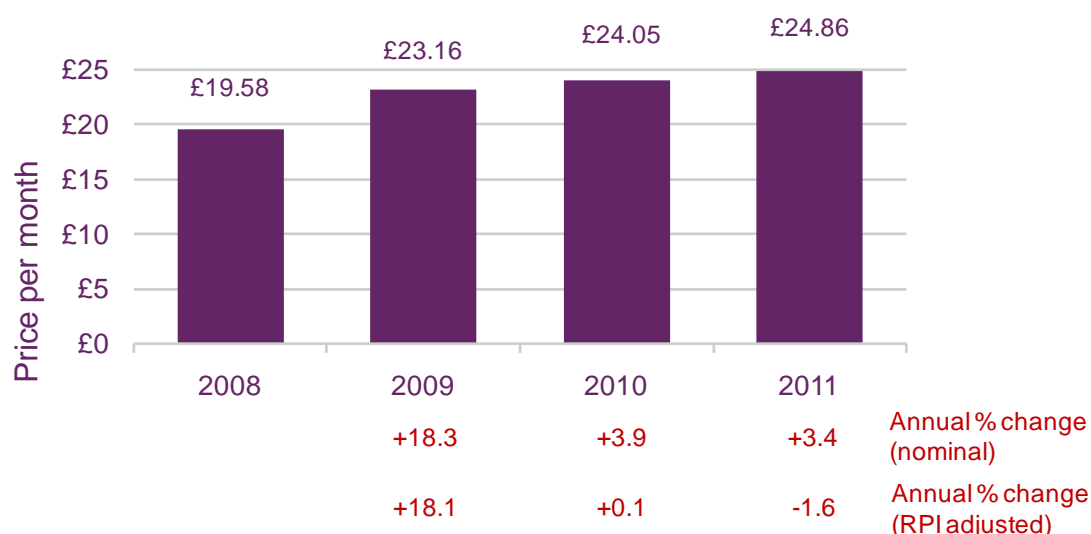
Source: Ofcom / Teligen

Notes: Nominal prices; based on tariffs available in July each year; tariff prices do not include any special offers (such as discounts for an introductory period)

Ofcom's annual analysis of tariffs enables us to compare the lowest price available for a basket of broadband and fixed voice services (a basic broadband connection and 430 voice minutes). We find that prices have increased since 2008, although the increase of 3.4% between July 2010 and July 2011 is below inflation.



**Figure 107 Best price available for a basket of voice calls and a basic broadband service from the UK's three largest providers**



Source: Ofcom / Teligen

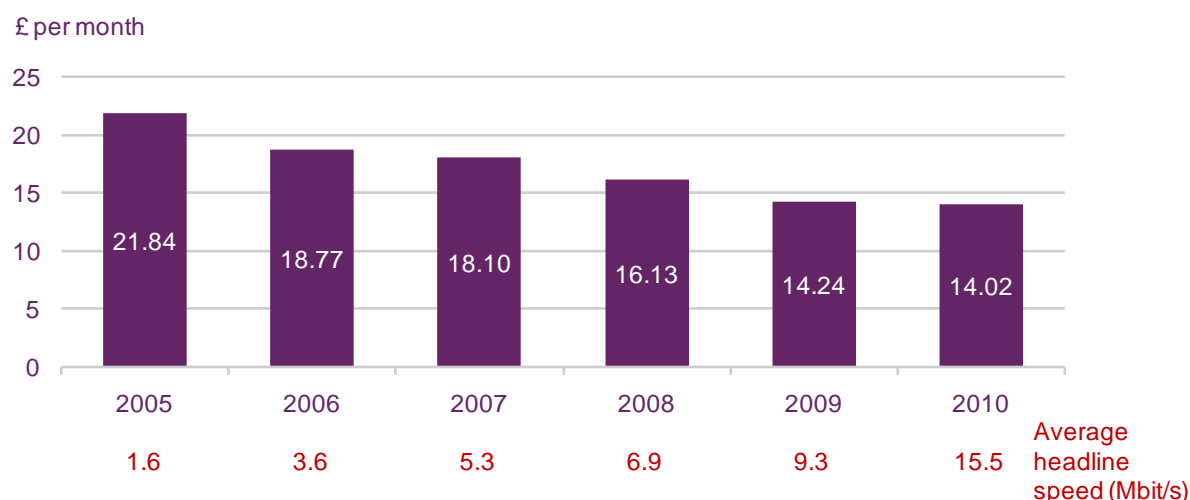
Notes: Nominal prices; Based on tariffs available in July each year. Basket includes 430 voice minutes (95% UK geog, 3% to UK mobile, 3% international), 58% of calls in daytime, 25% in evening, 16% at weekend. Basket of services includes special offers available such as discounted line rental for an introductory period.

Data provided to Ofcom by operators on residential broadband connections and revenues enable us to calculate the average cost of a broadband service. This indicates that the average cost has fallen significantly since 2005, although the 1.5% fall in 2010 was less than in previous years. This comes in the context of consumers increasingly taking lower-cost bundled services, particularly from operators using local loop unbundling, as well as price cuts from BT following its introduction of bundled services in 2009. Therefore, although there may have been an increase in the lowest broadband prices available, on average consumers are paying less. It is also the case that on average consumers are receiving more from their broadband services. Average headline ('up to') broadband speeds increased tenfold between 2005 and 2010, while Ofcom's research into actual broadband speeds indicates that average UK broadband speeds increased from 3.9Mbit/s in November 2008 to 6.8Mbit/s in May 2011.<sup>15</sup> And this comes at the same time as significantly increased average speeds and data use, enabling consumers to get more for their money. There have also been very significant increases in the amount of data broadband users download: data from TeleGeography finds that total data bandwidth used (in terms of data used per second) was 40% higher in 2010 than in 2009.<sup>16</sup>

<sup>15</sup> <http://stakeholders.ofcom.org.uk/market-data-research/telecoms-research/broadband-speeds/>

<sup>16</sup> TeleGeography, Global Bandwidth Forecast Service (includes all data transferred over UK networks (business and residential)).

**Figure 108 Average monthly cost of a residential broadband connection (excluding line rental)**



Source: Ofcom / operators

Notes: Nominal prices; Includes VAT; Includes estimates where Ofcom does not receive data from operators

## Mobile pricing

Our annual analysis of tariffs available from the largest retail providers enables us to track the prices available for 'baskets' of mobile services in the same way that we track fixed-line services. The figure below details the prices for eight different 'baskets' of mobile phone services, based on the lowest prices available from the four largest mobile network operators, weighted by retail market share.

Overall, we find that mobile prices declined significantly between July 2008 and July 2011. Across nine 'baskets' of mobile phone services (i.e. nine connections with differing usage), the total cost fell by 9% between 2010 and 2011, and by 27% between 2008 and 2011.

However, the largest falls have come in the price of the high-use connections, and our analysis finds that the prices for four of the five lowest-use connections increased between 2010 and 2011. This reflects increases in pre-pay (pay-as-you-go) prices from some operators in the past year. In July 2011, Vodafone and Orange introduced significant price increases on standard pre-pay tariffs<sup>17</sup>, and in the same month Vodafone, O2 and Everything Everywhere all announced that they were stopping any subsidies on pre-pay handsets.<sup>18</sup> These increases in pre-pay tariffs follow reductions in mobile termination rates (which result in operators receiving less revenue from inbound calls from other mobile networks – and a characteristic of pre-pay customers is that they typically receive more calls than they make), but also come in the context of operators incentivising customers to migrate to post-pay (pay monthly) tariffs, which typically deliver greater customer lifetime value to operators, as post-pay customers are less likely to change provider. By the end of 2010, 48.7% of mobile phone subscribers were on post-pay contracts, up from 41.1% a year previously.

<sup>17</sup> [http://www.mobiletoday.co.uk/News/11951/Orange and Vodafone hike PAYG charges as EU slashes roaming fees.aspx](http://www.mobiletoday.co.uk/News/11951/Orange%20and%20Vodafone%20hike%20PAYG%20charges%20as%20EU%20slashes%20roaming%20fees.aspx)

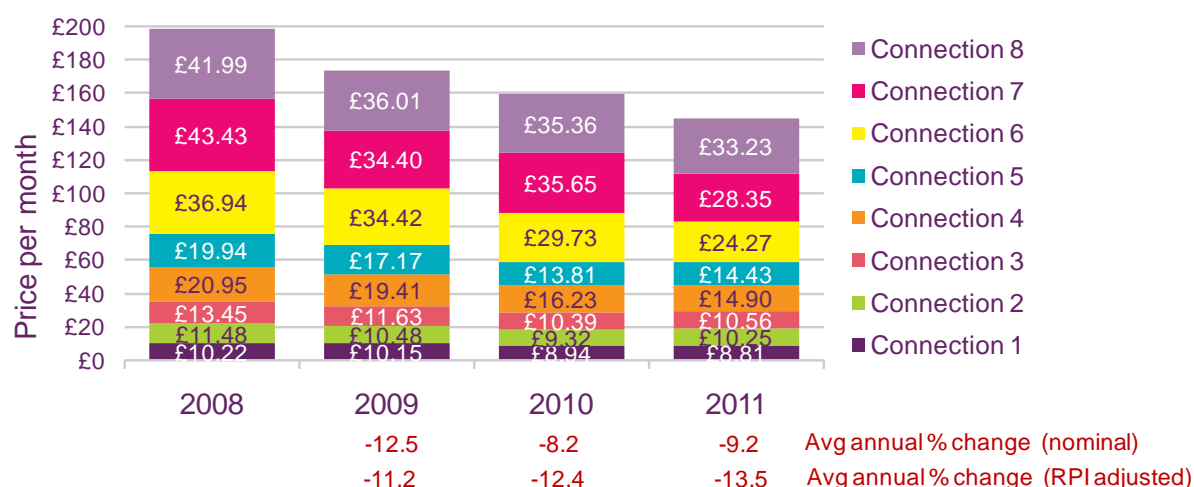
<sup>18</sup> <http://www.independent.co.uk/news/uk/home-news/mobile-operators-pull-prepay-phone-subsidies-2290895.html>

**Figure 109 Composition of mobile phone baskets, 2008-2011**

	Handset type	Outbound voice minutes per month	Outbound SMS per month	Outbound MMS per month	Data use per month
Connection 1	Basic	60	-	-	-
Connection 2	Basic	60	65	2	-
Connection 3	Basic	60	70	2	-
Connection 4	Mid-tier	180	160	4	-
Connection 5	Mid-tier	200	20	-	-
Connection 6	Advanced	300	30	-	30MB
Connection 7	Advanced	400	80	-	30MB
Connection 8	Advanced	550	150	10	100MB

Source: Ofcom

**Figure 110 Weighted average of best price available from three largest operators, 2008-2011**



Source: Ofcom / Teligen

Note: Calculated from lowest tariff available from each of the three largest mobile operators by retail market share in July of each year; nominal prices; full details of methodology, basket composition and in-depth analysis will be provided in Ofcom's International Communications Market Report (scheduled for publication on 14 December 2011)

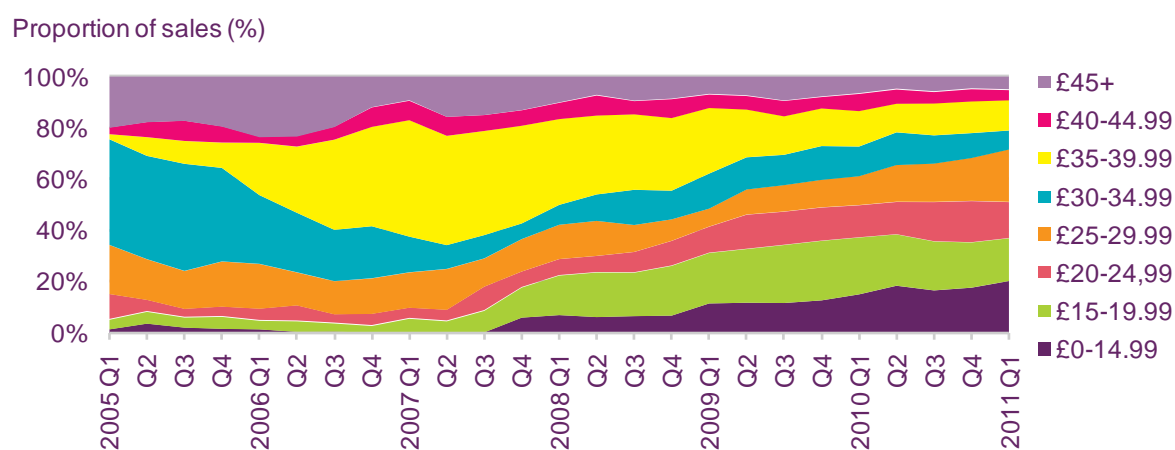
Sales data on new pay-monthly mobile contracts, collected by GfK Retail and Technology, indicates the increasing availability and take-up of low-cost pay-monthly contracts. In Q1 2011 the majority of new contracts sold (51%) were for less than £25 a month, compared to just 15% of new contracts sold in Q1 2005.

Also evident is the growth of sub-£15 a month contracts, which accounted for 20% of new contracts sold in Q1 2011, having been virtually non-existent four years previously. The low monthly cost and limited contractual commitment makes SIM-only contracts attractive to

many pre-pay users who continue to use their existing handsets. In June 2011 SIM-only tariffs, including at least 100 anytime, any- network minutes, were available on one-month contracts from all the UK's mobile network operators as well as from leading MVNOs for £10.50 or less a month. These SIM-only contracts also typically include a large number of text messages; indeed, some tariffs offer 100 minutes and unlimited texts for £10 a month, making them particularly attractive to younger users who are often very high users of text messaging.

Lower prices for pay-monthly contracts are also associated with longer minimum contract periods: 68% of new mobile contracts sold in Q1 2011 were for 24 months, whereas two years previously 87% of new contracts were for 18 months or less (see Section **Error! Reference source not found.** below).

**Figure 111 Monthly line rental prices for new mobile contract connections**



Source: GfK Retail and Technology UK Ltd, Contract Handset Acquisitions: price segments.

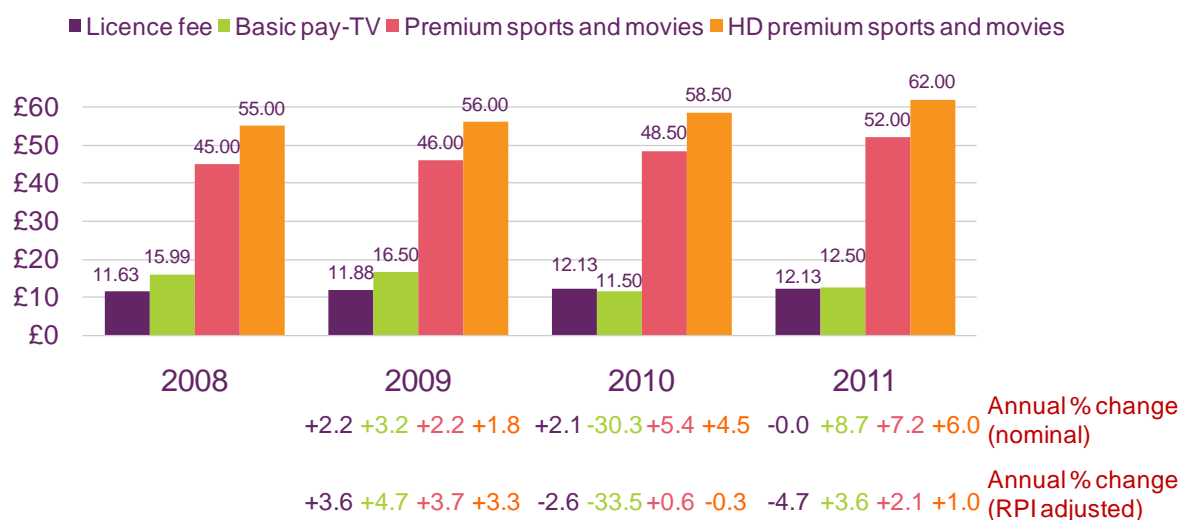
Notes: England, Scotland and Wales only (excludes Northern Ireland); based on GfK's coverage of 94% of the consumer market; based on new post-pay connections; excludes contract renewals; only represents sales through consumer channels (i.e. most business connections are excluded)

## TV services price comparisons

Overall, prices for basic TV services have remained stable over the past few years. In October 2010 the government announced that the TV licence fee would be frozen for six years (at £145.50 per year for a colour licence). The lowest available price for basic pay-TV services (defined as including channels not available on free-to-air platforms) fell significantly between July 2009 and July 2010, but had increased by £1 by July 2011.

However, the price of premium services (defined as Premier League football and a top entertainment package including movies) has steadily increased, with an additional premium for receiving these in high definition. But the range of channels available (particularly those in HD) has increased significantly for these premium services, as has the range of other services including on-demand/'catch-up' programming and digital recording and storage. In July 2011 Sky announced that it was freezing its prices for existing customers until August 2012.

**Figure 112 Best price available for television services**



Source: Ofcom / Teligen

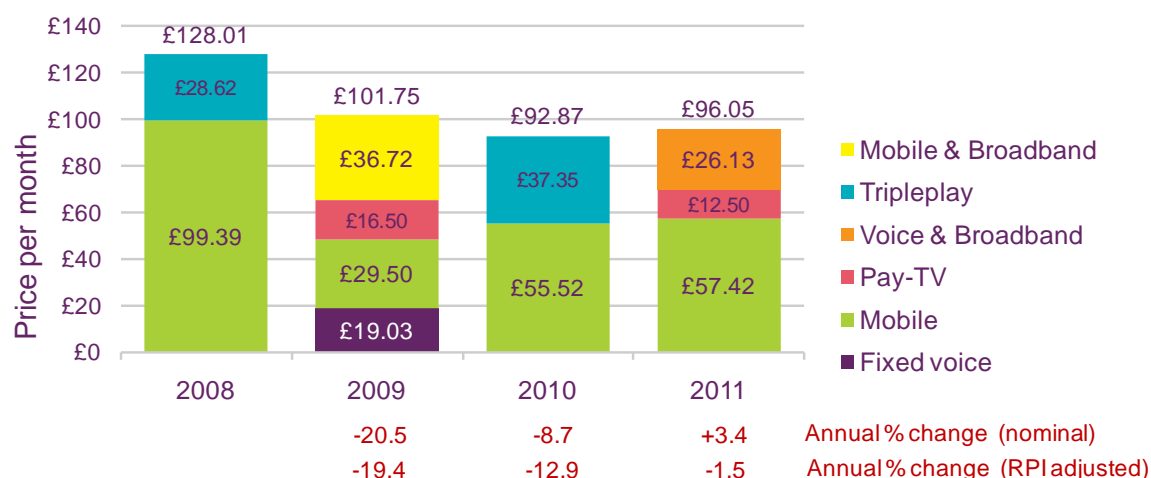
Note: Based on standalone television tariffs available from Virgin Media and Sky in July of each year. Excludes hardware and installation costs.

### Bundled services pricing

In order to fairly represent the prices available to consumers, it is necessary to include 'bundled' services as well as those available on a single-service basis. The figure below shows the lowest prices available for a household purchasing a fixed voice service (with fairly high use), a broadband connection, four mobile phones with varying usage and a basic pay-TV subscription, based on single-service and 'bundled' tariffs from the UK's largest operators. In all years the lowest price is available by buying some of the services in a 'bundle', although the type of bundle varies: in 2011 the lowest total price was achieved by buying a 'voice and broadband' bundle separate from the pay-TV service, whereas in 2010 and 2008 the lowest price was achieved by buying a 'triple-play' service including television, and in 2009 the lowest total price involved purchasing a tariff which bundled fixed-line broadband with a mobile phone service.

The lowest price for this basket of services fell by nearly £32 (25%) between July 2008 and 2011. However, there was a small increase between 2010 and 2011 (3.4%), although this was less than the average rate of inflation over the same period (CPI = +4.4%). This increase was driven primarily by higher prices for the two low-use mobile connections included in the basket.

**Figure 113 Lowest prices available for a basket of communications services typical of a 'networked family' household (fixed voice, fixed broadband, four mobile phones with differing usage, basic pay-TV service)**



Source: Ofcom / Teligen

Notes: Based on tariffs available from the largest operators (BT, Virgin Media, TalkTalk Group, Sky, Orange, T-Mobile, Vodafone, O2) in July of each year; TV excludes licence fee, but includes price of set-top box/decoder; full details of methodology, basket composition and in-depth analysis will be provided in Ofcom's *International Communications Market* report (scheduled for publication on 14 December 2011)

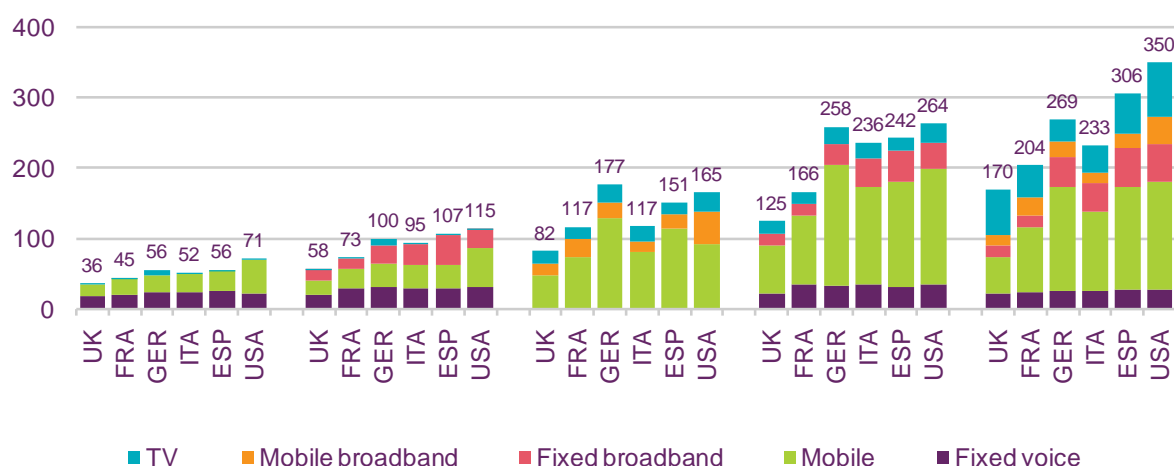
#### 4.4 Consumer choices and range – metric 4: international comparisons of the cost of communications services

In Ofcom's *International Communications Market* reports, we compare the prices available to UK consumers with those available to consumers in France, Germany, Italy, Spain and the US.<sup>19</sup> This analysis defines baskets of communications services for five typical household types: a retired low-income couple, a couple of late adopters, a mobile-only 'power user', a networked family and an affluent couple with sophisticated use.

When considering the prices available to consumers on a single-service basis (i.e. excluding bundles), the lowest prices (calculated as the average of the lowest prices from the three largest operators for each service, weighted by retail market share) are available in the UK for all five baskets of services. This is driven primarily by lower prices for mobile phone services in the UK (which constitute the largest single pricing component for all households in most countries), but is also driven by the UK offering the lowest price standalone broadband services, and among the lowest prices for mobile broadband and basic pay-TV. Full analysis will be published in Ofcom's *International Communications Market* report.

<sup>19</sup> <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/>. The 2011 report is scheduled for publication on 14 December.

**Figure 114 Comparative 'weighted average' pricing of single services for baskets of communications services typical of five household types**



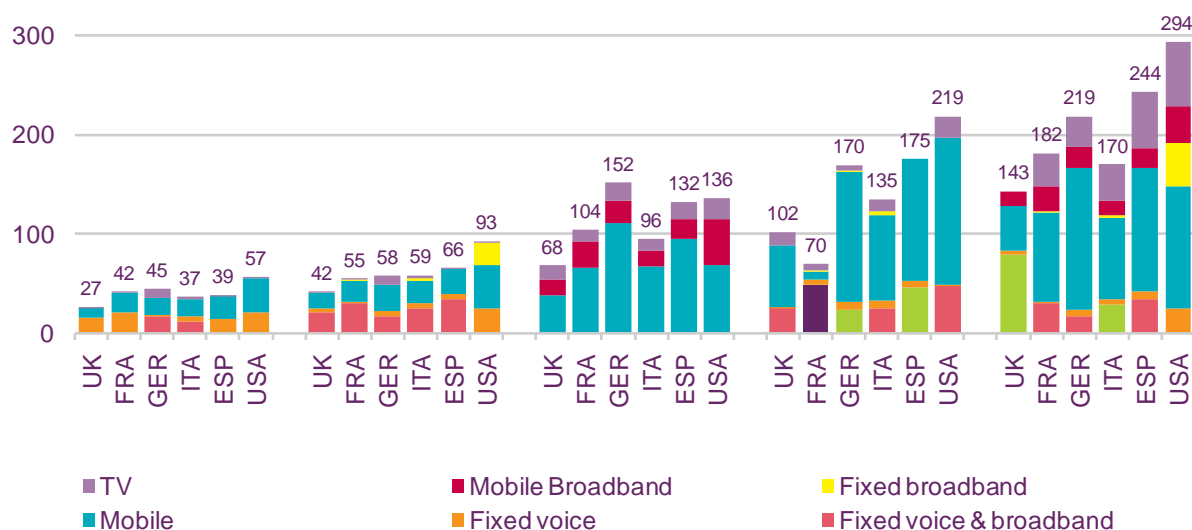
Source: Ofcom / Teligen

Note: Based on weighted average of the best tariffs available from the three largest operators in each country in July 2011; PPP adjusted; TV excludes licence fee, but includes price of set-top box/decoder and installation; full details of methodology, basket composition and in-depth analysis will be provided in Ofcom's *International Communications Market* report (scheduled for publication on 14 December 2011)

The analysis also enables comparison of the lowest prices available from the largest operators in each country, including when the lowest overall price is achieved by buying some services in a bundle.

Again, UK pricing compares favourably with that available in other countries. Overall prices in the UK were lowest for four of the five baskets, and the second lowest for the other.

**Figure 115 Comparative 'weighted average' pricing of single services for baskets of communications services typical of five household types**



Source: Ofcom / Teligen

Note: Based on tariffs available from the three largest operators for each service in each country in July 2011; PPP adjusted; TV excludes license fee, but includes price of set-top box/decoder and installation; full details of methodology, basket composition and in-depth analysis will be provided in Ofcom's *International Communications Market* report (scheduled for publication on 14 December 2011)



## Section 5

# Consumer empowerment

## 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 describes to what extent consumers are empowered with the knowledge and information they need in order to obtain the best deal, and to what extent they are confident enough to switch between suppliers.

We also explore how, and why, consumers make decisions about whether or not to switch supplier and the impact of their perceptions and mindsets on switching behaviour.

Consumer information is an important part of empowerment and this section explores whether or not consumers know where to go to obtain comparative information to help them make informed choices.

Please note that all data for individual services have been updated in this report and are now based on single-service purchases only (i.e. they exclude consumers who purchase the respective service as part of a bundle). As a result, trend data are comparable across the years represented, but data may differ slightly to previous reports. It should also be noted that the measures of switching reported in this section exclude consumers who switched service supplier(s) as part of moving house. Figures relating to bundled services refer to cases where consumers receive more than one of their communications services as part of an overall deal, bundle or package from the same supplier and receive a discount or special deal for subscribing to the package of services.

For the charts in this chapter, the base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Incidence of mobile broadband among UK adults is too low to allow individual analysis of this market using the data sources for this report. Mobile broadband will be reported separately, when we achieve a sample size. Trend data may be affected by this change.

## Consumer empowerment metrics

The key findings in this report are analysed by the following demographic groups: age, gender, socio-economic group and urbanity.

Data are also analysed according to consumers' level of participation in the communications market. The segments identified were 'engaged', 'interested', 'passive' and 'inactive'.

Sub-group differences are noted only when they are significantly different.

The findings are arranged according to five metrics:

- participation in communication markets
- switching in communications markets
- ease of switching in communications markets
- awareness of trusted information sources

- ease of making cost comparisons between suppliers

## 5.1 Consumer empowerment – metric 1: participation in communications markets

Participation in communications markets is measured by looking at a wide range of ways in which consumers can participate in the market, including switching suppliers, negotiating with current suppliers, staying informed, and being aware of changes in the markets.

### 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.

#### 5.1.1 Overall participation in communications markets

Across all the markets measured in this report, the fixed broadband and bundle markets continue to demonstrate the highest levels of engagement, followed by the mobile market. The fixed-line market reports the lowest levels of engagement.

It should be noted that the level of engagement, particularly but not exclusively in the mobile market, may be influenced by an increase in take-up of longer contracts. The participation index only takes account of recent levels of switching (i.e. in the last 12 months).

Looking at the trend in engagement levels, while overall, participation in the fixed market has declined since 2007, levels have remained comparable with those reported last year. A third of consumers who purchase their fixed line as a single service are ‘inactive’ and 15% are ‘engaged’. ‘Interest’ in this market is broadly comparable to the other markets, at 38%.

Participation in the standalone mobile market has remained stable compared to last year, with around a fifth (18%) of consumers ‘engaged’ in this market. Engagement is lower than in 2008-2009 (at around a quarter of consumers), which may be partly explained by the

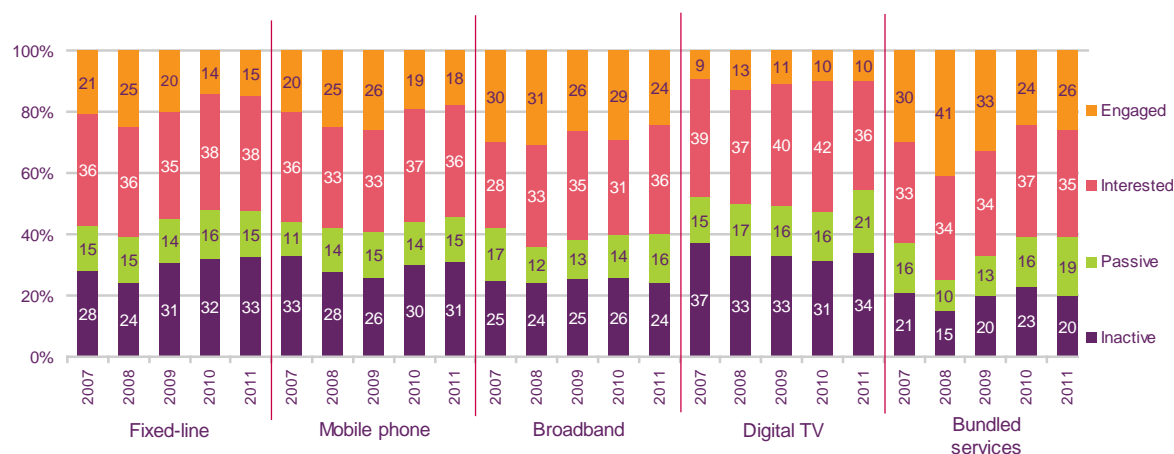
increased number of consumers aged 65+ (who are typically a less-engaged group) coming to the mobile market over this period<sup>20</sup>.

While the standalone broadband market continues to report some of the highest levels of participation, since 2010 there has been a decrease in 'engaged' consumers (from 29% in 2010 to 24% in 2011) and an increase in 'interested' (from 31% in 2010 to 36% in 2011). As with the mobile market, the increase in consumers aged 65+ to the broadband market<sup>21</sup> may explain this decrease in engagement in recent years. Levels of 'inactive' and 'passive' consumers have remained stable.

Levels of 'engagement' in the standalone digital TV market have remained stable at 10%. However, there has been a decrease in 'interested' consumers, from 42% in 2010 to 36% in 2011. This is due to increases in the levels of both 'inactive' and 'passive' consumers.

Levels of 'engagement' among purchasers of bundled services have remained stable compared to 2010 and are broadly comparable to purchasers of standalone broadband, at 26%. The bundled services market remains the market with the lowest proportion of 'inactive' consumers (20%).

**Figure 116 Participation segments**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the decision maker for fixed line\*\* (2007, 1018) (2008, 941) (2009, 781) (2010, 627) (2011, 585), mobile\*\* (2007, 1211) (2008, 1270) (2009, 1231) (2010, 1200) (2011, 1564), broadband\*\* (2007, 403) (2008, 460) (2009, 388) (2010, 226) (2011, 253), digital TV\*\* (2007, 800) (2008, 896) (2009, 837) (2010, 775) (2011, 945), bundled services (2007, 384) (2008, 534) (2009, 631) (2010, 570) (2011, 795). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

<sup>20</sup> See Section 3

<sup>21</sup> See Section 3

## 5.2 Consumer empowerment - metric 2: switching in the communications markets

### 5.2.1 Switching communications supplier

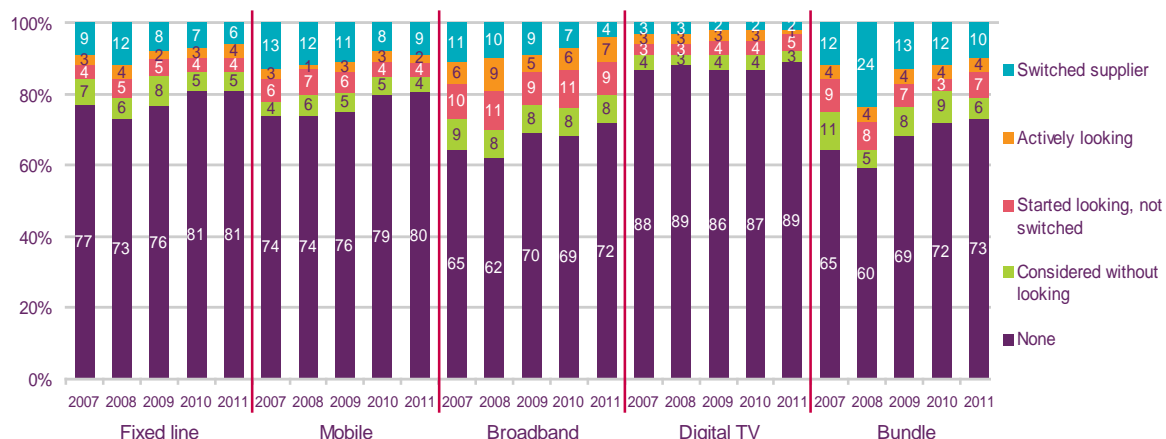
The level of consumer participation is calculated using various data points, including consumers' actual or potential switching behaviour, in each market.

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 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).

The chart below summarises recent stated behaviour (i.e. in the last 12 months), ranging from 'actively keeping an eye on the market' to switching supplier. The number of consumers purchasing a single service who claim to have switched their supplier in the last 12 months is broadly similar to last year, across all four services. But overall, switching in the standalone fixed-line, mobile and broadband markets has declined since 2008.

There was a relatively high level of switching of bundled services in 2008, when a quarter (24%) of customers claimed to have switched either all or part of their bundle. This figure includes consumers adding stand-alone services to their current bundled package, and switching services within a bundle. Since then, the proportion of consumer bundling services has remained stable. Over the same period switching in this market levelled off at around one in ten – broadly comparable with levels in the mobile market.

**Figure 117 Switching in communications markets in the past 12 months**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the decision maker for fixed line\*\* (2007, 1018) (2008, 941) (2009, 781) (2010, 627) (2011, 585), mobile\*\* (2007, 1211) (2008, 1270) (2009, 1231) (2010, 1200) (2011, 1564), broadband\*\* (2007, 403) (2008, 460) (2009, 388) (2010, 226) (2011, 253), digital TV\*\* (2007, 800) (2008, 896) (2009, 837) (2010, 775) (2011, 945), bundled services (2007, 384) (2008, 534) (2009, 631) (2010, 570) (2011, 795). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

Overall switching levels for each market (including any switching of each service within a bundle) remain broadly unchanged since last year. Around one in ten customers in each of the mobile (9%), fixed line (7%) and fixed broadband (7%) market switched provider in the last 12 months. The total level of switching for digital TV is lower, at 3%.

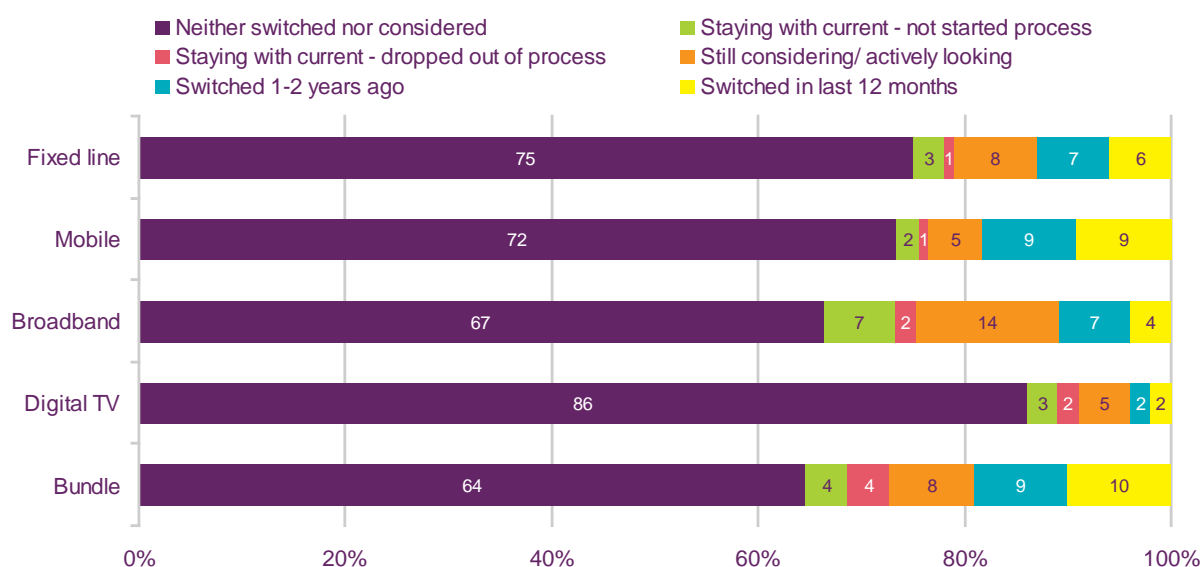
## 5.2.2 Switching in the last two years and ‘process drop-out’

To take account of the rise in take-up of longer-term contracts, particularly in the mobile market<sup>22</sup>, the following chart reports switching levels over the past two years. This data are not directly comparable to those shown above, as consumers who switched in the past one to two years have now been excluded from the ‘neither switched nor considered’ group.

Having said that, the story is the same – there is least activity (even taking account of the extended switching period) in the digital TV market. Levels of inactivity are lowest in the fixed broadband and bundle markets, each at around two-thirds, and the fixed and mobile markets demonstrate broadly comparable levels of inactive consumers (75% and 72%).

In the mobile and bundle market a further one in ten (9%) consumers said they had switched provider between one and two years ago. For fixed and fixed broadband the comparable figure is 7%. In the digital TV market a further 2% said they had switched provider for this service between one and two years ago.

**Figure 118 Switching in the last one or two years, and proportion who dropped out**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in June to July 2011  
 Base: All adults aged 16+ who are the decision maker for fixed line (2011, 585), mobile (2011, 1564), broadband\* (2011, 253), digital TV (2011, 945), bundled services (2011, 795). \*Base for broadband represents those with fixed broadband rather than fixed or mobile broadband. Too few interviews were conducted with those with mobile broadband to report these separately

The data also show, for the first time, the proportion of consumers in each market who said they had ‘dropped out of the switching process’<sup>23</sup>. The proportions who have ‘dropped out’ are broadly comparable between markets, and lie between 1% and 4% of consumers. The

<sup>22</sup> See Section 3

<sup>23</sup> Defined as contacting either current or new provider and advised they wanted to switch, but subsequently decided to remain with current provider.

proportion of consumers currently considering, or actively looking for, an alternative provider is highest in the fixed broadband market (14%).

There are indications that for many of these consumers this decision was linked to successful negotiations with their current provider. Between 2% and 7% of decision-makers across the markets stated they had successfully negotiated a deal with their current provider. Further detail is contained later in this section of the report.

The following section looks specifically at switching behaviour in the past 12 months, and at negotiations with suppliers in each market, in more detail. Where relevant, it makes references to the longer-term switching data. We first look at consumers purchasing a single service for each market (i.e. excluding consumers who purchase the respective service as part of a discounted bundle), and then look at consumers who purchase their services in a bundle.

### 5.2.3 Switching fixed-line supplier

Currently 64% of fixed-line customers purchase this as a standalone service. Six per cent of these fixed-line customers switched supplier in the last 12 months, rising to 7% when including any fixed-line switching in the bundled market. This is broadly comparable to 2009 and 2010, but lower than in 2008.

**Figure 119 Switching in the fixed-line market in the past 12 months**



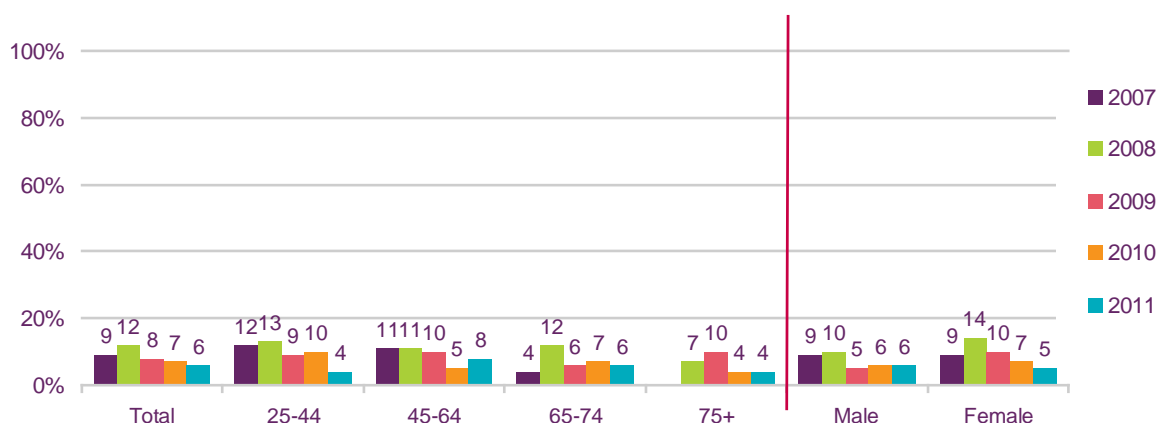
Source: Ofcom communications tracking survey (Q2 2005 and Q2 2006)/ Ofcom decision making survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the fixed-line decision-maker\*\* (2007, 1018) (2008, 941) (2009, 781) (2010, 627) (2011, 585). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount

### 5.2.4 Consumers who have switched household fixed-line supplier in the past 12 months – demographic profile

Switching in the fixed-line market in the past 12 months has fallen among 25-44 year olds, and is now at a level similar across all age groups.

**Figure 120 Switched fixed-line supplier in household in past 12 months, by age and gender**

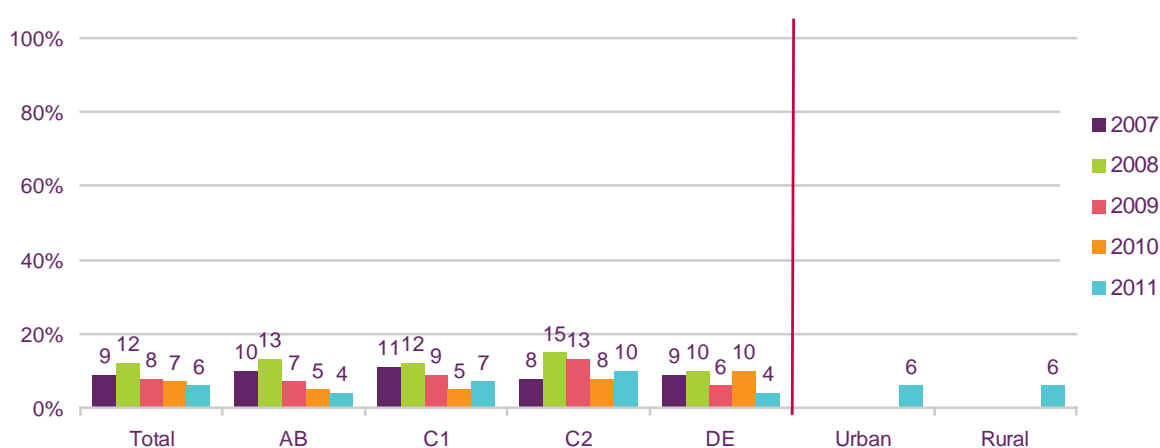


Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the fixed-line decision maker\*\* (2007, 1018) (2008, 941) (2009, 781) (2010, 627) (2011, 585). Base size for 16-24 year olds too small to analyse. \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount

Switching fixed-line supplier, among consumers in the socio-economic group DE, has fallen since 2010, and is now comparable to other socio-economic groups. For the first time this report includes a comparison between switching levels in rural vs. urban areas. In the fixed-line market there is no difference in switching levels according to urban or rural location.

**Figure 121 Switched fixed-line supplier in household in past 12 months, by income and urbanity**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011

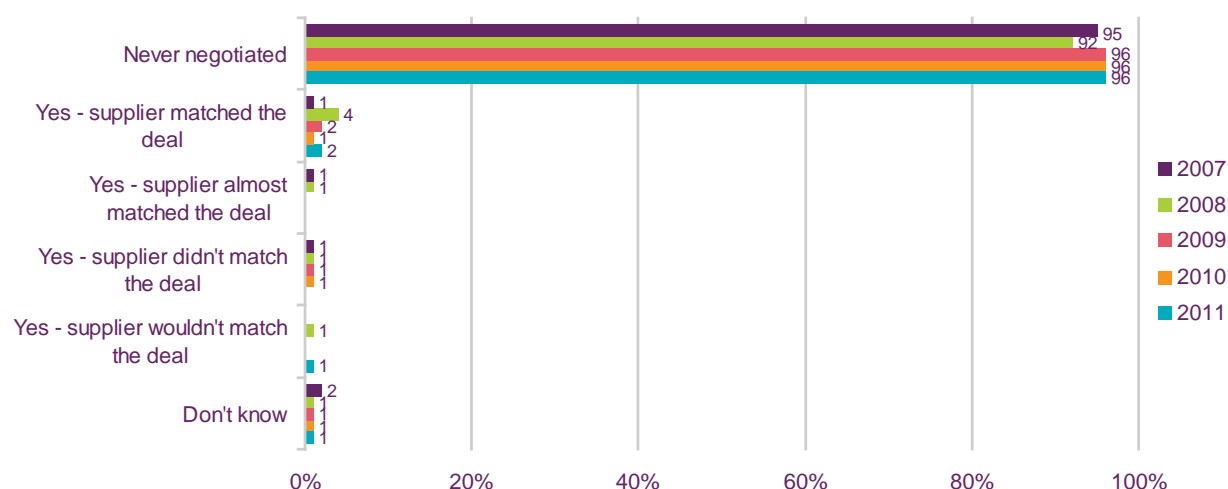
Base: All adults aged 16+ who are the fixed-line decision maker\*\* (2007, 1018) (2008, 941) (2009, 781) (2010, 627) (2011, 585). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Urban/rural classification added in 2011

## 5.2.5 Proportion of consumers who have negotiated with their fixed-line supplier

Switching suppliers is not the only measure of participation in the market. It is important to measure the extent to which consumers are negotiating packages with their current supplier.

The level of negotiation with a current supplier has remained stable over the last few years. The vast majority of consumers (96%) have not 'actively'<sup>24</sup> attempted to negotiate with their current fixed-line supplier. In 2011 2% said their supplier had successfully matched the deal they wanted. This equates to half of those who stated they had considered switching but had decided to remain with their current provider.

**Figure 122 Have negotiated with current supplier, in the fixed-line market**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the fixed-line decision-maker\*\* (2007, 1018) (2008, 941) (2009, 781) (2010, 627) (2011, 585). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount

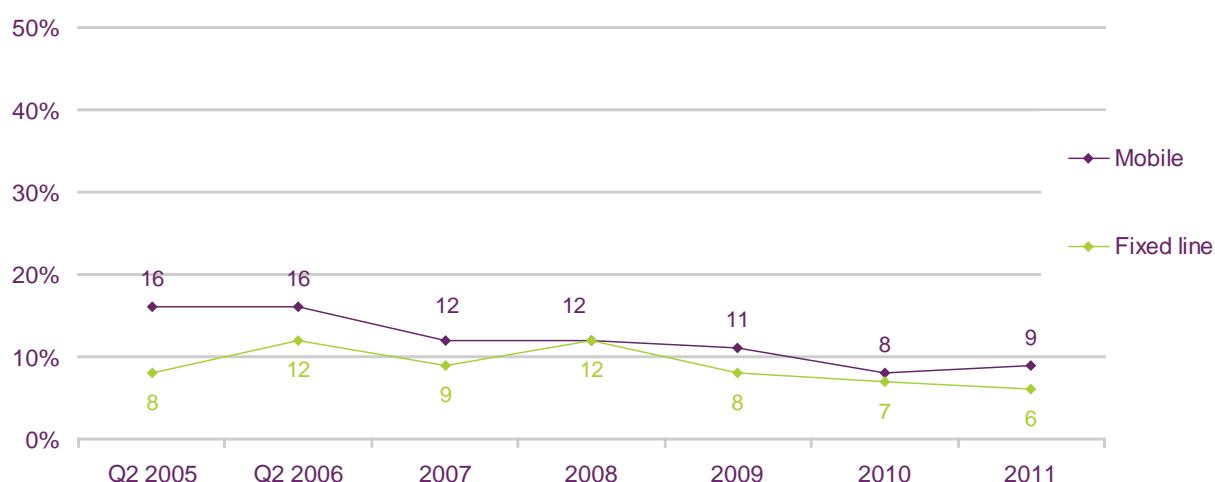
## 5.2.6 Switching mobile supplier

The proportion of consumers switching each year in the mobile market has stabilised at around one in ten over the past few years. As noted above, a further 9% said they had switched mobile provider between one and two years ago. In total, 43% of mobile switchers said they kept their number when switching, slightly higher (52%) among contract switchers.

<sup>24</sup> By 'active' we mean consumers who have contacted their supplier with the intention of negotiating a new deal.



**Figure 123 Switching in the mobile market in the past 12 months**

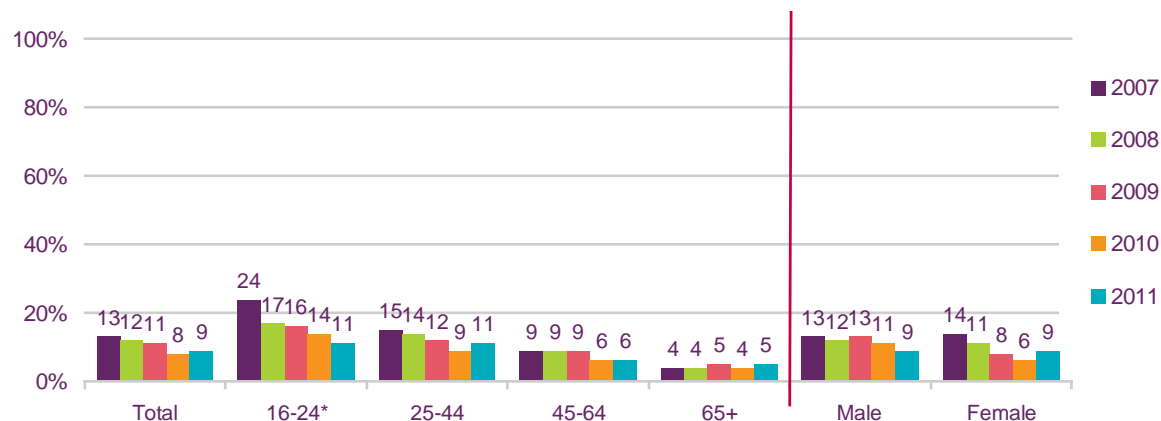


Source: Ofcom communications tracking Q2 2005 and Q2 2006) / Ofcom decision making survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011. Base: All adults aged 16+ who are the mobile decision-maker\*\* (2007, 1211) (2008, 1270) (2009, 1230) (2010, 1200) (2011, 1564). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount

### 5.2.7 Consumers who have switched mobile network supplier in the past 12 months – demographic profile

Older consumers continue to be less likely to switch, which may be due to their lower levels of engagement and interest in the market. The gradual decrease in switching in the past 12 months among younger mobile customers is likely to be linked to the high demand for smartphones among this group, and the resulting take-up of longer contracts<sup>25</sup>.

**Figure 124 Switched mobile supplier in the past 12 months, by age and gender**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011

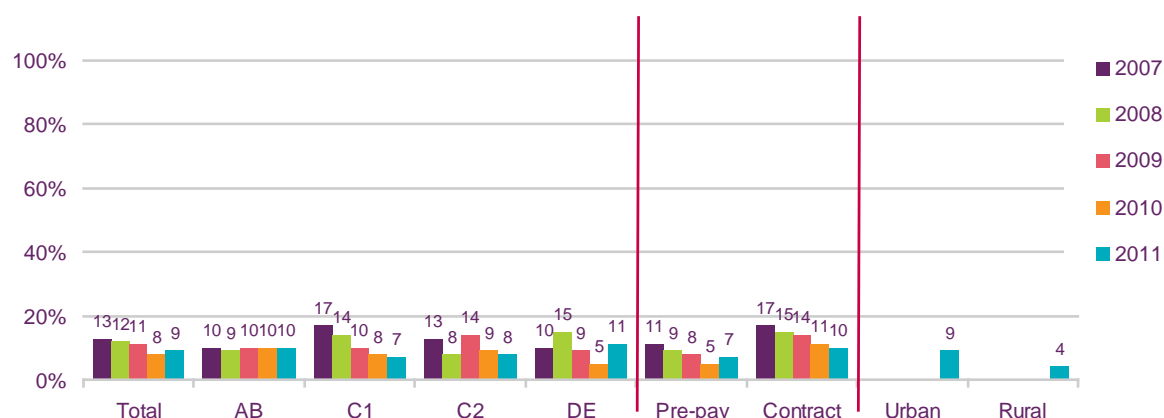
Base: All adults aged 16+ who are the mobile decision-maker\*\* (2007, 1211) (2008, 1270) (2009, 1230) (2010, 1200) (2011, 1564). \*Caution: Low base. Base size for 75+ age group too small to analyse. \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount

<sup>25</sup> See Section 3

The gap in levels of switching among pre-pay and contract mobile customers has narrowed, and there is now no significant difference in switching levels between consumers who have a pre-pay mobile and those who have a contract mobile phone (7% and 10% respectively say they have switched in the past 12 months).

Consumers who live in a rural area are less likely than consumers living in an urban area to have switched their mobile supplier in the past 12 months (4% v 9%). This may be linked to a more limited choice of mobile supplier in rural areas, due to mobile coverage issues.

**Figure 125 Switched mobile supplier in the past 12 months, by socio-economic group, mobile payment type and urbanity**



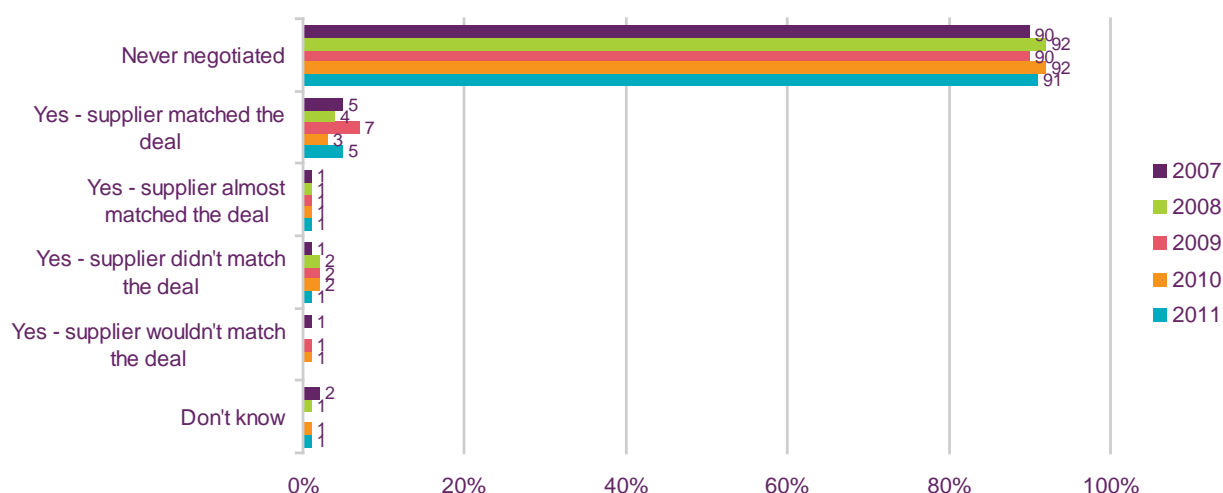
Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the mobile decision maker\*\* (2007, 1211) (2008, 1270) (2009, 1230) (2010, 1200) (2011, 1564). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Urban/ rural classification added in 2011

## 5.2.8 Proportion of consumers who have negotiated with their mobile supplier

The number of mobile customers who have never negotiated with their current supplier remains broadly consistent at 91%. This is higher for pre-pay than contract customers, with 97% of pre-pay customers saying they have never negotiated a deal, compared to 87% of those with a mobile contract. Five per cent of customers have negotiated successfully with their mobile supplier, rising to 9% of customers with a contract.

**Figure 126 Have negotiated with current supplier in the mobile market**



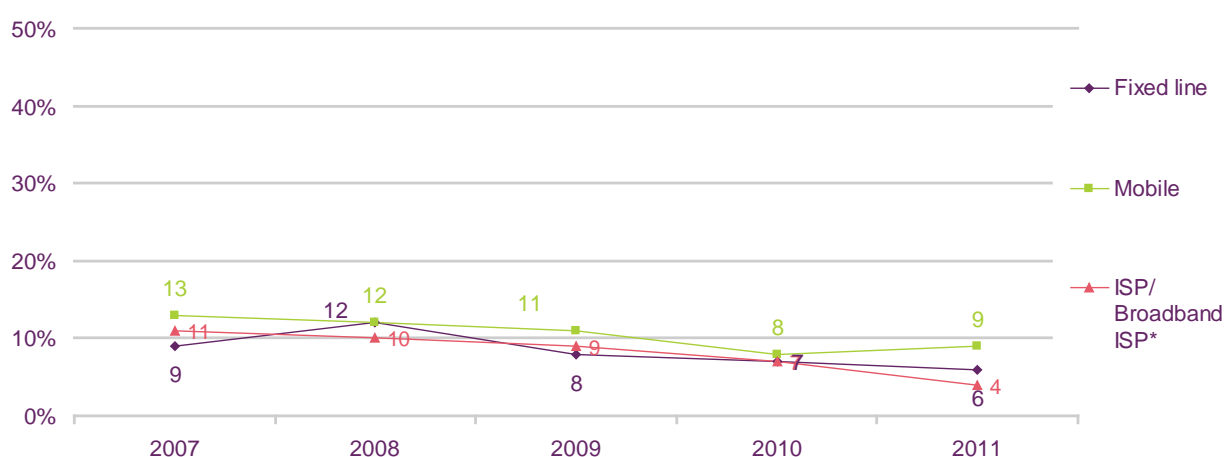
Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the mobile decision maker\*\* (2007, 1211) (2008, 1270) (2009, 1230) (2010, 1200) (2011, 1564). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount

Figure 127, below, illustrates the level of switching in the internet market as a whole in 2005-2006 and within the broadband market from 2007 onwards.

Recent switching (in the past 12 months) in the fixed broadband standalone market has steadily declined since 2007, and now stands at 4% (7% including any broadband switching occurring in the bundled market). However, a further 7% said they had switched provider one to two years ago.

**Figure 127 Switching in the internet market in the past 12 months**

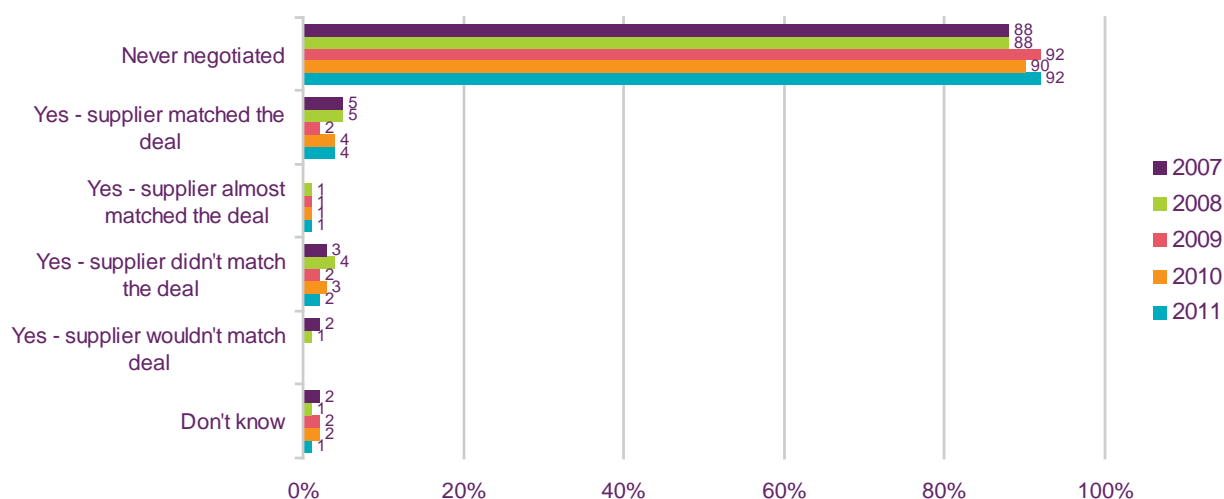


Source: : Ofcom communications tracking Q2 2005 and Q2 2006) / Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011  
 Base: All adults aged 16+ who are the broadband decision maker\*\* (2007, 403) (2008, 460) (2009, 388) (2010, 226) (2011, 253). \*2005-2006 data based on switching internet ISP. 2007-2010 data based on switching broadband ISP. \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

### 5.2.9 Proportion of consumers who have negotiated with their fixed broadband supplier

The proportion of fixed broadband consumers who have never negotiated with their supplier remains broadly constant, at 92%, as does the proportion of fixed broadband customers who have negotiated a deal with their supplier, at 4%.

**Figure 128 Have negotiated with current supplier in the fixed broadband market**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the broadband decision maker\*\* (2007, 403) (2008, 460) (2009, 388) (2010, 226) (2011, 253). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

### 5.2.10 Switching multichannel TV supplier

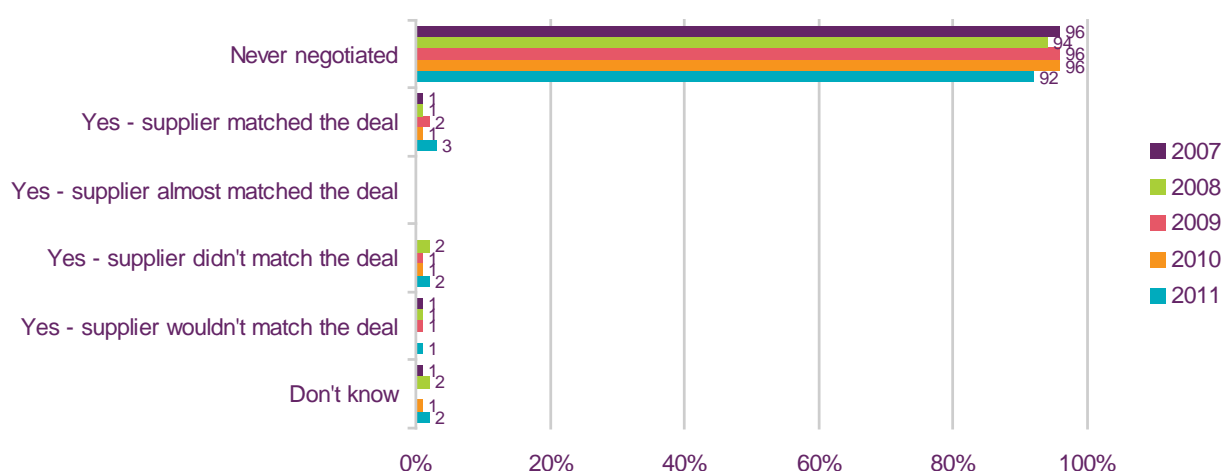
Switching in the multichannel TV market is different from switching in other communications markets, because consumers are often not tied to a provider - services such as Freeview allow consumers to purchase equipment for a one-off payment without any supplier relationship. If consumers then decide to use an alternative platform/supplier for their TV services they are free to do so without cancelling their existing service.

Switching main provider or platform in the multichannel TV market has declined from 14% saying they had ever switched in 2007, to 9% in 2011, with a consistent 2% saying that they had switched provider in the last 12 months.

### 5.2.11 Proportion of consumers who have negotiated with their multichannel pay-TV supplier

The majority of consumers in the pay-TV market have not negotiated with their current supplier in the last 12 months. Relatively few consumers (6%) have ever asked their pay-TV supplier to match a deal and 3% said they were successful.

**Figure 129 Have negotiated with current main supplier in the pay-TV market**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the pay-TV decision-maker\*\* (2007, 476) (2008, 483) (2009, 416) (2010, 382) (2011, 449). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount

### 5.2.12 Switching discounted bundled services supplier

The following data on switching of bundled services includes consumers who have previously used another provider for one or all of the services in their current bundle. This includes those who have added one or more services to their contract with an existing provider.

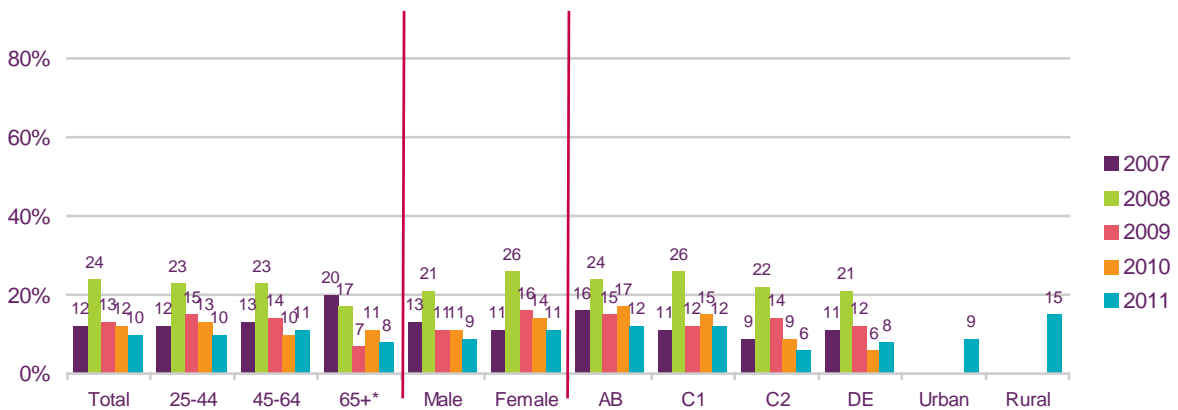
Following a high of 24% in 2008 (when many consumers were initially switching standalone services into bundles) switching bundled services in the past 12 months has remained broadly similar to 2009 levels, at 10%.

Switching in the bundled market is largely driven by consumers previously having used another provider for their fixed line (65%) and/or their fixed broadband service (55%). In total 91% switched both their fixed line and fixed broadband service, while few in comparison (12%) said they had previously used another provider for their entire bundle.

The C2 and DE socio-economic groups are significantly less likely to have switched any element of their bundle in the last 12 months than those in social-economic groups AB and C1.

Consumers in a rural environment are more likely to have switched provider for services within their bundle in the last 12 months than those in an urban environment.

**Figure 130 Switched bundled communications services supplier in past 12 months, by age, gender, socio-economic group and urbanity**



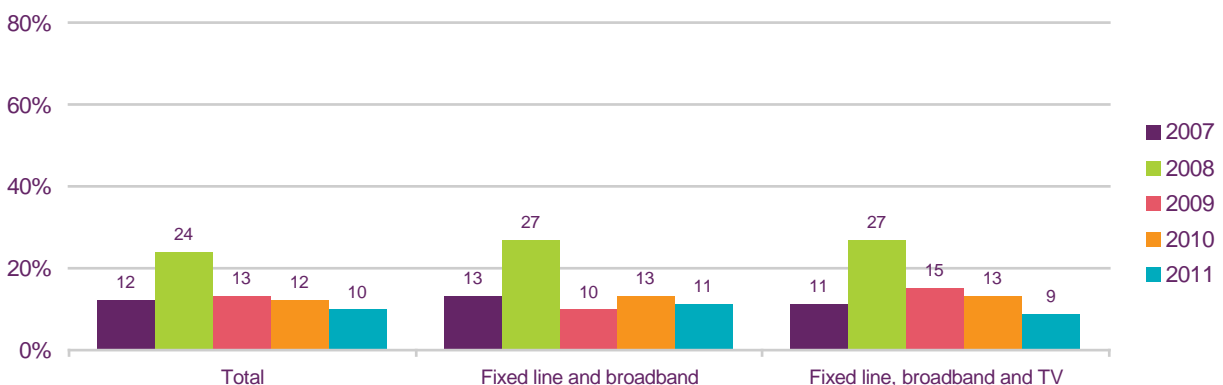
Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the bundled services decision maker (2007, 384) (2008, 534) (2009, 631) (2010, 570) (2011, 795). \*Caution: Low base. Base size for 16-24 year olds and 75+ too small to analyse. Urban/ rural classification added in 2011

The chart below illustrates the level of switching bundled communications services in the past 12 months, by type of services within bundle.

There is little difference in switching levels according to the number of services included in the bundle. Around one in ten consumers have used another provider for at least one service included in their current bundle; the proportions are similar for those with a dual-play fixed line and fixed broadband bundle, and those with a triple-play fixed line, fixed broadband and TV bundle. However, switching in the triple-play market of landline, broadband and pay-TV has fallen from 15% in 2009 to 9% in 2011.

**Figure 131 Switched bundled communications services supplier in past 12 months, by services within bundle**



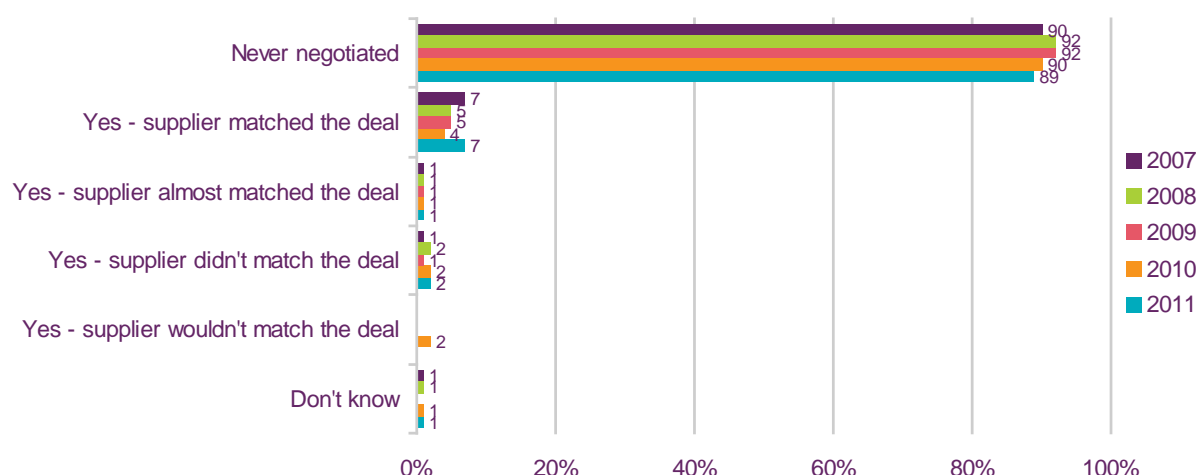
Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the bundled services decision-maker (2007, 384) (2008, 534) (2009, 631) (2010, 570) (2011, 795).

### 5.2.13 Proportion of consumers who have negotiated with their bundled communications services supplier

The level of negotiating for bundled services was broadly comparable with the mobile contract market. Eleven per cent of bundled-service purchasers had tried to negotiate with their current supplier, with 7% being successful; a rise from 4% last year.

**Figure 132 Have negotiated with current bundled communications services supplier**



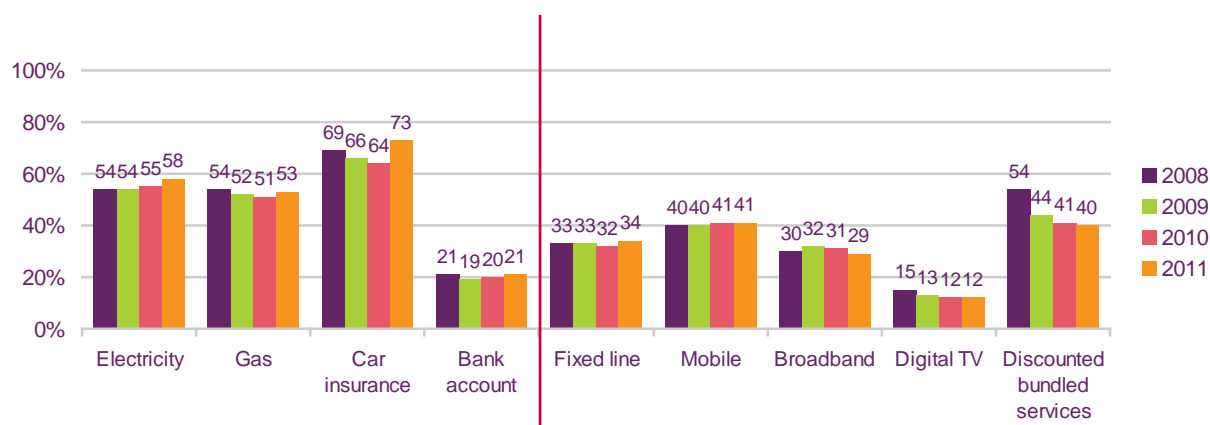
Source: : Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the bundled services decision-maker (2007, 384) (2008, 534) (2009, 631) (2010, 570) (2011, 795)

### 5.2.14 Comparisons with switching levels in other markets

Consumers were asked whether they had ever switched certain utilities suppliers. Of the utilities asked about, switching was most likely to have occurred with car insurance, followed by electricity and gas. Switching bundled services or standalone fixed-line, mobile or internet supplier was more likely to have occurred than switching bank accounts. Across all the markets asked about, switching remains least likely for digital TV.

**Figure 133 Proportion of customers who have ever switched communications and utilities suppliers**



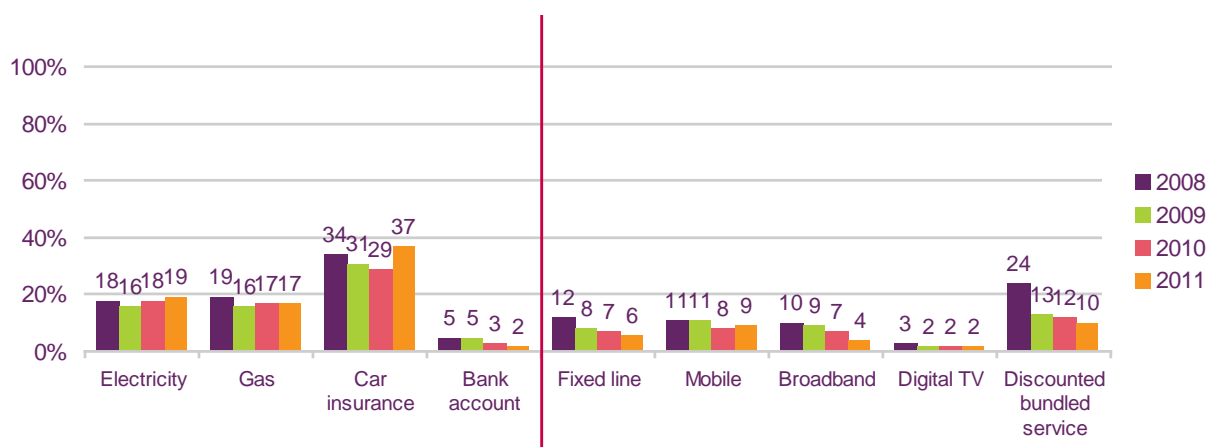
Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the decision maker for fixed line\*\* (2008, 941) (2009, 781) (2010, 627) (2011, 585), mobile\*\* (2008, 1270) (2009, 1231) (2010, 1200) (2011, 1564), broadband\*\* (2008, 460) (2009, 388) (2010, 226) (2011, 253), digital TV\*\* (2008, 896) (2009, 837) (2010, 775) (2011, 945), discounted bundled services (2008, 534), (2009, 631) (2010, 570) (2011, 795), electricity (2008, 1309) (2009, 1226) (2010, 1286) (2011, 1624), gas (2008, 1125) (2009, 1069) (2010, 1119) (2011, 1423), car insurance (2008, 1107) (2009, 1019) (2010, 1069) (2011, 1387), bank account (2008, 1418) (2009, 1350) (2010, 1369) (2011, 1746). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

Consumers were also asked whether they had switched certain utilities suppliers within the past 12 months. Consistent with 'ever' having switched these services, consumers remain most likely to switch car insurance provider on a yearly basis, followed by electricity and gas suppliers. Switching communications provider on a yearly basis is less common than for each of these utilities, but more common than switching bank account. Of all the services, consumers were least likely to switch their main digital TV provider or bank account.



**Figure 134 Proportion of customers who have switched communications and utilities suppliers in the last 12 months**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2007, 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the decision-maker for fixed line\*\* (2008, 941) (2009, 781) (2010, 627) (2011, 585), mobile\*\* (2008, 1270) (2009, 1231) (2010, 1200) (2011, 1564), broadband\*\* (2008, 460) (2009, 388) (2010, 226) (2011, 253), digital TV\*\* (2008, 896) (2009, 837) (2010, 775) (2011, 945), discounted bundled services (2008, 534), (2009, 631) (2010, 570) (2011, 795), electricity (2008, 1309) (2009, 1226) (2010, 1286) (2011, 1624), gas (2008, 1125) (2009, 1069) (2010, 1119) (2011, 1423), car insurance (2008, 1107) (2009, 1019) (2010, 1069) (2011, 1387), bank account (2008, 1418) (2009, 1350) (2010, 1369) (2011, 1746). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

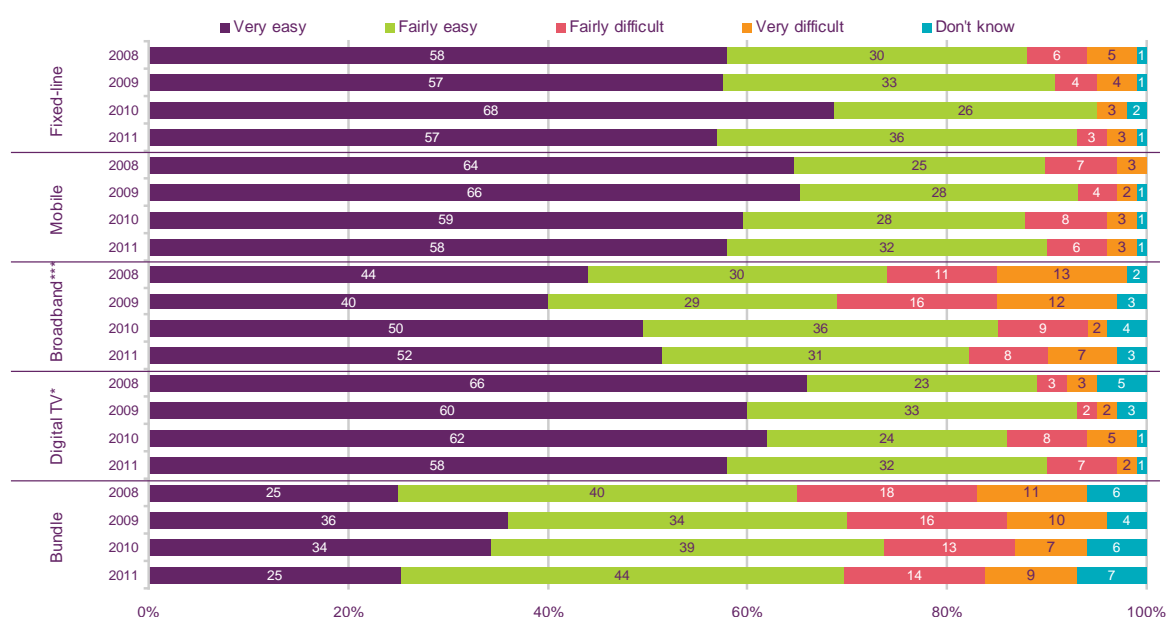
### 5.3 Consumer empowerment - metric 3: ease of switching in the communications markets

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.

#### 5.3.1 Opinions about ease of switching in the communications market, among those who have switched

The vast majority of consumers who have switched in the past said that they considered it to be 'very' or 'fairly' easy to do so, in each of the communications markets. However, a higher proportion of consumers said they found it 'very' or 'fairly' difficult to switch the provider of services in their bundle, compared to the other communications services. Given that the vast majority of switchers (91%) said they had switched both their fixed line and fixed broadband services, it is possible that this higher stated difficulty relates to managing multiple switching processes.

**Figure 135 Consumer opinions about ease of switching supplier, among those who have ever switched**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the decision maker and have ever switched provider for fixed line\*\* (2011, 193), mobile\*\* (2011, 607), broadband\*\* (2011, 69), digital TV\*\* (2011, 91), bundled services\*\* (2011, 454). \*Caution: Low base. \*\*NB Base amended in 2010 and 2011 for standalone services to exclude those who receive this service along with another service from the same supplier without receiving a discount. \*\*\*Base for broadband in 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

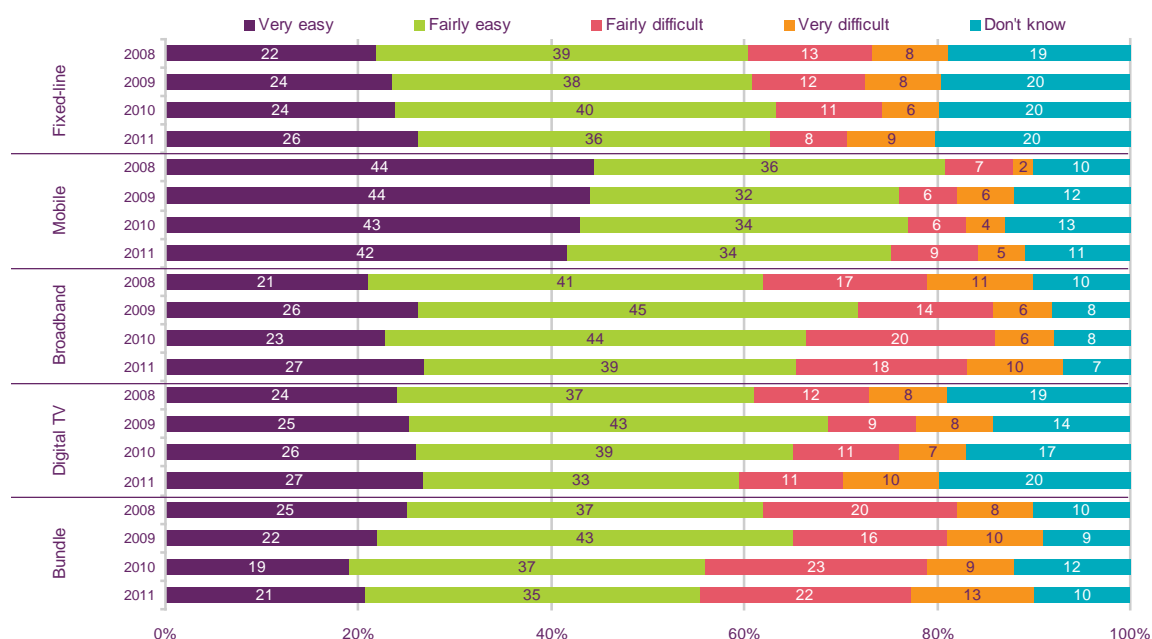
## Switching processes

Different switching processes have evolved across different communications sectors over time. This has resulted in the existence of multiple switching processes, even for switching the same set of services. Ofcom is due to issue a consultation shortly on proposed changes to processes for switching fixed-line and fixed-broadband services on the Openreach copper network, with a view to making these easier for consumers to navigate. The *Consumer Experience* report will continue to measure aspects of switching in order to understand the impact of any changes to switching processes on consumer attitudes and behaviour.

### 5.3.2 Perceived opinions on ease of switching in the communications market, among those who have never switched

The majority of consumers who have never switched believe that it will be 'very' or 'fairly' easy to change supplier, although ratings remain lower than among those who have actually switched. Consumers who have never switched their mobile provider believe it is easier to switch supplier than do consumers who have never switched other communications providers. The decline in the perceived ease of switching a bundle is sustained, with 35% considering it is difficult and a further one in ten unsure. Consumers who have never switched broadband provider are most likely to believe it is difficult to switch, while mobile consumers are the most likely to think it is easy to switch.

**Figure 136 Perceived consumer opinion about ease of switching supplier, among those who have never switched**



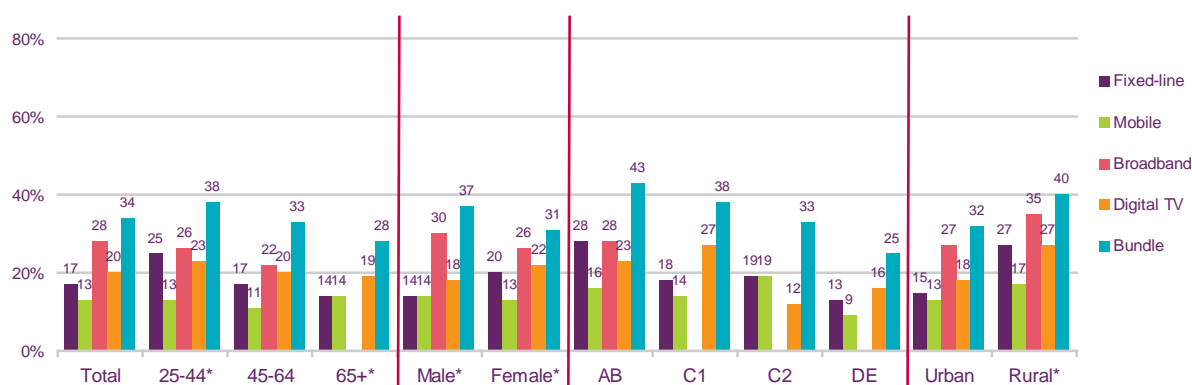
Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2008, 2009 and 2010 June to July 2011

Base: All adults aged 16+ who are the decision maker and have never switched provider for fixed line\*\* (2011, 378), mobile\*\* (2011, 957), broadband\*\* (2011, 176), digital TV\*\* (2011, 834), bundled services\*\* (2011, 410). \*\*NB Base amended in 2010 and 2011 for standalone services to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

Overall, there are indications that those aged 25-44 years old who have never switched their fixed-line or bundled service are more likely than other age groups to think it is difficult to switch. Those in socio-economic group AB who have never switched their fixed-line or bundled services are more likely to believe it is difficult to switch providers than those in lower socio-economic groups.

Consumers living in rural areas are more likely than those living in urban areas to see switching, in each market except mobile, as difficult.

**Figure 137 Perceived consumer opinion on ease of switching supplier rated as difficult among those who have never switched, by age, gender, socio-economic group and urbanity**



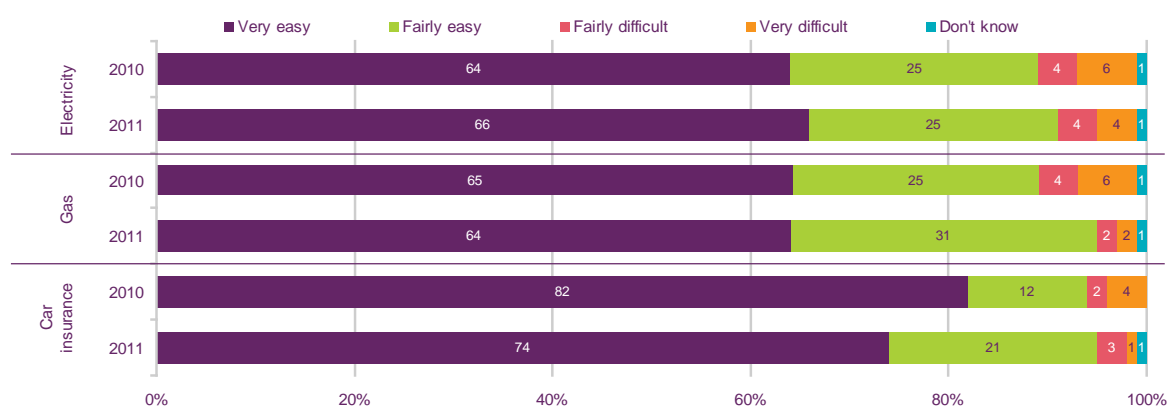
Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in June to July 2011  
 Base: All adults aged 16+ who are the decision maker and have never switched provider for fixed line\*\* (2011, 378), mobile\*\* (2011, 957), broadband\*\* (2011, 176), digital TV\*\* (2011, 834), bundled services\*\* (2011, 410). \*Caution: Low base for broadband. Base for 65+, C1, C2 and DE for broadband too small to analyse. \*\*NB Base amended in 2010 and 2011 for standalone services to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately.

### 5.3.3 Opinions on ease of switching utilities supplier, among those who switched in the past 12 months

As with switchers in the communications market, the vast majority of consumers who have switched their utility supplier/s and/or car insurance provider in the past 12 months said that they considered it to be 'very' or 'fairly' easy to do so. Consumers say they find switching car insurance provider the easiest, with 74% stating it was very easy to make the switch, although this level has declined from 82% last year.

Generally, when comparing opinions on ease of switching in the communications and utilities markets, findings are broadly consistent, with around 90-95% stating they found the process easy.

**Figure 138 Consumer opinions on ease of switching utilities supplier, among those who switched in the past 12 months**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2010, June to July 2011

Base: All adults aged 16+ who are the decision-maker and have switched provider in the last 12 months for electricity (2011, 299), gas (2011, 240), car insurance (2011, 512).

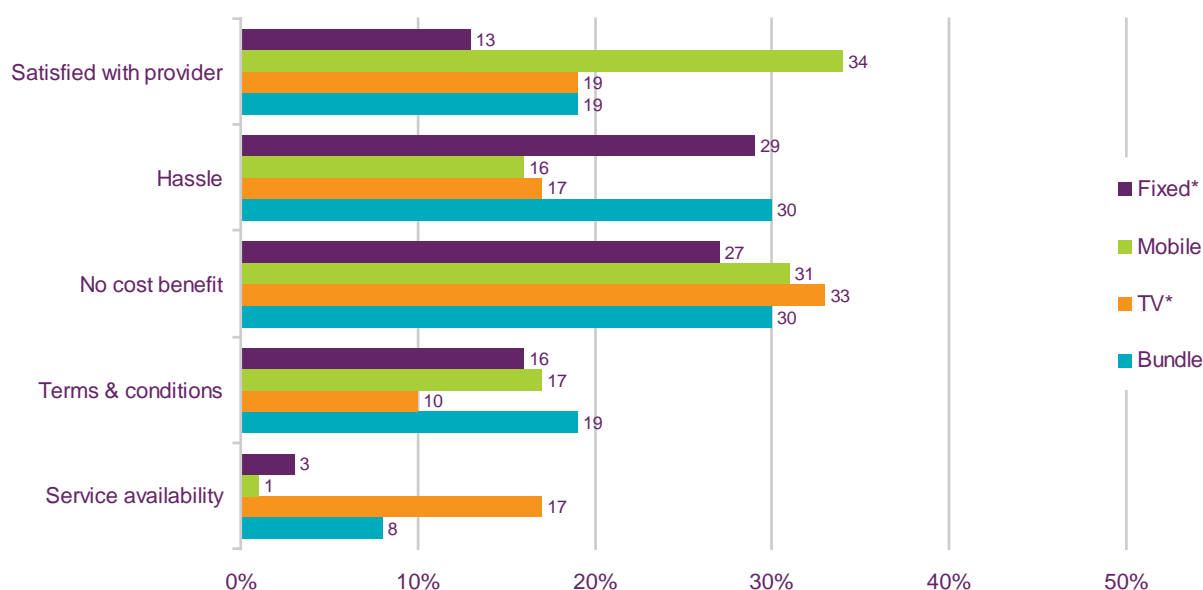
### 5.3.4 Barriers to switching supplier

There are many reasons why consumers say they have not switched supplier – the main ones are outlined below. The following data are based on small sample sizes and as such findings should be viewed with caution and treated as indicative only.

For all communications services the lack of difference in cost was the main reason for considering, but not switching provider. For bundled services and fixed line, the hassle involved was also a key barrier. It should be noted that the data do not reveal the type of 'hassle' consumers are referring to and whether this relates to the switching process, or to gathering/comparing information. For mobile customers, satisfaction with the current provider was a key reason for staying with their existing supplier.

Significantly more people mentioned 'service availability' as a reason for not switching multichannel TV provider, compared to other services, reflecting the limited number of providers in this market.

**Figure 139 Reasons for considering switching supplier, but not switching**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in June to July 2011  
 Base: All adults aged 16+ who are the decision-maker for each service who have considered switching but did not switch (Fixed line, 53) (Mobile, 133) (Digital TV, 72) (Bundle, 162). \*Caution: Low base. Base: Individual service results based on single-service purchasers only, Base for broadband is too low to report.

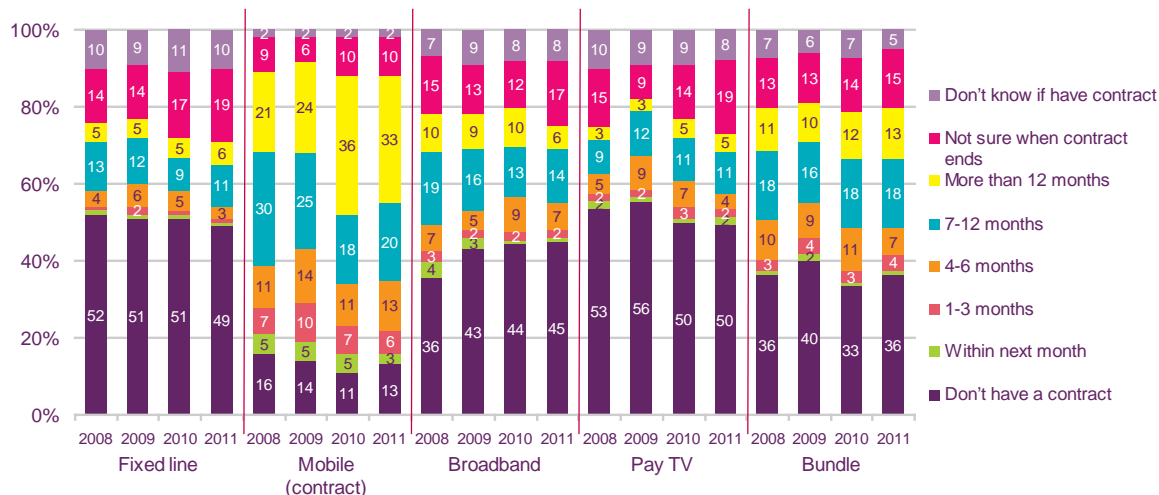
One barrier to switching supplier, mentioned by at least one in ten consumers who had considered switching in each market but did not do so, was the 'terms and conditions', or being tied into a contract. Consumers are likely to be charged if they switch supplier mid-contract in any communications market. The amount varies according to the market and the supplier, but these charges may affect consumers' decision to switch.

Figure 140, below, illustrates the proportions of consumers who are aware of their contract and its length.

Half of the consumers in the fixed-line market said they did not have a contract with their supplier and therefore assumed that they would be able to switch supplier at any time without incurring additional charges. Findings were broadly similar in the pay-TV market, whilst 45% of consumers with broadband and 36% of consumers with bundled services said they did not have a contract.

In the mobile market 13% of contract customers said they were not tied into a contract with their supplier i.e. they may be outside their minimum contract period. A third of mobile customers said they had more than 12 months remaining on their current contract, which is broadly similar to last year and reflects the recent trend in 18-month or two-year mobile contracts. While not as evident as it is in the mobile market, just over one in ten (13%) bundled purchasers say they have longer than 12 months remaining on their contract.

**Figure 140 Length of time remaining on current contract, by communications market**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the decision-maker for fixed line\*\* (2008, 941) (2009, 781) (2010, 627) (2011, 585), mobile\*\* (2008, 635) (2009, 542) (2010, 594) (2011, 830), broadband\*\* (2008, 460) (2009, 388) (2010, 226) (2011, 253), pay-TV\*\* (2008, 483) (2009, 416) (2010, 382) (2011, 449), bundle (2008, 534) (2009, 631) (2010, 570) (2011, 795). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

## 5.4 Consumer empowerment - metric 4: awareness of trusted information sources

### 5.4.1 Awareness of trusted information

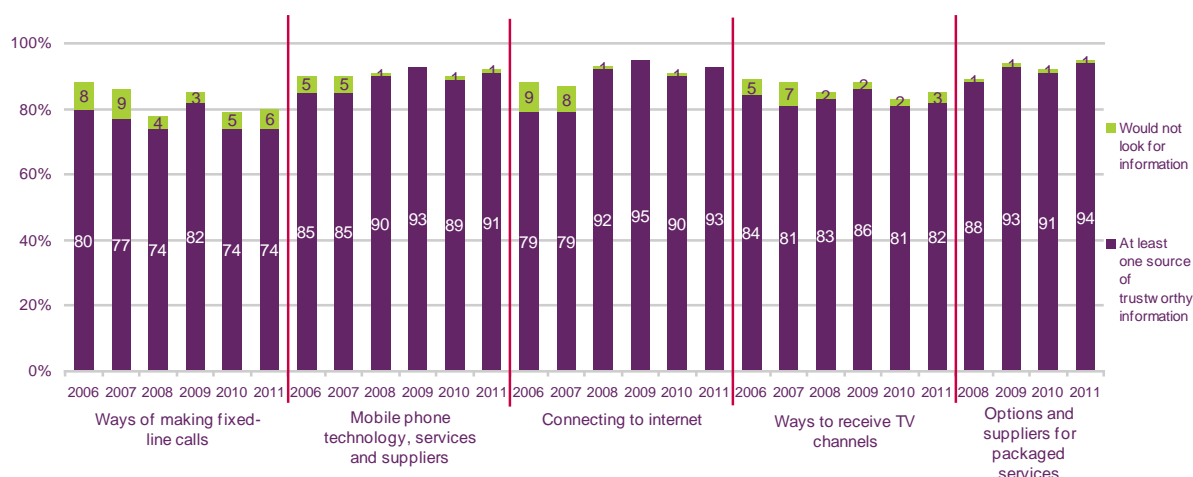
Respondents were asked whether they could spontaneously name any information sources if they wanted to find out about:

- different options, and suppliers, for making fixed-line calls
- developments in mobile phone technology, services and suppliers
- ways of connecting to the internet; and
- ways to receive TV channels.

The majority of consumers in each of the communications markets could name at least one trusted source of information that they would use to explore communications markets.

Fixed-line remains the market in which the highest proportion of consumers say they would not look for information (6%).

**Figure 141 Awareness of at least one trusted information source**



Source: Ofcom communications tracking survey Q1 2006 and Q1 2007/ Ofcom decision-making survey carried out by Saville Rossiter-Base in July to August 2008, 2009 and 2010, June to July 2011  
 Base: All adults aged 16+ who are the decision maker for fixed line\*\* (2008, 941) (2009, 781) (2010, 627) (2011, 585), mobile\*\* (2008, 1270) (2009, 1231) (2010, 1200) (2011, 1564), broadband\*\* (2008, 460) (2009, 388) (2010, 226) (2011, 253), digital TV\*\* (2008, 896) (2009, 837) (2010, 775) (2011, 945), bundle (2008, 534) (2009, 631) (2010, 570) (2011, 795). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

## 5.4.2 Types of trusted sources of information

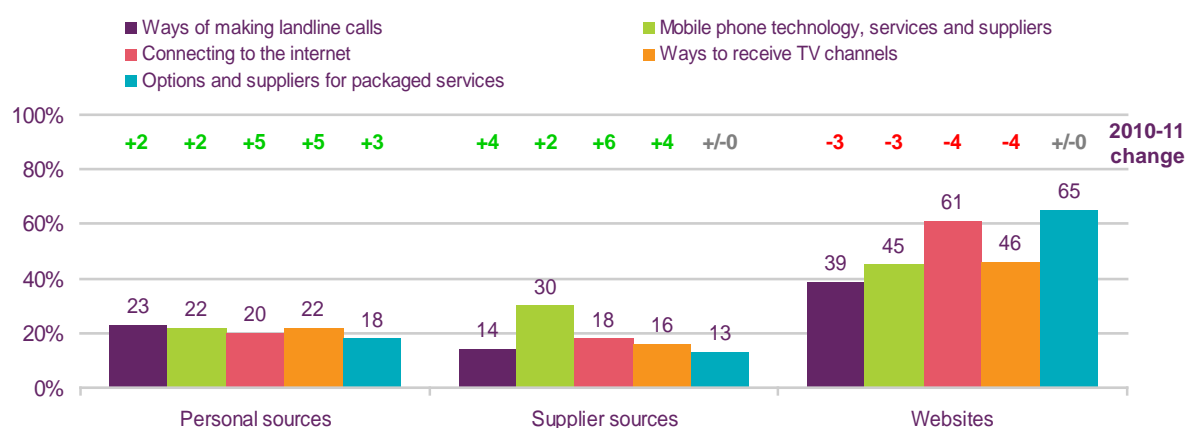
The chart below indicates consumers' current mentioned sources of information and how these have changed since last year.

The internet remains the most-mentioned source of information about all communications services, particularly for information relating to the internet and bundled services.

Relying on personal sources and supplier sources for information has increased year on year, in particular for information relating to connecting to the internet and ways to receive TV channels. Supplier sources remain more popular for mobile than for other communications services.



**Figure 142 Trend in (unprompted) sources of trusted information**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in June to July 2011  
 Base: All adults aged 16+ who are the decision-maker for fixed line\*\* (2011, 585), mobile\*\* (2011, 1564), broadband\*\* (2011, 253), digital TV\*\* (2011, 945), bundle (2011, 795). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

When sources of trusted information are broken down further, in all markets, the internet 'in general' is the largest source of information. This is followed by recommendations from family members and friends. There is relatively high use of store visits (16%) for those looking for advice about mobile phone technology, services and suppliers, and cost comparison websites among those looking for advice on the internet or bundled services (10%).

**Figure 143 Actual sources of trusted information**

	Ways of making landline calls	Mobile phone technology, services and suppliers	Connecting to the internet	Ways to receive TV channels	Options and suppliers for packaged services
Internet in general	35%	41%	58%	42%	62%
Family members	16%	13%	10%	13%	11%
Friends	13%	12%	17%	14%	10%
Supplier already using for this service	7%	7%	5%	5%	4%
Websites of suppliers/ service providers	6%	6%	6%	6%	7%
Cost comparison websites	6%	5%	10%	5%	10%
Magazines/ newspapers	3%	3%	4%	4%	4%
TV/ radio programmes/ advertising	3%	1%	1%	3%	2%
Colleagues	2%	2%	5%	2%	2%
Another supplier not already using	2%	2%	1%	2%	1%
Visit shop/ store selling the technology/ device	2%	16%	3%	5%	1%
Leaflets in store/ post	1%	1%	*%	1%	1%
Government body/ regulator	1%	*%	1%	*%	0%
Other source of information	1%	*%	*%	1%	*%
Would not look for information/ advice	6%	1%	*%	3%	1%
Don't know	20%	8%	6%	15%	6%

Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in June to July 2011  
Base: All adults aged 16+ who are the decision-maker for fixed line\*\* (2011, 585), mobile\*\* (2011, 1564), broadband\*\* (2011, 253), digital TV\*\* (2011, 945), bundle (2011, 795). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes. (\*% = Less than 0.5%)

### Use and influence of the internet and price comparison websites

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 a recent survey<sup>26</sup>.

This study was not solely focused on communications markets but sought to establish general views around purchasing behaviour and spending patterns. It found that about three-quarters (74%) agreed with the statement "I make more effort than in the past to find the best deal" and 86% of respondents agreed with the statement "The internet means it's easier than in the past to find the best deal".

Over half of respondents claimed they were more likely to use both cheaper brands/shops (58%) and price comparison tables/websites (56%) since the economic downturn. The increased use of price comparison websites was higher among those aged 45 to 54 than among over-55s (64% vs 49%).

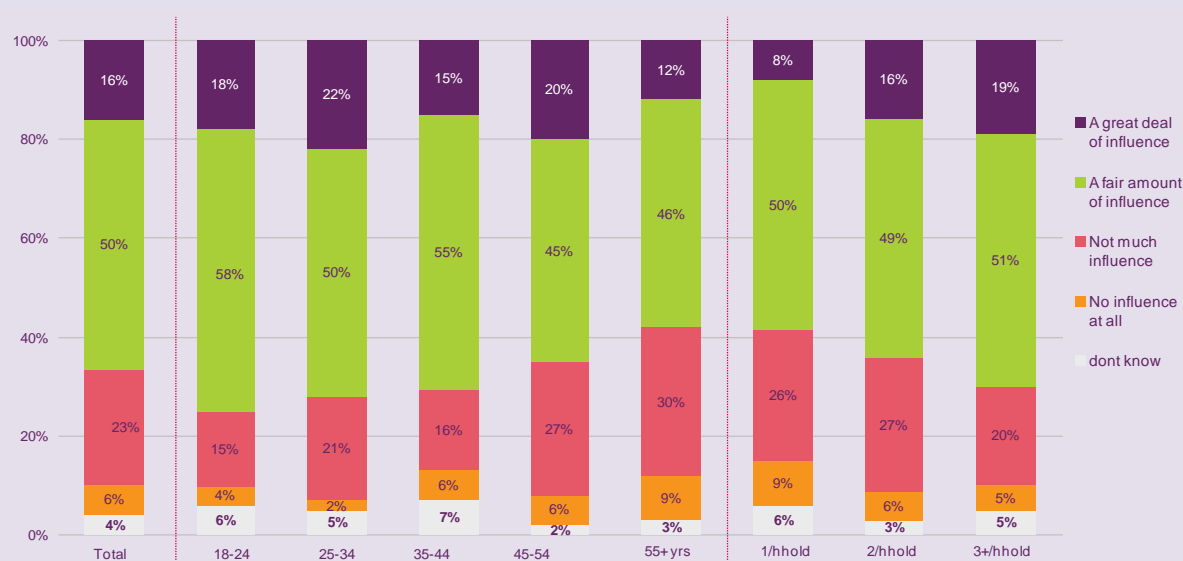
Almost nine in ten consumers interviewed stated that price comparison websites had some influence on their purchasing decisions, with 16% claiming they had 'a great deal of influence' and a further 50% claiming 'a fair amount of influence'. The degree of influence decreases with age and increases with size of household, with 19% of households with three

<sup>26</sup> Customer Life in Britain, conducted by Andrew Smith Research in 2011

or more saying they have a great deal of influence, compared to 8% of those living in a single household.

The level of influence of websites where consumers can exchange information, such as tripadvisor.co.uk, reviewcentre.com and MoneySavingExpert.com was slightly lower than for price comparison sites, with 82% of respondents saying these sites had some influence over their purchasing decisions. Again, there was a marked difference between the age groups, with 22% of 18-34 year olds saying these sites have a great influence, compared to 11% of consumers over 55. Of all the age groups, the 25-34 year olds were the most likely to be influenced.

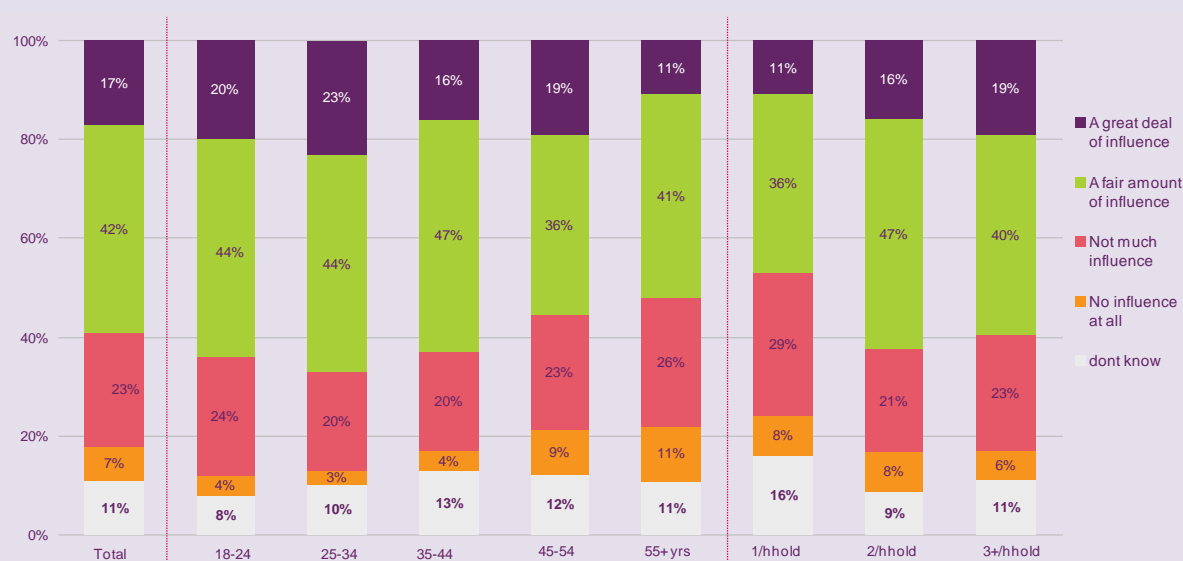
**Figure 144** Level of influence price comparison websites have on decision-making process



Source: Customer life in Britain 2011

Base: All respondents (1002)

**Figure 145** Level of influence consumer information exchange websites have on decision-making process



### **The influence of word of mouth**

About two-thirds of respondents (67%) agreed that “I trust what other consumers tell me more than what companies say”. Generally, consumers stated that they are very likely to communicate to others if they’ve had either positive or negative experiences with companies. Overall, 95% of those interviewed claimed that they normally tell other people if they’ve had a poor experience with a company, with women slightly more likely to talk about their experience than men (98% compared to 92%). This compares to 93% of consumers saying they normally tell other people if they’ve had a good experience with a company.

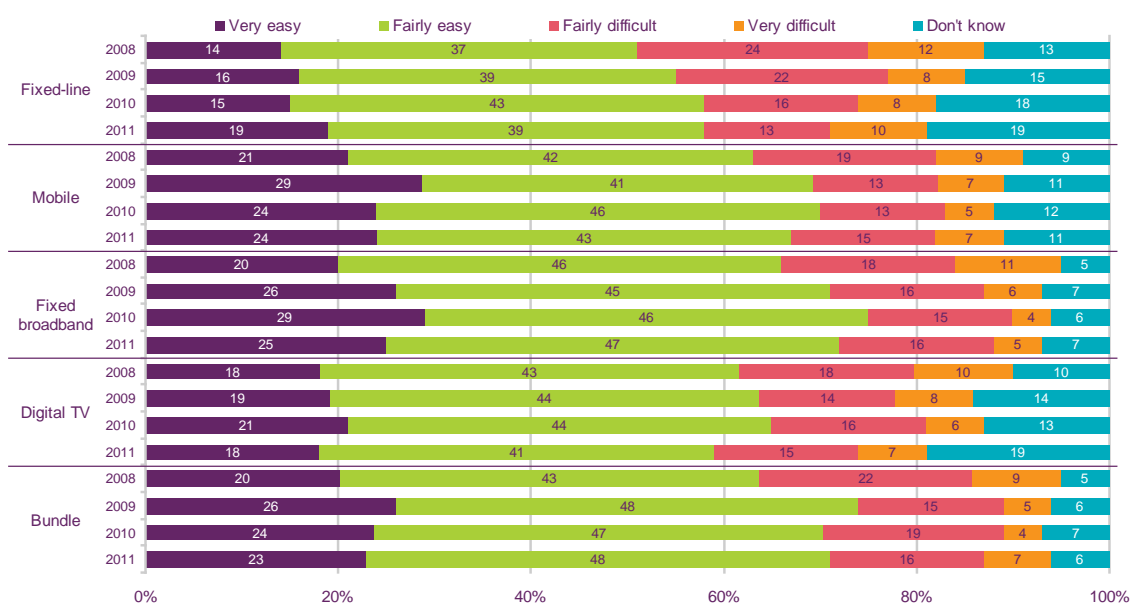
Just under half (47%) of consumers interviewed said they had decided not to buy a product or service from a specific company because of someone else’s bad experience. Younger respondents were far more likely to be put off from purchasing due to someone’s bad experience (58% of 18-34 yr olds) than were older respondents (38% of 55+ yr olds). This willingness to communicate is also shown by 82% of those interviewed agreeing with the statement “I am happy to give companies feedback if I know they’ll act on it”.

## **5.5 Consumer empowerment - metric 5: ease of making cost comparisons between suppliers**

It is important to understand consumers’ experience, and their perceptions of the difficulty of making cost comparisons between suppliers, in order to address one potential barrier to switching, and to enable consumers to obtain a better deal.

Consumers are more likely to say it is easy to make cost comparisons in the fixed broadband (72%) and bundled (71%) markets than in other markets. This compares to around two-thirds of mobile customers and six in ten fixed-line and digital TV consumers, who believe it is easy to make cost comparisons.

**Figure 146 Consumers' opinions on the ease of making cost comparisons**



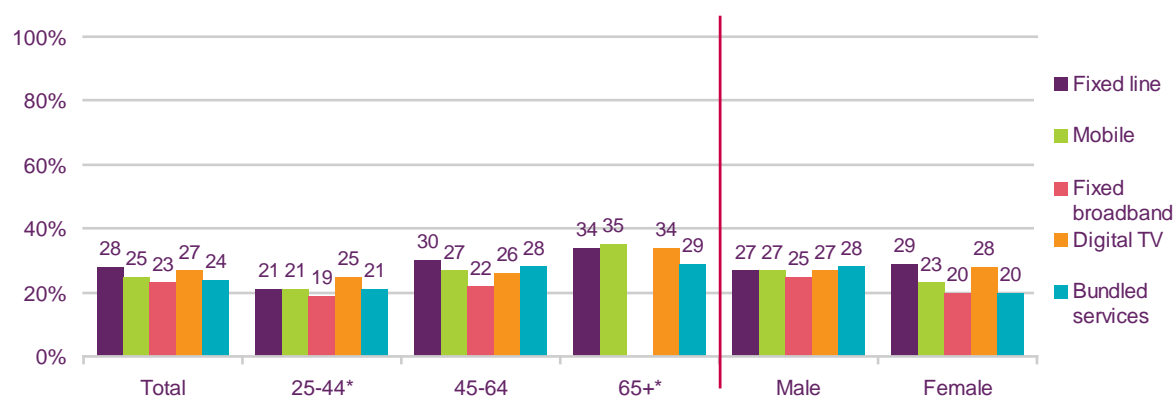
Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in July to August 2008, 2009 and 2010, June to July 2011

Base: All adults aged 16+ who are the decision-maker for fixed line\*\* (2008, 941) (2009, 781) (2010, 627) (2011, 585), mobile\*\* (2008, 1270) (2009, 1231) (2010, 1200) (2011, 1564), broadband\*\* (2008, 460) (2009, 388) (2010, 226) (2011, 253), digital TV\*\* (2008, 896) (2009, 837) (2010, 775) (2011, 945), bundle (2008, 534) (2009, 631) (2010, 570) (2011, 795). \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

### 5.5.1 Demographic profile of those who find it difficult to make cost comparisons

Among those who expressed an opinion on the ease of making cost comparisons there are indications that consumers aged 45+ in the fixed-line, mobile and bundled services markets believe that making cost comparisons is more difficult than those under 45.

**Figure 147 Age and gender profile of those who find it difficult to make cost comparisons**



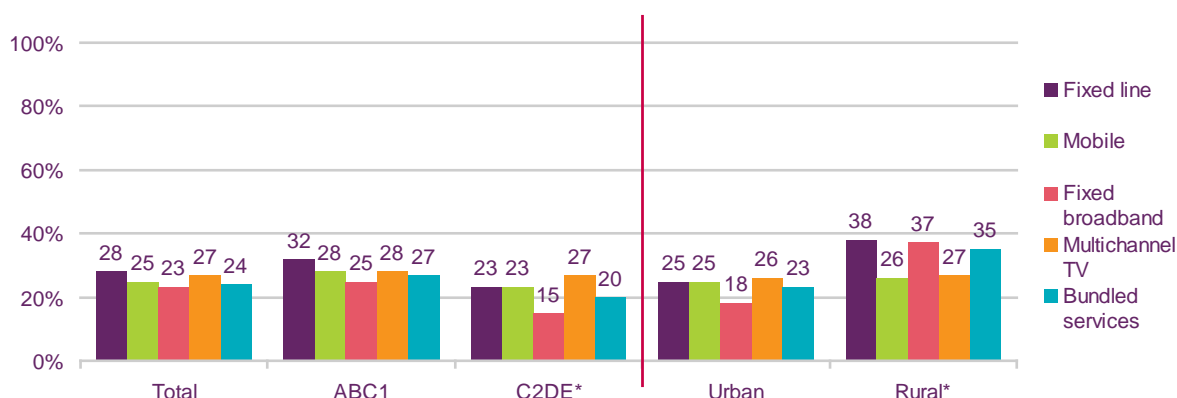
Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in June to July 2011

Base: All adults aged 16+ who are the decision-maker for each service who expressed an opinion; fixed line\*\* (479), mobile\*\* (1368) broadband\*\* (233), digital TV\*\* (771), bundled services (742).

\*Caution: Low base. Base size for 16-24 year olds and 75+ too small to analyse. Base for 65+ for broadband too small to analyse. 'Don't know' responses have been excluded from the base. \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

There are indications that consumers in the ABC1 socio-economic group are more likely to think it is difficult to make cost comparisons in the fixed-line, mobile, fixed broadband and bundled services market, compared to those in socio-economic group C2DE. There are also indications that those living in a rural environment are more likely than consumers living in an urban environment to think it is difficult to make cost comparisons in the fixed-line, mobile, fixed broadband and bundled services markets.

**Figure 148 Socio-economic profile and urbanity of those who find it difficult to make cost comparisons**



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in June to July 2011

Base: All adults aged 16+ who are the decision-maker for each service who expressed an opinion; fixed line\*\* (479), mobile\*\* (1368) broadband\*\* (233), digital TV\*\* (771), bundled services (742).

\*Caution: Low base for broadband. 'Don't know' responses have been excluded from the base. \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

### The ease of making cost comparisons between sectors

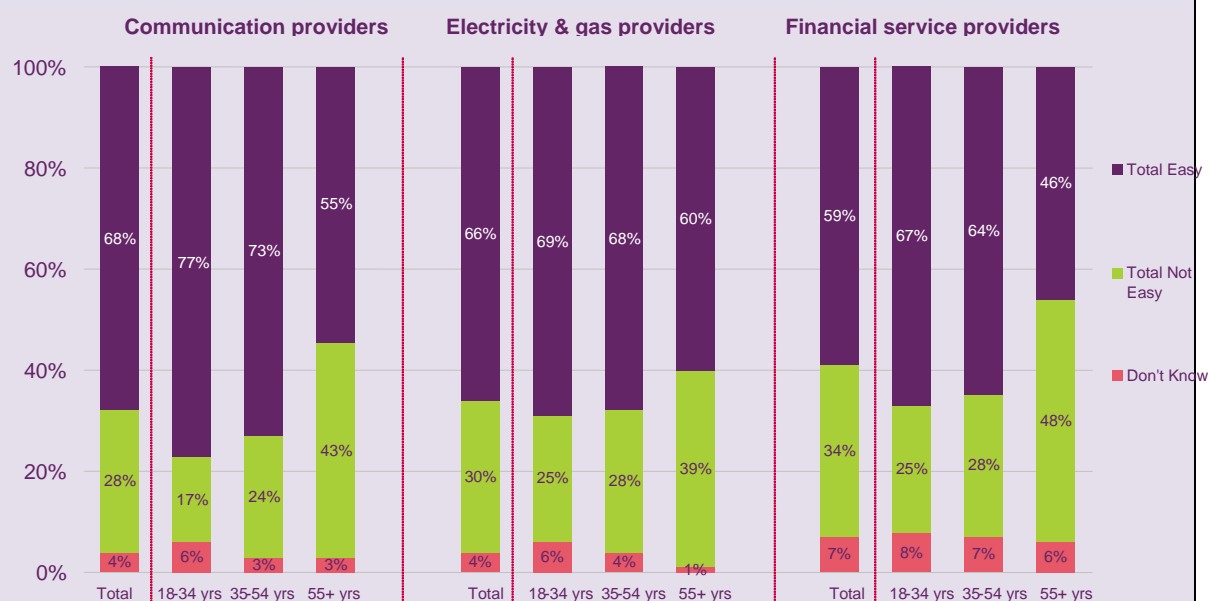
A recent survey<sup>27</sup> asked consumers to rate the ease of making price comparisons across three sectors: communications providers, electricity and gas providers and financial services providers. The results are illustrated in the figure below.

Overall, about two-thirds of consumers said they found it easy to compare prices for communications providers (68%) and electricity/ gas providers (66%) – highest among younger adults (77%) and lowest for those aged 55+ (55%). The proportions stating that it is easy to make cost comparisons in the electricity and gas markets were comparable with those for communications providers.

For all sectors, those aged over 55 years were more likely than those under 55 years to claim that it is not easy to compare prices.

<sup>27</sup> Customer Life in Britain Survey conduction by Andrew Smith Research, [www.andrewsmithresearch.co.uk](http://www.andrewsmithresearch.co.uk)

**Figure 149 Comparison of cost between sectors**



Source: *Customer Life in Britain, 2011*

Base: All respondents (1002)

### The ease of making cost comparisons between sectors

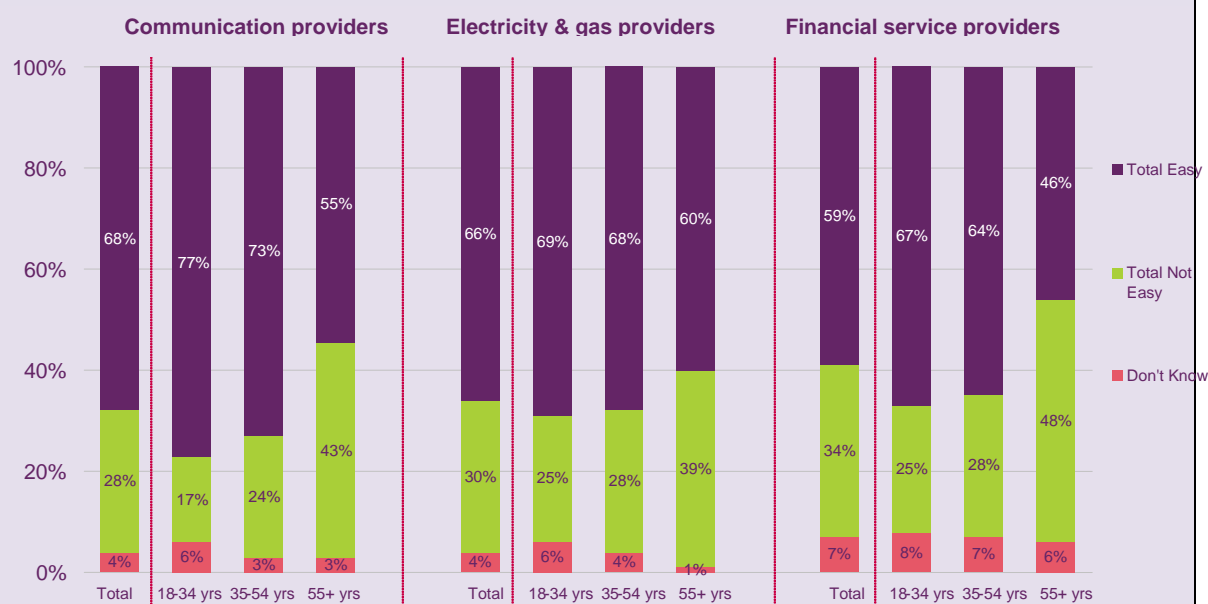
The survey asked consumers to rate the ease of making price comparisons across three sectors: communications providers, electricity and gas providers and financial services providers. The results are illustrated in the figure below.

Overall, about two-thirds of consumers said they found it easy to compare prices for communications providers (68%) and electricity/ gas providers (66%) – highest among younger adults (77%) and lowest for those aged 55+ (55%). The proportions stating that it is easy to make cost comparisons in the electricity and gas markets were comparable with those for communications providers.

For all sectors, those aged over 55 years were more likely than those under 55 years to claim that it is not easy to compare prices.



**Figure 150 Comparison of cost between sectors**



Source: *Customer Life in Britain, 2011*  
Base: All respondents (1002)

## Section 6

# Consumer protection

## Introduction

This section reports on the types of complaints that consumers are making to Ofcom, as well as the types of concerns that they have regarding the communications industry.

The findings are analysed across demographic groups to assess whether any specific groups of consumers are more likely to experience particular problems, or are less aware of complaints procedures.

## Consumer protection metrics

The key findings in this section are analysed by age, gender and socio-economic group, to discover whether any specific consumer groups are more vulnerable than others. Sub-group differences are noted only when they are significantly different from the total sample.

Consumer protection is measured by three metrics in this chapter:

- consumer complaints about communications services;
- personal experience of issues in each communications market; and
- awareness and use of complaints procedures.

The second metric includes the proportion of consumers who say they have experienced any of a number of prompted issues in each of the communications markets over the past six months. This will allow Ofcom to understand whether particular issues are being experienced more widely than the complaints data indicate.

The data presented are based on all adults/households in the UK, unless otherwise stated. Ofcom will continue to track many of these metrics, although methodological changes may mean that comparisons over time are not always possible.

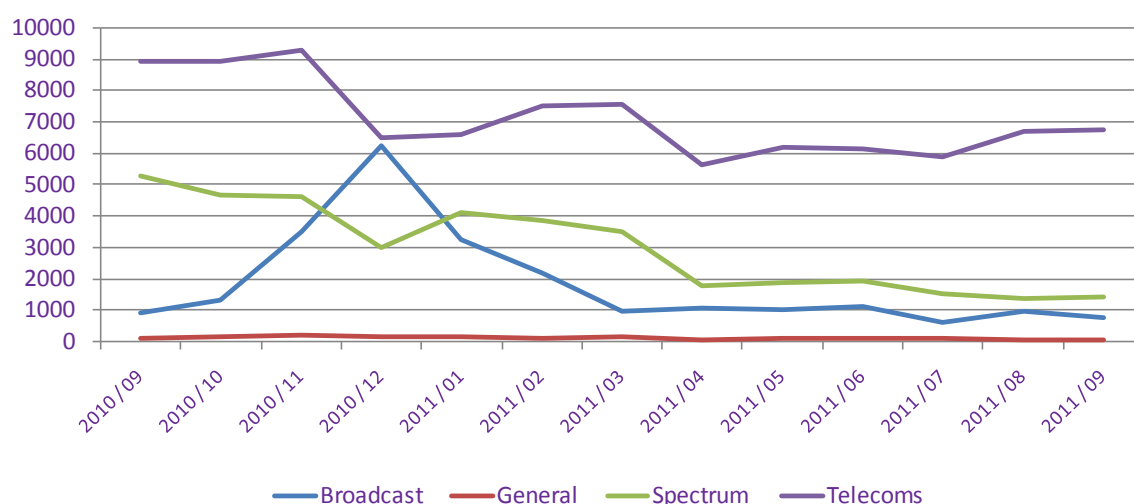
### 6.1 Consumer protection - metric 1: consumer complaints about communication services

Ofcom's Consumer Contact Team (CCT) offers a point of contact for consumers enquiring or making complaints about issues in the telecoms and broadcasting markets. 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.

So far, the monthly average of telecoms complaints is lower in 2011 than in 2010.

The following chart illustrates the number of complaints relating specifically to telecoms issues – including internet/broadband services.

**Figure 151 Number of complaints received by Ofcom: 2010-2011, by month**



Source: Ofcom, CCT data

General = 'General Enquiries', these could relate to broadcast, spectrum or telecoms issues

Complaints about mis-selling/slamming in the fixed-line market have declined in the past 12 months, from 810 in September 2010 to 728 in September 2011.

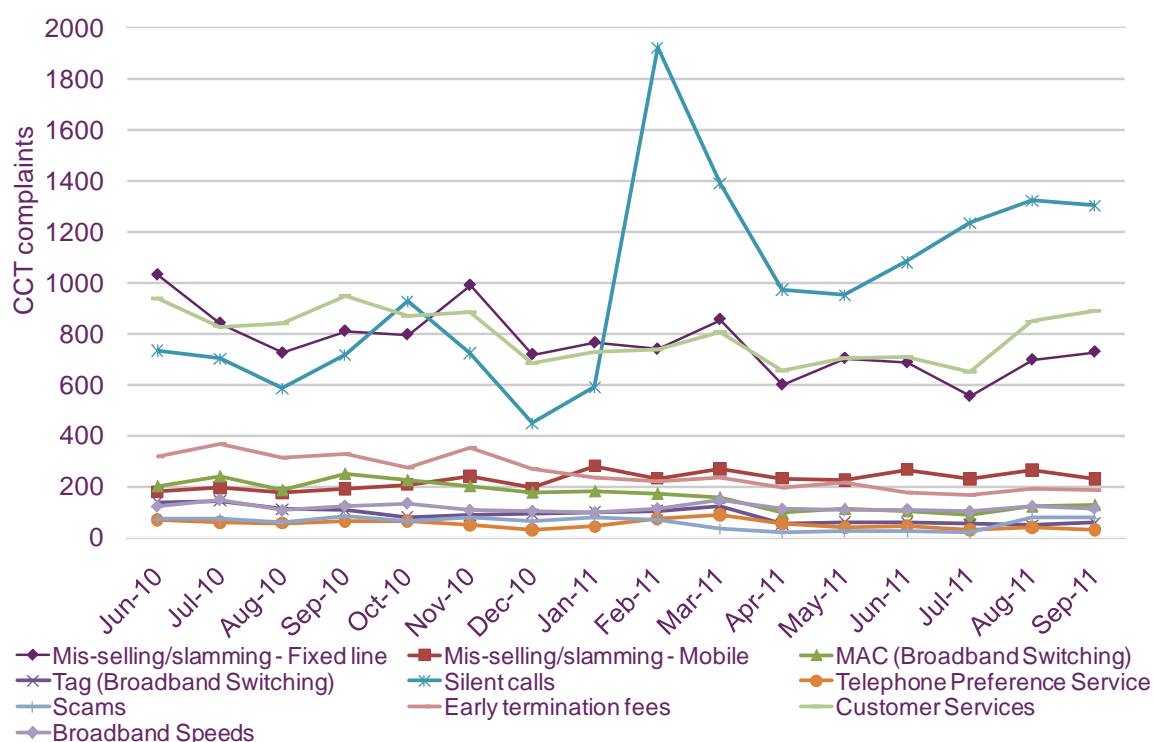
Between January and February 2011 complaints about silent calls experienced a sharp increase (from 590 to 1,924) - at which point it was, and remains, the most complained-about telecoms issue. Since then, complaints about silent calls have declined to between 1,000 and 1,300 per month.

Complaints about customer service have consistently appeared among the top three issues since June 09, with just under 900 complaints in September 2011.

Complaints about early termination fees have been on a steady decline since November 2010, with 187 complaints in September 2011.

Each of these issues, including mis-selling in the mobile market, is discussed in more detail later in this section.

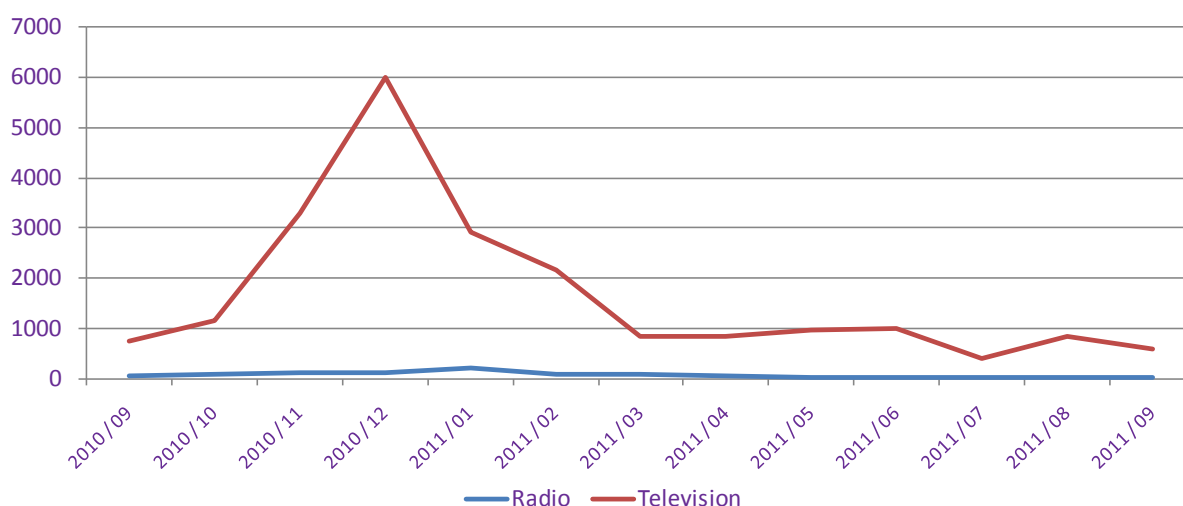
**Figure 152 Trend in complaints about telecoms issues received by CCT, over time<sup>28</sup>**



Source: Ofcom, CCT data

Broadcasting complaints continue to be dominated by complaints about content. Complaints about radio broadcasting have remained at a low level throughout the past year. In September 2011 there were a total of 633 broadcasting complaints, of which 590 were regarding television and 43 regarding radio.

**Figure 153 Numbers of broadcasting complaints received by Ofcom, 2010- 2011**



The level of complaints increased between November 2010 and February 2011, peaking at over 6000 complaints in December 2010. As the figure below shows, this rise was largely due to *The X Factor*, *EastEnders*, *Frankie Boyle's Tramadol Nights* and *Dancing on Ice*.

<sup>28</sup> These issues account for over half of all telecoms complaints received by Ofcom – others not shown include 'supplier customer relationship'

**Figure 154 Top programmes complained about, September 2010 - September 2011**

Month of broadcast	Top programmes complained about (over 100 complaints in a month)	number of complaints in a month
Oct-10	X Factor	465
Nov-10	X Factor	2172
Nov-10	This Morning	139
Dec-10	X Factor	3714
Dec-10	Frankie Boyle's Tramadol Nights	717
Dec-10	BBC News	515
Dec-10	Channel 4 News	133
Jan-11	Eastenders	1017
Jan-11	Dancing on Ice	305
Jan-11	Tafheem al Masyal	149
Jan-11	Danny Kelly [radio]	140
Jan-11	The Joy of Teen Sex	135
Jan-11	Coronation Street	103
Feb-11	Dancing on Ice	807
Feb-11	The Joy of Teen Sex	273
Feb-11	Top Gear	165
Feb-11	Tafheem al Masyal	100
Apr-11	The Wright Stuff	186
May-11	Britain's Got Talent	105
Jun-11	Sri Lanka's Killing Fields	179
Jun-11	Britain's Got Talent	165
Aug-11	Newsnight	109

Source: Ofcom, CCT data

The chart below summarises the most complained-about issues in each market; the relatively high level of 'other' issues (each mentioned by less than 1% of consumers) highlights the vast range of issues that consumers have cause to complain about in the communications market.

Customer service issues, silent calls and fixed line mis-selling continue to dominate complaints in the telecoms market.

**Figure 155 Most-mentioned complaints to Ofcom**

Telecoms	
Customer service	14%
Silent Calls	12%
Mis-selling (Fixed Line)	7%
Charged for cancelled service	4%
Migration	4%
Additional Charges - ETC Breakdown (Consumer)	4%
Mis-selling (Mobile)	3%
Mis-selling (Other)	2%
Others (1% or less)	50%
Television	
The X Factor	30%
EastEnders	6%
Dancing on Ice	5%
Frankie Boyle's Tramadol Nights	3%
BBC News	3%
The Joy of Teen Sex	2%
This Morning	2%
Others (1% or less)	49%
Radio	
Danny Kelly	12%
Adrian Durham	8%
Nihal	3%
George Galloway	3%
Call Collymore	3%
Richard Keys and Andy Gray	2%
The Alan Brazil Sports Breakfast	2%
Others (1% or less)	67%

Source: Ofcom, CCT data September 2010 to September 2011

### 6.1.1 Focus on customer services

Ofcom has recently published consumer research comparing the quality of customer service being received by consumers across the communications market<sup>29</sup>. The data compare customer service across the main providers in each of the fixed-line, fixed broadband, mobile and pay-TV markets. The research suggests that customers perceive providers of these services to offer a satisfactory contact experience. However, there are variations by sector, with satisfaction with customer service lower in the broadband (58%) and landline (61%) sectors than the mobile (69%) and pay-TV (68%) sectors. Seventeen per cent and 18% of landline and broadband customers respectively, of those who had contacted their provider, were dissatisfied with customer service, compared to 13% and 12% for the mobile and pay-TV sectors.

<sup>29</sup> [http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/customer-service.pdf?utm\\_source=updates&utm\\_medium=email&utm\\_campaign=customer-satisfaction](http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/customer-service.pdf?utm_source=updates&utm_medium=email&utm_campaign=customer-satisfaction)

These scores are likely to be related to the lower proportion of complaints received by customer service teams in the mobile and pay-TV markets, as there is typically lower satisfaction among 'complaints' than 'general contacts'.

### **6.1.2 Focus on mis-selling**

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:

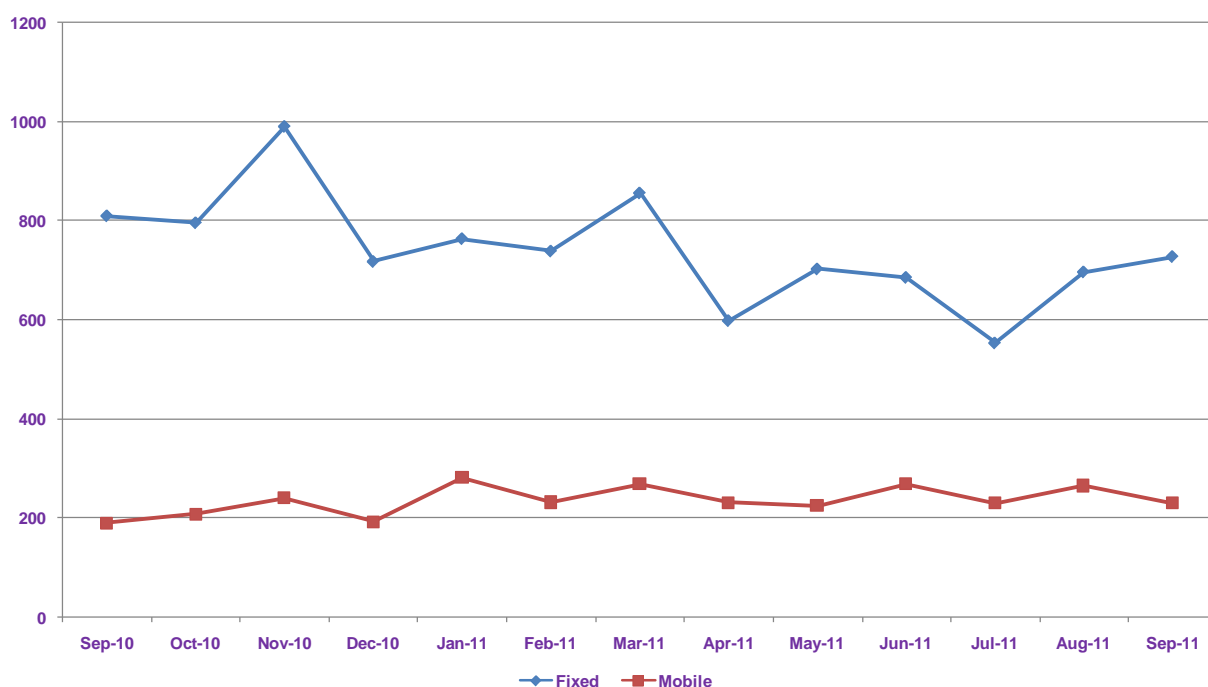
- the provision of false and/or misleading information (for example, about potential savings, or promising offers or gifts that do not actually exist);
- applying unacceptable pressure to change provider, such as refusing to leave until the customer signs, or using threatening or otherwise intimidating 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.

In this sub-section we illustrate the number and type of complaints Ofcom has received about mis-selling across all services and, in particular, mis-selling in the fixed and mobile markets.

Most complaints to Ofcom about mis-selling are in relation to fixed-line services. Complaints have fluctuated over the past year, and continue to do so, but have declined overall from a high of about 1,000 per month in November 2010 to just over 700 in September 2011.

Mis-selling complaints in the mobile market have experienced a gradual increase over the year, from 190 per month in September 2010 to 230 per month in September 2011.

**Figure 156 Monthly complaints regarding mis-selling received by CCT**



Source: Ofcom, CCT data

### Fixed line mis-selling

In previous reports we have included a chart that shows the volume of fixed-line telecommunications mis-selling and slamming complaints (comprising CPS/WLR and full LLU<sup>30</sup>) received by Ofcom each month. In addition to looking at consumer complaints data we also measure problems related to slamming, by charting the volume of orders which have been cancelled by providers using the industry anti-slamming cancellations process. Unfortunately, due to current industry reporting problems, which have reduced the overall reliability of these reports, we are unable to publish a similar chart this year. We hope to reintroduce the anti-slamming cancellation volumes chart in time for the publication of the next report.

### Mobile mis-selling

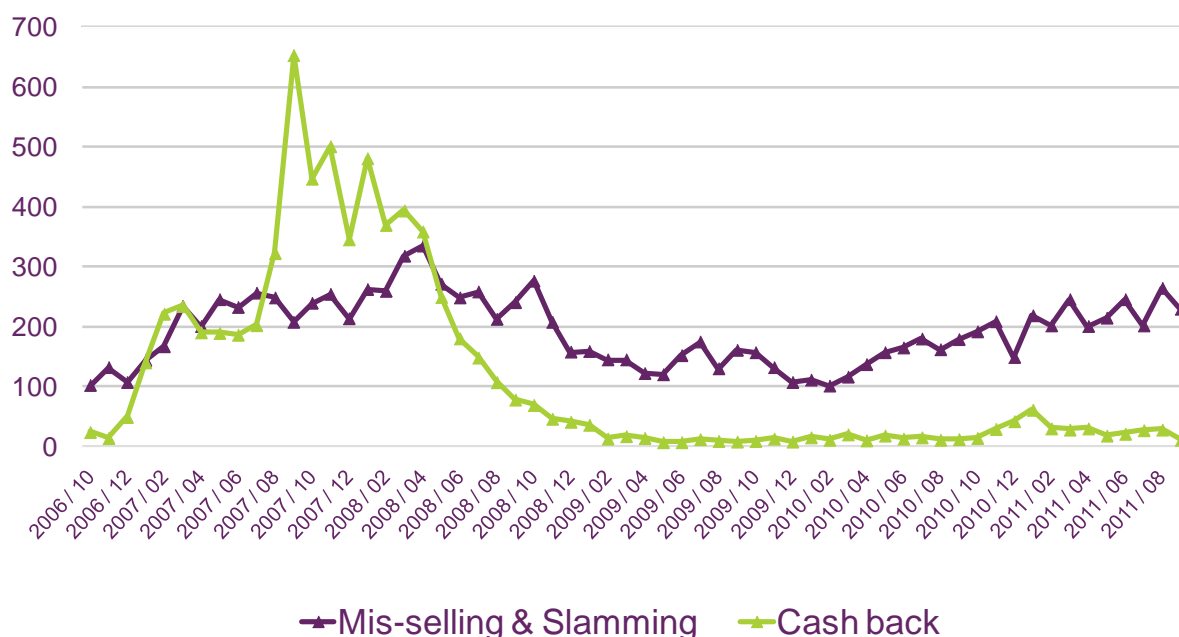
The following chart illustrates the declining volumes of mis-selling complaints in the mobile market. Between 2007 and 2008 mobile mis-selling averaged between 200-300 complaints per month. This fell to about 100 a month during the first few months of 2010, but since then has started to rise again. In September 2011 Ofcom received 230 calls regarding mis-selling and slamming.

Volumes of complaints about cashback schemes have declined since their peak at the end of 2007, when Ofcom published a consultation proposing various options to tackle these problems. Despite a slight increase between November 2010 and February 2011, they have levelled off at around 10-20 since early 2009.

<sup>30</sup> 'CPS' refers to carrier pre-selection; 'WLR', to wholesale line rental, and LLU refers to Local loop unbundling. See glossary for full description of these terms



**Figure 157 Monthly complaints about mobile mis-selling and cashbacks**



Source: Ofcom, CCT data

### 6.1.3 Focus on silent calls

Most abandoned<sup>31</sup> and silent<sup>32</sup> calls are not generated with malicious or mischievous intent but by technology used by call centres to automate the manual processes associated with physically making a call. Despite the likely cause of their origin, these calls can still understandably cause annoyance, inconvenience and anxiety.

Ofcom first published a statement of policy on the persistent misuse of an electronic communications network or service in 2006, setting out the factors that we would take into account when deciding whether or not to take action in relation to abandoned and silent calls. We subsequently revised this policy in 2008 and again in October 2010<sup>33</sup>, but the core elements of our requirements have remained virtually the same over this period: abandoned call rates must be no more than 3% of all live calls made in any 24-hour period per campaign (i.e. the reason for calling); all abandoned calls must carry a short recorded information message identifying the source of the call; and an accurate calling line identification (CLI) must be presented.

Companies were required to comply with all the requirements of the revised statement from 1 February 2011<sup>34</sup>, and since that time we have been reviewing complaints data to identify companies against which we might need to take enforcement action. We have issued notifications under section 128 of the Communications Act 2003 to three companies showing that we have reasonable grounds for believing that they persistently misused an electronic

<sup>31</sup> An abandoned call is where a connection is established but terminated by its originator in circumstances where the call is answered by a live individual.

<sup>32</sup> A silent call is a type of abandoned call where the person called hears nothing on answering the phone and has no means of establishing whether anyone is at the other end.

<sup>33</sup> <http://nds.coi.gov.uk/content/Detail.aspx?ReleaseID=415608&NewsAreaID=2>

<sup>34</sup> <http://stakeholders.ofcom.org.uk/consultations/silent-calls/statement/>

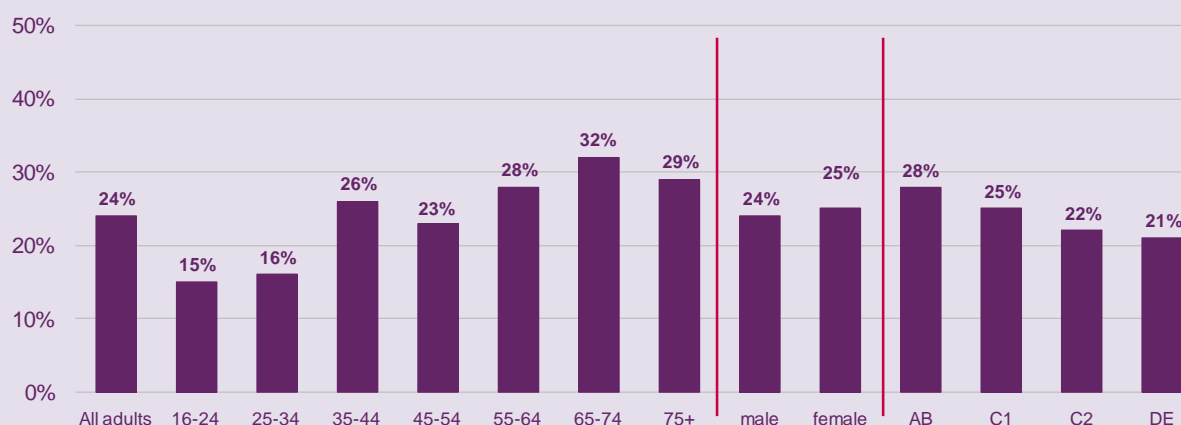
communications network or electronic communications services. We are now considering the representations that we have received from these companies and will then decide whether or not further action is warranted.

Numbers of complaints received about silent calls in 2011 are higher than in 2010. We are unsure about the cause of this increase. Companies may be making more silent calls, or alternatively, the publicity generated by a consultation we undertook last year<sup>35</sup> and new enforcement rules put in place in February 2011, may have increased consumer awareness about the issue (and subsequently alerted more people to the fact that they can report any instances of silent calls to Ofcom<sup>36</sup>). Our *Consumer Concerns* research indicates the latter, as it suggests a decline in the proportions of consumers experiencing silent calls over the past two years (from 30% of GB adults with a landline phone in 2009 to 24% of GB adults with a landline phone in 2011).

Part of the *Consumer Concerns Research* conducted in September 2011 looked to understand consumers' experiences and the impact of receiving silent calls.

The figure below illustrates that older consumers are more likely to be adversely affected by silent calls, most likely due to the amount of time spent at home.

**Figure 158 Profile of adults with a fixed line personally experiencing silent calls in the past six months**



Base: All GB adults with landline phone (934)

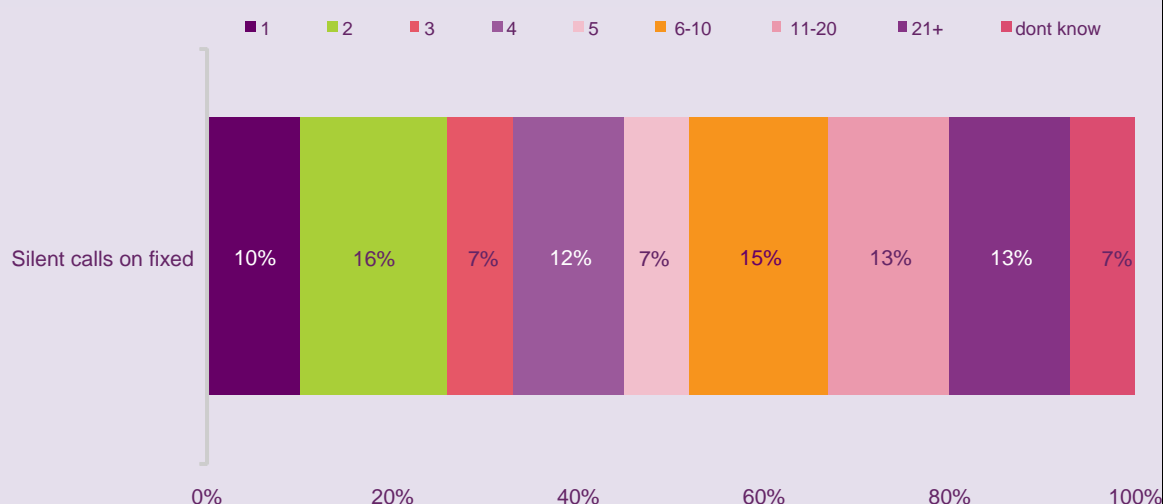
Source: Consumer Concerns Tracker, Kantar Media omnibus, September 2011

Nine in ten people who have experienced silent calls on a fixed phone in the last six months claim to receive more than one a month. Over two in five (42%) of those who receive them claim to get between two and five silent calls per month and 15% say they get between six and ten per month. Over a quarter of those who receive silent calls say they receive more than 11 per month, with 13% claiming to receive over 21 silent calls per month.

<sup>35</sup> <http://stakeholders.ofcom.org.uk/consultations/silent-calls/?a=0>

<sup>36</sup> <http://consumers.ofcom.org.uk/tell-us/telecoms/privacy/silent-call/?itemid=284912>

**Figure 159 Average number of silent calls received on fixed lines each month**

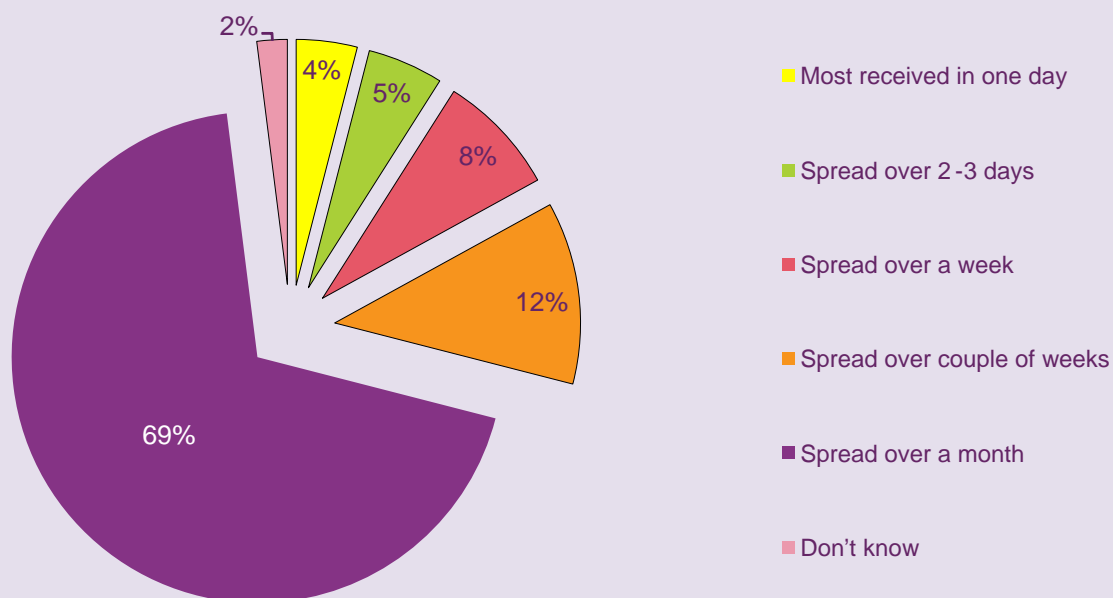


Base: All experiencing silent calls on fixed phone in last six months (237)

Source: *Consumer Concerns Tracker*, Kantar Media omnibus, Sept 2011

Those who have received more than one silent call in a month were asked how frequently the calls were received. The majority of silent calls are spread over the month (69%). However, 4% of adults who have experienced two or more silent calls did so in one day, and a further 5% over a two to three day period.

**Figure 160 Frequency of receiving multiple calls in a month, among those receiving more than one call a month**



Base: All experiencing 2+ silent calls on fixed line in last 6 months (212)

Source: *Consumer Concerns Tracker*, Kantar Media omnibus, Sept 2011

Among those who have experienced more than one call in a month, just under a third (31%) said they had received two or more calls from the same number over a 24-hour period.

However, just over a third (36%) say they had never checked, indicating this figure could be higher.

Ofcom's Consumer Contact Team (CCT) offers a point of contact for consumers to enquire or make a complaint about issues in the telecoms and broadcasting markets. As highlighted above, in September 2011 Ofcom received 1302 calls regarding silent calls. Many of these calls support the *Consumer Concerns* research findings, with many of the callers complaining not only about receiving silent calls but also commenting on the number and frequency of silent calls they receive, as the three examples of real calls received to CCT during March 2011, below, demonstrate.

*"I receive numerous calls throughout the day, including antisocial hours, and if I answer there is only silence. Yesterday this number called at 12:18, 16:18 and 20:18. I started receiving calls over a week ago. I do not know who or what company it is, as I only hear silence"*

*"I've been receiving calls from this number for the last few days. It started with one or two and today I've received at least five. When I've answered the phone just goes dead. I do not know who it is calling as I do not want to phone the number back in case it's a scam and no-one speaks when I pick up the call. The last silent call I received was at 21.03pm"*

*"This number appears probably once a fortnight - Do not know the company or person - do not want to call number back in case I incur expenses"*

Our research also identified that silent calls are largely regarded as an inconvenience and a concern: almost six in ten (59%) consumers who have received a silent call in the past six months say they are concerned about them, with indications that older consumers are more likely to be concerned about these calls than younger consumers. Over three-quarters (78%) say they are inconvenient. Again, this example of two calls received to CCT during March 2011 demonstrates this.

*"I have had approximately 10 silent calls from this number over the last three days. Some in the day, others up to about 9.30 pm. These are becoming particularly annoying as I work shifts"*

*"This number has been calling at least twice a day for over a week. I have answered the phone on two occasions and met with silence. I have called the number and get a recorded message that I am unable to make out before the line goes dead. I would like these phone calls to stop as they are causing my disabled wife considerable distress"*

#### **6.1.4 Focus on additional charges**

Consumers can face additional charges from their communications supplier, over and above those which they already pay for the service. These charges 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 following late payment, and early termination charges.

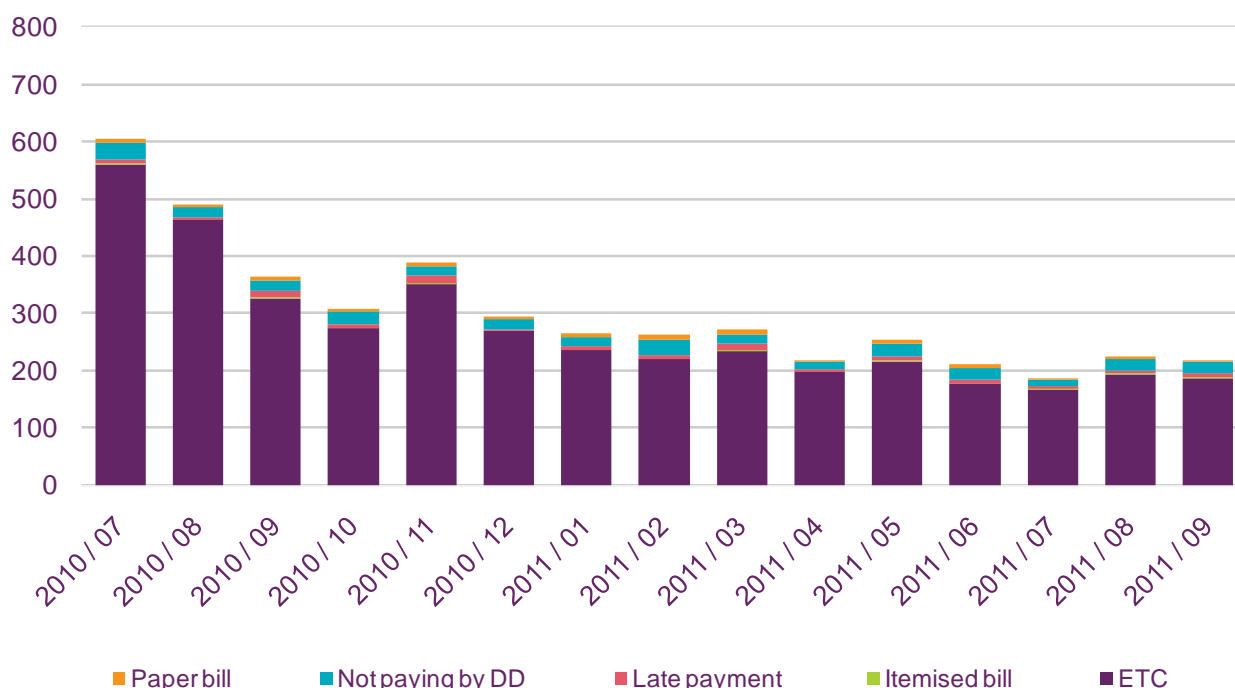
Consumers potentially suffer financial harm if they do not take these charges into account when choosing their communications provider, and as a result do not make the best choice. In addition, competitive pressures may not act to reduce these charges, which can then be set significantly above cost, and consumers who are not aware of them cannot take measures to avoid them.

Some consumers are potentially more at risk from incurring additional charges; for instance those who do not have a bank account and so cannot pay by direct debit.

Figure 161 illustrates the trend in the volume of complaints that Ofcom's Consumer Contact Team has received about additional charges, across all communications services.

Complaints about additional charges have significantly declined year on year, and are currently at just over 200 per month. Early termination charges (ETC) continue to account for the majority of these complaints.

**Figure 161 Complaints about additional charges**



Source: Ofcom, CCT data

#### 6.1.4 Focus on broadband migration

When consumers wish to change their internet supplier they often encounter two areas of difficulty.

The first relates to requests for a migration authorisation code (MAC) to switch supplier. 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.

The second is the existence of a 'tag' on the line. A broadband supplier puts an 'electronic tag' on a telephone line to flag the fact that they are the supplier to a particular household. The tag must be removed before the new supplier can begin service.

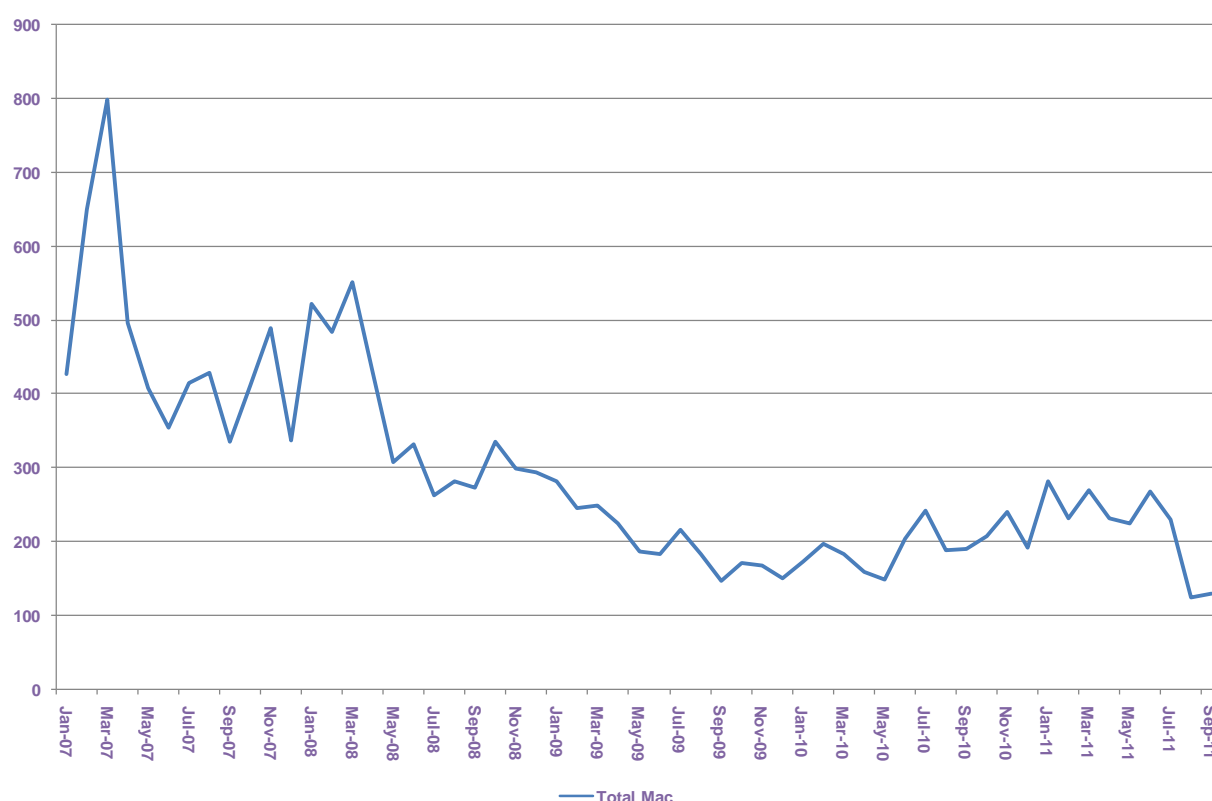
Since the beginning of 2007 there has been a decrease in the number of complaints to Ofcom about broadband migration in general. This reduction is likely to be due to:

- Ofcom's new broadband migration rules. The new rules require suppliers to provide a MAC on request as well as to make sure that tags and other operational issues do not hinder customers' ability to switch;
- the work of the Office of the Telecoms Adjudicator (OTA) which is working with industry to improve the migration process.

The following charts illustrate the trend in the volumes of complaints relating to MAC and tag-on-line.

Since Ofcom introduced the broadband migration rules in February 2007 there has been a significant decrease in the volume of customers complaining about difficulties in obtaining a MAC code, an ISP refusing them a code, or complaints about the cost of getting a MAC code. A downward trend in complaints began in April 2008, and continued until May 2010. Between May 2010 and July 2011 we witnessed a general rise in complaints regarding MACs, but since July 2011 the number of complaints have fallen, and in September 2011 there were 130 complaints. We will continue to monitor complaints in this area.

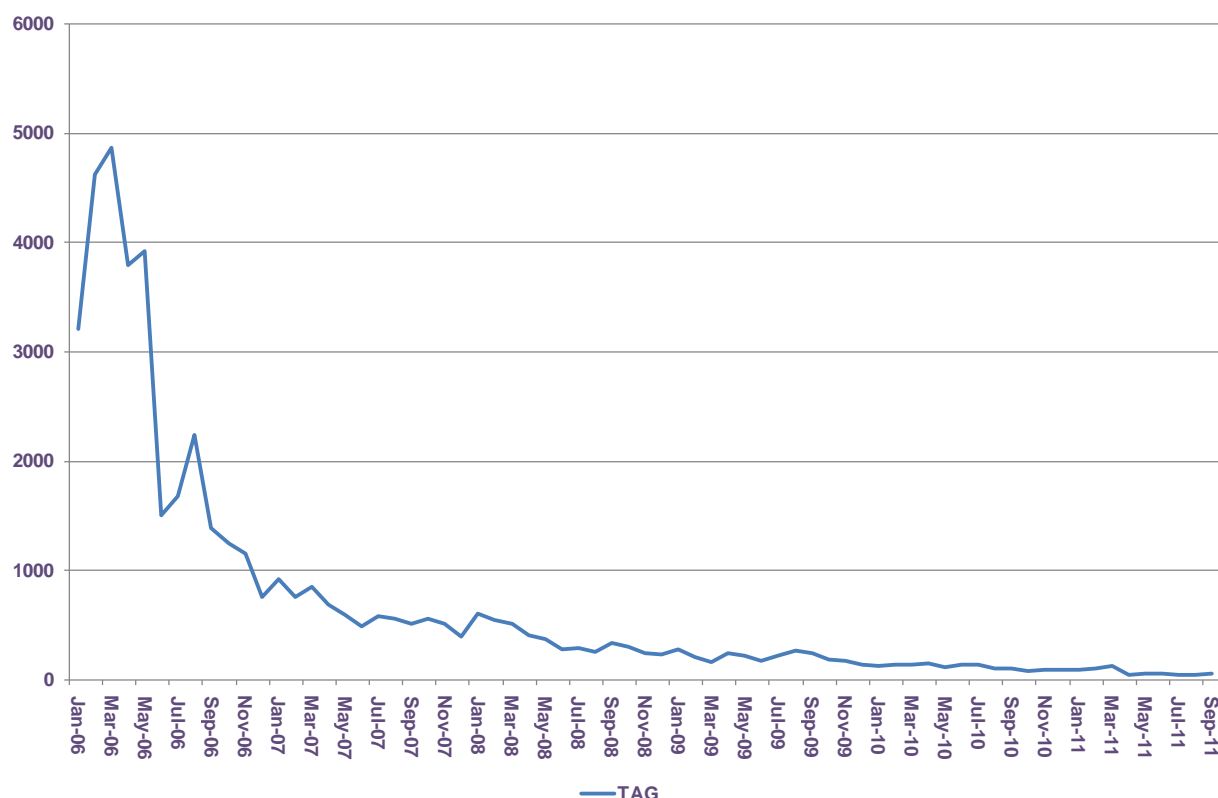
**Figure 162 Monthly complaints specifically about MAC codes received by CCT**



Source: Ofcom, CCT data

Tags are essentially a symptom of process deficiencies which result in the customer being prevented from setting up a broadband service, and there is currently no 'quick fix' for this problem. In practice, this will require sustained industry effort and leadership over several months to regulate fully. The Office of the Telecoms Adjudicator (OTA) is working to diminish tags. Complaints about tag-on-line have continued their steady decline throughout 2010 and 2011; in September 2011 Ofcom received 58 complaints about tags.

**Figure 163 Monthly complaints about tag-on-line (TAG) received by CCT <sup>37</sup>**



Source: Ofcom, CCT data

### 6.1.5 Focus on premium-rate services (PRS)

Premium-rate services are a form of micro-payment for content, data services and value-added services, added to the telephone bill. There are a diverse and growing number of services, including:

- fixed-line telecoms services such as live chat, information services (including directory enquiries) and TV vote lines; and
- mobile services, such as ring-tones, media content and payment through reverse-billed SMS.

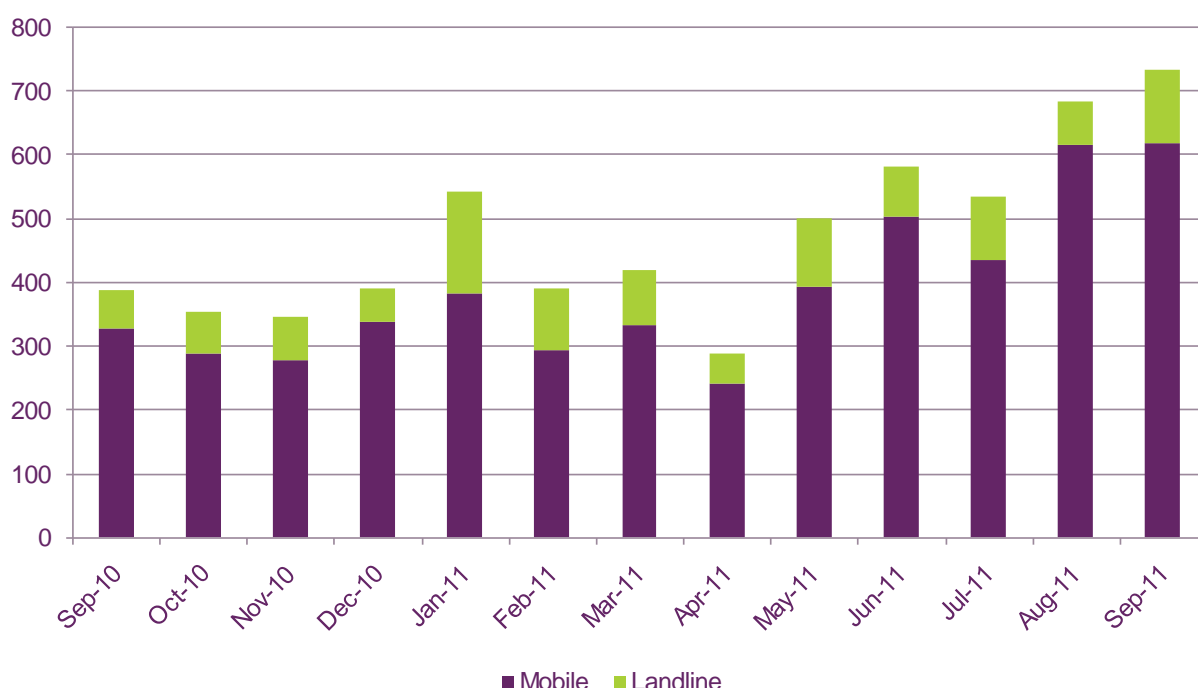
PhonepayPlus is the agency appointed by Ofcom for the regulation of all premium rate-charged telecommunications services, and has responsibility for day-to-day regulation of the content and promotion of services, through its Code of Practice.

Complaint volumes to PhonepayPlus have continued to decrease significantly over the past year. PhonepayPlus introduced new rules governing mobile phone-paid services in January 2009, which resulted in a significant drop in complaints (between September 2009 and September 2010; mobile complaints fell by 68%). In April 2011 there were just over 300 complaints about PRS, with the majority of issues coming from the mobile market. Data

<sup>37</sup> Previously data from the BT Wholesale helpdesk were reported, but this ceased to act as a consumer support facility earlier this year, and Ofcom now reports on complaints to its Contact Team (CCT).

collected from Ofcom's *Consumer Concerns* survey indicate that 2% of mobile customers had not received content paid for via their mobile phone (June 2010).

**Figure 164 Monthly complaints about PRS**



Source: PhonepayPlus

## 6.2 Consumer protection - metric 2: personal experience of issues in each communications market

### 6.2.1 Experience of particular issues in the communications markets

The following section is based on consumer research designed to understand how many GB adults have personally experienced particular issues in each of the communications markets in the past six months, regardless of whether they have complained about it.

Previous reports have included consumer concerns data based on a UK sample, and reports of personal experience and whether a consumer knew someone who had had experience of an issue. In 2011 the sample for the *Consumer Concerns* tracking survey changed to Great Britain only, and now reports only on personal experience among consumers in each specific market. Consequently, data from Q3 2009 and Q2 2010<sup>38</sup> have been amended in order to allow trend data to be comparable. As a result, data in this section will differ from those in previous reports.

Respondents were read a list of issues relating to each of the communications markets and asked whether they had experienced each issue in the past six months. Respondents had to be a consumer in each specific market to be asked this question.

<sup>38</sup> The *Consumer Concerns* survey was not run in Q3 2010, so data from Q2 2010 are used



## Fixed-line market

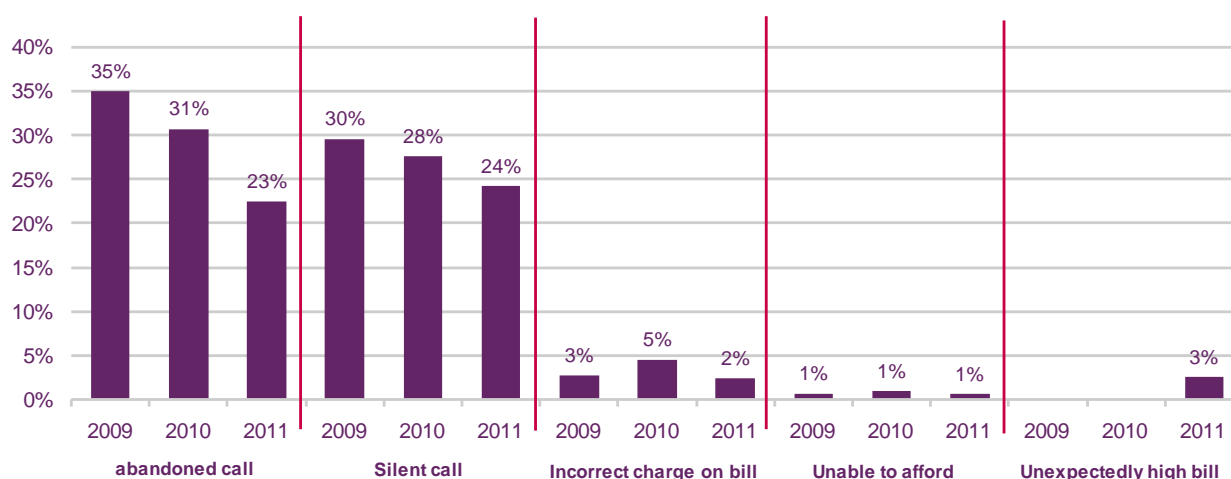
Just under a quarter (23%) of GB adults with a fixed line say they have personally experienced a silent call in the past six months. See 6.1.3 above for details of Ofcom's work in this area. The data below suggest that the proportion of adults who have personally experienced a silent call in the past six months is significantly higher than the proportion who have complained about it. However, in contrast to the higher number of complaints received in 2011 than in 2010 and 2009, the research shows a decline in the proportions experiencing silent calls. This suggests that the increased complaints are likely to be linked to greater awareness of the ability to complain about this issue.

A quarter (24%) of those with a fixed line had personally received abandoned calls on their fixed line at home in the past six months. This is a significant decline since 2009.

For the first time this year we asked about experience of receiving an unexpectedly high fixed-line bill. Three per cent of adults claim to have experienced this in the past six months.

Consumer experience of all the other fixed-line issues that we asked about remains at a relatively low level.

**Figure 165 Whether the respondent has experienced a problem in the fixed-line market in the past six months**



Source: Ofcom consumer concerns tracking survey

Base All GB adults 16+ with landline phone (Q3 2009, 956); (Q2 2010, 905); (Q3 2011, 934)

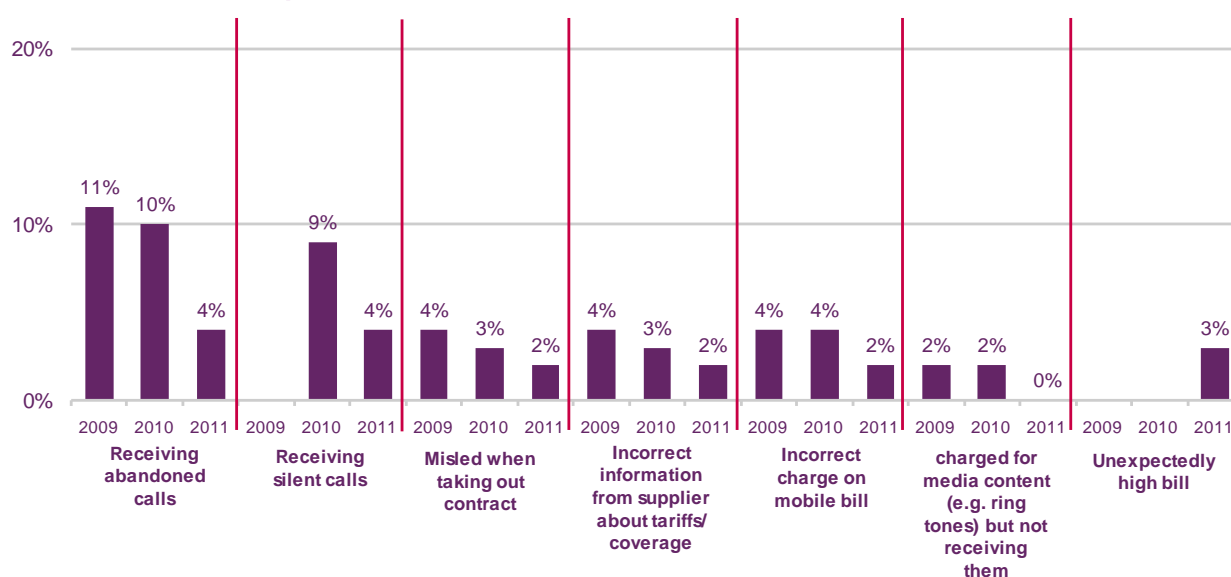
Note: Data for 2010 based on Q2, all other data based on Q3

## Mobile market

Four per cent of GB mobile users have received a silent call on their mobile in the past six months (a decline from 9% in 2010). Personal experience of abandoned calls on a mobile has also declined over the past year, from 10% to 4% of mobile users.

As with fixed line, this year for the first time we asked respondents whether they had received an unexpectedly high mobile phone bill in the last six months. Overall, 3% of those with a mobile phone have experienced this.

**Figure 166 Whether the respondent has experienced a problem in the mobile market in the past six months**



Source: Ofcom consumer concerns tracking survey

Base All GB 16+ with mobile phone (Q3 2009, 926); (Q2 2010, 921); (Q3 2011, 940)

Note: Data for 2010 based on Q2, all other data based on Q3

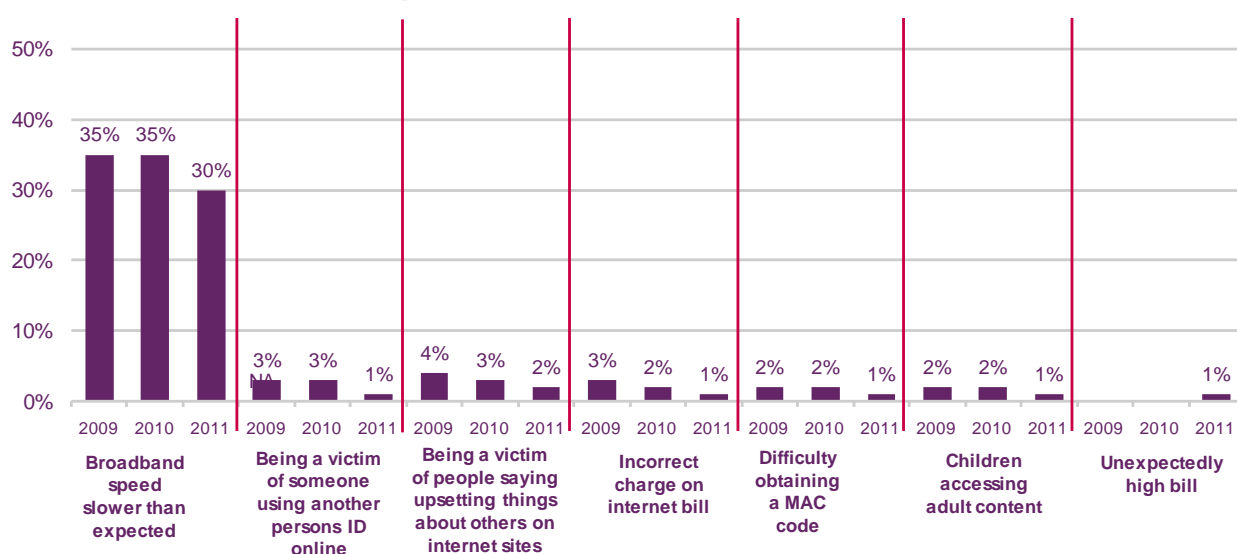
Complaints to PhonepayPlus are dominated by calls regarding mobile PRS services. This survey reports that in 2011 less than 1% of adults surveyed did not receive content which they had paid for.

## Internet market

As in previous years, the most commonly-experienced problem in the internet market is broadband speed being slower than expected, although this problem has declined, with 30% of internet users experiencing this, compared to 35% in 2010 and 2009.

Consumer experience of all other issues we prompted on remains stable since 2009 and relatively low.

**Figure 167 Whether the respondent has experienced a problem in the internet market in the past six months**



Source: Ofcom consumer concerns tracking survey

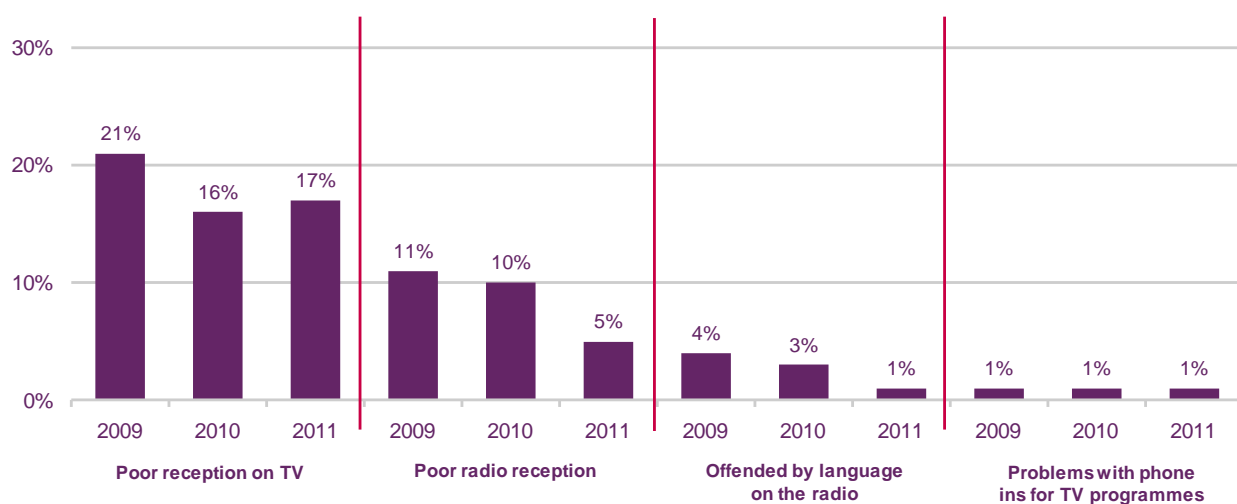
Base All GB 16 + with internet (Q3 2009, 702); (Q2 2010, 708); (Q3 2011, 759)

Note: Data for 2010 based on Q2, all other data based on Q3

## Broadcasting market

Seventeen per cent of GB adults said they had personally experienced poor TV reception in the past six months. Personal experience of poor radio reception in the last six months is significantly lower than for TV, at 5%. The proportion of GB adults who have been offended by language on the radio has steadily fallen (from 5% in 2009 to 1% in 2011).

**Figure 168 Whether the respondent has experienced problems with TV or radio in the past six months**



Source: Ofcom consumer concerns tracking survey

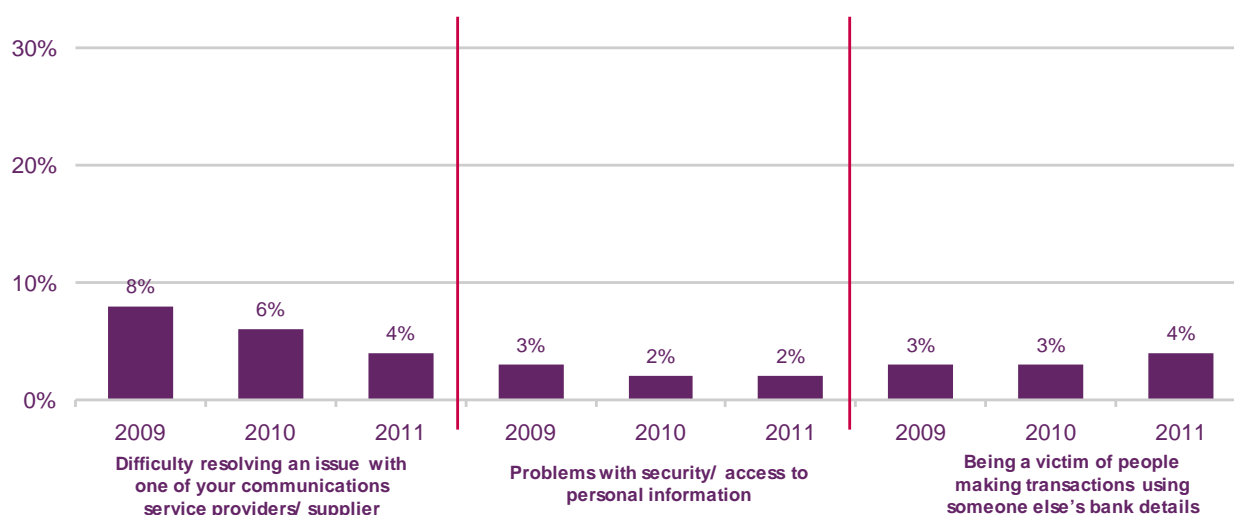
Base All GB adults 16+ (Q3 2009, 1101); (Q2 2010, 1084); (Q3, 1063)

Note: Data for 2010 based on Q2, all other data based on Q3

## General issues across communications markets

Consumers were also asked about some general problems that they might have experienced in the past six months. Since 2009, the proportion of GB adults who claim to have had difficulty resolving an issue with one of their communications service providers/suppliers has fallen from 8% to 4%.

**Figure 169** Whether the respondent has experienced general issues with communications market in the past six months



Source: Ofcom consumer concerns tracking survey

Base All GB adults 16+ (Q3 2009, 1101); (Q2 2010, 1084); (Q3, 1063)

Note: Data for 2010 based on Q2, all other data based on Q3

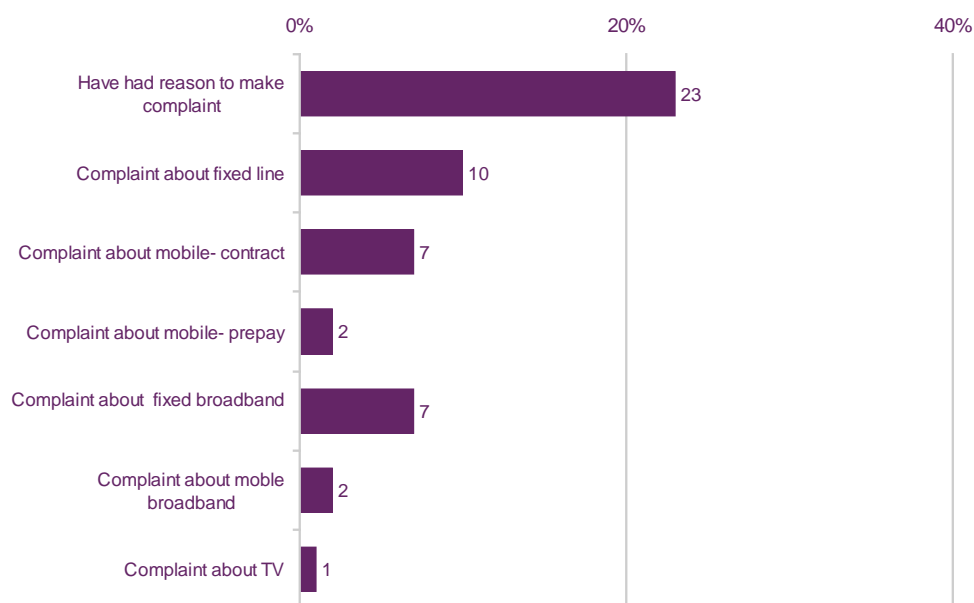
## 6.3 Consumer protection - metric 4: use of complaints procedures

### 6.3.1 Whether consumers have ever had cause to complain

The following section reports on the proportion of adults who have had a reason to make a complaint about a communications service and whether they proceeded to make a complaint.

Overall, 23% of adults have had reason to complain about a communications service in the past 12 months. Complaints about fixed lines were most frequent (10%), with the main reasons for complaints being network problems (42% of those with a complaint) and poor quality of service, e.g. reception (17% of those with a complaint). Complaints about contract mobile phone and fixed broadband were both at 7%, while 2% of adults had reason to complain about a pre-pay mobile phone or mobile broadband and 1% had a problem regarding TV.

**Figure 170 Percentage of consumers who have had cause to complain in the past 12 months**

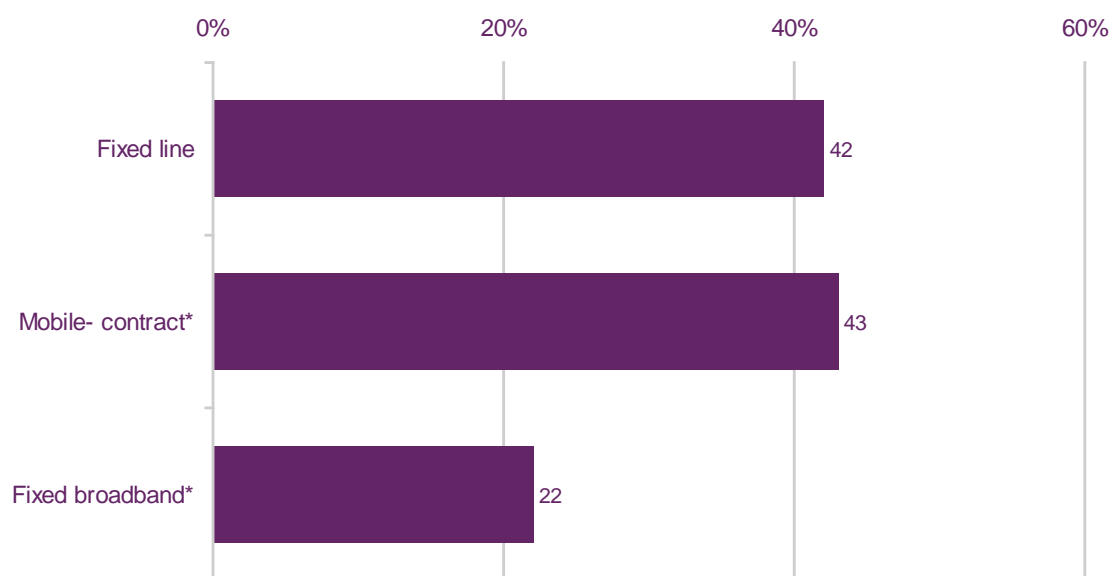


Source: Consumer Complaints omnibus  
Base: All adults 16+ (Oct 2011, 1007)

### 6.3.2 Proportions of consumers who did not progress their complaint

Of those who had reason to complain about a service in the last 12 months, 42% of fixed-line, 43% of mobile contract complaints and 22% of internet complaints were not progressed. Base sizes were too small to analyse the reasons why consumers did not progress their complaints.

**Figure 171**    **Percentage of consumers who did not progress a complaint**



\*Small base size for Mobile – contract and fixed broadband; treat as indicative only.

Base sizes for complains in the mobile PAYG, mobile broadband and TV sectors too small to report.

Source: Consumer Complaints omnibus

Base: All adults 16+ who had reason to complain about fixed line Oct 2011, 105), mobile contract (Oct 2011, 71), Fixed broadband (Oct 2011, 64)

## Annex 1

# Research methodologies

## Ofcom communications tracking survey

Methodology	Continuous face-to-face survey
Core objective	To provide Ofcom with continued understanding of consumer behaviour in the UK communications markets, to help monitor changes and assess the degree and success of competition.
Sample size	2000+ per quarter
Fieldwork period	Q1 2011 (January, February, March), Q2 2011 (May, June, July)
Sample definition	UK adults aged 16+, reflective of the UK profile by sex, age, socio-economic group, region, employment status, cabled/non-cabled areas, rural/urban areas and levels of deprivation.
Weighting	Where necessary, the data have been weighted to ensure they are representative of the UK adult population.

## Ofcom consumer concerns tracking survey

Methodology	Ad hoc face-to-face survey
Core objective	Monitoring consumers concerns in the communications markets. Tracking levels and types of concerns.
Sample size	1000 per wave
Fieldwork period	September 2009, June 2010, September 2011
Sample definition	GB adults aged 16+, reflective of the GB profile by sex, age, socio-economic group, region, employment status.
Weighting	Where necessary, the data have been weighted to ensure they are representative of the GB adult population.

## Ofcom switching tracking survey

Methodology	Telephone survey to mobile and landline phones
Core objectives	<p>To explore the landline, mobile, internet/broadband markets, and multi-channel TV recognising that with increased convergence bundled purchasing may affect consumers' decision-making.</p> <p>To monitor levels of participation in terms of switching and keeping an eye on the communications markets.</p>

To monitor levels of supplier awareness and satisfaction by demographic groups to understand whether some groups are more vulnerable than others.

Sample size	2011: 585 fixed-line decision-makers, 1564 mobile decision-makers, 253 broadband decision-makers, 795 UK adults who purchase bundles of services, 945 digital TV decision makers
Fieldwork period	July-August 2008, 2009 and 2010, June- July 2011
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



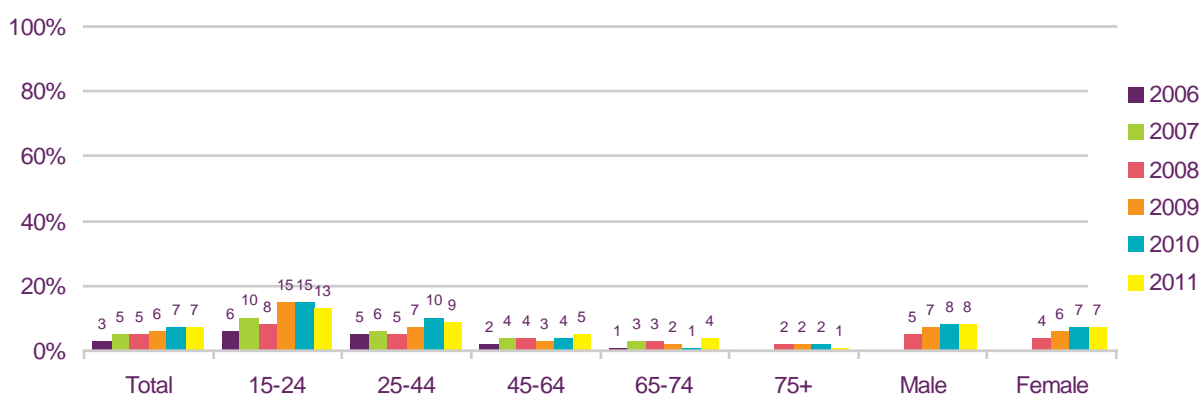
## Annex 2

# Additional demographic analysis

All data shown relating to 2008, 2009, 2010 and 2011 for ethnic minority groups, consumers with disabilities and adults aged 75+ in Annex 2 and Annex 3 of the report have been weighted separately to more accurately represent the different profile of these groups. As such percentages for these demographic groups may vary slightly to those in previous reports.

## Non-ownership figures

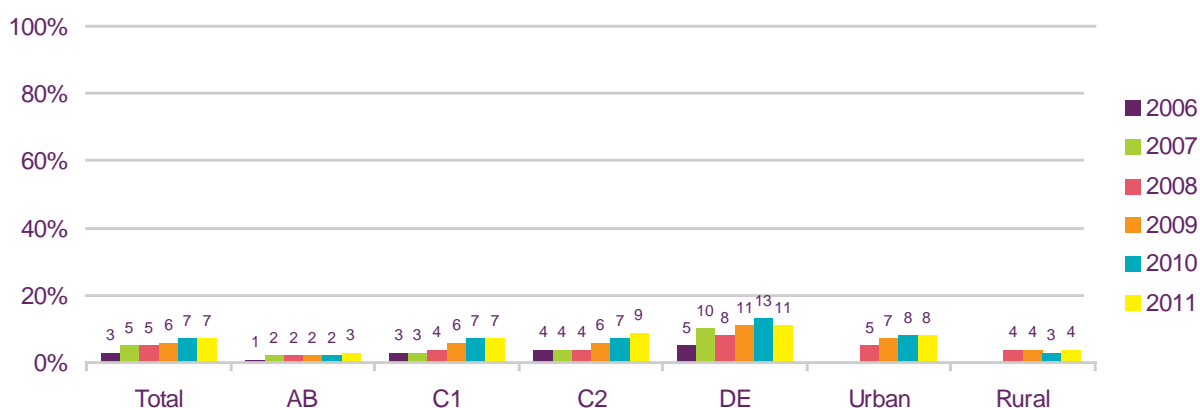
**Figure 172 Voluntary (only) non-ownership of fixed lines, by age and gender**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

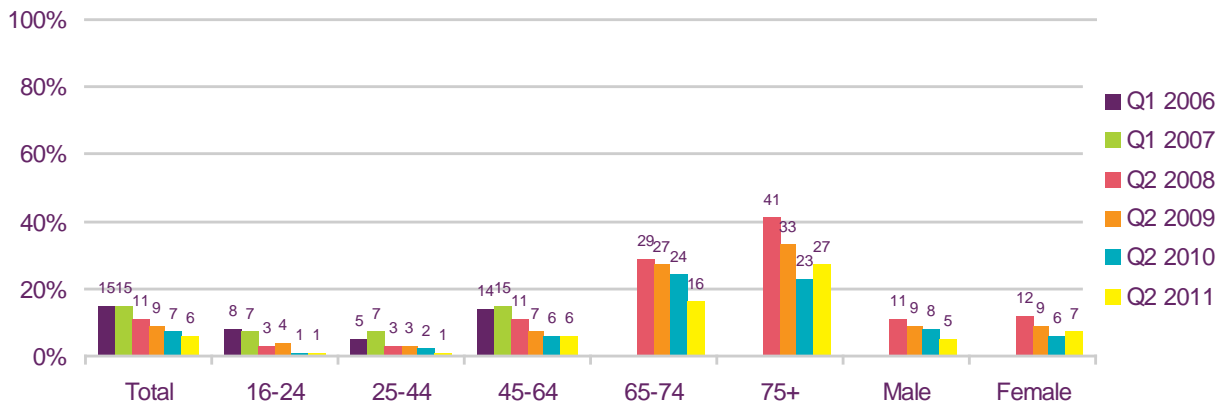
**Figure 173 Voluntary (only) non-ownership of fixed lines, by socio-economic group and urbanity**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

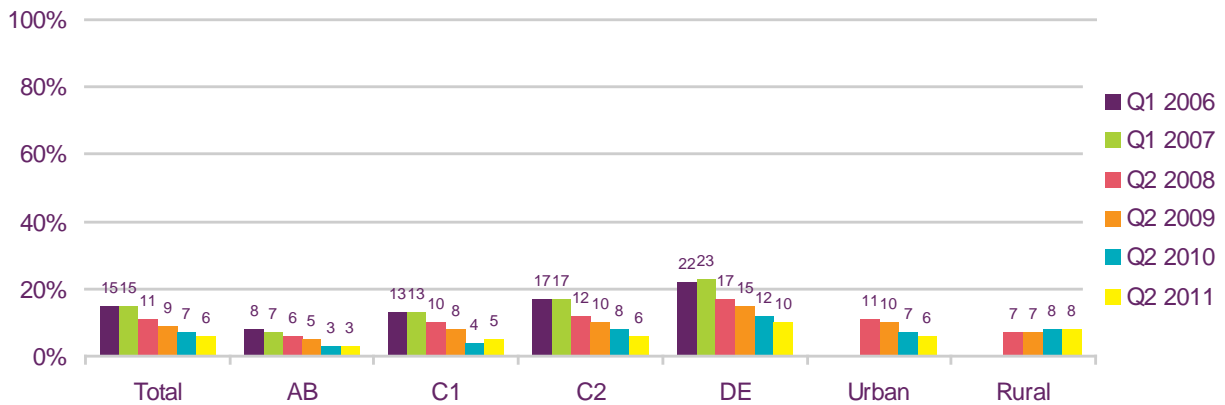
**Figure 174 Voluntary (only) non-ownership of internet, by age and gender**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

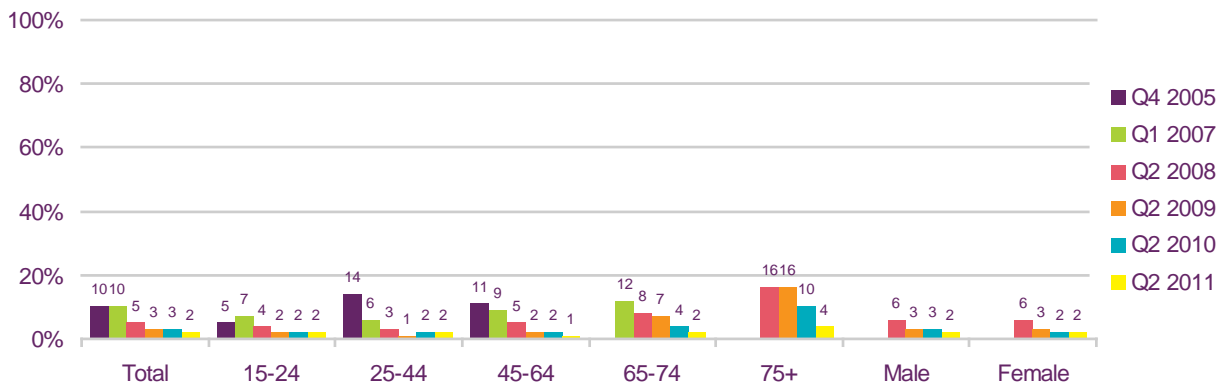
**Figure 175 Voluntary (only) non-ownership of internet, by socio-economic group and urbanity**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

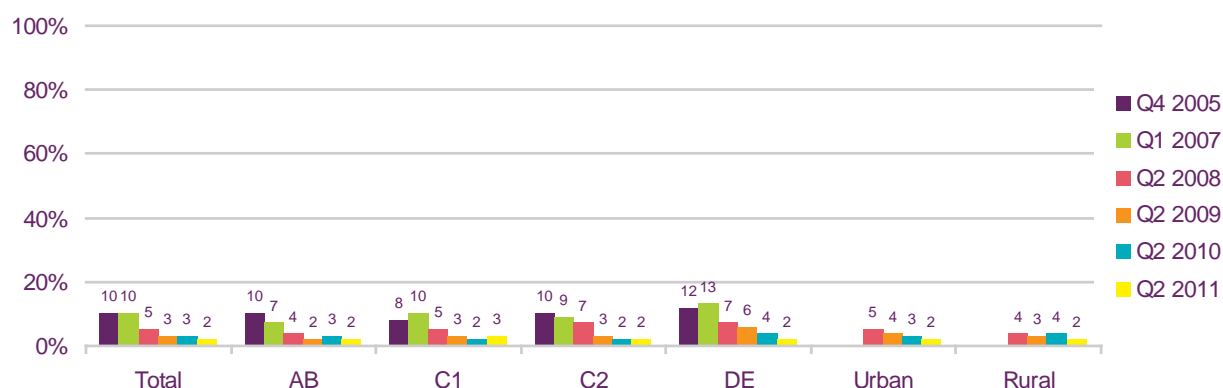
**Figure 176 Voluntary (only) non-ownership of digital TV services, by age and gender**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

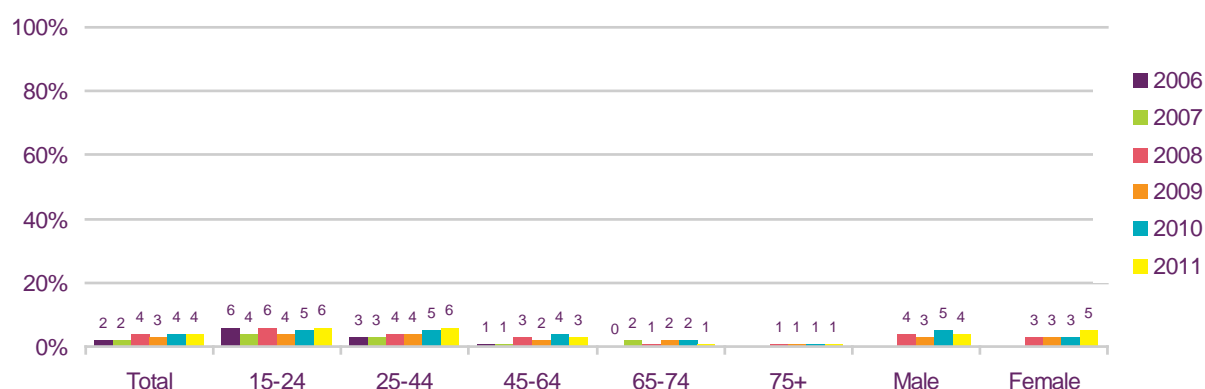
**Figure 177 Voluntary (only) non-ownership of digital TV services, by socio-economic group and urbanity**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

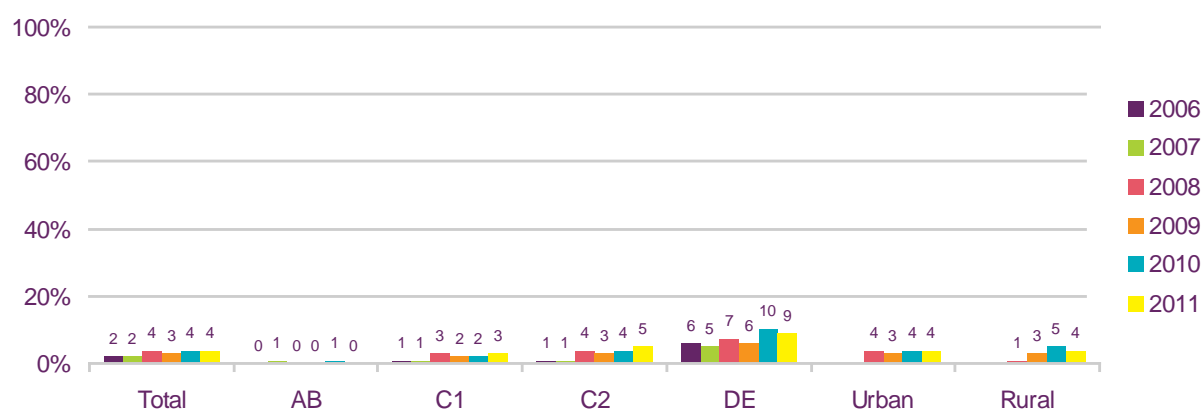
**Figure 178 Involuntary non-ownership of fixed line, by age and gender**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

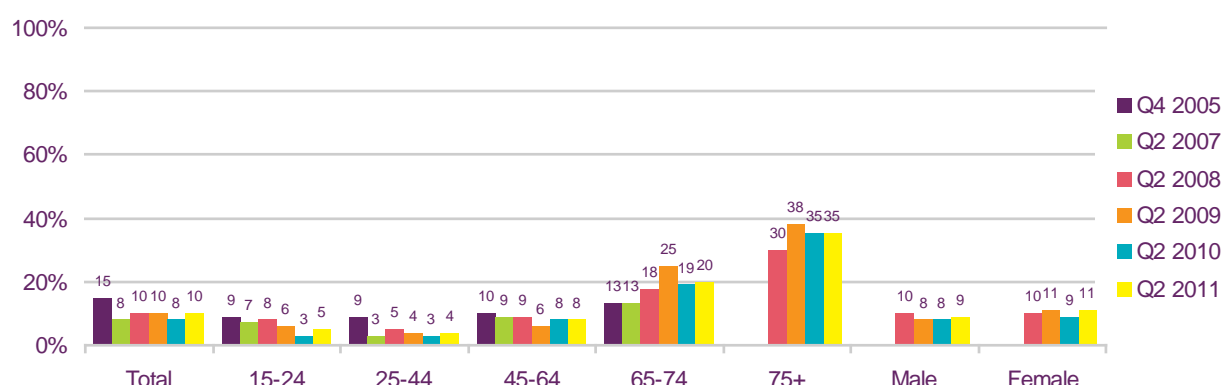
**Figure 179 Involuntary non-ownership of fixed line, by socio-economic group and urbanity**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

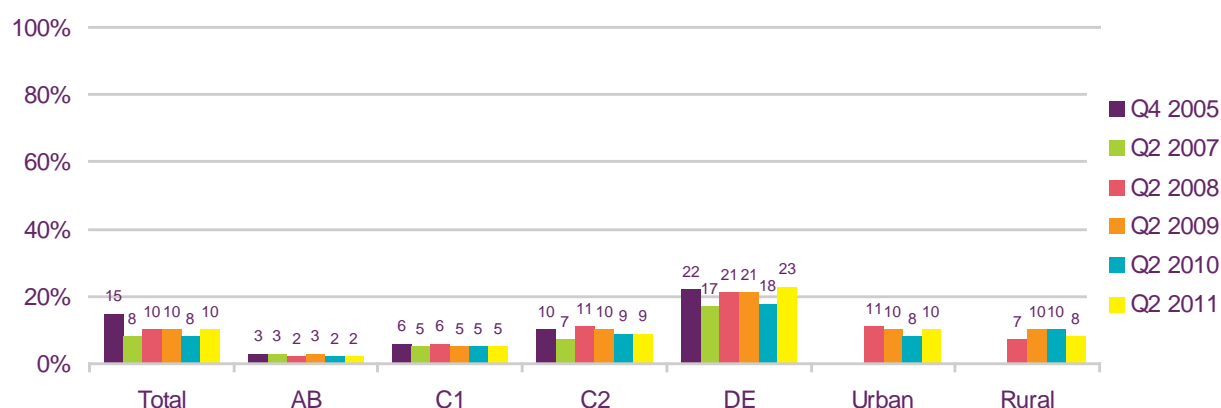
**Figure 180 Involuntary non-ownership of internet, by age and gender**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

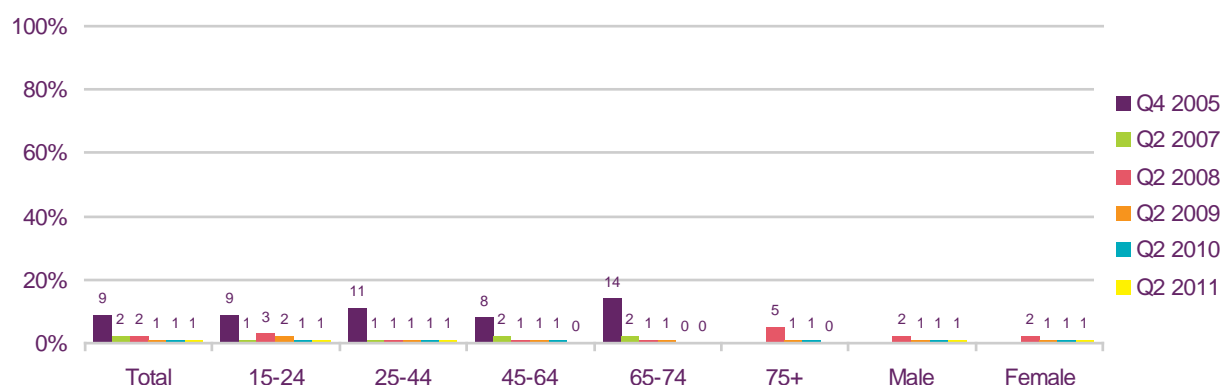
**Figure 181 Involuntary non-ownership of internet, by socio-economic group and urbanity**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

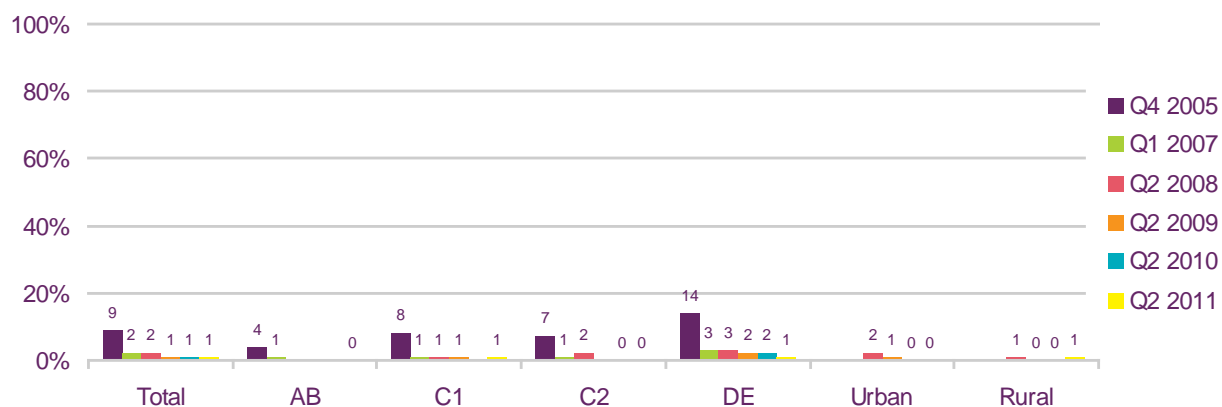
**Figure 182 Involuntary non-ownership of digital TV services, by age and gender**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

**Figure 183 Involuntary non-ownership of digital TV services, by socio-economic group and urbanity**

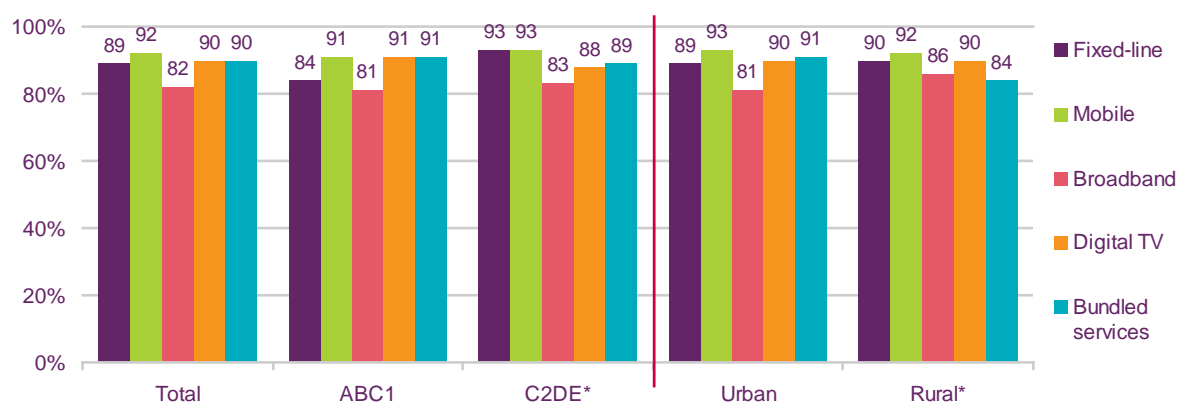


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2006, 2439) (Q2 2007, 2265) (Q2 2008, 2109) (Q2 2009, 2085) (Q2 2010, 2106) (Q2 2011, 2862)

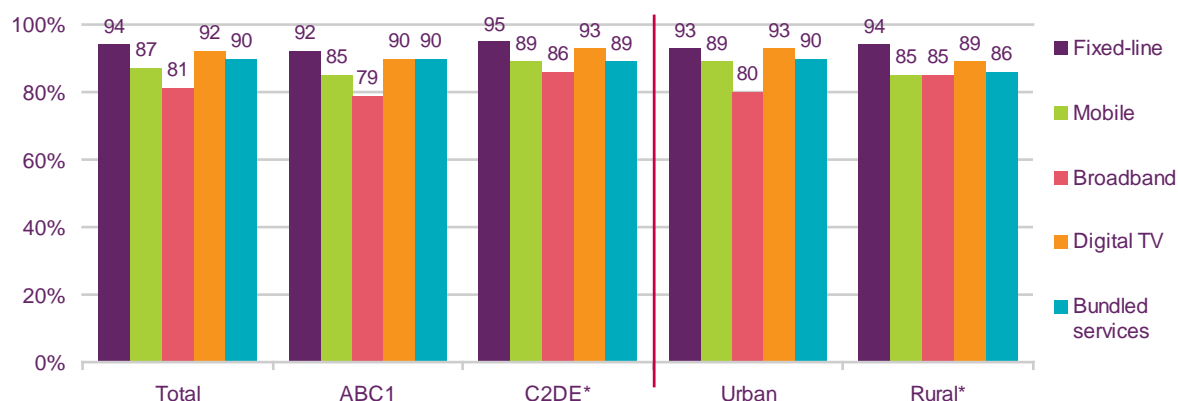
## Satisfaction with suppliers

**Figure 184** Satisfaction with overall services from communications suppliers, by socio-economic group and urbanity



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in June to July 2011  
 Base: All adults aged 16+ who are the decision maker for each service who expressed an opinion; fixed line\*\* (579), mobile\*\* (1556) broadband\*\* (251), digital TV\*\* (937), bundled services (793).  
 \*Caution: Low base for C2DE broadband and Rural broadband and bundled services. 'Don't know' responses have been excluded from the base. \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

**Figure 185** Satisfaction with reliability of service, by socio-economic group and urbanity



Source: Ofcom switching tracker survey carried out by Saville Rossiter-Base in June to July 2011  
 Base: All adults aged 16+ who are the decision maker for each service who expressed an opinion; fixed line\*\* (577), mobile\*\* (1559) broadband\*\* (251), digital TV\*\* (939), bundled services (793).  
 \*Caution: Low base for C2DE broadband and rural broadband and bundled services. 'Don't know' responses have been excluded from the base. \*\*NB Base amended in 2010 and 2011 to exclude those who receive this service along with another service from the same supplier without receiving a discount. Base for broadband in 2010 and 2011 represents those with fixed broadband rather than fixed or mobile broadband as in previous years. Too few interviews were conducted with those with mobile broadband to report these separately. Trend data may be affected by these changes.

## Annex 3

# Analysis of disabled people

The following data provide an indication of the levels of take-up of communications services among people with a visual, hearing or mobility impairment. Trend data among these populations can be subject to large variations and so should be treated with caution and viewed as indicative only.

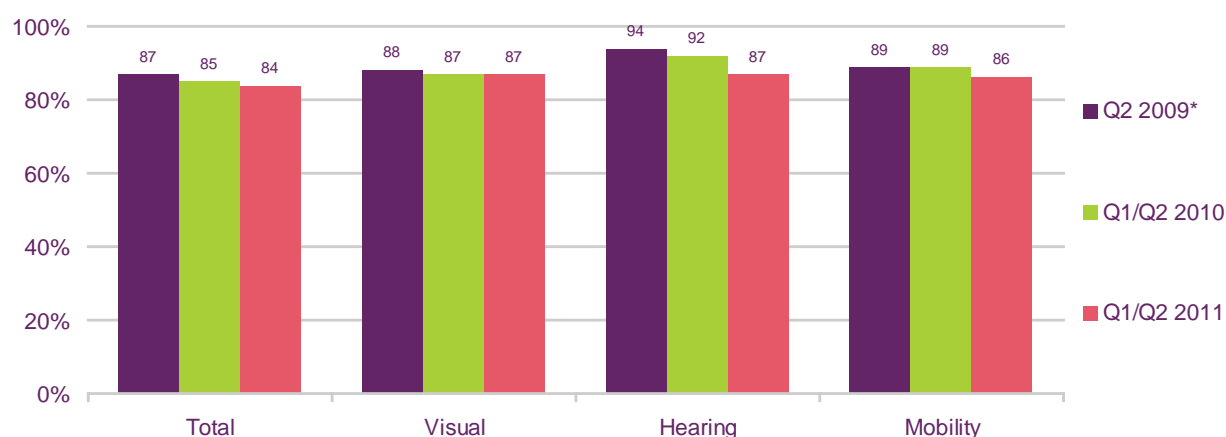
The data are collected via Ofcom's communications tracking survey, which is designed to be representative of the UK adult population. For 2010 and 2011 data Ofcom has combined responses from quarter 1 and quarter 2, in order to increase sample size and the reliability of data.

When looking at changes in the data it is useful to look at changes in the profile of the sample of disabled people. Figure 186 below illustrates how the demographic profile of the achieved sample changes year on year, based on Q2 data. In Q2 2011 the sample included a higher proportion of consumers aged 65+ with a disability than in Q2 2010. It should be noted that while broadly similar these are not the profiles of the groups in the following charts as analysis is based on rolled data from two waves of the survey.

**Figure 186 Changing profile of sample of disability groups**

	Time period		Age				Socio-economic group			
	Q2	16-24	25-44	45-64	65+	AB	C1	C2	DE	
Visual impairment	2011	4%	8%	20%	67%	16%	24%	16%	44%	
	2010	2%	13%	39%	46%	18%	26%	16%	40%	
	2009	22%	22%	13%	42%	18%	23%	17%	41%	
Hearing impairment	2011	1%	4%	20%	76%	20%	21%	24%	36%	
	2010	0%	4%	31%	65%	22%	18%	19%	41%	
	2009	2%	5%	29%	63%	15%	24%	18%	43%	
Mobility impairment	2011	2%	11%	27%	61%	16%	18%	18%	48%	
	2010	1%	11%	38%	50%	13%	22%	17%	48%	
	2009	2%	11%	29%	58%	12%	20%	20%	47%	

**Figure 187 Disability profile of consumers who have taken up fixed-line services**

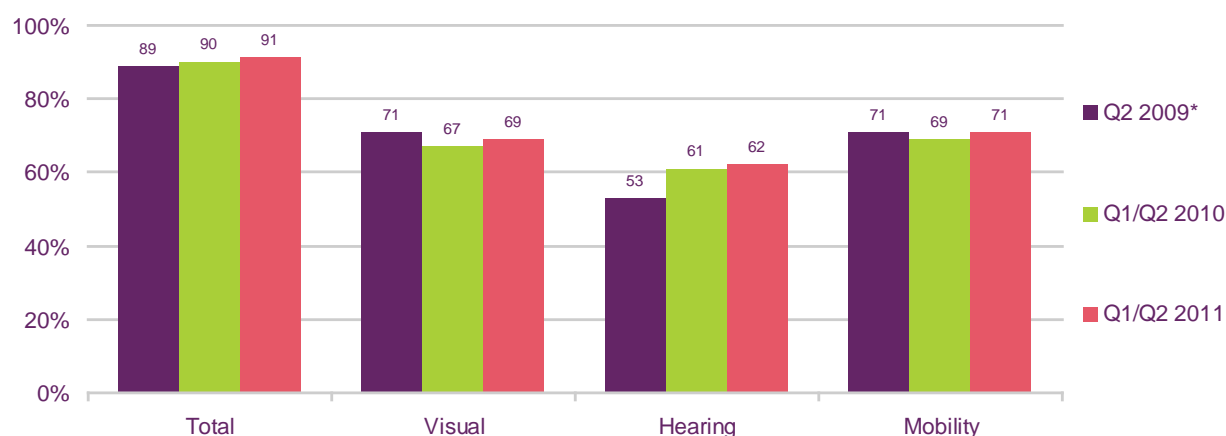


\*Low base size in 2009 for visual; treat as indicative only

Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2009, 2085, 69 visual, 100 hearing, 124 mobility) (Q1/Q2 2010, 11098, 326 visual, 400 hearing, 744 mobility) (Q1/Q2 2011, 6336, 185 visual, 249 hearing, 473 mobility). \*Low base size in 2009-2010 for visual and in 2010 for hearing; treat as indicative only

**Figure 188 Disability profile of those who personally use mobile services**



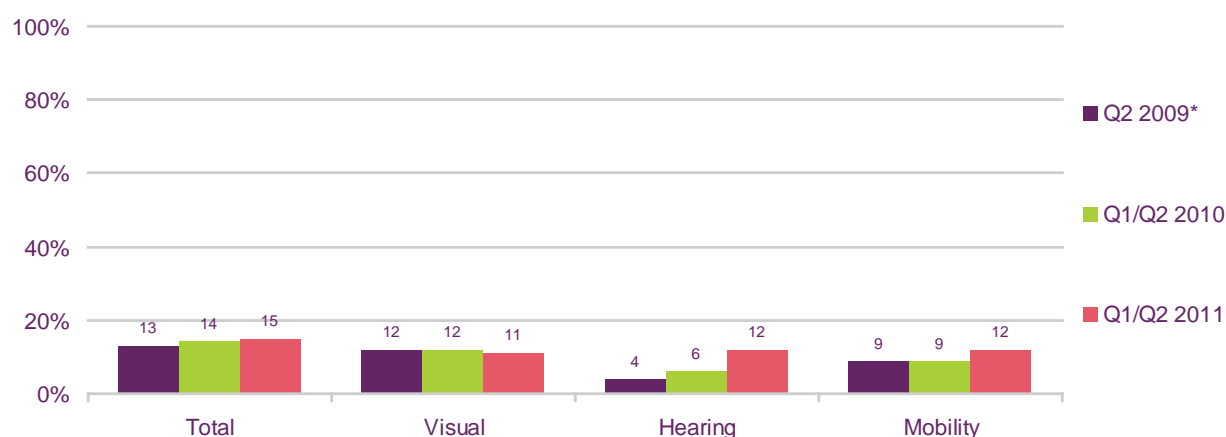
\*Low base size in 2009 for visual; treat as indicative only

Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2009, 2085, 69 visual, 100 hearing, 124 mobility) (Q1/Q2 2010, 11098, 326 visual, 400 hearing, 744 mobility) (Q1/Q2 2011, 6336, 185 visual, 249 hearing, 473 mobility). \*Low base size in 2009-2010 for visual and in 2010 for hearing; treat as indicative only



**Figure 189 Disability profile of users of mobile-only services**

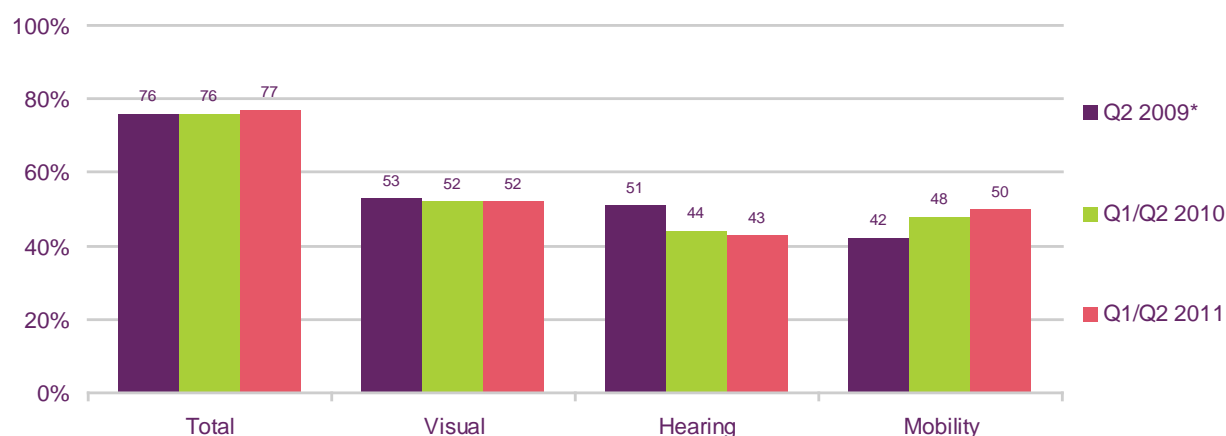


\*Low base size in 2009 for visual; treat as indicative only

Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2009, 2085, 69 visual, 100 hearing, 124 mobility) (Q1/Q2 2010, 11098, 326 visual, 400 hearing, 744 mobility) (Q1/Q2 2011, 6336, 185 visual, 249 hearing, 473 mobility). \*Low base size in 2009-2010 for visual and in 2010 for hearing; treat as indicative only

**Figure 190 Disability profile of those who own a PC**

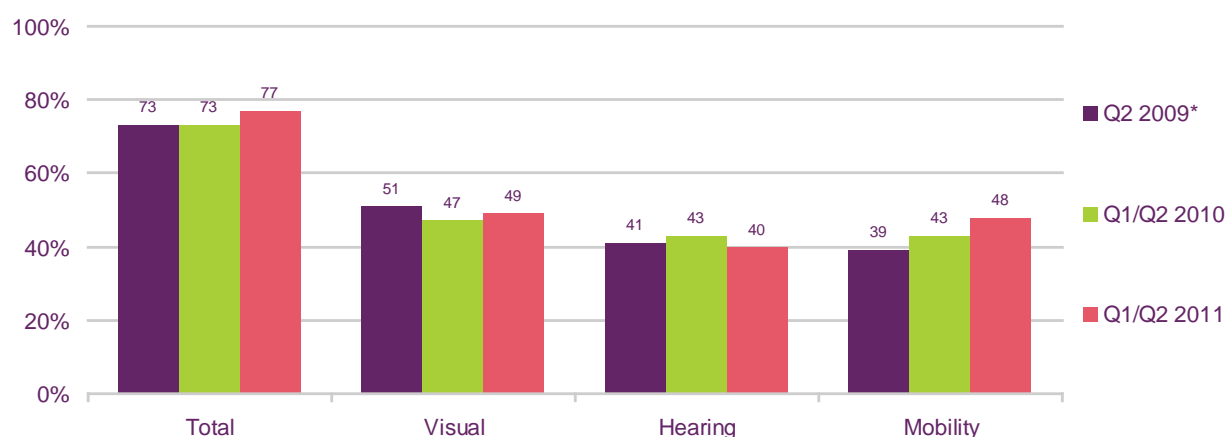


\*Low base size in 2009 for visual; treat as indicative only

Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2009, 2085, 69 visual, 100 hearing, 124 mobility) (Q1/Q2 2010, 11098, 326 visual, 400 hearing, 744 mobility) (Q1/Q2 2011, 6336, 185 visual, 249 hearing, 473 mobility). \*Low base size in 2009-2010 for visual and in 2010 for hearing; treat as indicative only

**Figure 191 Disability profile of those who have internet access at home**

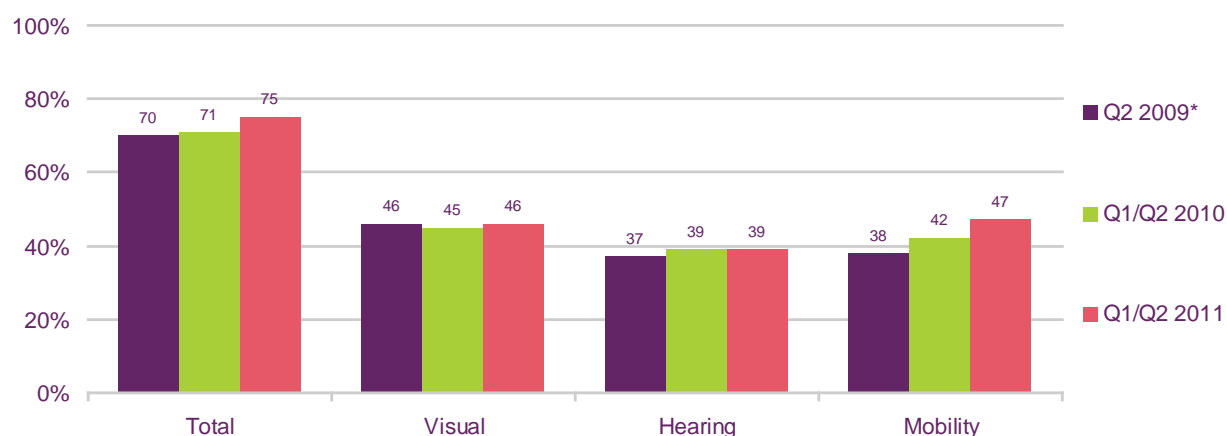


\*Low base size in 2009 for visual; treat as indicative only

Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2009, 2085, 69 visual, 100 hearing, 124 mobility) (Q1/Q2 2010, 11098, 326 visual, 400 hearing, 744 mobility) (Q1/Q2 2011, 6336, 185 visual, 249 hearing, 473 mobility). \*Low base size in 2009-2010 for visual and in 2010 for hearing; treat as indicative only

**Figure 192 Disability profile of those who have broadband access at home**

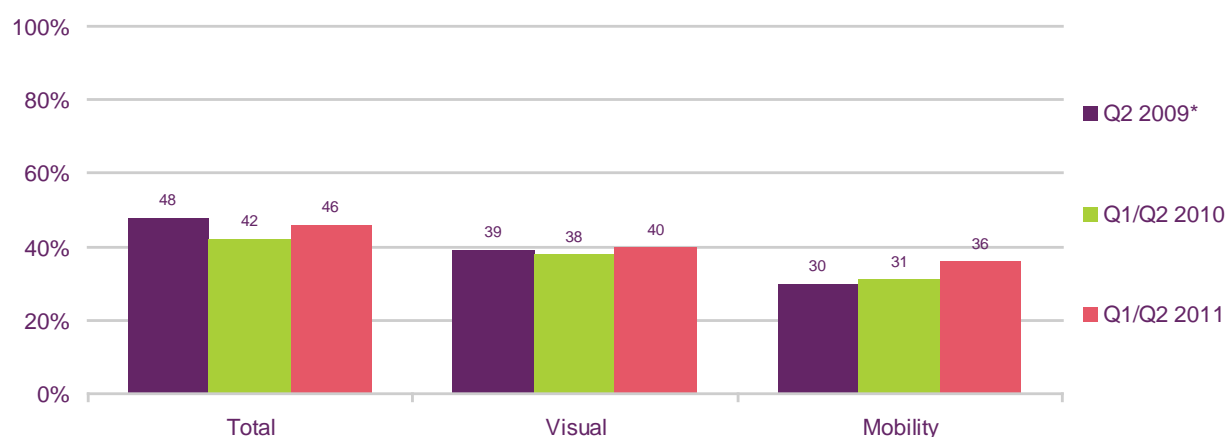


\*Low base size in 2009 for visual; treat as indicative only

Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2009, 2085, 69 visual, 100 hearing, 124 mobility) (Q1/Q2 2010, 11098, 326 visual, 400 hearing, 744 mobility) (Q1/Q2 2011, 6336, 185 visual, 249 hearing, 473 mobility). \*Low base size in 2009-2010 for visual and in 2010 for hearing; treat as indicative only

**Figure 193 Disability profile of digital radio users**

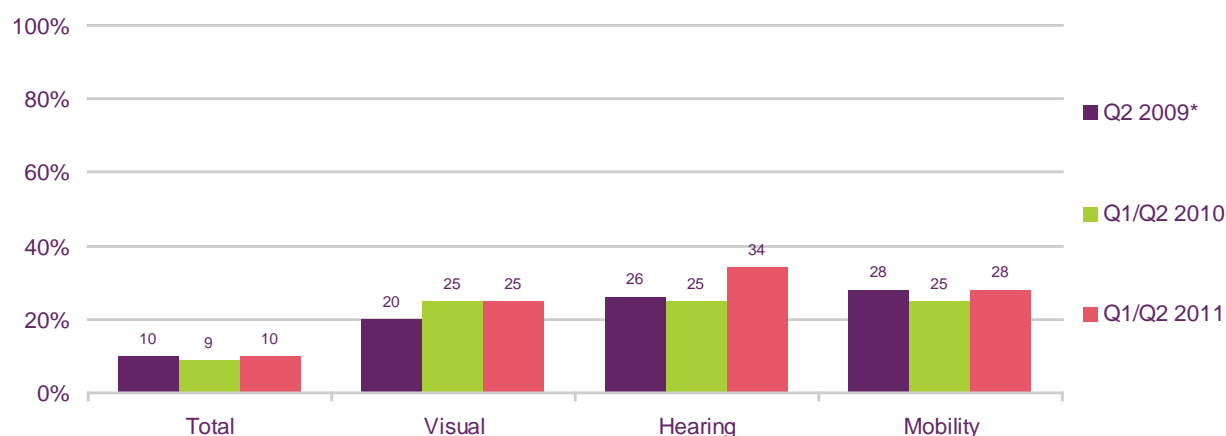


\*Low base size in 2009 for visual; treat as indicative only

Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2009, 2085, 69 visual, 100 hearing, 124 mobility) (Q1/Q2 2010, 11098, 326 visual, 400 hearing, 744 mobility) (Q1/Q2 2011, 6336, 185 visual, 249 hearing, 473 mobility). \*Low base size in 2009-2010 for visual and in 2010 for hearing; treat as indicative only

**Figure 194 Involuntary non-ownership of internet, by disability**



\*Low base size in 2009 for visual; treat as indicative only

Source: Ofcom communications tracking survey

Base: All adults 16+ (Q2 2009, 2085, 69 visual, 100 hearing, 124 mobility) (Q1/Q2 2010, 11098, 326 visual, 400 hearing, 744 mobility) (Q1/Q2 2011, 6336, 185 visual, 249 hearing, 473 mobility). \*Low base size in 2009-2010 for visual and in 2010 for hearing; treat as indicative only

## Annex 4

# Analysis by ethnic profile

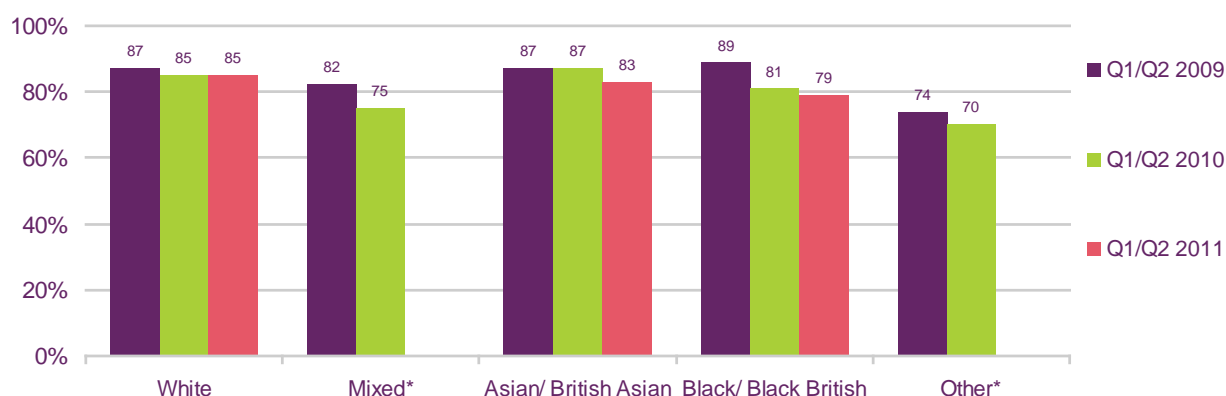
The following data provide an indication of the levels of take-up of communications services among people from ethnic minority groups (EMGs).

Trend data among these populations can be subject to large variations and so should be treated with caution and viewed as indicative only. Ofcom is unable to establish whether the fluctuations in the trend data are real changes or due to changes in the sample profile.

The data are collected via Ofcom's communications tracking survey, which is designed to be representative of the UK adult population. Consequently, while data on ethnic group are captured, the sample is not representative of all ethnic minority groups in the UK.

For 2009, 2010 and 2011 data from wave 1 and wave 2 of the survey have been combined in order to provide a greater level of detail by ethnic minority group.

**Figure 195 Ethnic profile of consumers who have taken up fixed-line services**

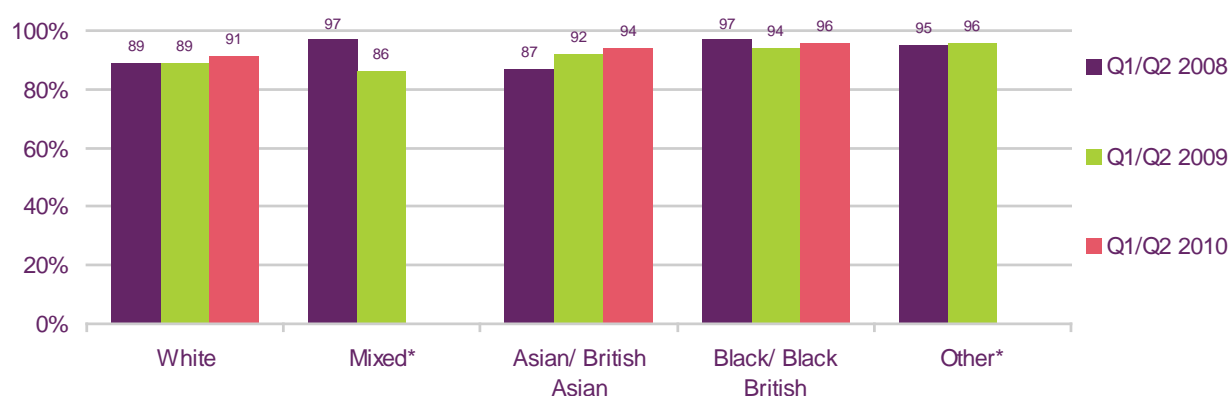


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1/Q2 2009, 7584 White, 56 Mixed, 282 Asian/ British Asian, 133 Black/ Black British, 71 Other) (Q1/Q2 2010, 10326 White, 93 Mixed, 359 Asian/ British Asian, 213 Black/ Black British, 74 Other) (Q1/Q2 2011, 5833 White, 46 Mixed, 255 Asian/ British Asian, 130 Black/ Black British, 48 Other)

\*Caution: Low base for Mixed and Other ethnicity in 2009 and 2010. Base for Mixed and Other ethnicity in 2011 too low to analyse.

**Figure 196 Ethnic profile of consumers who personally use mobile service**

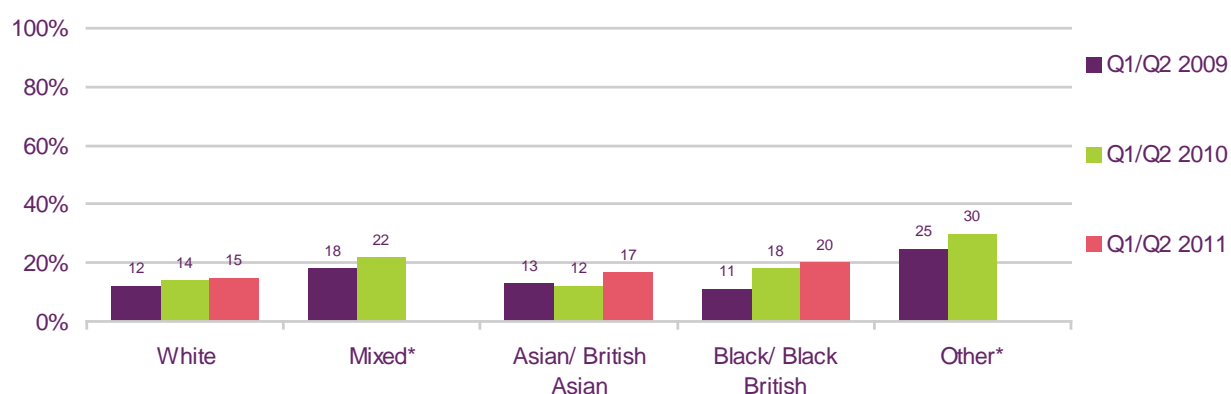


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1/Q2 2009, 7584 White, 56 Mixed, 282 Asian/ British Asian, 133 Black/ Black British, 71 Other) (Q1/Q2 2010, 10326 White, 93 Mixed, 359 Asian/ British Asian, 213 Black/ Black British, 74 Other) (Q1/Q2 2011, 5833 White, 46 Mixed, 255 Asian/ British Asian, 130 Black/ Black British, 48 Other)

\*Caution: Low base for Mixed and Other ethnicity in 2009 and 2010. Base for Mixed and Other ethnicity in 2011 too low to analyse.

**Figure 197 Ethnic profile of users of mobile only**

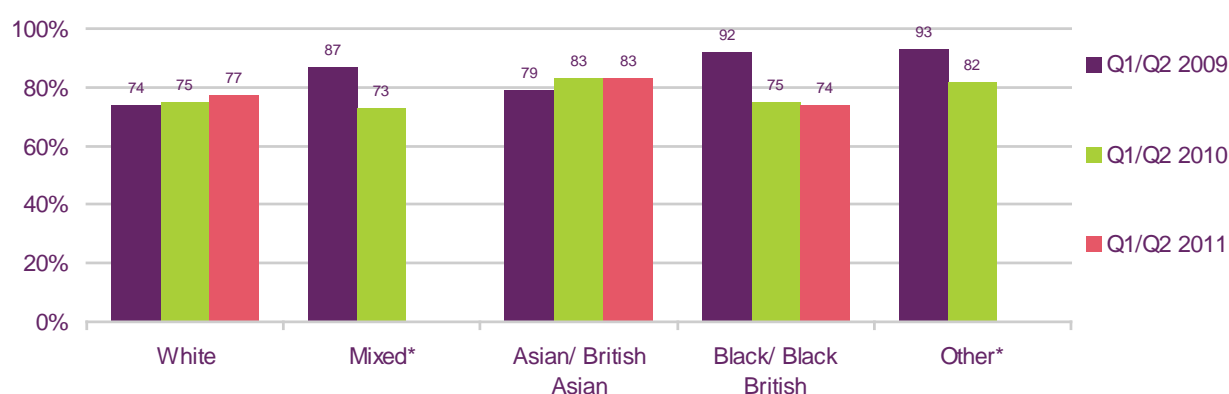


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1/Q2 2009, 7584 White, 56 Mixed, 282 Asian/ British Asian, 133 Black/ Black British, 71 Other) (Q1/Q2 2010, 10326 White, 93 Mixed, 359 Asian/ British Asian, 213 Black/ Black British, 74 Other) (Q1/Q2 2011, 5833 White, 46 Mixed, 255 Asian/ British Asian, 130 Black/ Black British, 48 Other)

\*Caution: Low base for Mixed and Other ethnicity in 2009 and 2010. Base for Mixed and Other ethnicity in 2011 too low to analyse.

**Figure 198 Ethnic profile of consumers who own a PC**

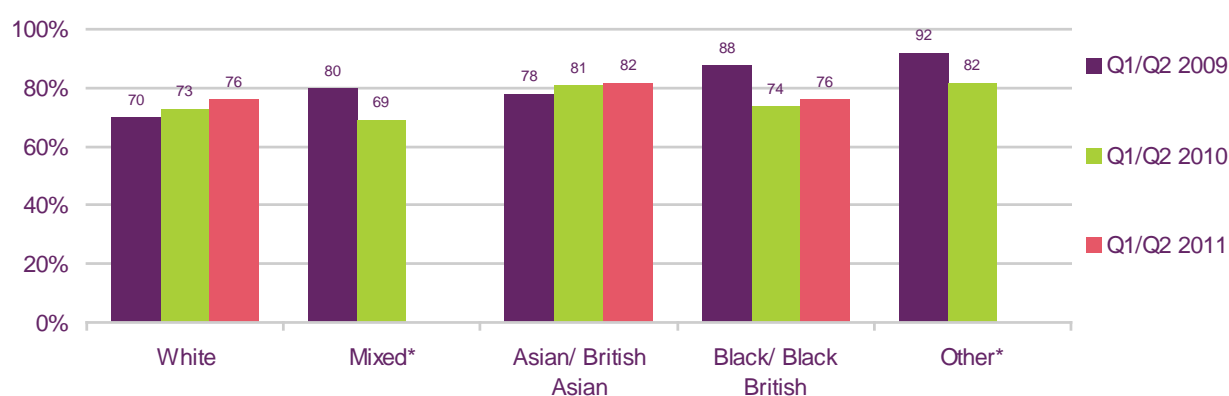


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1/Q2 2009, 7584 White, 56 Mixed, 282 Asian/ British Asian, 133 Black/ Black British, 71 Other) (Q1/Q2 2010, 10326 White, 93 Mixed, 359 Asian/ British Asian, 213 Black/ Black British, 74 Other) (Q1/Q2 2011, 5833 White, 46 Mixed, 255 Asian/ British Asian, 130 Black/ Black British, 48 Other)

\*Caution: Low base for Mixed and Other ethnicity in 2009 and 2010. Base for Mixed and Other ethnicity in 2011 too low to analyse.

**Figure 199 Ethnic profile of consumers who have internet access at home**

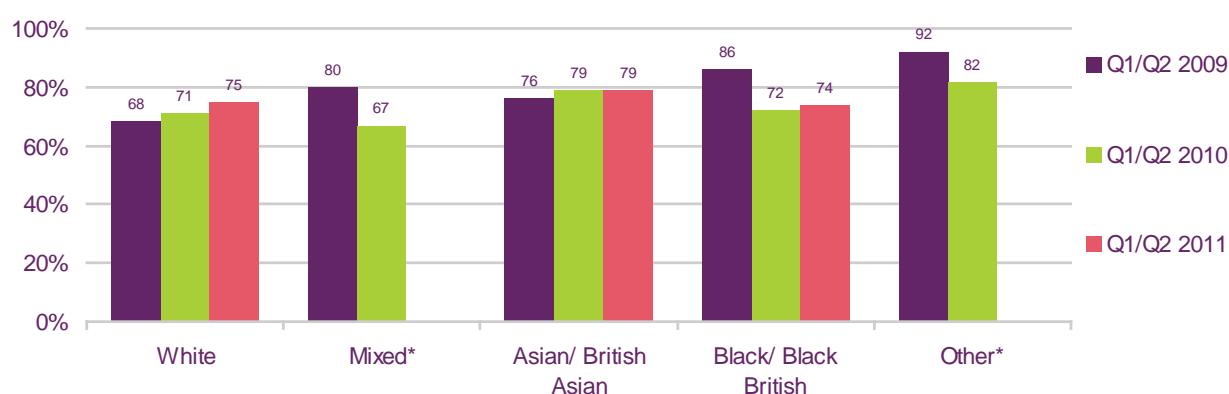


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1/Q2 2009, 7584 White, 56 Mixed, 282 Asian/ British Asian, 133 Black/ Black British, 71 Other) (Q1/Q2 2010, 10326 White, 93 Mixed, 359 Asian/ British Asian, 213 Black/ Black British, 74 Other) (Q1/Q2 2011, 5833 White, 46 Mixed, 255 Asian/ British Asian, 130 Black/ Black British, 48 Other)

\*Caution: Low base for Mixed and Other ethnicity in 2009 and 2010. Base for Mixed and Other ethnicity in 2011 too low to analyse.

**Figure 200 Ethnic profile of consumers who have broadband access at home**

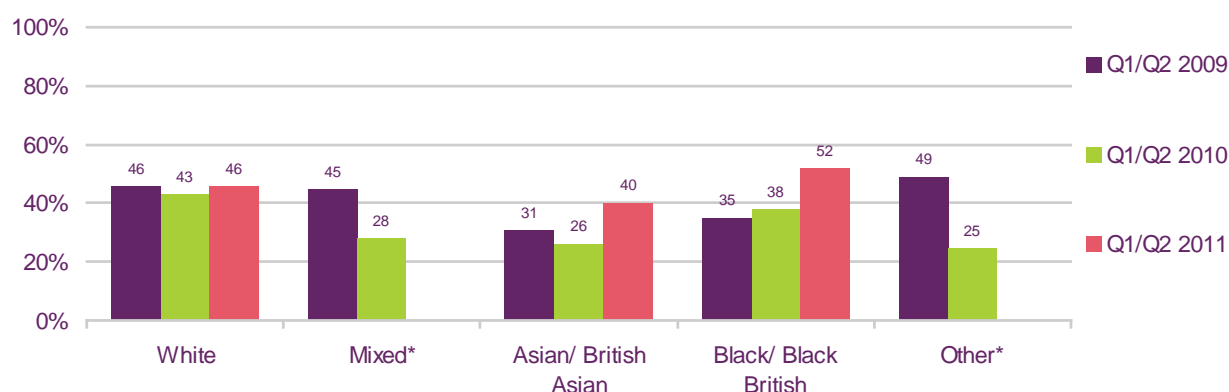


Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1/Q2 2009, 7584 White, 56 Mixed, 282 Asian/ British Asian, 133 Black/ Black British, 71 Other) (Q1/Q2 2010, 10326 White, 93 Mixed, 359 Asian/ British Asian, 213 Black/ Black British, 74 Other) (Q1/Q2 2011, 5833 White, 46 Mixed, 255 Asian/ British Asian, 130 Black/ Black British, 48 Other)

\*Caution: Low base for Mixed and Other ethnicity in 2009 and 2010. Base for Mixed and Other ethnicity in 2011 too low to analyse.

**Figure 201 Ethnic profile of those who have used digital radio**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1/Q2 2009, 7584 White, 56 Mixed, 282 Asian/ British Asian, 133 Black/ Black British, 71 Other) (Q1/Q2 2010, 10326 White, 93 Mixed, 359 Asian/ British Asian, 213 Black/ Black British, 74 Other) (Q1/Q2 2011, 5833 White, 46 Mixed, 255 Asian/ British Asian, 130 Black/ Black British, 48 Other)

\*Caution: Low base for Mixed and Other ethnicity in 2009 and 2010. Base for Mixed and Other ethnicity in 2011 too low to analyse.

**Figure 202 Ethnic profile of multi-channel television ownership**



Source: Ofcom communications tracking survey

Base: All adults 16+ (Q1/Q2 2009, 7584 White, 56 Mixed, 282 Asian/ British Asian, 133 Black/ Black British, 71 Other) (Q1/Q2 2010, 10326 White, 93 Mixed, 359 Asian/ British Asian, 213 Black/ Black British, 74 Other) (Q1/Q2 2011, 5833 White, 46 Mixed, 255 Asian/ British Asian, 130 Black/ Black British, 48 Other)

\*Caution: Low base for Mixed and Other ethnicity in 2009 and 2010. Base for Mixed and Other ethnicity in 2011 too low to analyse.



## Annex 5

# Glossary of terms and definitions<sup>39</sup>

**WLR 2G** Second generation of mobile telephony systems. Uses digital transmission to support voice, low speed data communications, and short messaging services.

**3G** Third generation mobile.

**ABC1** The aggregate of socio-economic groups A, B and C1 (see SEG)

**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 capable of supporting always-on services which provide the end-user with high data transfer speeds. Large-capacity service or connection allowing a considerable amount of information to be conveyed, often used for transmitting bulk data or video or for rapid Internet access.

**Bundling** Tying one service or product to the supply of others, including some situations where the supply of services are linked through the use of discounts.

**Cancel other** Industry term for a customer's current provider cancelling the request from a new supplier to switch its customers account, due to the customer being slammed.

**Cashback** Form of promotion offered to customers, in which a customer signs up for a mobile phone network, and in return is reimbursed for a proportion of the line rental payable under that contract.

**C2DE** The aggregate of socio-economic groups C2, D and E (see SEG)

**CCT** Consumer Contact Team (formally OAT and OCC)

**Communications Act 2003** Communications Act 2003, which came into force in July 2003.

**Complaints code of practice** Document required of all communications providers that is easily accessible to consumers and sets out the correct procedures for consumers to follow should they need to make a complaint.

**Connection speed** The rate information can be transferred from the internet to a computer. Dependent on the type of connection, i.e. modem, cable, DSL, etc.

**Contention ratio** An indication of the number of customers who share the capacity available on an ISP's broadband network. (Figures of 50:1 for residential broadband connections and 20:1 for business are typical).

**CPS** Carrier pre-selection. The facility offered to customers which allows them to opt for certain defined classes of call to be carried by an operator selected in advance (and having a contract with the customer) without having to dial a routing prefix, use a dialler box, or follow any other different procedure to invoke such routing.

---

<sup>39</sup> It should be noted that these are not statutory definitions but a simple aide for the reader

**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.

**Discounted bundle** Purchasing two or more services from a single supplier for a discounted rate

**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).

**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.

**DVR** Digital video recorder

**Digital TV** Digital television

**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 TV channels, radio stations and interactive services

**FSA** Financial Services Authority

**GB** Great Britain (comprising England, Scotland and Wales)

**ICSTIS** Independent Committee for the Supervision of Standards of Telephone Information Services. Now called PhonepayPlus

**Involuntary non-ownership** Where potential consumers are without access to a service but not through choice

**ISP Internet service provider** A company that provides access to the internet

**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 on a single link network

**Kbit/s** Kilobits per second (1,000 bits per second). A unit of measurement of data transmission speed

**LLU** Local loop unbundling. Process by which a dominant provider's local loops are physically disconnected from its network and connected to competing providers' networks. This enables operators other than the incumbent to use the local loop to provide services directly to customers.

**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.

**MAC** Migration authorisation code. Unique identifier used by broadband customers when they wish to switch broadband service provider

**Mbit/s** Megabits per second (1,000,000 bits per second). A unit of measurement of data transmission speed

**Micro-payment** Electronic payment method for small transactions

**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 operators

**Mobile termination** The charge operators which originate calls have to pay to mobile operators to deliver calls to their mobile customers

**MP3** A standard technology and format for compressing a sound sequence into a very small file (about one-twelfth the size of the original file) while preserving the original level of sound quality when it is played

**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.

**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.

**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.

**Narrowband** A service or connection providing data speeds up to 128kbit/s, such as via an analogue telephone line, or via ISD

**NFL** National Football League.

**OAT** Ofcom Advisory Team (previously known as the Ofcom Contact Centre). See CCT

**OCC** Ofcom Contact Centre. See CCT.

**OECD** Organisation of Economic Co-operation and Development

**Off-net mobile calls** Calls to mobiles on a different network

**Ofgem** Regulator of the electricity and gas markets in the UK

**Omnibus** Quantitative market research survey carrying questions on different topics

**OTA** Office of the Telecoms Adjudicator

**PC** Personal computer

**Platform** The device on which a technology runs

**Postal district** The geographic area identified by letters and numbers which appears as the first part of a post code, e.g. SW8

**PPV** Pay per view

**PhonepayPlus** Formerly known as ICSTIS. The regulator for premium rate charged telecommunications services.

**PRS** Premium rate service including recorded information and live conversation, run by independent service providers. All calls to these companies are charged at a higher rate than ordinary calls to cover the companies' costs in providing the content of the call and the operator's cost for the special network facilities needed.

**PSTN** Public switched telephone network such as BT's copper telephone network

**Simple bundle** Purchasing two or more services from a single supplier regardless of a discount

**Silent call** Telephone call generated by a dialler which does not have an agent immediately available to handle the call

**Slamming** Unauthorised switching of a customer's phone service to another carrier

**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.

**Tag-on-line** When an internet connection with one supplier has not been removed from a fixed line. A new supplier cannot be used on the line until the previous suppliers 'tag' has been removed from the line

**Tariff** Schedule of rates and charges for a service

**Unbundle** See LLU.

**Usage cap** Monthly limits on the amount of data which broadband users can download, imposed by some ISPs.

**USO** Universal service obligation. The services that universal service providers are required to supply.

**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** Where potential consumers are without access to services, primarily due to a perceived lack of need for a service, or satisfaction with using alternative methods

**WiFi** Short-range wireless technologies using any type of 802.11 standard. These technologies allow an over-the-air connection between a wireless client and a base station, or between two wireless clients.

**Wireless router** A computer networking device that enables wireless internet access

**WLR** Wholesale line rental. A regulatory instrument requiring the operator of local access lines to make this service available to competing providers at a wholesale price.