
2022 Broadband Speeds Codes of Practice

Update to the Residential and Business Voluntary
Codes of Practice on Broadband Speeds

Statement

[Revisions to the 2020 Voluntary Codes of Practice on Broadband Speeds](#) – Welsh translation

STATEMENT:

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1. Overview

Ofcom has voluntary codes of practice on broadband speeds for residential and business customers, giving them the right to exit their broadband contract and bundled services, without penalty, if their download speed falls below the minimum guaranteed speed they were offered by their provider.

In May 2022, we published a consultation on updating these codes so the right to exit that applies to broadband and other bundled services is in line with Ofcom's revised General Conditions of Entitlement (revised GCs).

Having reviewed the responses to our May 2022 consultation and taken them into account, we have decided to update the codes, with these updates coming into force on 21 December 2022, as summarised below.

What we have decided

Updating the Residential Code definition of a bundle. We have decided to amend the definition of a bundle in the Residential Broadband Speeds Code of Practice (the Residential Code), so the customer's right to exit will apply to their broadband and bundled services in the same way as their right to exit will apply to their contract and bundled services as set out in the revised GCs.

Updating the Business Code definition of a bundle for small businesses. For small businesses (those with ten or fewer employees), similar to the Residential Code, we have decided to amend the definition of a bundle in the Business Broadband Speeds Code of Practice (the Business Code). This will mean that for small businesses, their right to exit will apply to their broadband and bundled services in the same way as their right to exit will apply to their contract and bundled services as set out in the revised GCs.

Retaining, within the Business Code, the existing definition of a bundle for larger businesses. For larger businesses, we have decided to retain the existing Business Code's definition of a bundle to ensure the existing protections continue.

Timescales for implementing these decisions. We have decided that any necessary changes to comply with the amendments to the Codes should be implemented by existing signatories *within three months* of the date of this statement i.e. by 21 December 2022.¹

These decisions will help to provide a consistent set of rules (based on the revised GCs) relating to bundles and who they apply to, making them easier for customers to follow and more straightforward for broadband providers to implement. This simplification should reduce the likelihood of misunderstanding or misinterpretation should disputes arise, to the benefit of both customers and broadband providers.

¹ The existing signatories, to which the updated codes will apply at the time they come into force, are as follows: BT Consumer (residential), BT Enterprise (business), Daisy (business), EE (residential), Plusnet (residential), Talk Talk (residential and business), Utility Warehouse (residential), Virgin Media (residential and business), XLN (business), and Zen internet (residential).

Next steps

The amended codes will come into force on 21 December 2022 and we will monitor signatories' implementation and compliance with the amended Codes going forwards.

2. Introduction and background

The Broadband Speeds Codes of Practice

Residential Code

- 2.1 Ofcom first put in place the voluntary Broadband Speeds Code of Practice for residential customers in 2008. This Code set out a number of commitments from signatory broadband providers to give customers more information at the point of sale on the speeds they could expect from their broadband services.
- 2.2 We updated the Residential Code in 2010. The update included additional requirements for providers to give more accurate speed estimates, and to give consumers the right to exit their contract without penalty within a three-month period of the start of their contract (or longer if the internet service provider, or ‘ISP’, so chose), if the actual speed was significantly below the estimated speed.²
- 2.3 In 2018, the Residential Code was further updated. The updated Code, which is currently in force, sets out that where customers cannot access their minimum guaranteed speed (at any time during their contract) and the problem lies on a signatory provider’s network, their provider must endeavour to resolve the issue within thirty days of the customer’s initial report. If this is not done, the customer must have the right to exit their contract without penalty, except in the exceptional circumstances as defined by the Code.³ The process for exercising this right to exit must be clear and easy to follow.
- 2.4 When changes were made to the Residential Code in 2018, it was also recognised that many customers choose to buy a broadband service alongside a landline and/or pay-TV service from the same provider, because they consider this to be more convenient, or because the combined price is less than it would be if they purchased the same services separately.
- 2.5 We said that switching to a new provider could prove unattractive and costly if these customers only have the right to exit their broadband, but not their landline and pay-TV services. For example, switching only the broadband part of the bundle could lead to a price increase for the remaining landline and /or pay-TV services or, if they decide to switch their bundle of services, this could lead to early termination charges for some services within the bundle.
- 2.6 Therefore, in 2018, we extended the right to exit in the Residential Code to apply to specific bundled products: landline services, and any services which rely on the broadband connection and pay-TV services purchased at the same time as the broadband service. We considered that this would prevent customers being released from the broadband but not

² Ofcom, 2018. [Voluntary Code of Practice: Broadband Speeds](#). [accessed 15 Mar 2022]

³ Ofcom, 2018. [Better Broadband Speed Information Voluntary Code of Practice \(Residential\)](#), para. 2.67 [accessed 12 Apr 2022]

the landline and pay-TV services in their contract, which could make it harder or unattractive for them to switch to a new provider.

2.7 Specifically, the right to exit in the Residential Code currently applies:

- to broadband services that the customer receives on a standalone basis;
- where a customer receives phone and broadband services from the same provider over the same line, to both services, irrespective of whether the two services were purchased, or the contract(s) for their provision was renewed, at the same time;
- where a customer receives both a broadband service and any other services which rely on the broadband connection in question for their delivery (such as provider-specific pay-TV delivered over broadband) from the same provider, to all such dependent electronic communications services. This applies irrespective of whether such dependent services were purchased, or the contract(s) for their provision was (were) renewed, at the same time as the broadband service; and
- where a customer has purchased or renewed the contract(s) for the provision of a pay-TV service at the same time as purchasing or renewing the contract for the provision of a broadband service, to both services, even if the pay-TV service does not rely on the customer's broadband connection. In these cases, the right to exit also applies to any phone services obtained from the same provider.⁴

Business Code

2.8 In 2016, we implemented the voluntary Broadband Speeds Code of Practice for business customers,⁵ to provide business customers purchasing standard business broadband services with transparent and accurate information on their broadband speeds. Business Code signatories undertook to provide accurate and transparent speed information on standard business broadband services at point of sale, manage business customers' speed related problems, and allow customers to exit the contract without penalty if speeds fell below a minimum threshold.

2.9 In 2018, we revised the Business Code at the same time as updating the Residential Code. As with the Residential Code, this revised Business Code which is currently in force, requires providers to improve the relevancy of speed estimates by providing a minimum guaranteed speed at the point of sale. We also improved the process of the right to exit by introducing a 30-day time limit by which signatories must resolve speed issues before allowing them to exit their contract without penalty.

2.10 The 2018 Business Code sets out that the right to exit applies to unresolved speed issues that occur at any time during the contract. It also applies not just to individual broadband services, but also to certain types of business-related bundles and dependent services. Specifically, the right to exit applies to the following services:

- individual standard broadband services;

⁴ Ofcom, 2018. [Better Broadband Speed Information Voluntary Code of Practice \(Residential\)](#), para. 2.82-2.87. [accessed 14 April 2022]

⁵ Ofcom, 2016. [Voluntary Business Broadband Speeds Code of Practice](#) [accessed 15 Mar 2022]

- bundles of standard voice and broadband services purchased at the same time. This includes bundles where standard voice and broadband services were bought separately, but where an ISP made a change which means it is not possible to separate out the services again; and
 - broadband services and their “dependent” services, i.e. services such as Voice over IP (VoIP) and Cloud-based services which are dependent on the affected broadband service and where such services would be ‘stranded’ were the customer to stop purchasing the affected broadband service (we refer to these services as “dependent services”). It is irrelevant whether the dependent service was purchased at the same time or at a different time to the affected broadband service.
- 2.11 The Business Code also states that where a customer has purchased multiple lines, the right of exit only relates to the specific line with the speed issue (and by extension, cases where there is a broadband and voice bundle, or a dependent service reliant on that specific line). The right of exit does not apply to any other services which are not covered explicitly by the provisions and which can operate independently of the affected broadband service, e.g. mobile services or leased lines.

Signatories

- 2.12 The existing signatories, to which the updated Codes will apply at the time they come into force, are as follows:
- BT Consumer (residential)
 - BT Enterprise (business)
 - Daisy (business)
 - EE (residential)
 - Plusnet (residential)
 - Talk Talk (residential and business)
 - Utility Warehouse (residential)
 - Virgin Media (residential and business)
 - XLN (business)
 - Zen internet (residential)
- 2.13 Zen recently became a signatory in July 2021, with Sky confirming plans to re-join the Residential Code later this year.

Recent updates to the General Conditions⁶

- 2.14 In 2020, Ofcom made changes to some of the General Conditions of Entitlement (GCs) to put in place a number of new customer protection requirements, as part of Ofcom’s implementation of the European Electronic Communications Code (EECC). Of particular

⁶ Ofcom, 2020. [Fair treatment and easier switching for broadband and mobile customers: Implementation of the new European Electronic Communications Code, and Annex 4: Revised General Conditions \(unofficial consolidated version\) with effect from 17 June 2022](#) For full and comprehensive guidance about changes to the GCs, which should be referred to in addition to the sections on the revised GCs set out in this document, are available on our [website](#), [accessed 17 Mar 2022]

relevance, changes were made to the right to exit contracts for electronic communications services, and changes that extend certain protections to bundles of services.

- 2.15 Since 17 June 2022, when customers are notified of changes to their contractual conditions, they have a right to exit their contract without incurring additional costs unless the changes are exclusively to the customer's benefit, of a purely administrative nature (and having no negative effect on the customer), or directly imposed by law. This strengthened right to exit also applies to other services or equipment bought as part of a bundle with an electronic communications service. It applies to residential consumers and also to small businesses⁷, unless (for small businesses) they waive their rights to any new protections.⁸
- 2.16 The right to exit in the revised GCs is triggered by contractual changes that are not to the benefit of the customer, so that customers can protect themselves from that change by exiting the contract without penalty, and in the context of bundling, to exit the bundle as a whole. Alternatively, the customer may choose to retain elements of the bundle where the elements are offered by the provider separately to the service that is subject to the contractual modification.
- 2.17 The requirements in the revised GCs recognise that bundles have become increasingly widespread and are an important element of competition. The extension of the right to exit to bundles in the revised GCs helps to ensure that bundles do not make switching more difficult and costly for customers or raise risks of contractual lock in.

Bundle definitions

- 2.18 In our 2020 statement on the implementation of the EECC, we set out the definition of a bundle in the revised GCs⁹:

'Bundle' means a contract, or two or more closely related or linked contracts, between the provider of a Public Electronic Communications Service and an End-User, which:

(a) relates, or together relate, to the provision of at least one of the following:

- (i) an Internet Access Service; or*
- (ii) a Number-based Interpersonal Communications Service; and*

(b) also relates, or together also relate, to the provision of at least one of the following:

- (iii) another service falling within paragraph (a)(i) or (ii);*

⁷ Small businesses refer to microenterprise customers, small enterprise customers (where no more than 10 individuals work, whether as employees or volunteers or otherwise) and not for profit organisations (where no more than 10 individuals work, whether as employees or otherwise but excluding volunteers) as set out in conditions C1.14 & C1.15 in the revised GCs

⁸ Providers have the option to ask small business customers to expressly agree to waive their rights to certain end-user rights provisions (or part of a provision) under the EECC. For example, a small business may choose to waive their rights to the protections afforded to bundles of services under Article 107 of the EECC. See paragraph 7.101 of the [Fair treatment and easier switching for broadband and mobile customers: Implementation of the new European Electronic Communications Code](#) and Article 107(4) of the [EECC](#) [accessed 31 Mar 21]

⁹ Ofcom, 2020. [Fair treatment and easier switching for broadband and mobile customers: Statement and Consultation](#) para. 4.28 and Section 51(8) of the [Communications Act 2003](#) [accessed 17 Mar 2022]

- (iv) *any other Public Electronic Communications Service;*
- (v) *an Information Society Service;*
- (vi) *a Content Service; and/or*
- (vii) *Terminal Equipment.*

- 2.19 We provided additional guidance on defining a bundle, which sets out that in assessing whether a contract, or combination of contracts, falls within the definition of a bundle, we would consider the nature of any links between the services and / or terminal equipment. We consider technical, contractual and financial dependencies to be examples of the most common types of links between services and / or terminal equipment currently in existence.¹⁰ Guidance was also given on optional add-on services, their definition, and the circumstances under which they would be included in the bundle definition as part of a right to exit.¹¹
- 2.20 The guidance on technical, contractual and financial dependencies can be summarised as:
- **Technical dependency** – where a customer would lose, or be impaired in using, one element of a bundle when terminating another.
 - **Contractual dependency** – where there are links between the rights or obligations for the provision of different elements of the bundle.
 - **Financial dependency** – where any prices, tariffs or charges for the provision of one element of the bundle are contingent on taking another element.

Impact Assessment

- 2.21 Impact assessments provide a valuable way of assessing different options for regulation and showing why the preferred option was chosen. They form part of best practice policymaking which in our view also applies when developing voluntary codes. As reflected in section 7 of the Act, generally Ofcom has to carry out impact assessments where its proposals would be likely to have a significant effect on businesses or the general public, or when there is a major change in Ofcom's activities. As a matter of policy Ofcom is committed to carrying out impact assessments in relation to the great majority of its policy decisions.¹² To the extent appropriate, we have given consideration to the impact of our amendments to the voluntary Codes.

Equality Impact Assessment

- 2.22 We have also considered whether the decision contained in this document will have a particular impact on persons sharing protected characteristics (race, age, disability, sex, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil

¹⁰ [Ofcom's guidance under General Condition C1 – contract requirements \(June 2022\)](#), paras.1.61-1.62 [accessed 1 Aug 2022].

¹¹ [Ofcom's guidance under General Condition C1 – contract requirements \(June 2022\)](#), paras.1.96-1.99 [accessed 1 Aug 2022].

¹² For further information about Ofcom's approach to impact assessments, see the guidelines [Better policy making: Ofcom's approach to impact assessment](#). [accessed 14 April 2022]

partnership and religion or belief), and in particular whether they may discriminate against such persons or impact on equality of opportunity or good relations. This assessment helps us comply with our duties under the Equality Act 2010 and the Northern Ireland Act 1998. We do not envisage that our decisions would have a detrimental impact on any particular group of people.

Legal Duties

- 2.23 The policy objectives of the voluntary Codes are consistent with Ofcom’s duties under the Communications Act 2003. Ofcom’s principal duty under section 3 of that Act is to further the interests of citizens in relation to communications matters and to further the interests of consumers in relevant markets, where appropriate, by promoting competition. Ofcom must do so having regard, amongst other things, to the desirability of promoting effective forms of self-regulation, and to the interests of consumers in relation to choice, price, quality of service, and value for money. A right of exit when providers fail to provide a minimum guaranteed speed facilitates choice and incentivises quality of service, as does the extension of the right to exit to bundles of services.

Rest of this document

- 2.24 In Section 3, we set out a summary of our consultation proposals, stakeholder responses to the consultation, and our decision on the amendments to the Codes, taking into account stakeholder responses. The modifications to the Code are summarised in Section 3 and set out in full in Annex 1 (for the Residential Code) and Annex 2 (for the Business Code, which covers both small and large businesses). Annex 3 sets out the changes to the definitions. Our statement conclusions following our consultation, having taken into account stakeholders responses, are summarised in Section 4.

3. Decision to amend the definitions of a bundle

- 3.1 Having taken stakeholders responses to our May 2022 consultation into account, we have decided to amend our existing Residential and Business Codes in order to align with the definition of a bundle as set out in the revised GCs. Specifically, we have decided:
- to adopt the revised GC bundle definition for consumers in the Residential Code;
 - to adopt the revised GC bundle definition for small businesses in the Business Code;
 - to retain the existing bundle definition for larger businesses in the Business Code; and
 - that a 3 month implementation period from the date of this statement is appropriate.
- 3.2 In the rest of this section, we summarise the stakeholder responses and set out our decisions and supporting rationale.

Stakeholder responses

- 3.3 BT and Sky were the only stakeholders to respond to our consultation, and were both supportive of the proposals, as set out below.

Changes to the definition of bundle in the Codes

- 3.4 BT and Sky agreed that aligning the definitions of a bundle within the Codes with the EECC regulation and revised GCs would provide regulatory consistency for consumers and providers and avoid any misinterpretations. Sky considered it was important for regulatory rules and consumer remedies to be clear, consistent and easy for consumers to understand.
- 3.5 BT and Sky also agreed with our proposal to maintain the existing Business Code of Practice definition of a bundle for larger businesses, and that the proposed changes should only apply to small businesses.
- 3.6 Sky also welcomed the guidance on the most common types of links or dependencies between services and/or terminal equipment, and supported our proposal to publish these definitions in the revised Codes.

Timescales for implementation

- 3.7 BT and Sky agreed that a three-month implementation period, starting from when we publish our final decision, is a reasonable timeframe. Utility Warehouse, Zen Internet, and Virgin Media have also informed us that they are able to implement the necessary changes within the three-month time frame.¹³
- 3.8 Sky agreed that the development work needed to implement the changes would be minimal. However, BT noted that the actual implementation timing would depend on the

¹³This was confirmed with Utility Warehouse, Virgin Media, and Zen Internet by email.

date of the final statement and the extent of other regulatory changes being required at the same time.

Decisions and rationale

Residential Code: amendment to the definition of a bundle

- 3.9 We have decided to amend the definition of a bundle in the Residential Code so that the customer’s right to exit (if their broadband speeds fall below the minimum guaranteed speed) applies to their broadband and bundled services in the same way as the right to exit their contract and bundled services (including terminal equipment), as set out in the revised GCs (see table 3.1 for an overview of the changes).

Table 3.1: Summary of changes to the definition of a bundle in the Residential Code

Summary of existing Residential Code definition of a bundle	Summary of new definition of a bundle within the Residential Code (aligned with the definition in the revised GCs)
<p>Broadband and voice services over the same line (and any other services which rely on the broadband connection in question for their delivery).</p> <p>Pay-TV, purchased or renewed at the same time as the contract for a broadband service.</p>	<p>Broadband services and any closely related or linked contract(s) for public electronic communications services, information society services, content services and/or terminal equipment. We consider technical, contractual and financial dependencies to be examples of the most common types of links between services and / or terminal equipment.</p>

- 3.10 The definition of a bundle under the revised GCs is set out in Section 2. The changes to the Residential Code are set out in full in Annex 1.

Rationale for our decision

- 3.11 As set out in Section 2, the original rationale for strengthening the right to exit in both the Residential Code and the revised GCs was to help ensure that bundles do not make exercising a right to exit more difficult and costly for customers or raise risks of contractual lock in. Given that the objectives of the right to exit provisions in the Residential Code and the GCs are aligned, we do not consider there is a good reason for the definitions to differ.
- 3.12 Aligning the definition of a bundle in the Residential Code with the definition of a bundle in the revised GCs better ensures regulatory consistency. Having a consistent bundle definition applying to both this Code and the GCs simplifies the rules relating to bundles, making them easier for customers to follow and for broadband providers to implement. As a result, we consider this should reduce the likelihood of misunderstanding or misinterpretation, to the benefit of both broadband customers and broadband providers.

3.13 In addition, we consider that having a consistent definition is likely to reduce complexity for broadband providers at the point of sale, with potentially less training needed for customer service staff and a reduction in the quantity of detail presented to customers due to a reduced number of bundle definitions that will apply.

Business Code: new bundle definition for small businesses only

3.14 We have decided to amend the definition of a bundle in the Business Code so that a small business’s right to exit (if their broadband speeds fall below the minimum guaranteed speed) applies to their broadband and bundled services in the same way as the right to exit their contract and bundled services (including terminal equipment), as set out in the revised GCs (see table 3.2 for an overview of the changes). This right to exit applies unless the small business waives their rights to these protections.

3.15 Table 3.2: Summary of changes to the definition of a bundle for the Business Code

Summary of existing Business Code definition of a bundle for both small and larger businesses	Summary of new definition of a bundle for small businesses within the Business Code (aligned with the definition in the revised GCs)
<p>For small and larger businesses:</p> <p>Broadband and standard voice services purchased at the same time or subsequently (technically linked), and dependent services (such as VoIP and Cloud services) which would be stranded if the broadband line were no longer purchased. It does not apply to any other services which can operate independently of the affected broadband service e.g., mobile or leased lines.</p>	<p>For small businesses, we have decided <u>to add</u> the revised GCs definition of a bundle:</p> <p>Broadband services and any closely related or linked contract(s) for public electronic communications services, information society services, content services and/or terminal equipment. We consider technical, contractual and financial dependencies to be examples of the most common types of links between services and / or terminal equipment. (Applies unless they waive their rights to these protections).</p> <p>For larger businesses, we proposed <u>to retain</u> the existing definition of a bundle.</p>

3.16 The new definition of a bundle for small businesses is the same as the new definition of a bundle in the Residential Code. Our changes to the Business Code are set out in full in Annex 2.

Rationale for the decision

3.17 The definition of a bundle in the revised GCs also applies to small businesses. The 2020 statement on the implementation of the EECC explains that this is because, in many cases,

small businesses have a comparable bargaining position to that of consumers.¹⁴ Small businesses are also more likely to rely on similar communications services as residential customers, such as PSTN phone lines together with a broadband service.¹⁵

- 3.18 Given that our objective is to align the right to exit provisions in the Codes with those in the revised GCs, we consider that the protections offered to small businesses in the GCs (with regards to exiting bundled services) should also apply to small businesses under the Business Code. For the same reasons as set out above in terms of aligning the definition of a bundle in the Residential Code, this will ensure regulatory consistency and reduce complexity, making them easier for customers to follow and broadband providers to implement.

Business Code: retain the existing bundle definition for larger businesses

- 3.19 In contrast to small businesses, larger businesses (with 10 or more employees) are more likely to use specialised, higher capacity services such as dedicated internet access and access to corporate networks using leased lines. Larger businesses with more complex communications needs are therefore more likely and more able to negotiate tailor-made contracts and be more engaged in the purchasing process compared to small businesses.
- 3.20 We have decided to retain the existing Business Code's definition of a bundle to ensure the existing protections continue for larger businesses. The bundle definition for larger businesses is summarised in Table 3.2 under 'existing business code definition of a bundle'. We consider that the current bundle definition within the Business Code provides sufficient protection for larger businesses, with regards to exiting bundled services.

Impact of the proposed changes

- 3.21 The definition of a bundle in the revised GCs potentially includes a wider list of services than is currently captured by the Codes, such as mobile services and terminal equipment. However, under the revised GCs, these services or equipment will not automatically be captured by the definition of a bundle, as it depends on the nature of any links between them.
- 3.22 We are of the view that there is unlikely to be a large increase in products captured within the revised bundle definition. We also note that, potentially, the number of products captured in the definition of a bundle may be fewer if, for example, certain pay-TV services are no longer sold as part of a bundle with contractual or financial links.
- 3.23 Following discussions with signatories and responses to the consultation, we consider providers will not incur significant implementation costs to implement the definition changes in the Codes. Overall, we consider any implementation costs are both reasonable

¹⁴ Ofcom, 2020. [Fair treatment and easier switching for broadband and mobile customers: Implementation of the new European Electronic Communications Code](#), para 4.32 to 4.34. [accessed 14 April 2022]

¹⁵ Ofcom, 2020. [Fair treatment and easier switching for broadband and mobile customers: Implementation of the new European Electronic Communications Code](#), para 4.47. [accessed 14 April 2022]

and manageable when set against the long-term benefits of simplified rules relating to bundles.

Timescales for implementing the new Codes

- 3.24 Taking into account responses to the consultation and further discussions with signatories, we have decided that a 3 month implementation period from the date of this statement for signatories to make any necessary changes is appropriate.

4. Conclusions

Having taken stakeholders responses to our May 2022 consultation into account, we have concluded that:

- **For residential customers, we have decided to amend** the definition of a bundle in the Residential Broadband Speeds Code of Practice (the ‘Residential Code’) so that the customer’s right to exit applies to their broadband and bundled services in the same way as their right to exit applies to their contract and bundled services as set out in the revised GCs.
- **For small businesses** (those with ten or less individuals), as with the Residential Code, **we have decided to amend** the definition of a bundle in the Business Broadband Speeds Code of Practice (the ‘Business Code’). This will mean that for small businesses, their right to exit applies to their broadband and bundled services in the same way as their right to exit applies to their contract and bundled services set out in the revised GCs.
- **For larger businesses, we have decided to retain** the existing Business Code’s definition of a bundle to ensure the existing protections continue.
- **On implementation timescales**, we have decided that any necessary changes to comply with the amendments to the Codes should be **implemented by signatories within 3 months of the date of this statement** i.e. by 21 December 2022.

A1. Key changes to bundle definition in the Voluntary Code of Practice (Residential)

This annex illustrates how we have amended paragraphs 2.82-2.87 of the Residential Code¹⁶ to align with the definition of a bundle in the revised GCs. We have also:

- updated the introduction i.e. to explain that this is the 5th version of the Residential Code, since its original implementation in 2008, which has been updated to align with the revised GCs on bundling and right to exit for implementation in June 2022. This replaces the previous version published on 1 March 2018 (implemented from 1 March 2019); and
- updated the definitions in Annex 1 of the Residential Code with respect to the new bundle definitions.

<i>Old text</i> in the existing Residential Code	<i>New text</i> in the updated Residential Code
<p>The right to exit applies to standalone broadband services and some additional services</p> <p>2.82 The right to exit applies to broadband services which a customer receives on a standalone basis.</p> <p>2.83 Where a customer receives phone and broadband services from the same provider over the same line, the right to exit will apply to both services, irrespective of whether the two services were purchased, or the contract(s) for their provision was renewed, at the same time.¹⁷</p> <p>2.84 Where a customer receives both a broadband service and any other services which rely on the broadband connection in question for their delivery (such as provider-specific pay-TV delivered over broadband) from the same provider, the right to exit will apply to all such dependent electronic communications services. This will apply</p>	<p>The right to exit applies to standalone broadband services and bundled services.</p> <p>2.82 The right to exit applies to standalone broadband services and some bundled services. The definition of what makes up a bundle, which is an update from the definition set out in the previous 2018 Code,¹⁸ is set out below.</p> <p>2.83 Where the speed of the broadband service remains below the minimum guaranteed speed, the right to exit enables the customer to terminate their contract for the broadband service either on a standalone basis or also to terminate any contract(s) forming part of a bundle with that contract.</p> <p>2.84 Here ‘bundle’ means a contract, or two or more closely related or linked contracts between the service provider and the customer, which: (a) relates to the provision of an Internet Access Service and;</p>

¹⁶ Ofcom, 2018. [Better Broadband Speed Information Voluntary Code of Practice \(Residential\)](#), and [Better Broadband Speed Information Voluntary Code of Practice \(Business\)](#).

¹⁷ ‘At the same time’ refers to products bought together under a single contract, as well as to products bought under separate contracts as part of the same sales process (this is footnote 17 in the Code)

¹⁸ [Ofcom, 2022. Broadband Speeds Code of Practice: 2020 Revision to the Residential and Business Voluntary Code of Practice on Broadband Speeds](#)

<p>irrespective of whether such dependent services were purchased, or the contract(s) for their provision was (were) renewed, at the same time as the broadband service.</p> <p>2.85 Where a customer has purchased or renewed the contract(s) for the provision of a pay-TV service at the same time as purchasing, or renewing the contract for the provision of a broadband service, the right to exit will apply to both services, even if the pay-TV service does not rely on the customer’s broadband connection. In these cases, the right to exit will also apply to any phone services obtained from the same provider, as set out at paragraph 2.83.</p> <p>2.86 We note that, although the right to exit is applicable to non-broadband services as per the above conditions, the customer may choose to retain one or more of their other electronic communications services if it would be possible to receive it without a broadband connection from the same provider, e.g. they may wish to exit phone and broadband but retain pay-TV.</p> <p>2.87 Where a customer has purchased multiple lines at the same premises, the right to exit only relates to the specific line with the speed problem.</p>	<p>(b) also relates, or together also relate, to the provision of at least one of the following:</p> <ul style="list-style-type: none"> (i) another service falling within paragraph (a) (ii) a Number-based Interpersonal Communications Service; (iii) any other Public Electronic Communications Service; (iv) an Information Society Service; (v) a Content Service; and/or (vi) Terminal Equipment. <p>2.85 Definitions of the services listed in (a) and (b)(i) to (b)(vi) can be found in Annex A1 of the Residential Codes.¹⁹</p> <p>2.86 We consider technical, contractual and financial dependencies to be examples of the most common types of links between services and / or terminal equipment currently in existence. Definitions for each dependency can be found in Annex A1 of the Residential Codes.²⁰</p> <p>2.87 In assessing whether a contract or combination of contracts, falls within the definition of a bundle, providers should also consider the nature of any links between the services and / or terminal equipment.</p> <p>2.88 Where a customer has the right to exit a bundle of services, they should have the choice to exit the whole bundle, retain the whole bundle, or exit the contract for the broadband service with the speed problem (and other parts of the bundle if they wish) while retaining the elements that are not dependent on a broadband connection from the same provider, e.g. they may wish to terminate their phone and broadband services but retain mobile phone services (where those elements are already</p>
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¹⁹ See Annex 3 of this statement for the definitions to be included in Annex 1 of the updated Codes.

²⁰ Ofcom, 2018. [Better Broadband Speed Information Voluntary Code of Practice \(Residential\)](#)

	<p>offered by the provider separately to the broadband service with the speed problem).</p> <p>2.89 Where a customer has purchased multiple broadband lines at the same premises, the right to exit only relates to the specific line with the speed problem and bundled services associated with that line.</p>
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A2. Key changes to bundle definition in the Voluntary Code of Practice (Business)

This annex illustrates how we have amended paragraphs 2.84-2.87 of the Business Code²¹ where we have:

1. Added additional text to align the Business Code with the definition of a bundle in the revised GCs for small businesses only; and
2. Retained the current text in the existing Business Code for larger businesses only.

We have also:

- updated the introduction i.e. to explain that this is the 2nd version of the Business Code, since its original implementation in 2016, which has been updated to align with the revised GCs on bundling and right to exit. This replaces the previous version published on 1 March 2018 (implemented from 1 March 2019).
- updated the definitions in Annex 1 of the 2018 Business Code with respect to the new bundle definitions and the definitions of small and larger businesses.

<i>Old text</i> in the existing Business Code	<i>New text</i> in the updated Business Code
<p>The right to exit applies to individual broadband services and some additional services</p> <p>2.84 The right to exit applies to broadband services which a customer receives on a standalone basis.</p> <p>2.85 It also applies to the following services and bundles:</p> <p>a) To bundles of standard voice and broadband services purchased at the same time. This includes bundles where standard voice and broadband services were bought separately, but where an ISP made a technical change that would prevent the products from being separated again.</p>	<p>The right to exit applies to standalone broadband services and bundled services</p> <p>2.84 The right to exit applies to broadband services which a customer receives on a standalone basis and some bundled services. The definition of a bundle depends on whether the broadband service is provided for:</p> <ul style="list-style-type: none"> • Small business customers; or • Larger businesses. <p>The definitions of what makes up a bundle for each of these customer groups, which is an update of the definition set out in the previous 2018 Codes,²² is set out as follows:</p>

²¹ Ofcom, 2018. [Better Broadband Speed Information Voluntary Code of Practice \(Residential\)](#), and [Better Broadband Speed Information Voluntary Code of Practice \(Business\)](#).

²² [Ofcom, 2022. Broadband Speeds Code of Practice: 2020 Revision to the Residential and Business Voluntary Code of Practice on Broadband Speeds](#)

<p>b) To broadband services and their ‘dependent’ services i.e. services such as Voice over IP (VoIP) and Cloud-based services which are dependent on the affected broadband service and where such services would be ‘stranded’ were the customer to stop purchasing the affected broadband service. It is irrelevant whether the dependent service was purchased at the same time or a different time to the affected broadband service.</p> <p>2.86 Where a customer has purchased multiple lines, the right to exit only relates to the specific line with the speed problem (and by extension, cases where there is a broadband and voice bundle, or a dependent service reliant on that specific line).</p> <p>2.87 The right to exit does not apply to any other services which are not covered above and which can operate independently of the affected broadband service. For instance, where broadband service is bundled with mobile services or leased lines, the right to exit penalty free only applies to the broadband service where the speed remains below the minimum guaranteed speed.</p>	<p>Small business customers</p> <p>2.85 For small business customers²³, where the speed of the broadband service remains below the minimum guaranteed speed, the right to exit enables the customer to terminate their contract for the broadband service either on a standalone basis or also to terminate any contract(s) forming part of a bundle with that contract, unless they expressly waive their rights to the protections afforded to bundles of services.²⁴</p> <p>2.86 Here ‘bundle’ means a contract, or two or more closely related or linked contracts between the service provider and the customer, which:</p> <ul style="list-style-type: none"> (a) relates to the provision of an Internet Access Service and; (b) also relates, or together also relate, to the provision of at least one of the following: <ul style="list-style-type: none"> (i) another service falling within paragraph (a); (ii) a Number-based Interpersonal Communications Service; (iii) any other Public Electronic Communications Service; (iv) an Information Society Service; (v) a Content Service; and/or (vi) Terminal Equipment. <p>2.87 Definitions of the services listed in (a) and (b)(i) to (b)(vi) can be found in Annex A1 of the Business Codes.²⁵</p> <p>2.88 We consider technical, contractual and financial dependencies to be examples of the most common types of links between services</p>
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²³ Small business customers as set out in Annex 3 of this document

²⁴ Providers have the option to ask small business customers to expressly agree to waive their rights to certain end-user rights provisions (or part of a provision) under the EECC. For example, a small business may choose to waive their rights to the protections afforded to bundles of services under Article 107 of the EECC. See paragraph 7.101 of the [Fair treatment and easier switching for broadband and mobile customers: Implementation of the new European Electronic Communications Code](#) and Article 107(4) of the [EECC](#) [accessed 31 Mar 21]

²⁵ See Annex 3 of this document for the proposed additions to the definitions in the current Codes.

	<p>and / or terminal equipment currently in existence. Definitions for each dependency can be found in Annex A1 of the Business Codes.²⁵</p> <p>2.89 In assessing whether a contract or combination of contracts, fall within the definition of a bundle, providers should also consider the nature of any links between the services and / or terminal equipment.</p> <p>2.90 Where a customer has the right to exit a bundle of services, they should have the choice to exit the whole bundle, retain the whole bundle, or exit the contract for the broadband service with the speed problem (and other parts of the bundle if they wish) while retaining the elements that are not dependent on a broadband connection from the same provider e.g. they may wish to terminate their phone and broadband services but retain mobile phone services (where those elements are already offered by the provider separately to the broadband service with the speed problem).</p> <p>2.91 Where a customer has purchased multiple broadband lines at the same premises, the right to exit only relates to the specific line with the speed problem and bundled services associated with that line.</p> <p>Larger business customers</p> <p>2.92 For larger business customers, the right to exit applies to broadband services which a customer receives on a standalone basis.</p> <p>2.93 It also applies to the following services and bundles:</p> <p>a) To bundles of standard voice and broadband services purchased at the same time. This includes bundles where standard voice and broadband services were bought separately, but where an ISP made a</p>
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	<p>technical change that would prevent the products from being separated again.</p> <p>b) To broadband services and their 'dependent' services i.e., services such as Voice over IP (VoIP) and Cloud-based services which are dependent on the affected broadband service and where such services would be 'stranded' were the customer to stop purchasing the affected broadband service. It is irrelevant whether the dependent service was purchased at the same time or a different time to the affected broadband service.</p> <p>2.94 Where a customer has purchased multiple lines, the right to exit only relates to the specific line with the speed problem (and by extension, cases where there is a broadband and voice bundle, or a dependent service reliant on that specific line).</p> <p>2.95 The right to exit does not apply to any other services which are not covered above and which can operate independently of the affected broadband service. For instance, where broadband service is bundled with mobile services or leased lines, the right to exit penalty free only applies to the broadband service where the speed remains below the minimum guaranteed speed.</p>
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A3. Additions to definitions²⁶

Internet Access Service means a service made available to the public which provides access to the internet, and thereby connectivity to virtually all end points of the internet, irrespective of the network technology and terminal equipment used.

Interpersonal Communications Service means a service which enables direct interpersonal and interactive exchange of information by means of Electronic Communications Networks between a finite number of persons, where the persons initiating or participating in the communication determine its recipient.

Number-based Interpersonal Communications Service means an Interpersonal Communications Service made available to the public which: (a) connects with publicly assigned numbering resources, namely, a number or numbers in a national or international numbering plan; or (b) enables communication with a number or numbers in a national or international numbering plan.

Information Society Service is to be read in accordance with Article 1(1)(b) of Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services (codification). This is consistent with the definition of ‘information society service’ included at section 51(9) of the Act.

Content Service - so much of any service as consists in one or both of the following: (a) the provision of material with a view to its being comprised in Signals conveyed by means of an Electronic Communications Network; (b) the exercise of editorial control over the content of Signals conveyed by means of such a network.

Terminal Equipment means: (a) equipment directly or indirectly connected to the interface of a Public Electronic Communications Network to send, process or receive information, with the direct or indirect connection being made by a wire or optical fibre or electromagnetically; or (b) equipment which is capable of being used for the transmission or reception, or both, of radio communication signals by means of satellites or other space-based systems.

Technical dependency - where a customer would lose, or be impaired in using, one element of the bundle if they terminated the contract for another element of the bundle. For example, if a customer has a broadband service which only works if they also take a landline service from the same provider, and the customer cancelled their landline service, they would no longer be able to use the broadband service.

Contractual dependency - where there are links between the rights or obligations for the provision of different elements of the bundle. For example, a customer might purchase both airtime and a mobile device at the same time from the same provider under two different contracts but with contractual terms that link the contracts.

²⁶ Ofcom, [Fair treatment and easier switching for broadband and mobile customers: Implementation of the new European Electronic Communications Code](#), section 4 and section 11. [accessed 31 Mar 2022]

Electronic Communications Services has the meaning given to it in section 32(2) of the Communications Act 2003.

Financial dependency - where any prices, tariffs or charges for the provision of one element of the bundle are contingent on taking another element, e.g., a monthly discount or extra data for mobile customers who also take fixed broadband from the same provider, which is then removed if the broadband contract is cancelled.

Small business customer – for this document, small business customers are comprised of ‘Microenterprise or small enterprise customers’ and ‘Not-for-profit customers’. ***‘Microenterprise or small enterprise customers’*** means customers acting in the course of a business carried on by that customer and for which no more than 10 individuals work, whether as employees or volunteers or otherwise; ***‘Not for profit customers’*** means customers which are a body for which no more than 10 individuals work, whether as employees or otherwise but excluding volunteers, and which, by virtue of its constitution or any enactment: (a) is required (after payment of outgoings) to apply the whole of its income, and any capital which it expends, for charitable or public purposes; and (b) is prohibited from directly or indirectly distributing among its members any part of its assets (otherwise than for charitable or public purposes).”