Response to Ofcom's consultation on Openreach's proposed commercial offers

27 August 2026

General

Executive Summary

Ofcom has assessed five pricing offers notified by Openreach on 1 June 2026 relating to the supply of new broadband and Ethernet services. These offers were designed to support our wholesale customers in developing discounted retail propositions to address the key challenges they face across fixed telecoms markets, including:

i. how to encourage greater fixed broadband adoption;

ii. how to support migrations to the highest FTTP broadband speeds; and

iii. how to compete effectively to win incremental volumes in broadband and Ethernet acquisition markets.

Ofcom is right to have no concerns over four of the five notified offers.

However, the proposal to block the FTTP Incremental New to Openreach (**NTO**) Customer Offer on the basis that discounted prices are not fair and reasonable is not supported by the evidence and would dampen the very competition the TAR framework is designed to protect, to the detriment of UK consumers. We therefore see no basis for Ofcom positioning this offer as us using our *"significant market power to drive competitors out of the market"*.[1]

As we set out in this submission, Ofcom has not demonstrated that the introduction of the offer would restrict the margin available between Physical Infrastructure Access (**PIA**) prices and FTTP prices such that competitors may not be able to recover their long-term costs of supply. There is therefore no basis to conclude that the introduction of the offer could undermine the development of sustainable competition.

Notably, Ofcom's provisional findings on cost recovery are flawed in that its analysis excludes revenues available from a significant share of rivals' sales of FTTP that would be unaffected by the offer prices. Our analysis shows that rivals would recover their costs if matching Openreach's prices taking account of all available revenues.

Furthermore, Ofcom has given insufficient weight to real-world evidence on how the offer pricing would likely impact: (i) altnet commercial behaviour and wholesale purchasing; and (ii) retail pricing decisions by Internet Service Providers (**ISPs**).

Ofcom should therefore withdraw its proposed direction to block the FTTP Incremental NTO Customer Offer and instead conclude that the discounted prices in the offer would deliver direct benefits to consumers while supporting, rather than undermining, the development of long-term competition.

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Summary of the key flaws in Ofcom's provisional decision to block the FTTP NTO Customer Offer

Ofcom's provisional decision to block the Incremental NTO Customer offer relates to the level of discounts available on the above baseline NTO volumes. Ofcom finds that the discounted prices are not fair and reasonable by reference to the outputs of Ofcom's Fibre Cost Model (**FCM**). Specifically, Ofcom considers that the 5-year average prices for those sales of FTTP receiving the offer discount would fall in the bottom half of, and possibly below, the Reasonably Efficient Operator (**REO**) cost range.

The 2026 Telecoms Access Review (**TAR**) set out that Ofcom would assess whether FTTP prices were fair and reasonable by considering whether there was "*sufficient margin*" between FTTP prices and PIA prices to allow a REO the opportunity to recover its costs and to compete in the Wholesale Local Access (**WLA**) market.[1] Ofcom also set out how it would use the REO cost range from its FCM to assess the opportunity to fully recover long-term costs of supply.[2]

The REO cost range estimates the average revenue per month an altnet would need to generate from all FTTP sales over a 40-year period to fully recover long-term costs. It is therefore insufficient to reach any view on long-term cost recovery – and therefore whether FTTP prices are fair and reasonable – by reference solely to the revenues earned from new FTTP sales over a 12-month period to a narrow subset of end-customer premises that are not currently connected to the Openreach network. The discounted prices available under the offer will recover relevant incremental costs of supplying those lines, but any assessment of the impact of the offer prices on long-term cost recovery needs to take account of all sources of revenue over the longer term.

We therefore challenge Ofcom's provisional conclusion that there is a "*plausible risk*" that altnets would not be able to recover their long-term costs if the offer were introduced. That conclusion mistakenly ignores the revenues altnets earn on FTTP lines that fall outside the scope of the offer — that is, sales to end customers who would not be eligible for the discount under the Incremental NTO Customer Offer. These include the substantial volumes altnets win from the existing Openreach copper and FTTP base, which contribute directly to long-term cost recovery.

For instance, our data suggests that potentially as much as [✂] could be from end customers connected to the Openreach network – including from [✂], and [✂] of acquisitions will be in areas where Openreach cannot supply FTTP.

Ofcom's narrow assessment of cost recovery on the output increment of above baseline NTO customers appears to be driven by the fact that these are customers which altnets "*need to be able to compete for in order to increase take-up and defend their base.*" Our analysis shows that a REO could compete for those customers and other customers during the offer period and earn average prices above the midpoint of Ofcom's REO cost range under all plausible assumptions.

Furthermore, Ofcom's narrow assessment of cost recovery fails to take any account of other relevant real-world factors that clearly indicate the introduction of the Incremental NTO

1 TAR Volume 4, Section 1, paragraph 1.170.

2 TAR Volume 4, Section 1, paragraphs 1.172 to 1.177.

Customer Offer would not undermine altnet cost recovery or the long-term development of competition. This includes the fact that we understand that [✂]. Ofcom has also failed to give sufficient weight to evidence supplied by Sky that the offer would be unlikely to result in them switching volumes back to Openreach.

We expand on the arguments above in this response in support of our view that Ofcom should allow the Incremental NTO Customer Offer to take effect, as notified, on 1 October 2026.

Wider concerns raised by Ofcom's consultation

Ofcom's reliance on the midpoint REO cost range in assessing Openreach pricing

Openreach is concerned that, despite statements in the TAR that the REO range would not be applied as a bright-line test, Ofcom's approach in assessing all the offers suggests the midpoint of the REO cost range is viewed as a de facto price floor for all Openreach pricing, including pricing under short-term offers that may only apply to a subset of end customers. If this is not Ofcom's intention, it should clarify what level of short-term offer prices would be considered fair and reasonable under its framework.

If it is Ofcom's intention to use the midpoint of the REO cost range as de facto price floor, we challenge this. Treating the midpoint as a price floor would also go beyond the TAR framework, under which Ofcom has not followed the process required to set a price floor and must instead assess each offer on its own facts and circumstances at the time. As noted above, it is not appropriate or sufficient to assess the impact of short-term offers on altnet cost recovery by reference to whether pricing for those offers sits above the midpoint of the REO cost range.

More broadly, the REO cost range is not relevant in assessing how our pricing might impact long-term cost recovery for more established competitors such as VMO2/nexfibre, or on altnets who financially restructure (for example via debt write offs).

[✂]. That would significantly reduce competitive pressure in the market, weaken the ability and incentive for ISPs to compete for end customers, and limit wider consumer benefits arising from innovation and lower prices. It is therefore imperative that Ofcom is clear about the approach it will take to assessing the level of pricing during the TAR period.

Allegations that Openreach is 'drip-feeding' offers into the market to destabilise competition

In the TAR, Ofcom rejected calls from some competitors to impose restrictions on the volume of new offers Openreach could bring into the market and to set strict prohibitions on any form of geographic or conditional pricing. We note that VMO2 has been vocal in positioning the offers covered by the consultation document as evidence of us 'drip-feeding' offers into the market as part of a strategy to destabilise competition. While Ofcom broadly rejects this claim, it does note that concerns could increase over time if Openreach notifies offers that are then blocked.

In an increasingly competitive environment where our wholesale customers are seeking to drive end customers onto ultrafast capable FTTP services, we need to be able to compete on the merits. We will look to notify new pricing in good faith – including via short-term offers – where this will meet the needs of our wholesale customers in winning and retaining volumes. Bringing offers to the market cannot be viewed, in itself, as anticompetitive or otherwise intended to destabilise the market – indeed, continued commercial responses to rapidly changing market dynamics is a sign of competition working and should not be stifled. Further, the act of Openreach following the established notification requirements and processes set out in the TAR cannot be viewed as problematic. See Section 7 for further detail.

Structure of Document

General

Section 1: Market context and rationale for the notified offers

This section explains the broader market context for Openreach's notified offers. Fixed network competition strengthened materially over the WFTMR period and rival networks now exert considerable direct wholesale and retail pressure on Openreach and its ISP customers. The offers notified on 1 June 2026 are a proportionate commercial response to that competition and are intended to help ISPs compete for retail customers while remaining consistent with the TAR framework.

1.1 Fixed network competition continues to strengthen

1. The UK fixed broadband market has become materially more competitive since the 2021 Wholesale Fixed Telecoms Market Review. Ofcom recognised this in the TAR, noting the rapid growth of rival gigabit-capable networks. Altnets now cover 19.7m premises, and there is a unique competitive footprint of 24.9m premises where at least one other fixed network competitor to Openreach is present, including VMO2/nexfibre coverage.

2. Build has slowed for many altnets, but it has not stopped. For example, Project Gigabit has around 250k premises contracted with altnets still to be built, and Community Fibre has announced plans to build a further 600k premises by 2028/29.

3. Rival network availability is now materially affecting Openreach. Openreach's broadband base has fallen from 21.7m in March 2022 to 19.3m in March 2026, with losses of over 800k lines in each of the last two years as a result of increased competition. Latest data suggests altnets were supplying around 3.5m broadband lines in aggregate at the end of 2025, with average take-up across altnets growing to around 19%, up from 15.8% a year earlier. Some individual altnets are already at higher levels of take-up: Community Fibre and Fibrus are above 30%, Gigaclear is very close, and CityFibre has stated it will reach 30% take-up by the end of 2026.

1.2 Competition is translating into lower prices and higher altnet take-up

4. This growth has been supported by aggressive wholesale and retail pricing by altnets:

   i. Wholesale: it is publicly known that CityFibre has secured deals with all major ISPs by offering significant upfront payments, or bounties, for connecting end customers to its network, and discounts against Openreach's Equinox 2 FTTP pricing. Other altnets have also secured wholesale deals with ISPs.

   ii. Retail: as shown in Figure 1, retail altnets are pricing below established ISPs using the Openreach network. This shows competition translating into lower prices for end customers.

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Figure 1: Retail ARPUs

[✂]

1.3 Openreach faces direct and indirect commercial challenges

5. These developments create two distinct commercial challenges for Openreach:

   i. Direct wholesale challenge: ISPs are increasing their use of altnet FTTP inputs for broadband and using altnets and leased-line providers for Ethernet and Ethernet-replacement services.

   ii. Indirect retail challenge: retail pricing by VMO2 and end-to-end retail altnets places downward pressure on retail prices, which in turn affects demand for Openreach-based services.

1.4 The TAR framework should allow competition on the merits

6. Although Ofcom retained SMP findings on Openreach and extended the scope of regulatory controls over certain commercial offer structures, the TAR framework was not intended to prevent Openreach competing fairly on the merits. Ofcom's position, repeated in the provisional findings, is that the regulation is aimed at ensuring Openreach does not respond to competition in ways that could, as a result of SMP, undermine the long-term development of competition. Ofcom also remains clear that it is not "*seeking to support altnet take-up as a goal in itself, or at any cost*", and that the regulatory framework is designed to be flexible enough to adapt as market conditions develop over the TAR period.

7. The TAR framework should therefore allow Openreach to compete fairly. Ofcom has rejected calls to prohibit certain offer structures or impose rigid price floors, instead requiring 120 days' notice for conditional pricing and prior consent for potentially discriminatory geographic pricing. As a result, certain pricing will remain subject to Ofcom review before taking effect.

1.5 The notified offers respond to this market context

8. Against this market backdrop, Openreach considered how it could support CPs in competing more effectively for retail customers while remaining within the TAR framework. Following informal engagement with Ofcom as the offers were being developed, Openreach notified five offers on 1 June 2026. Each offer was intended to help CPs respond to the pricing pressure created by rival networks and support increased retail sales.

Offer	Objective	Conditional	Geographic
Frontbook ARPU Share and Box Swap Offers	Support CP retail sales of higher bandwidth FTTP services	No	No
Incremental New to Openreach Customer Offer	Support CP retail sales of FTTP to end customers not connected to the Openreach network	Yes	No
Geographic Incremental New to Openreach Customer Offer	Support CP retail sales of FTTP to end customers in VMO2 areas not connected to the Openreach network	Yes	Yes
Incremental Ethernet Net Demand offer	Support CP Ethernet sales to end customers	Yes	No
Six-month extension to Equinox 550Mb Try Before You Buy offer	Support CP retail sales of higher bandwidth FTTP services	Yes	No

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Section 2: Ofcom's analytical framework and use of the REO cost range

This section explains Openreach's overarching concerns with Ofcom's analytical framework for assessing whether the price levels in the notified FTTP offers are fair and reasonable. Ofcom's use of the REO cost range to assess short-term, targeted offers is insufficient to conclude that altnets would not be able to recover long-term costs. In particular, Ofcom's approach is flawed in that it compares narrow, short-term offer prices with a long-term cost recovery benchmark, treats the REO midpoint as a de facto price floor, and does not give enough weight to blended ARPUs or real-world market evidence. We ask Ofcom to amend its approach in this consultation and provide clearer guidance for the remainder of the TAR period.

2.1 Ofcom's approach to assessing the key aspects of the offers

9. Ofcom has considered the cumulative effect of all five notified offers together in its consultation, including the Frontbook Average Revenue per User (**ARPU**) Share Offer and Box Swap Offer that took effect on 1 July 2026 (these do not include conditional or geographic pricing and do not, therefore, trigger an Ofcom review in isolation). This approach is sensible insofar as it allows Ofcom to consider how the offers interact with each other when assessing overall impacts.

10. Ofcom positions its approach to assessing the offers as consistent with the TAR framework and guidance:

    i. Geographic pricing: Ofcom states it considers whether geographically targeted pricing, relevant only to the Geographic Incremental NTO Customer Offer, could undermine the development of network competition.

    ii. Conditional terms: Ofcom states it considers whether conditional terms within the offers, where relevant, could be loyalty-inducing and/or undermine the development of network competition.

    iii. Price levels: Ofcom states it considers whether Openreach's FTTP prices leave sufficient margin for a REO using PIA to compete and recover its costs over the long-term.

11. Ofcom's approach to assessing geographic pricing and conditional terms within these offers is broadly consistent with the TAR guidance. However, we have overarching concerns with Ofcom's approach to assessing price levels within the offers and how it uses the REO cost range to assess whether short-term offer prices are fair and reasonable. This results in Ofcom's flawed decision to block the Incremental NTO Customer Offer and also raises a number of concerns about how Ofcom will assess pricing during the remainder of the 5-year TAR period. We set out our overarching concerns below before then providing our response to Ofcom's specific assessment of each of the five offers.

2.2 The REO cost range is not suitable as a standalone test for whether pricing within short-term offers is fair and reasonable

12. The TAR set out that Ofcom would assess whether FTTP prices were fair and reasonable by considering whether there was "*sufficient margin*" between FTTP prices and PIA prices

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to allow a REO the opportunity to recover its costs and to compete in the WLA market.[3] Ofcom also set out how it would use the REO cost range from its FCM to assess whether margins were sufficient to allow a REO a reasonable opportunity to fully recover long-term costs – i.e. including historical build and connection costs.[4] Ofcom was clear that it did not intend for any comparison of Openreach's FTTP prices to be a bright line test but that it would look at where average prices for FTTP sat within this range alongside other factors.[5]

13. As set out in Section 4, Ofcom's provisional decision to block the Incremental NTO Customer Offer is based on its assessment of the discounted price levels available on above baseline orders placed in the offer period and the alleged impact these offer prices could have on altnet margins and long-term cost recovery. In reaching that provisional view, Ofcom relies heavily on where the discounted offer pricing sits within the REO cost range generated by the TAR FCM. Ofcom also uses the REO cost range as a reference point when assessing the other FTTP pricing offers notified, albeit in concluding that those offers raise no concerns.

14. Ofcom's FCM captures the assumed costs of building an FTTP network, connecting end customers and operating services over a 40-year period. The REO cost range identifies the ARPUs needed across all assumed active lines over that period to recover the modelled costs, including a return on capital.

15. Network providers recover long-run FTTP costs from a portfolio of broadband customers, bandwidths and service features. Short-term discounts targeted at particular customers or frontbook orders may therefore sit at lower points in the REO range, or even beneath it, while overall blended ARPUs across all FTTP sales remain at higher levels.

16. Ofcom's approach in assessing the FTTP offers notified on 1 June is limited to effectively comparing five-year ARPUs from customers acquired under the terms of the three FTTP short-term offers with a 40-year full cost recovery benchmark. This creates a clear and flawed mismatch between the pricing for the narrow customer increments qualifying for the offers and the broader and longer-term customer base across which a network provider is assumed to recover its costs in the FCM. This approach may be sufficient for identifying where offers raise no concerns about cost recovery – e.g. where offer pricing is above the midpoint of the REO ranges – but is insufficient to identify a plausible risk that offer prices may mean costs will not be fully recovered.

2.3 Ofcom should assess blended ARPUs across the full base of FTTP customers and real-world impacts

17. If a short-term offer price is lower in the REO range, Ofcom should not stop at that observation in making any assessment about whether that offer price leaves sufficient margin for altnets to fully recover long-term costs. It should conduct a complete analysis taking account of all the relevant facts and circumstances. This could include whether the offer prices would cover the short-term incremental costs of serving the customers

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[3] TAR Volume 4, Section 1, paragraph 1.170.

[4] TAR Volume 4, Section 1, paragraphs 1.172 to 1.177.

[5] TAR Volume 4, Section 1, paragraph 1.178.

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receiving the offer prices[6] but Ofcom would need to ultimately assess how the offer could affect blended ARPUs across the wider FTTP customer base served by altnets, and whether there is evidence of likely real-world harm to network competition arising from the offer.

2.4 Ofcom's approach in assessing these offers is inconsistent with previous assessments

18. Ofcom has previously used a broader, longer-term approach when assessing the impact of short-term offers on altnet margins and cost recovery. For example, in its assessment of the Proactive Migrations Try Before You Buy offer, Ofcom recognised that effective prices would be lower in the REO cost range because of the interaction with Equinox ARPU share mechanisms. However, Ofcom assessed potential impacts on altnets of selling some FTTP services at discounted prices by reference to ARPUs across all FTTP sales into the relevant market, not by isolating a narrow subset of discounted lines.

> *"This is because FTTP networks compete across a significantly broader range of services and customers than covered by this specific offer, and non-uniform pricing is common in the market."*
>
> *"Indeed, differential pricing can be a legitimate way for all fibre network operators to test the market and drive take-up."*[7]

19. Openreach agrees with that previously stated position. It provided helpful transparency and guidance to the market about how Ofcom would assess price levels. By moving away from that approach in this consultation, Ofcom risks creating uncertainty about how short-term offers will be assessed during the TAR period.

2.5 Ofcom has overstated the effect of short-term connection discounts on the REO range it uses

20. Our concerns are compounded by the way Ofcom adjusts the REO cost range to reflect connection charge discounts and rebates available within the short-term offers.

21. The REO cost range published alongside the TAR used average connection charges under Equinox 2 to offset part of the assumed costs of provisioning end-customer connections. The offers considered in this consultation would reduce connection charges only for orders qualifying for the offers and only during the offer period. However, Ofcom's approach effectively assumes that all FTTP orders over the full period of the FCM are discounted. This significantly increases the REO range and its midpoint and further distorts any assessment of whether altnets can recover their long-term costs.

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6 Short-term incremental costs could include upfront connection costs spread over a suitable time period and incremental operating costs driven by the incremental customers within the offer.

7 https://www.ofcom.org.uk/siteassets/resources/documents/phones-telecoms-and-internet/information-for-industry/fairness-for-customers/open-letter-to-industry-openreach.pdf?v=405640

2.6 Ofcom risks treating the REO midpoint as a de facto price floor

22. Although Ofcom states that the REO cost range is not a bright-line test, its approach in this consultation risks creating exactly that effect. Ofcom proposes to take no action where offer pricing is above the midpoint of the adjusted REO range, but to block an offer where it considers pricing to be in the lower half of the range and potentially beneath the bottom of the range. Ofcom does not identify any alternative reference point below the midpoint for assessing whether prices may still be fair and reasonable.

23. This concern is amplified by Ofcom applying the test to an extremely narrow set of customers qualifying for the offers and by the adjustments it has made to the REO range. More generally, the weight placed on the midpoint of the REO range is difficult to reconcile with Openreach's expectation that the TAR framework would allow it to compete fairly on the merits.

24. [✂]. If Ofcom effectively uses the midpoint as a floor for pricing offers, [✂], contrary to Ofcom's stated position in the TAR.

25. This approach also fails to take into account real-world market evidence. It is publicly known that wholesale altnets such as CityFibre, and retail altnets, are already offering significant discounts against Openreach prices. Those prices must be towards the bottom of the REO cost range, if not beneath it. The effect of Ofcom's approach would therefore be to prevent Openreach from matching rivals' market pricing, even where Openreach believes it is more efficient than those rivals.

26. Ofcom should confirm that prices below the midpoint of the range can still be fair and reasonable where the wider evidence supports that conclusion.

2.7 Ofcom gives limited weight to other evidence in assessing pricing, including prevailing market conditions

27. Ofcom states that it is important to take account of other evidence, alongside the REO cost range, in assessing offer price levels. Ofcom notes this would include prevailing market conditions and should also include real-world considerations to ensure Ofcom properly considers how any short-term pricing offers will impact wholesale purchasing behaviour and changes to retail strategies by ISPs and any reactions from wholesale and retail altnets. However, we are concerned that Ofcom attaches little weight to these factors meaning its decisions are heavily shaped by its assessment of pricing against the REO cost range.

28. Most notably, in considering the extent to which short-term offers may impact price differentials between Openreach and altnets, Ofcom's position seems to be that any competitive reaction that reduces price differentials will raise concerns. It is hard to see how this could be consistent with allowing fair competition on the merits where rivals are heavily discounted against Openreach prices.

2.8 Ofcom should clarify how the REO range will be used during the TAR period

29. Finally, it remains unclear how Ofcom's approach to assessing FTTP pricing will evolve over the five-year TAR period. Ofcom should provide clearer guidance on the following issues:

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i. Whether Ofcom considers the REO cost range relevant when assessing how Openreach pricing affects VMO2/nexfibre, given its status as a recognised and established network rival.

ii. How and when Ofcom would consider individual altnets to have become sufficiently established such that it would be comfortable with pricing lower in the REO cost range or would no longer consider the REO range relevant.

iii. How Ofcom would take account of altnet consolidation, financial restructuring or debt write-offs when using the REO cost range to assess long-term cost recovery.

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Section 3: Frontbook ARPU Share Offer, Box Swap Offer and Equinox incentive extensions

This section responds to Question 3.1. We agree with Ofcom's conclusion that the Frontbook ARPU Share Offer and Box Swap Offers raise no competition concerns and require no further intervention. The offers are not conditional, their price levels are fair and reasonable, and they support ISPs in selling higher bandwidth FTTP services to the benefit of end customers. Nevertheless, Ofcom's adjustment to the REO range for the Box Swap Offer materially overstates the likely impact of the offer and should be corrected.

3.1 We agree with Ofcom's overall conclusion on these offers

30. We agree with Ofcom's assessment of the Frontbook ARPU Share Offer and Box Swap Offer. These offers are not conditional, their price levels are fair and reasonable, and they should not be subject to any further assessment or intervention. The offers are now live following 28 days' notice.

3.2 The offers support migration to higher bandwidth FTTP services

31. The Frontbook ARPU Share Offer is designed to encourage ISPs to sell higher bandwidth FTTP services to end customers. It should increase the ARPUs ISPs pay to Openreach over time as ISPs shift their frontbook mix towards higher bandwidth services, while limiting frontbook ARPU to the £19.32 threshold during the offer.

32. The Box Swap Offer further supports the same objective by removing a practical barrier to upgrades to the highest 1.8Gb FTTP bandwidth. It does this by removing the £90 charge that would otherwise apply where an existing Optical Network Terminal (ONT) needs to be replaced with a 2.5Gb ONT.

33. Both offers should benefit end customers because ISPs can use them to develop stronger retail propositions for higher bandwidth services and allow consumers to take greater advantage of FTTP capability and make the most of its benefits. Openreach benefits from higher ARPUs, and increased end customer demand for high bandwidths should, over time, support improved ARPUs for all FTTP network providers.

3.3 The ARPU Share offer is not conditional under Condition 8.6

34. Several stakeholders argued that the Frontbook ARPU Share Offer should be treated as a conditional offer subject to the 120-day notification requirement. We agree with Ofcom that this is not required.

35. Condition 8.6 applies where an offer is conditional on the volume, range or mix of services purchased. The Frontbook ARPU Share Offer is not conditional in that sense.

36. First, the offer is not conditional on an ISP purchasing a specific volume of FTTP lines or a specified range of FTTP bandwidths. An ISP could exceed the ARPU cap, and therefore benefit from the offer, by purchasing a single FTTP line at a bandwidth variant priced above the cap, or by purchasing all of its FTTP lines at the same higher bandwidth variant.

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37. Second, for the purposes of Condition 8.6, different FTTP bandwidths should not be treated as different services in any event. They are variants within the same FTTP service. Treating any pricing mechanism affected by bandwidth mix as conditional would substantially expand Condition 8.6 beyond its wording and intended purpose. The condition is aimed at loyalty-inducing commitments, not ordinary product pricing flexibility.

3.4 The price levels are clearly fair and reasonable

38. Ofcom assesses the price levels within the Frontbook ARPU Share Offer and Box Swap Offer in combination. It does this by estimating the expected ARPU impact of the Frontbook ARPU Share Offer and then adjusting the REO cost range to reflect the estimated impact of removing the £90 charge for a 2.5Gb ONT box swap on qualifying 1.8Gb FTTP upgrade orders.

39. Ofcom finds that the effective £19.32 charge for bandwidths above 330Mbit/s, and its estimate of the average FTTP rental charge including the Frontbook ARPU Share Offer discount, are above the midpoint of its adjusted REO range of £13.90 to £21.63, with a midpoint of £17.77. On that basis, Ofcom concludes that the prices raise no concerns about compliance with the fair and reasonable obligation. We agree with that conclusion, notwithstanding the broader concerns we raise in Section 2 about the limitations of using the REO range to assess whether pricing in short-term offers is fair and reasonable.

40. The Frontbook ARPU Share Offer is designed to encourage ISPs to sell higher bandwidth FTTP services. This should benefit end customers by enabling them to make fuller use of FTTP broadband capability, while increasing the overall ARPU Openreach receives. Because current Equinox prices have been assessed as fair and reasonable in the TAR, an offer that increases ARPUs should also be fair and reasonable.

41. [✂]. It also means the offer should not harm competition; if anything, by increasing the ARPU against which altnets compete, it should improve their ability to compete with Openreach.

3.5 Ofcom has overstated the REO adjustment for the Box Swap Offer

42. We make a broader point in Section 2 about the way Ofcom adjusts the long-term REO cost range to reflect connection discounts within short-term offers. Separately, Ofcom's specific adjustment for the Box Swap Offer is too high on its own terms.

43. Ofcom treats the free 2.5Gb ONT box swap as a £90 discount on 1.8Gb FTTP connections and assumes that 11% of all FTTP lines would need to receive an equivalent £90 discount to compete with the offer. It then reduces assumed connection revenue in the FCM by £9.90, increasing the REO range. Crucially, that assumption is not evidenced by Ofcom. [✂].

Figure 2: Proportion of orders benefitting from Box Swap Offer

Offer Condition	Volumes

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Only available when placing an order for 1.8Gb	[✂]
Box swap only required on upgrade orders where the customer does not already have a 2.5Gb ONT in place	[✂]

44. Figure 2 shows that only a maximum [✂] could benefit from a free box swap. This is consistent with the position assumed when the offer was structured and taken through governance, which assumed [✂].

45. We understand Ofcom's 11% assumption may reflect the proportion of "similar bandwidth" services sold by altnets. But it is not credible that, [✂], an altnet would need to offer an equivalent £90 discount on all high-bandwidth lines.

46. [✂].

47. We suggest that Ofcom assume a maximum [✂] of orders would receive a £90 benefit to align with our assumptions when launching the offer. The connection benefit included in the FCM should therefore be no more than [✂], not £9.90. Correcting this assumption would materially reduce the upward adjustment to the REO range and midpoint.

3.6 The Equinox incentive extensions raise no additional concerns

48. Ofcom has correctly assessed that the continuation of the Equinox Try Before You Buy and Cablelink incentives raises no concerns. These are simple extensions of existing, well-understood terms and Ofcom has not asked a consultation question on them. We support that approach.

49. Because these incentives reflect pricing continuity, they are already built into baseline Equinox pricing. They should therefore not be treated as new ARPU-impacting offers in Ofcom's wider assessment of the notified offers.

Section 4: Incremental New to Openreach Customer Offer

This section responds to Question 4.1. We disagree with Ofcom's proposal to direct Openreach to withdraw the Incremental New to Openreach Customer Offer. Ofcom is right that the offer structure is not loyalty-inducing and does not itself create a barrier to ISPs using rival networks. However, Ofcom's objection to the offer is based on a flawed conclusion that the discounted price levels are not fair and reasonable in that they could result in altnets failing to recover their long-term costs and therefore undermine the development of long-term competition. This finding is based on an inappropriately narrow assessment of how the short-term offer prices compare to the REO cost range, and speculative rather than plausible theories of harm that are not supported by the evidence. Ofcom should withdraw the proposed direction and allow the offer to proceed.

4.1 We disagree with Ofcom's provisional assessment

50. Openreach strongly disagrees with Ofcom's assessment of the Incremental NTO Customer Offer and with the proposal to direct Openreach to withdraw it. We agree with Ofcom that the conditionality within the offer is not loyalty-inducing and does not, in itself, harm competition. The disagreement is therefore about Ofcom's provisional finding that the price levels available on above-baseline NTO orders are not fair and reasonable.

51. Ofcom has failed to show that, as it claims,[8] the availability of the discounted offer prices would result in margins that may not allow a REO to fully recover its long-term costs, and that there is a sufficiently plausible risk that the offer could undermine altnets' ability to exert an effective competitive constraint over the long term. Ofcom's assessment focuses on an inappropriately narrow output increment of above-baseline NTO customers that would be acquired during the short-term offer period (i.e. the subset of customers receiving discounted prices as part of the offer). A more plausible assessment of the impact of short-term offer pricing on long-term cost recovery would consider wider altnet revenues, actual market pricing and likely real-world behaviour by ISPs and altnets in response to the offers. We set out evidence below to show that there is no plausible risk that the introduction of the offer would result in reasonably efficient altnets not recovering costs.

52. On that basis, the proposed direction is not justified, proportionate or targeted only at a case in which regulatory action is needed.

4.2 The offer supports ISPs competing for genuinely incremental retail customers

53. The Incremental NTO Customer Offer is designed to support Openreach's ISPs in competing for end customers who are not currently connected to the Openreach network. These include end customers churning between networks and customers taking a fixed line connection for the first time. By enabling ISPs to offer lower retail prices when competing for these end customers, the offer should deliver direct benefits to these consumers.

[8] Consultation document, paragraph 4.123.

54. When notifying the offer, Openreach expected [✂]. [✂].

55. [✂].

4.3 Ofcom is right that the conditionality is not loyalty-inducing

56. We agree with Ofcom that the conditionality within the offer structure — discounted prices only being available on volumes above a pre-set baseline — does not itself prevent or deter ISPs from using rival networks. The offer structure does not have a loyalty-inducing effect. Therefore, in relation to Question 1 of Ofcom's assessment framework, the notified commercial terms do not create a barrier to using rival networks. As such, Ofcom's remaining two questions on conditionality are not relevant.

4.4 Ofcom has assessed too narrow an output increment to conclude that the discounted offer prices are not fair and reasonable

57. Ofcom's provisional conclusion is largely shaped by its comparison of the discounted prices available on above-baseline NTO orders with the REO cost range. That is too narrow an output increment for assessing long-term altnet cost recovery.

58. As we set out in Section 2, the TAR was clear in setting out that assessments of whether FTTP pricing was fair and reasonable would focus on the impact Openreach's FTTP price levels had on the opportunity for a REO to fully recover long-term costs and compete across the WLA market – a market that includes all end customers wanting fixed broadband connections, including those already connected to the Openreach network.

59. Ofcom's approach therefore focuses on a very narrow category of customers qualifying for the discounts under this offer and representing a subset of customers purchasing broadband services in the WLA market. It then compares the 5-year ARPUs generated by serving those customers under the offer terms with the REO cost range, which – as set out in Section 2 – is designed to assess long-term cost recovery across a much wider customer base and much longer (40-year) period. No conclusions on an altnet's ability to recover long-term costs can be drawn from this narrow and limited assessment.

60. This approach is analytically inconsistent. It effectively treats a short-term, narrow set of end customers as if they were the only customers a REO will serve in attempting to recover long-term costs. In reality, altnets recover their costs across a broader portfolio of customers.

61. An altnet's ability to recover its costs depends on the revenues generated across all the end customers it serves and will compete for over the long term. Ofcom should therefore assess how the offer pricing affects the blended ARPUs altnets could generate in competing across the WLA market and the relevant customer base rather than isolating only the deepest-discounted increment. The relevant output increment for assessing long-term cost recovery should therefore be the supply of FTTP services across the WLA market.

4.5 Identifying customer segments within the correct wider output increment

62. Figure 3 summarises the relevant customer segments that altnets could generate FTTP revenues for the offer period and identifies which of these could qualify for the Incremental NTO Customer Offer discounts.

Figure 3: Sources of FTTP revenues for an altnet

Outside Openreach FTTP footprint	Inside Openreach FTTP footprint			
	Newly Acquired Customers (Frontbook)			Base of Customers (Backbook)
	Openreach copper	Openreach FTTP	Not on Openreach network	Altnet existing customers
Not eligible for NTO discounts			Eligible for NTO discounts from Openreach if volumes above baseline	

63. We estimate the relative size of these segments below.

Premises outside the Openreach FTTP footprint

64. Where an altnet's footprint does not overlap with the Openreach FTTP footprint, the Incremental NTO Customer Offer will clearly have no relevance. Altnets would need to compete against Openreach copper (FTTC or SOGEA) prices in these areas – either directly if wholesale altnets or indirectly if retail altnets. But there will be no impact on competitive pricing in this area as a result of the offer coming into effect.

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65. Figure 4 shows our estimates of the proportion of altnet footprint that sits outside the Openreach FTTP footprint and therefore would not be impacted by the offer.

Figure 4: Proportion of altnet footprint overlapped by Openreach FTTP

[✂]

Current end customers served by Openreach within the Openreach FTTP footprint

66. Altnets will compete at the wholesale and retail level to acquire customer lines that are currently served by the Openreach network. This will include:

    i. Retail altnets looking to win broadband lines from ISPs supplied by Openreach copper or FTTP.

    ii. Wholesale altnets supplying ISPs looking to win broadband lines from other ISPs supplied by Openreach copper or FTTP.

    iii. Wholesale altnets supplying ISPs looking to proactively upgrade their own copper broadband base of customers currently served by Openreach.

67. This last segment is particularly important for wholesale altnets. ISPs can move their existing Openreach copper customer base to an altnet FTTP network at scale through proactive migration programmes and may have a strong incentive to do so where altnet pricing reduces their cost base.

68. None of these segments of potential altnet customers are within the scope of the Incremental NTO Customer Offer.

69. Our evidence shows that the volume of customers falling in this segment is significant. Comparing total altnet service additions with Openreach broadband line losses indicates that, over recent quarters, around [✂] of the total volume of FTTP lines acquired by altnets were lost by Openreach. The remaining [✂] will have come from VMO2 or other altnets or be new/returning fixed broadband customers.

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Figure 5: Total Altnet adds in relation to Openreach losses to altnets

[✂]

70. Our evidence suggests that the share of new altnet sales to existing Openreach customers will be [✂]. CityFibre is the most important wholesale altnet for Ofcom's analysis. Our analysis in Figure 6 below shows [✂].

Figure 6: CityFibre adds in relation to Openreach losses to altnets

[✂]

Newly acquired customers not currently on the Openreach network but where FTTP is available

71. It follows from the above that altnets are currently acquiring around [✂] of new FTTP lines from end customers not currently connected to the Openreach network.

Existing altnet backbook base in the Openreach FTTP footprint

72. In Openreach's 1 June 2026 submission, we assumed that [✂] of FTTP customers would be backbook. Ofcom suggested that rapidly growing altnets could have a materially different frontbook/backbook split from Openreach. We have tested this by estimating altnet frontbook and backbook ratios using installed bases at the start of 2025 and lines added during 2025. The evidence is consistent with Openreach's assumption. Across the main altnets shown in Figure 7, the frontbook proportion ranges from around [✂], with a weighted average of around [✂].

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Figure 7: Proportion of Altnet customers who are backbook

[✂]

Potential for altnets to generate increased longer-term revenue from fixed broadband market growth

73. As FTTP coverage expands, particularly through funded build, end customers who previously relied on fixed wireless or satellite because they lacked a comparable fixed-line option are likely to move to fixed broadband. Altnets have been prominent in early Project Gigabit contracts, so this category could be particularly relevant to their acquisition volumes. Even if this group is small in absolute market terms, it may be material to Ofcom's assessment of long-term altnet cost recovery because Ofcom's provisional conclusion is marginal and sensitive to the ARPU assumptions used.

74. Figure 8 below summarises our estimates of how altnet revenues during the offer period could split across identified end customer segments using the estimated split of CityFibre lines, assuming [✂] of newly acquired lines were directly from Openreach. This will obviously vary by altnet, but the figures show that the discounted price levels available on above baseline NTO orders will only have potential relevance to [✂] of altnet revenues. And, as we explain below (and before we even consider real-world pricing structures and incentives on ISPs), we do not consider it likely that, [✂].

General

Figure 8: Split of altnet revenues by customer segment

<table>
<tr><th rowspan="3">Outside Openreach FTTP footprint</th><th colspan="4">Inside Openreach FTTP footprint</th></tr>
<tr><th colspan="3">Newly Acquired Customers (Frontbook)</th><th>Base of Customers (Backbook)</th></tr>
<tr><th>Openreach copper</th><th>Openreach FTTP</th><th>Not on Openreach network</th><th>Altnet existing customers</th></tr>
<tr><th colspan="3">Not eligible for NTO discounts</th><th colspan="2">Eligible for NTO discounts from Openreach if volumes above baseline</th></tr>
<tr><td>[✂]</td><td colspan="2">[✂]</td><td>[✂]</td><td>[✂]</td></tr>
</table>

4.6 ARPUs across the wider output increment will be above the midpoint on all plausible scenarios

75. Ofcom's assessment of Openreach pricing in assessing the Equinox offers and considering the potential impact of the Try Before You Buy Proactive upgrade offer has focussed on the impacts the relevant pricing, including any short-term offers, could have on overall Openreach ARPUs. This approach effectively allows Ofcom to assess the potential impact on an altnet's long-term cost recovery if it precisely replicated Openreach's offer structure and, therefore, could earn the same overall ARPU.

76. Figure 9 below sets out the ARPUs a REO would be assumed to generate from its sales to different customer segments within the wider output increment if it precisely replicated Openreach's price structures under the terms of the Incremental NTO Customer Offer and – where that does not apply – under Equinox, allowing for the ARPU Share Offer and Box Swap Offer in place today.

Figure 9: Relevant REO ARPUs

Customer segment	ARPU
To compete for customers eligible for the deepest NTO discount	[✂]
To compete for customers eligible for the average NTO discount on above baseline customers	[✂]
To compete for customers acquired from Openreach - not NTO	[✂]
To compete for customers outside the Openreach FTTP footprint	[✂]
ARPU on Backbook	[✂]

77. In Figure 10 below, we then calculate and show the minimum share of an altnet's volumes that it would need to discount to the offer levels to bring the weighted ARPU below the midpoint under different scenarios.

Figure 10: Proportion of altnet volumes that would need to be eligible for the discount to bring the ARPU below the midpoint thresholds

FCM REO range scenario (midpoint thresholds)	Midpoint threshold - average discount tier		Midpoint threshold – deepest discount tier
Ofcom view	18.34	[✂]	[✂]
Corrected for box swap	[✂]	[✂]	[✂]
Openreach view	[✂]	[✂]	[✂]

78. The table shows that even using Ofcom's adjusted REO cost range which assumes all connections receive a £35 rebate over the long term and that [✂] of FTTP connections receive an effective £90 rebate via a box swap, more than [✂] of altnet lines would need to be discounted to the level of the highest NTO tier to bring the overall ARPU on altnet sales to the midpoint of Ofcom's range. On a corrected view of the REO cost range reflecting the more limited availability of connection rebates under the short-term offers, the Incremental NTO Customer Offer would have to have an even larger impact on the percentage of lines an altnet would need to discount.

79. This is way above any plausible assessment of the volume of lines an altnet would need to discount to respond to any potential commercial challenges presented by the offer, noting:

i. As we have shown, around [✂] of the customers an altnet supplies or would want to supply with FTTP would not be eligible for the discounts.

ii. Discounts are only available on NTO volumes above the baseline.

iii. We do not consider it plausible [✂].

iv. A retail altnet would only need to respond to pricing impacts from the subset of above baseline orders.

v. Even if all frontbook NTO orders needed to be discounted by a wholesale altnet to avoid lines being switched to Openreach the impact would not be above the thresholds set out.

4.7 Ofcom has overstated the adjusted REO range

80. As explained in Section 2.5, it is not appropriate to adjust the FCM's long-term benchmark as if short-term connection discounts applied to all FTTP orders across all modelled periods; doing so materially inflates the REO range and its midpoint and compounds the core problem, because it compares the narrowest, most discounted increment with a benchmark that is itself overstated. Our view is that applying the £35 connection rebate for relevant volumes for the single year of the offer would move the midpoint of the REO cost range to £[✂].

4.8 Ofcom's theory of harm is speculative rather than plausible

Real-world impacts

81. The ARPU assessment above is hypothetical: i.e. it assesses what level of ARPU a REO would earn if it competed by precisely matching Openreach FTTP price structures: specifically the discounted offer pricing for new NTO orders where the REO could need to discount its prices to remain competitive and Equinox pricing for all other new orders and backbook. It is a reasonable approach to considering whether Openreach's pricing behaviour and structures might impact the opportunity for the REO to recover long-term costs.

82. We note that one of the reasons Ofcom focuses exclusively on the narrow output increment of above baseline NTO orders is that it considers that existing wholesale contracts may restrict an altnet's ability to set higher prices in areas where Openreach FTTP is not available or where the NTO discounts would not apply.[9] Ofcom also references that altnets may face higher levels of competitive constraint on average than Openreach and/or may need to more heavily discount against Openreach prices to overcome advantages[10].

83. This clearly moves Ofcom's assessment of the impact of Openreach's offer pricing beyond the hypothetical framework applied in earlier assessments and into consideration of real-world impacts. We agree that Ofcom should take account of these. Any assessment based on the REO cost range should only be a starting point. It must also assess the likely real-world effects of the offer, including how ISPs and altnets would be expected to respond in the current market.

84. Ofcom's own TAR guidance recognises this. It states that the REO cost range is highly relevant to its assessment of fair and reasonable FTTP pricing, but that it is a starting point rather than the only relevant factor. Ofcom also said it would consider wider market evidence, including the number of customers affected, the impact on price differentials, the effect on take-up, and whether a price reduction is targeted at particular market segments or altnets.

85. But we are concerned that Ofcom's overall approach to assessing this offer is too selective in taking account of real-world factors. For instance, it effectively assumes that altnets will be harmed in terms of cost recovery as a result of needing to reduce prices to levels that are low/below the REO range on sales to NTO premises and makes reference to commercial arrangements already in place to suggest altnets may have limited opportunities to rebalance pricing. But it does not fully consider the detail of how either ISPs or altnets will likely react to the offer in the real world given commercial arrangements already in place.

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9 Consultation document, paragraph 4.70 (b).

10 Consultation document, paragraph 4.69-4.70

ISP decisions in light of the Incremental NTO Customer offer

86. All ISPs will be able to identify at point of sale whether a premises: (i) has Openreach FTTP available; and (ii) is NTO. They will then know that placing an FTTP order with Openreach at that premises could allow it to benefit from the Incremental NTO Customer Offer discounts:

    i. For the major ISPs, the order would effectively receive the discount if it drove NTO volumes above the baseline.

    ii. For small ISPs, all Openreach FTTP orders would receive the discount.

87. An ISP will then potentially face a number of commercial decisions in deciding whether/how to change its behaviour to take advantage of the offer.

88. First, decisions about choice of wholesale network supplier during the offer period.

    i. Where ISPs are already using wholesale altnets as default supplier where available (as noted below ISPs have provided evidence to Ofcom on their likely reaction to the offer in these wholesale decisions):

        a. ISPs will need to decide the extent to which they may shift any new acquisition volumes to NTO premises where Openreach FTTP is available away from altnets to Openreach for the duration of the offer.

        b. ISPs will need to decide whether to migrate any existing customers supplied using the wholesale altnet back to Openreach FTTP where available as these will potentially be eligible to receive the discount.

    ii. Where CPs are considering using new wholesale altnets for FTTP, they will need to decide whether to do so for orders placed at NTO premises where Openreach FTTP is available. In this situation, the wholesale altnet would clearly have the flexibility to balance its pricing as necessary to secure volumes and/or seek volume commitments so the ARPU analysis above is relevant. The offer pricing would not create a cost recovery challenge for the altnet.

89. Second, decisions about retail market pricing action during the offer period and whether/how to use the offer to compete for increased NTO volumes in the retail market. Options will include:

    i. Whether/how to pass through the discounts in full to specific customers to drive overall volumes above the baseline for the period.

    ii. Whether/to what extent to lower average prices for NTO customers as part of plan to drive more total retail acquisition volumes from NTO customers in the offer period vs the baseline period.

90. Ofcom has received submissions from ISPs on how they could use the offer in the retail space as set out below. The key point is that if retail altnets need to introduce further discounts to respond to any ISP price reductions on NTO lines, this would only be on a small subset of volumes, and they will have flexibility to adjust prices elsewhere in the retail space. Again, the ARPU analysis is then relevant in considering cost recovery.

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Newly acquired volumes are unlikely to be diverted wholesale from altnets to Openreach

91. Ofcom suggests that all NTO volumes within a wholesale altnet footprint could be diverted to Openreach because those volumes would be incremental to an ISP's baseline where the baseline had been set in a period where the ISP had been using an altnet for share of NTO orders – i.e. the ISP would not need to increase its total volume of ISP orders to get the above baseline volumes, just divert orders back to Openreach. That proposition is central to Ofcom's reliance on the discounted NTO prices as the relevant benchmark for assessing altnet competition. But it is not a realistic view of how ISPs make network-choice decisions in the market.

92. Wholesale altnet contracts and commercial incentives make wholesale diversion from altnets to Openreach implausible. [✂]. Ofcom should be able to test this directly with ISPs using its information gathering powers.

93. [✂]. Public information suggests CityFibre offers a monthly rental of around £14.30 and an upfront connection payment of around £240.[11] Over an average five-year customer life, that implies a total cost to the ISP of around £618, [✂]

Figure 11: Comparison of Openreach and CityFibre prices over five years

	One off charge	Rental Charge per month (average over five years)	5-year total cost of ownership
CityFibre	-£240	£14.30	£618
Openreach Incremental NTO – deepest tier	[✂]	[✂]	[✂]
Variance	[✂]	[✂]	[✂]

94. Figure 11 shows that it would not be credible for an ISP to move all relevant volumes from CityFibre to Openreach in order to benefit from the Incremental NTO Customer Offer discount. [✂]. Over a shorter two-year retail contract period, the difference would be greater because of the upfront payment made by CityFibre.

95. This is consistent with Ofcom's own stakeholder evidence that, once an ISP has integrated with an altnet and can place orders at scale, price is the most important factor in deciding which network to use. [✂]. If Ofcom relies on any contrary evidence, it should test that evidence formally and assess whether a diversion strategy would be commercially rational.

Wholesale altnet backbook volumes are not realistically at risk

96. Ofcom raises a theoretical concern that wholesale altnet backbook volumes could be moved to Openreach because those volumes would be incremental to an ISP's baseline.

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11 See UK Altnets: Something's got to give | Enders Analysis.

Ofcom relies on this possibility as part of its reason for excluding backbook ARPUs from the assessment against the FCM.

97. We agree that, as a technical matter, such lines could qualify for the offer if they were moved to Openreach. But it is not credible that an ISP would proactively move existing FTTP customers from a wholesale altnet to Openreach simply to access the Incremental NTO Customer Offer discount.

98. The first reason is price. Even if the upfront CityFibre connection payment is treated as a sunk benefit for existing customers, the ongoing Openreach rental price at the deepest Incremental NTO Customer Offer discount is effectively [✂]. [✂].

Figure 12: Comparison of Openreach and CityFibre prices over five years for an existing CityFibre customer

	One off charge	Rental Charge per month (average over five years)
CityFibre	N/A – sunk	£14.30
Openreach Incremental NTO – deepest tier	[✂]	[✂]
Variance	[✂]	[✂]

99. We also note that CityFibre did not raise this as a concern in its response to the call for inputs. Ofcom should not rely on a speculative risk of wholesale altnet backbook migration when the available evidence indicates that such behaviour is commercially unlikely.

100. But, as explained in more detail above, [✂].

Retail altnets would not need to compete with the deepest discount on every line

101. At the retail level, it is highly unlikely that an ISP would pass through the full benefit of the deepest discount on an individual line. As Sky explained in its call for inputs response, because an ISP would not be able to identify at the point of sale which customer line would benefit from the incremental discount, it would estimate the total expected benefit from the offer and spread that benefit across a broader group of NTO customers. Sky estimated that this would result in an average monthly price of around £15–£16, including the impact of the incremental offer in VMO2 areas, rather than the [✂] ARPU net of discount on individual incremental lines. It is that blended retail effect that retail altnets would need to compete with on the NTO subset of the newly acquired market.

102. [✂].

103. Even if a retail altnet did need to respond to the deepest discount on some lines, that would not mean the offer undermines its ability to recover costs. Retail altnets are not constrained by wholesale contracts in the same way as wholesale altnets. They can recover costs across a wider set of customer groups, including existing customers and customers outside the Openreach FTTP footprint. Ofcom should therefore assess the likely blended

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impact on retail altnet ARPUs, not assume that the deepest discount must be matched across all relevant lines.

Small Openreach ISP volumes are immaterial

104. Ofcom also raises a concern that smaller ISPs could pass through lower prices at the retail level because they do not need to exceed a baseline to benefit from the offer. While small ISPs would receive the discount on all NTO volumes, this does not create a plausible risk of material harm to competition.

105. [✂].

4.9 Ofcom should not direct withdrawal of the offer

106. For the reasons set out above, Ofcom should withdraw its proposed direction and allow the Incremental NTO Customer Offer to proceed. Ofcom agrees that the offer structure is not loyalty-inducing and does not itself create a barrier to ISPs using rival networks. The remaining concern is about price levels, and that concern is not supported when the offer is assessed on the correct output increment, against an appropriately adjusted REO range, and in light of real-world market evidence (i.e., taking account of all the relevant facts and circumstances).

107. The evidence shows that altnets recover costs across a broader customer base than the discounted above-baseline NTO increment, that blended ARPUs remain consistent with long-term cost recovery, and that Ofcom's theories of harm are speculative rather than plausible. Blocking the offer would therefore be disproportionate and would risk protecting competitors from price competition rather than protecting the competitive process (also contrary to Ofcom's wider duties to promote competition).

108. Allowing the offer to proceed would support ISPs in competing more effectively for genuinely incremental customers, deliver direct benefits to end customers through lower retail prices, and remain consistent with the TAR framework. Ofcom should therefore conclude that the Incremental NTO Customer Offer is fair and reasonable and should not direct Openreach to withdraw it.

General

Section 5: Geographic Incremental New to Openreach Customer Offer

This section responds to Question 5.1. We agree with Ofcom's provisional conclusion that the Geographic Incremental NTO Customer Offer should be allowed to proceed. The offer is a targeted, time-limited response to VMO2 competition within its established footprint. It is intended to help ISPs compete for customers, deliver lower retail prices and increase Openreach volumes, without creating plausible harm to altnets or long-term network competition.

5.1 We agree with Ofcom's provisional assessment

109. The offer is geographically targeted, but that does not make it harmful. It responds to an established competitor, is limited in duration and scope, and is not capable of undermining the development of long-term network competition.

5.2 The offer supports ISPs competing against VMO2

110. The Geographic Incremental NTO Customer Offer is designed to support Openreach's ISPs in competing for customers within the VMO2 network footprint. By enabling ISPs to offer lower retail prices in those areas, the offer should benefit end customers and help Openreach respond to the well-established competitive constraint imposed by VMO2. [✂].

111. The offer supplements the incentive created by the national Incremental NTO Customer Offer but operates independently and does not require that offer to be live. It is focused on helping ISPs respond to VMO2's recent retail pricing pressure. Between October 2025 and March 2026, VMO2 introduced aggressive frontbook broadband offers, including Black Friday promotions with three months free and switching credits of up to £200, followed by entry retail prices as low as £24.99 for 1Gbps, switching credits of up to £250 and a temporary 2026 price freeze. VMO2 also strengthened its retail proposition through Volt bundles, combining broadband with mobile benefits such as speed boosts, double data and roaming perks. Together, these moves lowered both effective monthly prices and switching costs, increasing competitive pressure on ISPs seeking to win or defend acquisition volumes.

5.3 Geographic pricing is a legitimate response to competition

112. There is nothing inherently problematic about geographic pricing where it is a proportionate response to stronger competition in particular areas. Competition should lead to improved outcomes for consumers, including lower prices, better service quality and increased innovation. A targeted offer responding to an established competitor is a commercially rational form of competition on the merits.

113. Ofcom recognised this in the TAR by adopting a consent process rather than an outright prohibition on geographic pricing: "*We recognise that there are circumstances where geographic pricing may have benefits, and also that geographic pricing may not always be capable of undermining the development of long-term network competition.*" The Geographic Incremental NTO Customer Offer clearly falls within that category. It is targeted

at areas where Openreach ISPs face established VMO2 competition and is intended to pass the benefits of that competition through to end customers.

5.4 The £50 discount would not give rise to any competitive harm

114. Ofcom has assessed the £50 connection discount against the adjusted REO range to consider whether it could affect altnets that are not yet sustainable and established. We agree that Ofcom should consider the level of the discount, but the offer does not create a plausible competition concern.

115. The discount is targeted and time limited. As explained in Sections 2 and 4, Ofcom should not adjust a long-term 40-year cost recovery benchmark as if a short-term connection discount applied to all FTTP orders across all model periods. The correct approach would reflect the limited duration of the offer and the fact that it would not affect returns already earned by a REO.

116. We also agree with Ofcom that it is appropriate to look beyond theoretical REO modelling and consider the real-world effect on price differentials between Openreach and rival networks. On that basis, the £50 discount would not undermine long-term network competition. It is limited in value, focused on VMO2 areas and intended to help ISPs compete for genuinely incremental customers.

5.5 Lower pricing in the VMO2 footprint does not raise altnet concerns

117. The offer is focused on the VMO2 footprint. VMO2 is an established competitor with a total footprint of 18.8m premises and 5.4m fixed broadband customers. Its reported take-up of around 29% has been affected by recent footprint expansion, but it remains a large, well-established network operator backed by Liberty Global and Telefónica.

118. Ofcom was clear in the TAR that geographic pricing concerns primarily relate to new network build by altnets, rather than VMO2 within its established footprint. Ofcom stated that VMO2's large existing network footprint and established customer base mean geographically targeted pricing is unlikely to negatively affect the long-term competitive constraint it exerts on Openreach. We agree. The Geographic Incremental NTO Offer is a response to competition from a large established competitor and reflects the competitive pressure VMO2 places on Openreach through ISP retail pricing.

119. Because VMO2 is a long-established competitor, the FCM and REO range are not the right benchmark for assessing the impact of prices on VMO2 in the same way as for emerging altnets. VMO2 has already recovered returns on much of its legacy footprint and can price incrementally. A more relevant cost reference for competition against VMO2 would therefore permit prices below the midpoint of the REO range.

120. If an offer were focused solely on responding to VMO2 competition and excluded areas where altnets are present, it could support a deeper discount than the £50 discount in this offer without creating harm to long-term network competition. That reinforces why the current targeted and limited offer should not raise concerns.

General

5.6 Ofcom should allow the offer to proceed

121. The Geographic Incremental NTO Customer Offer is a targeted and proportionate response to competition from VMO2. It is geographically focused, time-limited, expected to generate only modest additional volumes, and designed to help ISPs compete more effectively for customers in areas where VMO2 exerts a strong, established competitive constraint.

122. Ofcom is right to conclude that the offer should be allowed to proceed. The £50 discount would not undermine long-term network competition, and lower prices in the VMO2 footprint should not raise the same concerns as pricing targeted at emerging altnets. Allowing the offer to proceed would support ISPs in competing on the merits for customers in VMO2 areas and would deliver direct benefits to end customers through lower retail prices, without undermining altnets' ability to compete or the development of long-term network competition.

123. Openreach therefore asks Ofcom to confirm its provisional view and allow the Geographic Incremental NTO Customer Offer to take effect.

General

Section 6: Incremental Ethernet Net Demand Offer

This section responds to Question 6.1. We agree with Ofcom's provisional conclusion that the Incremental Ethernet Net Demand Offer should be allowed to proceed. Specifically, we agree that this offer does not create a barrier to using a rival network, the price level does not raise concerns and it is not unduly discriminatory. The offer will help ISPs compete for customers, deliver lower retail prices and increase Openreach volumes, without creating plausible harm to altnets or long-term network competition.

6.1 Objective of the Ethernet Offer

124. The objective of the Incremental Ethernet Net Demand Offer (the **Ethernet Offer**) is to attract new customers to Openreach's Ethernet portfolio, where they can benefit from the high-quality features of our EAD products, at a lower overall cost of ownership. By offering the discount we expect that ISPs will be able to undertake further proactive engagement with end-customers about these services as well as using them as an option when reactively responding to bids. [✂].

6.2 Conditionality of the offer

125. We strongly agree with Ofcom's provisional conclusion that the conditionality within the Ethernet Offer does not create a barrier to using a rival network.[12] Ofcom has correctly explained that the discount under the Ethernet Offer only applies to incremental volumes.[13] Therefore, from an ISP perspective, if an ISP is facing a decision about a marginal circuit, the relevant comparator is the Ethernet Offer price against an altnet price. The conditionality does not lead to an effective price that would be below the offer price. Therefore, the conditionality does not constitute any form of barrier to using an altnet.

126. We agree with Ofcom's assessment but also highlight that examining the price for the incremental circuits is the most conservative approach to assessment, since in some scenarios (e.g. multi-site contracts) competition may occur over increments that are larger than individual circuits and networks will also serve customers other than those eligible for the offer. Any assessment that takes place over a larger increment may find that the average price across a larger increment is greater than the Ethernet Offer price itself.[14]

127. Ofcom has correctly described the limitations on the ability to use the Ethernet Offer with other offers, and specifically, that it is not possible to use this offer with the EAD Re-sign offer – neither contractually nor conceptually.[15] This is because the re-sign offer is for *existing* services and the Ethernet Offer applies to connections and therefore *new* services. We address the combination of other offers in the following section.

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12 Consultation document, paragraphs 6.37.

13 Consultation document, paragraphs 6.33-6.34.

14 In our submissions on the Ethernet Offer, [✂]. Doing so, would inevitably lead to a higher average price and therefore the test being passed even more comfortably.

15 Consultation document, paragraph 6.35.

6.3 Level of prices

128. Ofcom concluded that the evidence does not lead to prima facie concerns about the level of prices within the Ethernet Offer. We agree and even if it was to investigate further, it would confirm its preliminary view.

129. The evidence we submitted to Ofcom, and its own assessment[16] demonstrate that the prices are above any relevant benchmark. Ofcom's assessment included considering combinations of other Ethernet offers where applicable, negating the arguments of INCA[17] and ITS[18] that pricing may be unfairly low when Openreach's offers are assessed together.

130. CityFibre makes a similar claim, but one related to the differential between Openreach and altnet pricing, rather than costs. CityFibre claims Ofcom should prevent Openreach reducing its price in a way that reduces the difference with pricing offered by altnets. We strongly disagree that Ofcom should prevent Openreach engaging in such price competition which benefits customers. To do so, would be to expand regulation beyond the scope of the TAR and it would not be feasible for Openreach to monitor and determine this differential itself when reviewing its own pricing.

131. We note that Ofcom has explained that Openreach is not subject to a fair and reasonable charges obligation where a charge control applies. Further, in the HNR where a fair and reasonable charges obligation does apply, Ofcom has stated this will be interpreted as applying between the Openreach wholesale price and the retail price.

132. [✂].

6.4 Variety of offers in the market

133. ITS state Openreach's range of offers in the market stops fluidity of customers between competitive providers,[19] and INCA believe Openreach's offers involving term commitments are intended to lock down Ethernet customers and foreclose altnets from competing for those customers.[20]

134. We disagree that Openreach's offers, including those on a term basis, unfairly reduce churn or negatively affect customers or providers. In our view, contract lengths should reflect customer preferences and the timeframe over which competition and investment occur. Services targeted at business customers are therefore typically available on a multi-year basis to allow efficient long-term investment and network planning. Our understanding is that multi-year contracts are typical in the market. Therefore, there should be no presumption that particular term lengths are a barrier to competition rather than a reflection of competitive market outcomes.

135. ITS argue several of Openreach's Ethernet offers have been in place for extended periods of time and serially renewed, which it suggests points to a strategy of sustaining them only

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16 Consultation document, paragraph 6.48.

17 INCA, Response to Openreach's proposed commercial offers Consultation, paragraph 67.

18 ITS, Response to Openreach's proposed commercial offers Consultation, p. 2-3.

19 ITS, Response to Openreach's proposed commercial offers Consultation, p.3

20 INCA, Response to Openreach's proposed commercial offers Consultation, paragraphs 75 – 77..

until the competitive threat recedes.[21] We do not accept that this has any meaningful effect on competition, or that it causes harm. Launching, adjusting and renewing time-limited offers is a normal and legitimate feature of competing in the market, which the regulatory framework expressly permits.[22] The same pricing outcomes could equally be delivered through changes to our published list prices, subject only to the applicable notice periods (28 or 90 days depending on the direction of the change). What matters for the assessment is not the process through which they are set but their overall compatibility with our regulatory obligations.

6.5 Absence of an Ethernet REO Benchmark

136. The lack of a regulatory obligation in relation to fair and reasonable charges (except for in HNR), means there is no need for an Ethernet REO model (as argued for by INCA and ITS and outlined in the 'Level of prices' section above).

137. [✂]:

  i. [✂].

  ii. [✂].

6.6 Barriers to using Altnets and Competition on the Merits

138. CityFibre argues that the Ethernet Offer erodes the price differential altnets need to overcome Openreach's incumbency and therefore undermines the emergence of competition.[23] This mischaracterises competition on the merits as foreclosure.

139. A discount narrowing the margin between two competitors' prices, and consequently the competitor's margin, is the ordinary consequence of price competition, not evidence of a barrier to using a rival network. The Ethernet Offer only applies to incremental active EAD connections and therefore to a limited proportion of volumes in the market, so the broad foreclosure theories referenced by respondents are not supported by the evidence.

140. We agree with Substantial Group that the Ethernet Offer should be assessed separately from the FTTP cost stack as it operates in the LLA market.[24] However, we do not accept its further suggestion that the Ethernet Offer forecloses MSN/PIA-based or dark fibre LLA entry. The Ethernet Offer does not alter the price or availability of the upstream inputs which such entry may choose to use. These services continue to be subject to cost-based charge controls on PIA, DFA, and DFX. The offer leaves sufficient margin to compete at the LLA level on the basis of using PIA or to compete for active services using DFA and DFX in LLA Area 3 and IEC BT+0 and BT+1, respectively. Ofcom's assessment of the Ethernet Offer demonstrates prices consistently above LRIC, and sometimes above FAC. Accordingly, it is incorrect to claim the Ethernet Offer prevents competition based on Openreach upstream inputs.

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21 ITS, Response to Openreach's proposed commercial offers Consultation, p.4-5.

22 TAR Statement, Vol 3, paragraphs 4.190, 4.197 - 4.198.

23 CityFibre, Response to Openreach's proposed commercial offers Consultation, paragraphs 3.20 - 3.23.

24 Substantial Group, Response to Openreach's proposed commercial offer's Consultation, p.3.

6.7 Undue discrimination

141. Ofcom has considered if the Ethernet Offer is unduly discriminatory because it would not allow new entrants to utilise the Ethernet Offer if they did not have registered volumes during the 1 April 2025 to 31 March 2026 period.

142. [✂].

143. [✂].

144. We do not consider that this constitutes discrimination (even before considering the question of whether it is undue). The offer applies the same rule to all providers and therefore where providers can access different volumes of orders potentially eligible for the discount (the window between their baseline and the cap) this is simply reflecting their differences in circumstances.

145. The Ethernet Offer is not unduly discriminatory between ISPs.

    i. The baseline methodology is objective and applies uniformly to all ISPs (90% of each ISP's own prior year net order volumes), and the discount terms are identical across ISPs.

    ii. The difference in absolute baseline figures across ISPs reflects objective differences in their historic volumes, not differential treatment of ISPs in the same circumstances.

146. In addition, Ofcom correctly finds the materiality of the Ethernet Offer is insufficient to distort competition, so no undue discrimination capable of harming competition arises.

6.8 Ability to change the baseline

147. As we set out in our initial response, we have notified the Ethernet Offer with a methodology for a baseline that applies to all ISPs. This is our intended baseline given the market conditions at the time. However, we are conscious that market conditions could change and that for the Ethernet Offer to be effective, it would then be necessary to revise the baseline (but no other aspects of the Ethernet Offer including structure or price level).

148. Ofcom has explained that if Openreach sought to change the baseline this would require 120 days' notice[25] unless it sought consent for a shorter period. Ofcom has explained the statutory process for seeking such consent.[26] Should we require consent, we consider the four tests (a)-(d) would be satisfied:

    i. Objectively justifiable – the objective justification would be the change in market trends and circumstances that would have occurred since the notification of the Ethernet Offer. These would be capable of being objectively evidenced through recent data on Net Demand at an industry and ISP level.

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25 Consultation document, paragraph 6.62.

26 Consultation document, paragraph 6.63.

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ii. Not unduly discriminatory – Ofcom has provisionally found that the Ethernet Offer is not unduly discriminatory. Changing the baseline would not alter this conclusion since it would affect the baseline for all ISPs by the same proportion.

iii. Proportionate – granting consent would be proportionate, especially given it would avoid the administrative costs of otherwise renotifying the offer on a full 120 days, with Ofcom scrutiny of an offer that is effectively the same structure and price level as the original offer.

iv. Transparent – The change would be transparent to all ISPs who will be notified of the revised baseline proportion and their own individual absolute baseline level.

149. Ofcom has also stated that it would need to consult on these provisional findings, unless it considered that consent would not have a significant impact on the market.

150. We believe that it is apparent that a change to the baseline would not have a significant impact on the market in this case, given the structure of the offer and its price level. The Ethernet Offer would apply only to incremental volumes, which are a small part of the market overall.

6.9 Net Demand (Cancellation) mechanism

151. Hyperoptic suggests that the cancellation mechanism may deter ISPs from migrating customers to rival networks on the basis that cancellations reflect migration to alternative infrastructure.[27]

152. We agree with Ofcom that this misunderstands the mechanism. Cancellations refer to orders cancelled before they are completed, not live circuits migrated between providers. It would be inappropriate to include such orders towards an ISP's volumes, since the circuit was never provided. Accordingly, we refer to net demand (orders less cancellations) both in setting each ISP's baseline and in determining the incremental volumes that qualify for the discount. This ensures the discount rewards incremental growth and avoids any ISP gaming (e.g. by placing orders with no intent to complete them and then cancelling them with the sole purpose of boosting volumes eligible for the Ethernet Offer).

6.10 Conclusion

153. The design of the Ethernet Offer and its pricing, does not create a barrier to using altnets; rather, it represents legitimate competition on the merits. The Ethernet Offer will provide our ISP customers with lower prices, allowing us to compete for business in an increasingly competitive market and providing end-customers with lower prices. Accordingly, we agree with Ofcom's provisional view.

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[27] Hyperoptic, Response to Openreach's proposed commercial offers Consultation, p. 10.

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Section 7: Other issues considered by Ofcom

This section addresses the wider concerns raised by stakeholders, and considered by Ofcom, about the manner in which Openreach brings its commercial offers to market – including the suggestion that Openreach is 'drip-feeding' offers to destabilise competition. Bringing offers to market in response to changing market conditions and following the notification processes set out in the TAR, is competition on the merits and a sign that the framework is working as intended – not evidence of harm to the competitive process.

154. These offers under consultation, as with all other Openreach offers, are about providing flexibility to Openreach's ISP customers so that they can offer deals in order to attract new customers, and benefit end customers with more affordable FTTP broadband.

7.1 Stakeholder concerns and Ofcom's provisional position

155. We note the overarching concerns raised by stakeholders summarised in paragraphs 7.1 to 7.7 of the consultation regarding the manner in which Openreach brings its commercial offers to market. In broad terms, these allegations relate to: the signals that a repeated pattern of notifications may send about Openreach's future conduct; the suggestion that such offers may divert order volumes away from rival networks; and the possibility that offers linked to Openreach-specific baselines could deliver greater or more certain value to BT's retail business.

156. In its consultation document, Ofcom has acknowledged that the uncertainty about future pricing arising from Openreach's pricing flexibility is "*generally a pro-competitive aspect of commercial life*".[28] It further notes that it retains the ability to monitor Openreach's conduct and stands ready to intervene where necessary;[29] and that the baselines, as set by reference to an ISP's recent performance, do not raise obvious concerns around undue discrimination.[30] Openreach agrees with much of this overall position. However, as explained below, it disagrees with certain specific aspects of Ofcom's assessment, including the concern raised at paragraph 7.11 of the consultation. We address the points on which we agree, and those on which we disagree, in turn below.

7.2 Bringing offers to market is competition on the merits, as Ofcom has recognised

157. These concerns were considered by Ofcom in detail in the TAR Statement (see Volume 3, paragraphs 9.219 to 9.225). Ofcom expressly concluded that it had seen no evidence to date that Openreach's recent practices and pricing offers, including the frequency of price changes, are having an anticompetitive effect, and acknowledged that ISPs' internal documents illustrate that they have the resources to consider and engage with multiple potential suppliers simultaneously. On that basis, Ofcom was satisfied that further ex ante regulation is neither warranted nor proportionate. That position still stands, and certain stakeholders are simply raising the same arguments again.

[28] Consultation document, paragraphs 7.8 and 7.9.
[29] Consultation document, paragraph 7.10.
[30] Consultation document, paragraph 7.14.

158. These concerns overlook the essential role that dynamic competition plays in shaping both pricing and customer behaviour, and rest on the mistaken premise that Openreach should compete only on a static basis, disregarding the requirements of its ISP customers and the way the market is developing. Openreach is not "drip-feeding" offers: it responds to market conditions and, in doing so, follows in full the notification requirements that apply to it. Nor does its current pricing signal future conduct; it demonstrates only that Openreach is willing to compete and respond to its customers' needs in a dynamic market, to the benefit of ISPs and end customers. There is no intention to destabilise the market, and confining Openreach to a static posture would deliver worse outcomes for ISP customers and consumers. In reality, Openreach's offers amount to competition on the merits.

159. Negotiating with ISP customers and responding to their needs is a key element of competition on the merits. It drives important benefits for ISP customers and end customers alike. ISPs actively seek strong relationships with all their suppliers and make commercial demands on them; it is precisely this process that has driven the development of Openreach's FTTP pricing offers. Openreach's positive engagement with its ISP customers is a straightforward and legitimate response to customer demand.

160. Altnets are also anticipated to negotiate with their ISP customers and to make special offers. While the altnets' offers are not necessarily public, or offered to all ISPs on equivalent terms, they are not necessarily any less complex, and their negotiations may well take time to conclude given their value. ISPs are well used to assessing offers across the board; they have sophisticated commercial teams and management well able to consider the different options available and to make informed decisions.

161. Openreach does not accept that its pricing offers are unduly complex or numerous. Openreach serves a broad range of ISP customers with materially differing requirements, and its offers reflect that. Restricting the frequency of Openreach's responses or confining them to fixed intervals or particular times of year, would dampen competition in the market. Openreach's readiness to adapt is instead a clear indication that competition is working as it should.

162. Nor do these concerns take on any greater force when the offers are considered in combination. The mere co-existence of offers in the market does not, without evidence, demonstrate any cumulative or interaction effect harmful to competition, and Ofcom already has the ability to assess the offers both individually and cumulatively.

163. Developing FTTP pricing that works across Openreach's customer base is inherently demanding: each ISP approaches negotiations from a different starting position, and Openreach must reconcile these into proposals that are workable for all and consistent with the principle of equivalence. Where offers are conditional on a baseline, that baseline is set using the same methodology for every ISP, by reference to the recent performance of each. All ISPs are therefore treated on a consistent and objective basis, which avoids any risk of undue discrimination – including as between BT's retail business and multi-network retailers.

164. As regards regulatory stability over the market review period, Ofcom already has the ability to consider Openreach's offers in the round, and Openreach will continue to follow the necessary notification periods in full. Openreach's offers are made within the settled TAR

framework. Developments in Openreach's commercial policy over the TAR period do not reduce regulatory stability; Ofcom will continue to be able to assess the position, and further commercial developments will not change this.

7.3 Ofcom should provide greater clarity to avoid blocking legitimate, pro-competitive offers

165. Openreach will continue to submit offers in order to respond to the needs of its ISP customers. [✂]. These will again be submitted in good faith as offers we believe are compatible with the TAR. There is a real risk that Openreach could repeatedly submit offers that are blocked, due to price level or the potential impact on altnet competition. Ofcom raise this as a concern in paragraph 7.11 of the consultation document, but it is an inevitable outcome of the notification process and information asymmetry between Openreach and Ofcom (including as a result of limited guidance).

166. Within this consultation Ofcom has proposed to dismiss the FTTP Incremental NTO Offer as on one overly narrow lens it is below the adjusted REO range, avoiding any discussion on where in the range might be acceptable. We are told that competition is not sustainable at this time, but not how Ofcom has assessed sustainability and how these offers would affect it, nor which factors Ofcom may consider when assessing sustainability. If there is lack of certainty and clarity in the market, it is inherent in the framework Ofcom has set and they are able to resolve it in ways that are consistent with Ofcom's objectives as stated in the TAR.

7.4 Conclusion

167. In summary, the concerns raised are, in substance, competitor complaints about keener competition rather than evidence of harm to the competitive process. Ofcom has already examined these arguments and found no evidence of any anticompetitive effect, and nothing has changed to warrant revisiting that conclusion. Constraining Openreach's ability to compete and respond to its customers' needs would harm ISPs and end users, run counter to the development of dynamic competition, and be neither warranted nor proportionate.