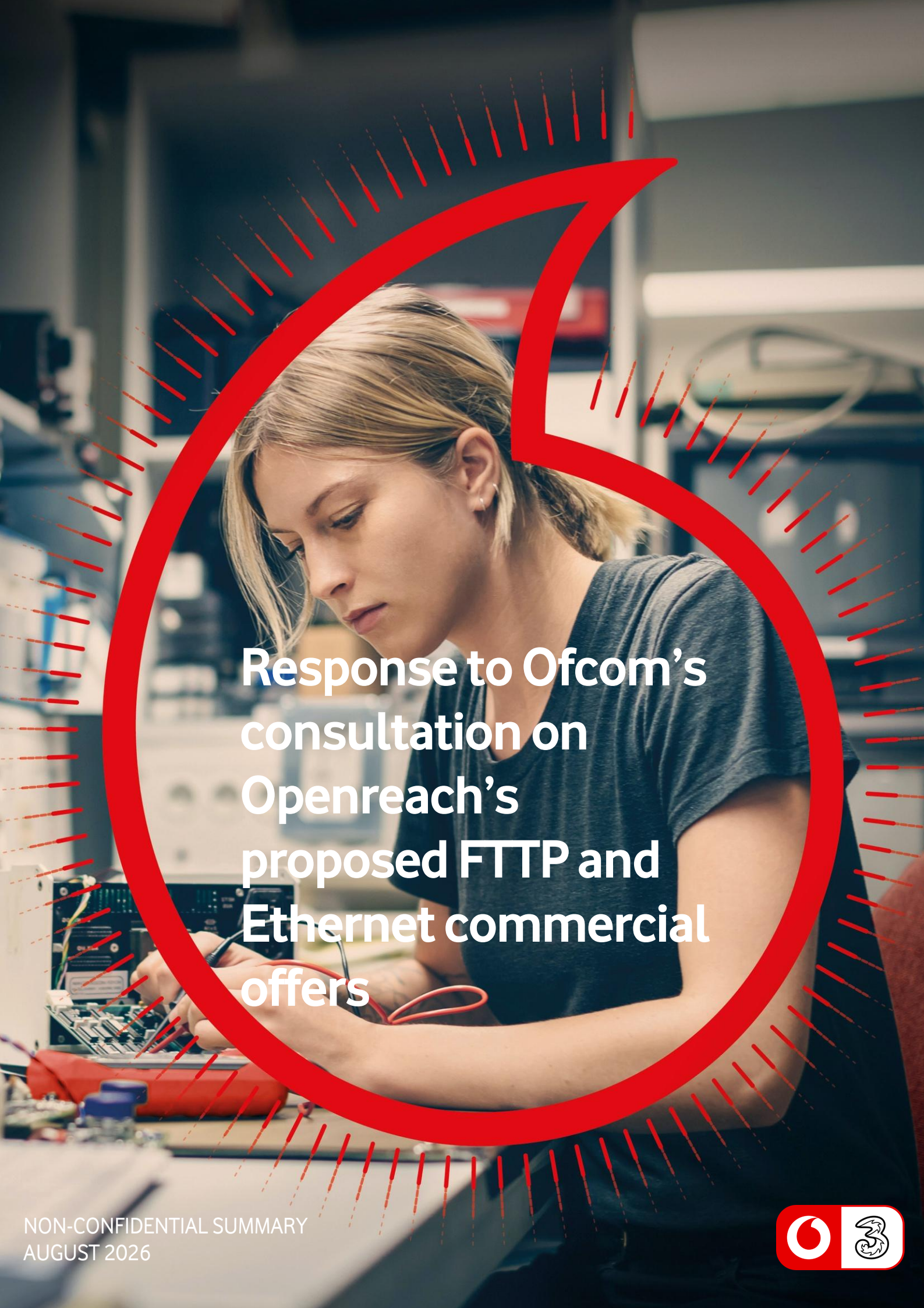




# Response to Ofcom's consultation on Openreach's proposed FTTP and Ethernet commercial offers

NON-CONFIDENTIAL SUMMARY  
AUGUST 2026



# Introducing VodafoneThree

In June 2025, Vodafone UK and Three UK merged to become VodafoneThree. This is the start of an exciting new chapter in UK communications, allowing citizens and consumers to benefit from a market leading operator with the scale, resources and innovative spirit to deliver game-changing connectivity for the UK.

The merger will boost the UK's terrestrial mobile coverage including in very hard-to-reach areas via Direct to Device satellite connectivity. VodafoneThree and its shareholder Vodafone plc operate satellite ground stations across Europe supporting both our own and third-party commercial operations.

To find out more about VodafoneThree, our brands and how we are building the United Kingdom's best network, visit: [Building the UK's Best Network | VodafoneThree](#)

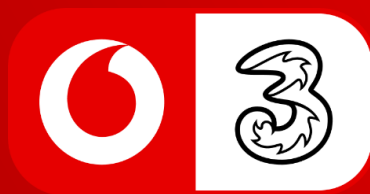


# Executive Summary

1. VodafoneThree welcomes the opportunity to respond to Ofcom's consultation on the FTTP and Ethernet commercial offers notified by Openreach on 1 June 2026. This response also addresses Openreach's subsequent amendment to the Equinox contract.
2. VodafoneThree supports vigorous competition by Openreach. Lower wholesale pricing can promote FTTP adoption, copper migration, higher-speed take-up, business connectivity and affordability. Regulation should support sustainable network competition and customer outcomes, rather than protect any individual competitor from efficient price competition.
3. However, Openreach's significant market power, extensive network footprint and large installed base give it a particular ability to target substantial discounts at the incremental customers and circuits for which networks actively compete, while preserving revenues from its wider base. Such discounts may have a limited effect on Openreach's average prices but a much greater effect on retailers' marginal sourcing decisions and on the demand available to support rival network expansion.
4. Against that framework, VodafoneThree agrees with Ofcom's proposed treatment of the FTTP offers. Ofcom has appropriately distinguished between offers that are unlikely materially to weaken sustainable network competition and the national Incremental New to Openreach Customer Offer, whose unusually large and concentrated rebates justify intervention. Accordingly, VodafoneThree:
  - a. agrees that Ofcom should not intervene in relation to the Frontbook ARPU Share, Box Swap and extended 550Mb incentive offers;
  - b. supports Ofcom's proposal to direct Openreach to withdraw the national Incremental New to Openreach Customer Offer as notified; and
  - c. agrees that Ofcom should consent to the Geographic Incremental New to Openreach Customer Offer and should not otherwise intervene in relation to it, subject to appropriate implementation safeguards and continuing monitoring.
5. VodafoneThree does not object to the extension of the Equinox offer area. The amendment extends the existing Equinox terms to additional premises released Ready for Service, rather than changing the underlying commercial mechanism. VodafoneThree has not identified any specific competition concern arising from that extension.
6. VodafoneThree does not agree with Ofcom's provisional assessment of the Incremental Ethernet Net Demand Offer. The offer targets the limited pool of incremental circuits through which competing networks can justify customer-specific extensions, increase on-net delivery and build scale. Those circuits are not simply a source of short-term revenue. They are the mechanism through which alternative networks justify customer-specific extension, increase utilisation and expand future on-net reach. By making Openreach more attractive for precisely those contestable opportunities, the offer risks weakening the development of leased-lines infrastructure competition that Ofcom's TAR26 framework is intended to support.
7. This concern is material rather than theoretical. ⚡.
8. Ofcom should not conclude that the Ethernet offer is compatible with sustainable competition solely because the discounted charges remain above Openreach's own cost measures. FAC, LRIC and LRIC+ evidence is relevant, but it does not establish whether sufficient contestable demand will remain available

8. Ofcom must also consider the interaction with Openreach's wider retention, renewal and migration arrangements, which may further reduce the pool of demand available to support competing infrastructure.

9. VodafoneThree therefore considers that the Ethernet offer should not proceed. VodafoneThree's confidential evidence indicates that the offer is likely materially 8 weaken the development of sustainable leased-lines infrastructure competition. Ofcom should not allow the offer to take effect unless it has satisfied itself, on the basis of robust evidence, that the offer would not redirect scarce contestable Ethernet demand away from 8 build and future infrastructure scale. On the evidence currently available, VodafoneThree does not consider that such a conclusion could safely be reached. If Ofcom nevertheless decides not to intervene, it should require monthly, offer-specific reporting from Openreach, clear intervention triggers and prompt action if the offer materially redirects contestable demand away from VodafoneThree's on-net delivery or future network extension. Monitoring should be a safeguard, not a substitute for an adequate ex ante assessment.



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