Improving broadband information for consumers

New guidance to improve consumer understanding of the technology used to provide broadband services

Statement

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1. Overview

1.1 The way fixed broadband services are delivered is changing, with the coverage of new fibre networks increasing across the UK and co-existing alongside older networks. Almost 22.4 million homes (75% of all UK homes) are now able to get gigabit-capable broadband, while fibre-to-the-premises coverage, for the UK as a whole, has increased to 52%.[1]

1.2 One of our priorities is to make sure consumers are treated fairly, and that includes ensuring they are empowered to make choices that are right for them. In that context, it is particularly important that consumers have sufficient and useful information to choose their broadband service.

1.3 Consumers can, however, perceive the broadband market to be complex and difficult to understand. In our view, this is, in part, a result of potentially confusing and inconsistent language used to describe the network technologies over which broadband services are provided. In particular, the term 'fibre' has been used inconsistently to apply to both new and older networks.

1.4 In March, we consulted on proposals to improve the information available to consumers, to empower people to make informed decisions about their broadband purchases. We also published research which found that when choosing a broadband service, some people would find it useful to have information about the underlying technology used to deliver their services. This statement sets out our decisions to help consumers make more informed choices. We want to support consumers in better understanding the characteristics of their broadband service so that they know what they are purchasing, and can compare services more easily to choose the service that best meets their needs.

What we have decided – in brief

We have decided to issue the following guidance under General Conditions C1 and C2. In summary:

- providers should give a short description of the underlying technology of each broadband product offered at point of sale on the website, in Contract Information and in the Contract Summary, using one or two terms that are clear and unambiguous, such as 'cable', 'full-fibre', 'copper' or 'part-fibre';
- the use of the word 'fibre' on its own for describing the underlying technology is ambiguous, and therefore should not be used to describe the underlying technology; and,
- providers should give a more detailed explanation of the underlying technology (for example through a link) so that consumers can understand what it means for them. It should also be given in a form that is accessible and easily understood.

Underlying technology information should be given to consumers irrespective of how they sign up for a service. Under our new guidance, those signing up online will be given this information on the broadband provider's website. Those purchasing a service over the phone or face-to-face will be provided with this information in the Contract Summary and in the

[1] Ofcom, September 2023. Connected Nations 2023: Summer update, page 3.

contract itself. A Contract Summary with key information on the service must be provided before the customer confirms the purchase.

We have concluded that this is the most proportionate approach to ensure appropriate information is provided to consumers and reduce customer confusion, while limiting the costs of implementation.

We have decided to give broadband providers nine months to implement these changes. The guidance will therefore apply from **16 September 2024**.

2. Background

2.1 This section sets out the context and an overview of our work to date relating to broadband information. It also sets out the relevant legal framework.

The broadband market is changing rapidly

2.2 The broadband market is changing, with new technologies being currently deployed, and the coverage of faster networks growing rapidly.[2] As at May 2023, just over 15.4 million UK homes (52%) now have access to new, fibre-to-the-premises (FTTP) connections.[3] FTTP delivers broadband services over a fibre connection all the way to the premises, provides gigabit-capable broadband services (i.e. services able to provide broadband speeds of 1Gbit/s or higher), and is less prone to faults than some older technologies.

2.3 The coverage of FTTP will continue to expand in future. A number of network operators, including Openreach, CityFibre and Virgin Media O2 (VMO2) have all announced significant plans to deploy FTTP in the next few years.[4] There are other providers such as Hyperoptic and Community Fibre that focus on building FTTP in urban areas, while Gigaclear, B4RN and a number of others focus on more rural areas.[5]

2.4 At the same time, older networks continue to offer both standard broadband and 'superfast' broadband delivered over fibre-to-the-cabinet (FTTC) (see Figure 1 for an illustration of FTTC and FTTP connections).[6]

2.5 Alongside FTTP, cable technology is available in many parts of the UK and also provides gigabit-capable services. Cable networks deliver broadband services over a fibre connection to the street cabinet or local exchange and a coaxial cable up to the customer premises.[7]

2.6 The wider availability of gigabit-capable broadband services has resulted in increased choice for consumers.[8] The completion of VMO2's upgrade across its network to provide gigabit-capable services increased the coverage of these services for consumers.[9] There are also FTTP-only wholesale and retail providers operating at both regional and national scale. Many established large providers offer FTTP alongside older, copper-based products. Consumers in the 52% of UK homes where FTTP is available now have a choice between older and next generation networks, and this percentage will continue to increase as FTTP broadband is rolled out across the country.

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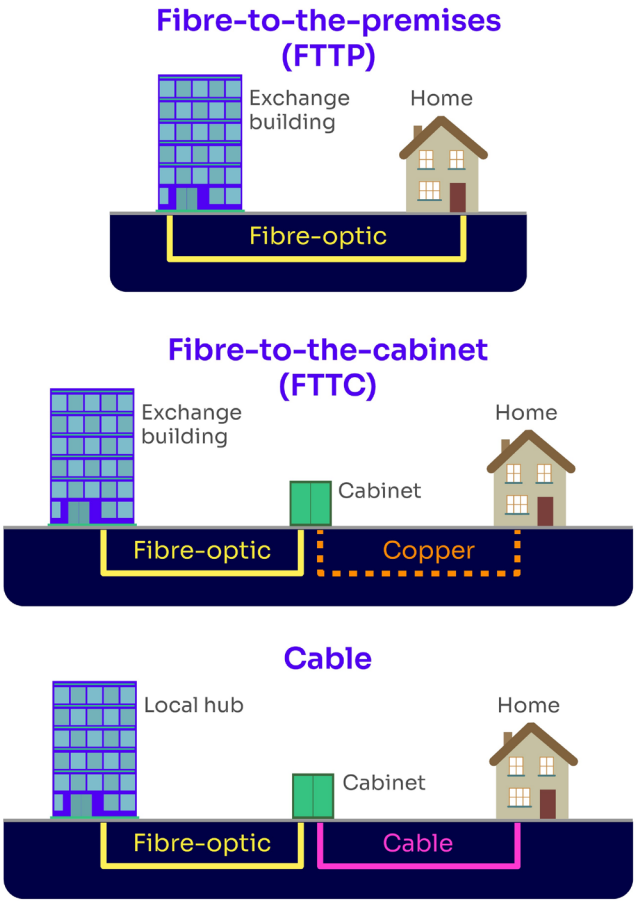
[2] See glossary at the end of this document for full definitions of types of technologies.
[3] Ofcom, September 2023. Connected Nations 2023: Summer update, page 4.
[4] Ofcom, December 2022. Connected Nations 2022, page 10.
[5] Ofcom, December 2022. Connected Nations 2022, page 10.
[6] Broadband services are also available over other technologies, including Fixed Wireless Access and satellite. Ofcom, December 2022. Connected Nations 2022, pages 12, 15 and 16.
[7] Hybrid fibre coaxial (HFC) cable – There is fibre to a street cabinet and coaxial cable from the street cabinet to the premises. Because there is decreased signal loss compared to copper, coaxial cables can deliver higher speeds over longer distances.
[8] By consumers we are referring to individual persons, charities and SMEs. In our General Conditions these are referred to as Relevant Customers.
[9] Ofcom, December 2021. Connected Nations 2021, page 2.

Figure 1: FTTC, FTTP and cable technologies from the exchange to the premises



Consumers find the broadband market difficult to navigate

2.7 Consumers can perceive the broadband market in the UK to be complex and difficult to understand. Ofcom research found that a quarter (25%) of fixed broadband consumers were not confident understanding the language and terminology used by providers.[10]

2.8 Research carried out by other organisations and broadband providers has shown similar findings. Which? found that 38% of broadband decision makers are put off adopting gigabit-capable broadband as the terminology used to describe different packages makes it difficult to differentiate between them, while CityFibre found 54% of consumers do not understand that 'fibre broadband' includes a mix of different technologies.[11]

[10] Ofcom, 2023 Switching Tracker, table 306. Question: In terms of communications services such as mobile, landline, broadband and TV... How confident are you about understanding the language and terminology used by providers? The 25% reported figure is for fixed broadband customers (total) and is a combination of "not very confident" (18%) and "not at all confident" (7%). 44% reported being "fairly confident" and 28% reported being "very confident".

[11] Which?, 2021. Gigabit Take-up Advisory Group: Final Report, page 23; CityFibre, Response to March 2023 Consultation (Attachment 1), slide 6.

2.9 Currently, providers do not describe broadband services in a consistent way, and it is often not clear what network technology is being used to deliver the services they provide. In particular, the term 'fibre' is used to refer to different underlying network technologies. It is used by some providers to describe older part-fibre, part-copper technologies like FTTC.[12] It is also used to refer to cable services.[13] In addition, providers increasingly use the term 'full-fibre' for FTTP, to distinguish it from FTTC. Consumers can also choose from a wide range of headline speeds depending on availability (from <10Mbit/s to c.1Gbit/s), some of which can be delivered over more than one network technology – which means that consumers cannot always identify the underlying technology from speed information alone.[14]

2.10 In addition, our research shows that those who are vulnerable or less engaged with the market may be particularly less confident understanding broadband services. For instance:

a) People with a limiting and impacting condition were less likely than those without a condition to feel confident in engaging with their communication providers generally, and in particular in understanding the language and terminology used by providers (57% vs. 74%);[15] this is borne out by previous research.[16]
b) Previous qualitative research found that those less engaged with the market consider that greater consistency and standardisation would help make shopping around easier for consumers, especially in how providers and digital comparison tools present point of sale information and recommendations.[17]

Previous work on broadband information

Existing rules and measures to support consumers in making informed choices about broadband services

2.11 Ofcom has already put in place a number of measures to help consumers navigate the broadband market.[18] These include the following rules, which aim to ensure the availability

[12] Based on desk research on how broadband services are described on the websites of the following broadband providers: BT, Sky, TalkTalk, Vodafone, Zen and Shell Energy. [accessed September 2022, February 2023 and October 2023]
[13] Desk research, VMO2 website. [accessed February 2023 and September 2023]
[14] Based on desk research on how broadband services are described on the websites of the following broadband providers: BT, Now, Shell Energy, Sky, TalkTalk, Utility Warehouse, VMO2, Vodafone and Zen. [accessed February 2023 and October 2023]
[15] Ofcom, 2022. Impacting/limiting conditions tracker Q8, Available from the statistical release calendar 2022.
[16] Ofcom, 2019. Customer engagement in the broadband market (quantitative report), pages 5-6. Ofcom 2019 quantitative research found those in more vulnerable groups were less confident in understanding language and terminology relating to broadband services. 28% of over 75 year-olds and 27% of those with any disability were not very confident or not confident at all in understanding broadband language and terminology, compared to 13% of all respondents.
[17] Ofcom, 2018. Customer Engagement with Communications Services, page 35. For example, Ofcom consumer research found: 'Considerable confusion was evident in two main ways: (i) the names used to describe broadband speed, e.g., 'fast broadband', 'faster broadband', 'superfast broadband', 'unlimited broadband', 'fibre', 'standard broadband', etc. and (ii) the primary measure used, i.e., 'up to xx Mb/s', or an 'estimated' range of Mb/s. 'Mb/s' was itself confusing, with some thinking that it referred to data storage rather than speed.
[18] On speed information for instance, our voluntary Broadband Speeds Codes of Practice commit signatories to providing consistent point-of-sale information about the speeds that customers should expect from different products. Ofcom, 2022, Voluntary Broadband Speeds Codes of Practice (as updated).

of adequate, up-to-date, comparable information, including in relation to the terms and conditions that apply to the communications services being provided:

a) **General Condition C1 (contract requirements)** aims to protect consumers by ensuring that contracts for public electronic communications services include key information about the services they are purchasing and that such information is provided to them before they enter into a contract, to allow them to make an informed choice. In particular, providers are required to provide certain Contract Information (GC C1.3) and a Contract Summary (GC C1.5). The Contract Information under GC C1.3 must be provided *"in a clear and comprehensible manner"*.[19]
b) **General Condition C2 (information publication and transparency requirements)** sets out requirements for providers to publish certain information on their website in respect of communications services or bundles they provide under standard terms and conditions. It is designed to enable consumers to easily compare the offers and services available in the market. Among other things, the published information must include *"a description of the services offered, including the main characteristics of each service provided"*.[20]

2.12 More generally in relation to advertising, the Advertising Standards Authority (ASA) has stated in relation to the advertising of 'part-fibre' and 'full-fibre' broadband services that:

a) ads should not describe non-fibre services as 'fibre';
b) ads should make performance claims for 'fibre' services that are appropriate for the type of technology delivering that service, and should hold evidence to substantiate the specific claims made;
c) specifically, ads should refer to speed in a manner that is appropriate for the technology, including by having due regard to the Committee of Advertising Practice (CAP) guidance on numerical speed claims; and
d) ads should not state or imply a service is the most technologically advanced on the market if it is a part-fibre service.[21]

Gigabit Take-up Advisory Group (GigaTAG)

2.13 To help ensure everyone in the UK can take advantage of gigabit-capable networks as they become available, in August 2020 the Department for Digital, Culture, Media and Sport (DCMS) asked Which?, the Confederation of British Industry (CBI) and the Federation of Small Businesses (FSB) to chair the Gigabit Take-up Advisory Group (GigaTAG). The group was convened to generate recommendations on driving residential and business take-up of gigabit-capable services. Ofcom attended GigaTAG meetings as an observer.

2.14 GigaTAG published its final report in June 2021.[22] GigaTAG's final recommendations were that (among other items):

[19] General Condition (GC) C1.4.
[20] GC C2.3(b).
[21] ASA, November 2017. ASA concludes review of "fibre" broadband, page 2. In its review, the ASA concluded that the word 'fibre' was unlikely to mislead consumers as used in the advertising of part-fibre fixed broadband services. However, the ASA acknowledged that there are performance differences between different types of broadband service, including between 'part-fibre' and 'full-fibre' services. Because of this, the ASA explained which considerations it would take into account when ruling on any future complaints.
[22] GigaTAG, June 2021. Gigabit Take-up Advisory Group: Final Report.

a) Ofcom and industry should look to develop common terminology to describe broadband services and a core set of use cases and benefits to be used by providers; and
b) Ofcom should assess the role that a gigabit-ready mark could play in improving customer and business understanding of gigabit-capable broadband.

Ofcom-led industry working group to develop a voluntary solution

2.15 In 2021, we convened an industry working group to develop voluntary common standards on clear and consistent terminology for gigabit-capable broadband services. The working group membership comprised major UK broadband providers, together with industry representative groups for providers with smaller market shares, across a range of wholesale and retail interests. The group worked towards developing a set of voluntary common standards to describe broadband products to consumers. Unfortunately, the group was unable to come to a consensus position, and its work was therefore paused in mid-2022.

Recent Ofcom work and market research

2.16 After pausing the industry-led working group, we considered whether a regulatory approach to common broadband standards would be appropriate. This led us to narrow our consideration to whether the provision of information on the underlying technology of a broadband service would be helpful to consumers in making an informed choice.

2.17 We commissioned new market research to get more up-to-date insight into customer views on broadband technologies and to inform our policy options. In particular, we wanted to assess understanding of broadband networks, what kind of information consumers would find useful, and where in the customer journey such information would be helpful.

2.18 An online survey was carried out in November 2022.[23] A summary of the findings is available in Annex 3.

March 2023 Consultation

Our proposals

2.19 In March 2023, we consulted on proposals to improve broadband information for consumers.[24] We set out our view that customer confusion around broadband services could result in harm to consumers, particularly in the context of the rapid deployment of FTTP networks where consumers have more choice of technologies through which their broadband services are delivered. We explained our view that it is therefore increasingly important that consumers can make informed decisions on their broadband service, taking into account the underlying delivery technology where it is relevant to them.

2.20 We set out the difficulties consumers may face in assessing broadband products if providers do not use clear, consistent and unambiguous terminology, and that our broadband terminology research suggested that consumers may not be clear on the difference between

[23] BDRC, November 2022. Broadband terminology research,
[24] Ofcom, March 2023. Consultation: Improving broadband information for customers ('March 2023 Consultation').

'fibre' and 'full fibre' services. As a result, consumers may be unable to compare like-with-like and this could mean that consumers:

a) might be unable to find the right product for their needs;
b) might expend unnecessary effort in determining the underlying technology of their service; and
c) could disengage from the broadband market.

2.21 We also set out that 53% of consumers would find an easily understood one- or two-word term on the technology used to deliver their broadband service very or fairly useful, with only 12% saying this information would not be useful, and that 85% found reliability to be very or fairly useful information.

2.22 We proposed to issue guidance under General Condition C2.3 and General Condition C1 so that broadband providers:

a) include information on the underlying technology of the service using consistent terms and including a one- or two- word description of the underlying technology;
b) use those terms consistently to describe the service;
c) only use the terms 'fibre' and 'full-fibre' when referring to fibre-to-the-premises networks; and
d) provide an easily accessible explanation of the one- or two-word terms used to describe the service.[25]

2.23 We proposed that providers should amend the information published on their websites, and change Contract Summaries and terms and conditions for new and upgrading consumers, within 12 weeks from publication of the final guidance.[26]

Overview of stakeholders' comments

2.24 We received 42 responses to our consultation.[27] Community Fibre, CityFibre, BUUK Infrastructure, the Fern Group, Gigaclear, Hyperoptic, KCOM, NetTek Limited, Ogi, Openreach, Shell Energy, toob, Utility Warehouse, the Federation of Communication Services (FCS) and the Independent Networks Cooperative Association (INCA) supported our proposals overall. BT supported our proposals but highlighted some concerns over implementation.

2.25 In terms of industry organisations, consumer organisations and public bodies, the Communications Consumer Panel (CCP), Citizens Advice Scotland, Essex County Council and Digital Poverty Alliance, and Law Society of Scotland also supported our proposals. Responses from individuals were likewise generally supportive of our proposals. Which? supported some of our proposals, and made some additional observations and suggestions.[28]

2.26 Five providers (Sky, TalkTalk, VMO2, Vodafone and Verastar) raised concerns about the proposals. Their concerns can be grouped into the following broad categories:

a) our rationale for intervention;
b) the potential impact on broadband consumers;

[25] Ofcom, March 2023. Consultation: Improving broadband information for customers, pages 17-22.
[26] Ofcom, March 2023. Consultation: Improving broadband information for customers, page 24.
[27] Ofcom website.
[28] Gigabit Take-up Advisory Group, June 2021. Final report, pages 20-27.

c) the potential impact on competition;
d) our proportionality assessment; and
e) implementation timescales and costs.

2.27 We address these comments in Sections 3, 4 and 5 below.

Link with advertising

2.28 Advertising (including online advertising on providers' own websites) falls within the remit of the ASA. In considering whether advertising is likely to breach the CAP Code by misleading consumers, the ASA has regard to the Consumer Protection from Unfair Trading Regulations 2008, which prohibit misleading actions and omissions. For the avoidance of doubt, we have not included or undertaken any assessment of whether use of the word 'fibre' is misleading in either our research or in making our final decision in this statement.

2.29 In the future, the ASA may consider again whether the use of the word 'fibre' in advertising is misleading. However, we would welcome broadband providers taking steps to ensure consistency of terms throughout the customer journey to help reduce potential confusion for consumers more broadly.

2.30 As discussed below, the ASA has noted that its remit, as set out in the CAP Code, has some overlap with Ofcom's as it includes online point of sale information.[29]

Legal framework

2.31 We set out below our powers and duties that are relevant to the decisions in this document.

Our general duties

2.32 The Communications Act 2003 (the 'CA 2003') places a number of duties on us that we must fulfil when exercising the regulatory powers and functions we have been given. Section 3(1) of the CA 2003 states that it shall be our principal duty, in carrying out our functions:

a) to further the interests of citizens in relation to communication matters; and
b) to further the interests of consumers in relevant markets, where appropriate by promoting competition.[30]

2.33 In performing our duties under section 3(1) of the CA 2003, we are required to have regard to the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed, as well as any other principles appearing to us to represent best regulatory practice (section 3(3) of the CA 2003).[31]

2.34 Section 3(4) of the CA 2003 provides that we must have regard, in performing our duties, to a number of matters, as they appear to us to be relevant in the circumstances, including the desirability of promoting competition in relevant markets; the desirability of encouraging investment and innovation in relevant markets; the desirability of encouraging the

[29] ASA, Response to March 2023 Consultation, page 2
[30] 'Consumer' is defined in section 405(5) of the CA 2003 and includes people acting in their personal capacity or for the purposes of, or in connection with, a business.
[31] Our regulatory principles can be found on our website at What is Ofcom.

availability and use of high speed data transfer services throughout the United Kingdom; the needs of persons with disabilities, of the elderly and of those on low incomes; the opinions of consumers in relevant markets and of members of the public generally; and the extent to which, in the circumstances of the case, the furthering or securing of the matters mentioned in section 3(1) is reasonably practicable.

2.35 In addition, section 3(5) of the CA 2003 requires that, when performing our duty to further the interests of consumers, we must have regard, in particular, to the interests of those consumers in respect of choice, price, quality of service and value for money.

2.36 When exercising our functions in relation to electronic communications networks and services under Chapter 1 of Part 2 of the CA 2003, we have a duty to act in accordance with certain requirements set out in section 4 of the CA 2003 – such as promoting the interests of all members of the public in the United Kingdom.[32]

2.37 Section 4(6) of the CA 2003 also requires us to take account of the desirability of OFCOM's carrying out their functions in a manner which, so far as practicable, does not favour—

a) one form of electronic communications network, electronic communications service or associated facility; or
b) one means of providing or making available such a network, service or facility, over another.

2.38 Finally, we must act in accordance with the requirement to promote connectivity and access to very high-capacity networks by members of the public and businesses in the United Kingdom.[33]

Powers and duties in relation to general conditions

2.39 Section 45 of the CA 2003 says that we may set general conditions which contain provisions authorised or required by one or more of sections 51, 52, 57, 58 or 64. Under section 51(1)(a), we may set general conditions making such provisions as we consider appropriate for the purpose of protecting the interests of end-users of public electronic communications services.

2.40 Section 51(2) of the CA 2003 sets out a non-exhaustive list of the specific types of general conditions that we may set in pursuance of this purpose. This includes:

a) section 51(2)(a) which gives Ofcom the power to set conditions relating to the supply, provision or making available of goods, services or facilities in association with the provision of public electronic communications services;
b) section 51(2)(d), which gives Ofcom the power to set conditions which require the provision, free of charge, of specified information, or information of a specified kind, to end-users.

2.41 Section 47(2) of the CA 2003 governs the circumstances in which we can set or modify a general condition. It states that a condition can be modified where it is objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates,[34]

[32] Section 4(5) of the CA 2003.
[33] Section 4(10A) of the CA 2003.
[34] Section 47(3) of the CA 2003 states that the setting of a general condition is not subject to the test of being objectively justifiable, although we are likely to consider this in any event when assessing whether the condition is proportionate.

not such as to discriminate unduly against particular persons or against a particular description of persons, proportionate to what the condition or modification is intended to achieve, and transparent in relation to what it is intended to achieve. Section 49(2) of the CA 2003 provides that an equivalent test must be met when modifying directions. We have exercised these powers when setting the General Conditions, including GC C1 and C2.

UK Government's Statement of Strategic Priorities

2.42 We have also had regard to the UK Government's Statement of Strategic Priorities (SSP) for telecommunications, management of radio spectrum and postal services.[35] The SSP sets out the Government's strategic priorities for current and future telecoms consumers, including to:

a) Tackle harmful industry practices and improve the support available to vulnerable consumers, who can pay more than others.
b) Address the difficulties that consumers experience in navigating the communications market by giving them the right data, information, and support to boost their engagement.
c) Remove barriers that consumers face to switching products and services, and ensure that all consumers get better outcomes, even if they are not actively searching for the best deal all of the time.

2.43 The SSP also requests that Ofcom consider whether the information available to consumers about the characteristics of different types of broadband services, and in particular full fibre broadband, is helping consumers make informed choices.

2.44 In addition, the SSP states that Ofcom should continue to take all opportunities to improve the consumer experience in the telecoms sector, particularly for vulnerable consumers, including those with disabilities.

Impact assessment

2.45 Section 7 of the CA 2003 requires us to carry out and publish an assessment of the likely impact of implementing a proposal which would be likely to have a significant impact on businesses or the general public, or when there is a major change in Ofcom's activities.

2.46 More generally, impact assessments form part of good policy making and we therefore expect to carry them out in relation to a large majority of our proposals. We use impact assessments to help us understand and assess the potential impact of our policy decisions before we make them. They also help us explain the policy decisions we have decided to take and why we consider those decisions best fulfil our applicable duties and objectives in the least intrusive way. Our impact assessment guidance sets out our general approach to how we assess and present the impact of our proposed decisions.[36]

2.47 The relevant duties in relation to the decisions in this statement are set out in the Legal Framework section above.

[35] See section 2B(2)(a) of the CA 2003; DCMS, October 2019. Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services.
[36] Ofcom, 2023. Impact assessment guidance.

2.48 As set out in these guidelines, we carry out impact assessments on our decisions. Within this framework, the analysis in our consultation constituted an impact assessment in respect to the proposals we are deciding on for this statement. In this statement we set out our updated impact assessment based on the evidence we have collected since we published our consultation.

2.49 Specifically:

a) In Section 3, we set out why we consider that providing information on broadband technologies to consumers is important by reference to our policy objectives. In particular, we explain why we are concerned that consumers are confused by the current information available to them and we summarise our market research findings which show that a material number of consumers would find this information useful. We also set out the guidance that we consider will be effective at achieving our policy objectives.
b) In Section 4, we set out our assessment of impacts in terms of the consumers who are most likely to benefit from this decision as well as evidence on the costs of implementing it.
c) In Section 5, we draw together our conclusions and assess the proportionality of our decision to issue guidance. We also explain the implementation period we have decided to set.

Equality impact assessment

2.50 Section 149 of the Equality Act 2010 (the 'EA 2010') imposes a duty on Ofcom, when carrying out its functions, to have due regard to the need to eliminate discrimination, harassment, victimisation and other prohibited conduct related to the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation.

2.51 The EA 2010 also requires Ofcom to have due regard to the need to advance equality of opportunity and foster good relations between persons who share a protected characteristic and those who do not.

2.52 Section 75 of the Northern Ireland Act 1998 (the 'NIA 1998') also imposes a duty on Ofcom, when carrying out its functions relating to Northern Ireland, to have due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the NIA 1998. Ofcom's Revised Northern Ireland Equality Scheme explains how we comply with our statutory duties under the 1998 Act.[37]

2.53 To help us comply with our duties under the EA 2010 and the NIA 1998, we have assessed the impact of our revised guidance on persons sharing protected characteristics and, in particular, whether it may discriminate against such persons or impact on equality of opportunity or good relations.

2.54 Our revised guidance applies to information provided at both the point of sale on a broadband provider's website, and in pre-sale Contract Information and the Contract Summary regardless of the sales channel. We recognise that some consumers with

[37] Ofcom, 2019. Revised Northern Ireland Equality Scheme for Ofcom.

protected characteristics may be more likely to use a particular sales channel. All consumers who purchase a new broadband service will potentially benefit from improved information about the underlying technology, whatever method of communication they use to purchase their broadband service.

2.55 Although there are potentially some benefits generally for consumers from an improved understanding of the characteristics of broadband services and less consumer confusion, we consider that consumers in areas where Openreach only has an FTTC network and other providers offer services over alternative networks (i.e. FTTP or cable) are most likely to benefit from our intervention. Our decisions are likely to particularly benefit those who may find it more difficult to navigate the broadband market. Despite our existing guidance to providers on treating vulnerable consumers fairly, older people, people in lower socio-economic groups, and disabled people are more likely to have lower confidence in understanding terminology when engaging with the broadband market.[38] These consumers may therefore benefit more from provision of clear information about the underlying network technology used to deliver their service which enables them to more readily and easily compare services when making a purchasing decision.

2.56 In addition, we have considered the impact of our decisions on those in remote or rural areas. We recognise that these consumers may be less likely to have a choice of different broadband services provided over different technologies, and so may not directly benefit from being provided with information on their underlying technology. However, our decision does not disadvantage these consumers in any way, and the information could be useful to them in future as full fibre deployment progresses.

2.57 We do not believe there are any implications for our duties under the EA 2010 or the NIA 1998. We are therefore satisfied that we have complied with the public sector equality duty in the EA 2010, and the NIA 1998, in making the decisions in this statement.

Welsh Language Assessment

2.58 The Welsh Language (Wales) Measure 2011 established a legal framework to impose duties on certain public bodies, including Ofcom, to comply with 'Standards' in relation to the Welsh language. This legislation also led to the establishment of the office of the Welsh Language Commissioner who regulates and monitors our work. Ofcom is required to take Welsh language considerations into account when formulating, reviewing or revising policies which are relevant to Wales (including proposals which are not targeted at Wales specifically, but are of interest across the UK). In January 2017, the Welsh Language Commissioner issued Ofcom's compliance notice. This lists 141 Standards which Ofcom must meet when carrying out its work to ensure that it treats Welsh no less favourably than English.

[38] Ofcom, 2019. Customer engagement in the broadband market (quantitative report), pages 5-6; Ofcom, 2023. Switching Tracker, Q36C. Separately, we found more recently that a higher proportion of these customers report a lack of confidence in understanding the language used by providers compared with the rest of the population. 34% of those aged 65+ reported a lack of confidence in understanding the language used by providers, compared with 25% of those under 65, and 33% of those reporting an impacting/limiting condition reported a lack of confidence in understanding the language used by providers, compared with 22% of those not reporting an impacting/limiting condition. Ofcom, September 2022. Treating vulnerable customers fairly: a guide for phone, broadband and pay TV providers.

2.59 Where the Welsh Language Standards are engaged, we consider the potential impact of a policy change on: (i) opportunities for persons to use the Welsh language; and (ii) treating the Welsh language no less favourably than the English language. We also consider how our approach could be formulated so as to have, or increase the likelihood of, a positive impact, or not to have adverse effects, or decrease any adverse effects.

2.60 We have considered the need for broadband providers to have flexibility regarding descriptions of broadband technology, where relevant to allow for meaningful translation into Welsh. As reflected below, our decision is not prescriptive and should allow for flexibility for Welsh translation of terms and descriptions by companies operating in Wales. As such, we consider that our decision will have no adverse effects on opportunities for persons to use the Welsh language, or on treating the Welsh language no less favourably than the English language.

This statement

2.61 This statement sets out our decision and the reasons for it. It should be read together with our final Guidance to communications providers published in Annex 1.

2.62 The remainder of this document is structured as follows:

a) Section 3 sets out why we believe it is important for consumers to have access to information on the underlying technology of their broadband service and our decision on how this information should be provided in order to meet our objectives.
b) Section 4 sets out our updated impact assessment.
c) Section 5 sets out our overall conclusions, including in relation to proportionality and implementation period.
d) Annex 1 sets out our new guidance under General Conditions C1 and C2.
e) Annex 2 explains the link between our new guidance and existing C1 guidance.
f) Annex 3 provides a summary of our November 2022 market research on broadband terminology.
g) Annex 4 provides a summary of alternative suggestions for intervention from respondents and our response.
h) Annex 5 provides a glossary and list of abbreviations used in this document.

3. Providing information on the underlying network technology

3.1 In this section we assess the most effective approach to ensuring that consumers have sufficient information to compare broadband products. We set out why we believe it is important for consumers to have access to information on the underlying technology of their broadband service, the different approaches we have considered, and our decision on how this information should be provided in order to meet our objectives.

3.2 In particular, we have decided that the following guidance would meet our objectives:

a) providers should give a short description of the underlying technology of each product offered at point of sale on the website, in Contract Information and in the Contract Summary, using one or two clear and unambiguous terms such as 'cable', 'full-fibre', 'copper' or 'part-fibre';
b) the use of the word 'fibre' on its own for describing the underlying technology is ambiguous, and therefore should not be used to describe the underlying technology;
c) providers should give a more detailed explanation of the underlying technology (for example through a link) so that consumers can understand what it means for them. It should also be given in a form that is accessible and easily understood.

Why using clear and unambiguous terms to give information on the broadband technology is important

3.3 We discuss in this section the consultation responses on our rationale for intervention and set out our final assessment.

March 2023 consultation

3.4 In the March 2023 consultation, we set out our policy objective of enabling people and businesses to take advantage of new broadband networks and confidently identify the right broadband service for them. We also set out the potential consumer harms resulting from a lack of information and that consumers would find information on the underlying technology useful. We considered that clarity on the underlying technology is important because it can have implications for network performance and end-user experience.

Responses

The need for clarity of broadband technology information

3.5 Overall, the majority of respondents agreed with our assessment that more clarity on the underlying technology was needed.[39] Some respondents also provided additional evidence

[39] CityFibre, Response to March 2023 Consultation, page 9 & 12; Hyperoptic, Response to March 2023 Consultation, page 3; toob, Response to March 2023 Consultation, page 1; BUUK Infrastructure, Response to March 2023 Consultation, pages 1-2; KCOM, Response to March 2023 Consultation, page 1; INCA, Response to March 2023 Consultation, page 1; Community Fibre, Response to March 2023 Consultation, page 5; Ogi Response to March 2023 Consultation, page 1; Name Withheld 1, Response to March 2023 Consultation, page 1.

that consumers do not always understand what the underlying broadband technology is and that there is some confusion on the use of broadband terms.

3.6 Several providers disagreed that there is a lack of clarity regarding the underlying technology used to deliver broadband services. Vodafone and VMO2 said that sufficient information is already available.[40] Vodafone believed that its customers are sufficiently informed when making a purchase decision as 'full fibre' has already evolved as the dominant way to describe FTTP, whereas 'fibre' is generally understood by consumers to mean FTTC, and highlighted that Vodafone already provides information on its website to explain this distinction.[41]

3.7 VMO2 cited its own research which found that most customers feel they are given the right amount of information currently.[42] VMO2 also noted that Ofcom's research found that more consumers would find information useful on providers' websites than at the point of sale, and given this information is already available online, there is no need for Ofcom to intervene.[43]

3.8 Sky, VMO2 and TalkTalk believed that providers already have the incentives to communicate what they consider to be relevant information or to differentiate products to consumers.[44]

3.9 Specifically on the clarity of the term 'fibre', several respondents (CityFibre, TalkTalk, Verastar and VMO2) noted that that the term 'fibre' has been widely used for many years. [45] Some of these providers believed that due to its widespread use 'fibre' is now generally understood to refer to high quality broadband that uses some form of fibre technology, rather than any specific technology.[46] VMO2's research findings showed that a much higher proportion of customers (47%) believe that full fibre offers the best service, compared with those who believe fibre offers the best service (11%), suggesting that consumers are increasingly associating full fibre with the best broadband service.

Potential consumer harms and usefulness of the information

3.10 The majority of respondents agreed with our position on consumer harms, citing concerns around the harm that a lack of understanding has on individual consumer choices, but also wider competitive dynamics.[47]

3.11 Several respondents (CityFibre, Hyperoptic, toob, BUUK Infrastructure and INCA) shared our concerns that consumers may be unable to find the right product for their needs, noting that there is a lack of clarity and consistency over how FTTP and FTTC services are described,

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[40] VMO2, Response to March 2023 Consultation, pages 4-5.
[41] Vodafone, Response to March 2023 Consultation, page 2.
[42] VMO2, Response to March 2023 Consultation, page 4.
[43] VMO2, Response to March 2023 Consultation, pages 7-8.
[44] Sky, Response to March 2023 Consultation, page 3; VMO2, Response to March 2023 Consultation, page 13; TalkTalk, Response to March 2023 Consultation, pages 8-9.
[45] CityFibre, Response to March 2023 Consultation, page 4; TalkTalk, Response to March 2023 Consultation, page 6; Verastar, Response to March 2023 Consultation, page 2; VMO2, Response to March 2023 Consultation, page 11.
[46] CityFibre, Response to March 2023 Consultation, page 4; Verastar, Response to March 2023 Consultation, page 2; VMO2, Response to March 2023 Consultation, page 11.
[47] Zotova, C, Response to March 2023 Consultation, page 1; CAS Response to March 2023 Consultation, page 2; Sellwood, G, Response to March 2023 Consultation, page 1; CityFibre, Response to March 2023 Consultation, page 14; Hyperoptic Response to March 2023 Consultation, page 3; Webb, J, Response to March 2023 Consultation, page 1; KCOM, Response to March 2023 Consultation, pages 1-2; Strickland, M, Response to March 2023 Consultation, page 1; Ogi Response to March 2023 Consultation, page 1.

resulting in the risk that consumers may not purchase the right service.[48] In addition, BUUK Infrastructure felt that vulnerable consumers often find the current inconsistent use of terms particularly challenging and are especially disadvantaged by it.[49]

3.12 As a result, many agreed that providing information on the underlying technology may help consumers make an informed choice.[50] CityFibre argued that consumers who value reliability will necessarily be interested in information on underlying technology given the benefits FTTP can offer over other technologies.[51]

3.13 Openreach stated that providing consumers with information on the underlying technology would be an important first step in helping consumers understand the differences in speed, reliability and service levels offered by different technologies.[52] It also noted that its own research had found customers are increasingly concerned with reliability and consistency of connection, as opposed to just price and speed, meaning marketing and comparison of broadband products should encompass a broader range of information than speed alone.[53]

3.14 Citizens Advice Scotland and Essex County Council and the Digital Poverty Alliance expressed support for our view that information on the underlying technology is useful to consumers.[54]

3.15 Four providers (Sky, VMO2, Vodafone and Verastar) highlighted Ofcom's research findings which they said showed the low importance placed on information about underlying technology by consumers.[55] They also believed that how broadband services are delivered to consumers is a secondary or indeed irrelevant consideration, that consumers do not choose services based on the underlying technology, and that product features can be the same across different technologies.[56] Therefore they disagreed with the potential harms we identified.

3.16 VMO2 cited the results of its own research to support its position, arguing consumers value information about a small number of relevant competitive factors (price, speed, reliability) that can be readily communicated to them. It argued that underlying technology was not one of those factors and that consumers are not currently confident in their understanding of technology.[57]

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[48] CityFibre, Response to March 2023 Consultation pages 7-9 ; Hyperoptic, Response to March 2023 Consultation, page 3; toob, Response to March 2023 Consultation, page 1; BUUK Infrastructure, Response to March 2023 Consultation, page 2; KCOM, Response to March 2023 Consultation, page 1; INCA, Response to March 2023 Consultation, page 1.

[49] BUUK Infrastructure, Response to March 2023 Consultation, page 2.

[50] BT, Response to March 2023 Consultation, page 4; Hyperoptic, Response to March 2023 Consultation, page 3; Community Fibre, Response to March 2023 Consultation, page 4; CityFibre, Response to March 2023 Consultation, page 12; INCA, Response to March 2023 Consultation, page 1; Fern Group, Response to March 2023 Consultation, page 1.

[51] CityFibre also cited its research which found that 71% of consumers consider reliability an important factor when choosing a broadband package. CityFibre, Response to March 2023 Consultation, page 8.

[52] Openreach, Response to March 2023 Consultation, page 6.

[53] Openreach, Response to March 2023 Consultation, pages 4-5.

[54] Citizens Advice Scotland, Response to March 2023 Consultation, page 1; Essex County Council and Digital Poverty Alliance, Response to March 2023 Consultation, page 1.

[55] Sky, Response to March 2023 Consultation, page 2; VMO2, Response to March 2023 Consultation, page 3; Vodafone, Response to March 2023 Consultation, pages 1-2; Verastar, Response to March 2023 Consultation, page 2.

[56] Vodafone, Response to March 2023 Consultation, page 2; Sky, Response to March 2023 Consultation, page 4; VMO2, Response to March 2023 Consultation, page 6.

[57] VMO2, Broadband labelling research findings, page 4.

3.17 As part of its response Vodafone contested the findings of our consumer research, arguing that a more effective approach would have been to directly ask respondents whether they had suffered any of the potential harms we identified as a result of lack of information or consistent terms.[58] Similarly VMO2 called the potential harms we identified 'hypothetical', contending that we failed to show how the lack of information about technology is causing confusion and barriers to engagement.[59] It argued that at most Ofcom can say there are potential harms for some categories of consumers, but this was not the basis for a wide-ranging intervention.[60]

3.18 Beyond the potential harm we identified of consumers disengaging from the broadband market because of its complexity, some respondents made the link between improving information on the underlying technology and the take-up of FTTP. The Fern Group noted the Government's ambition to deliver nationwide coverage and believed ensuring the use of accurate terminology is a fundamental building block to deliver this.[61] TalkTalk, CityFibre and Hyperoptic thought that increasing consumer awareness of the superior reliability of FTTP, when compared with legacy technologies, would be an effective method to increase take-up of FTTP services.[62]

3.19 INCA, Ogi and the Fern Group were concerned that many consumers believe they already have FTTP broadband when in fact they do not, and are much less likely to engage with FTTP providers.[63] INCA considered this could risk delaying the take-up of FTTP services, and therefore the customer benefits in adopting FTTP, while also making the economics of deploying these services much more challenging.[64] It also argued that clearly distinguishing FTTP products from other broadband products is the easiest way for providers to encourage migration.[65] KCOM also thought that many customers mistakenly believe they already have FTTP, making engaging with customers on the benefits of FTTP difficult.[66]

3.20 In contrast, Vodafone did not believe our proposals would materially support growth of FTTP.[67]

Our assessment

Our policy objectives

3.21 We are supporting investment by providers in the deployment of competing full-fibre networks through our regulatory framework for competition and investment. It is particularly important to empower consumers to make an informed choice at this time because of the continued deployment of FTTP networks. As we noted in Section 2, FTTP coverage is increasing at pace. More and more consumers have the choice of an FTTP service

[58] Vodafone, Response to March 2023 Consultation, page 2.
[59] VMO2, Response to March 2023 Consultation, page 6.
[60] VMO2, Response to March 2023 Consultation, pages 7-8.
[61] Fern Group, Response to March 2023 Consultation, page 3.
[62] TalkTalk, Response to March 2023 Consultation, page 5; Hyperoptic, Response to March 2023 Consultation page 1.
[63] INCA, September 2023. Securing long-term benefits for broadband customers, page 13; Fern Group, Response to March 2023 Consultation, page 1.
[64] INCA, September 2023. Securing long-term benefits for broadband customers, page 13.
[65] INCA, September 2023. Securing long-term benefits for broadband customers, page 6.
[66] KCOM, Response to March 2023 Consultation, page 1; Ogi, Response to March 2023 Consultation, page 1.
[67] Vodafone, Response to March 2023 Consultation, page 1.

in parallel with services delivered over ADSL (Asymmetric Digital Subscriber Line), FTTC and cable technologies.

3.22 Therefore, to enable people and businesses to confidently identify the right service for them, we want to ensure that people and businesses can better understand the characteristics of fixed broadband services. We also want to support consumers in migrating with confidence from older to newer technologies, including from copper-based to full-fibre-based broadband.

3.23 We consider that clarity on the underlying technology is an important broadband characteristic. About half of respondents in our research found it was a very or fairly useful piece of information (see below). Technology can have implications for network performance and consumer experience, especially in comparing FTTP, FTTC or ADSL services. We have gathered evidence that shows that on the Openreach network, FTTP has a materially lower fault rate than FTTC.[68] The evidence also shows that on the VMO2 network, VMO2's cable services do not have materially different fault rates to VMO2's FTTP services.[69] Copper-based services will also gradually be retired over the next decade, replaced by the more future-proof FTTP technology. Overall, we believe that the underlying technology of a broadband service will provide consumers with relevant information on their broadband service that will better enable them to choose a service that meets their needs.[70]

The need for clarity of broadband technology information

3.24 We are concerned that providers do not currently use clear, consistent and unambiguous terminology to describe the characteristics of broadband technologies, or explain what these technologies would mean for consumers in a way that consumers can easily understand. This means that it may be unduly difficult for consumers to assess broadband products, and to compare like-with-like.

3.25 Our recent broadband terminology research suggests that consumers may not be clear on the difference between 'fibre' and 'full fibre'. We found that a high proportion of respondents reported at least a little understanding of the terms 'fibre' and 'full fibre', but a lower proportion had an understanding of the terms 'fibre to the cabinet (FTTC)' and 'fibre to the premises (FTTP)'. This suggests that, for those who reported at least a little understanding, that understanding may relate to familiarity or awareness of the term 'fibre' rather than a full understanding of the specific technology being used.[71] More generally, we found that only 46% of consumers who reported being on FTTP were living in areas where FTTP is available, which indicates widespread confusion regarding the underlying technology used to deliver broadband services.[72]

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[68] This information relies on data gathered on fault rates as part of our Connected Nations 2023 report data collection process.

[69] This information relies on data gathered on fault rates as part of our Connected Nations 2023 report data collection process.

[70] Therefore, we do not agree with some respondents that information on the underlying technology is irrelevant to customer choice. We recognise that some product features can be the same across different technologies, however, there are clear differences in some cases.

[71] BDRC, November 2022. Broadband terminology research slide 12. A very high percentage of customers (91%) claimed a little, somewhat or complete understanding of the term 'fibre', and 87% of the term 'full fibre', but a lower percentage claimed a little, somewhat or complete understanding of the term 'fibre to the cabinet (FTTC)' (58%) and 'fibre to the premises (FTTP)' (67%).

[72] BDRC, November 2022. Broadband terminology research, slide 42.

3.26 Given this level of understanding, we do not agree with comments from some stakeholders that sufficiently accurate and easy to follow information on the underlying technology is currently available to consumers as part of their purchasing journey.

3.27 We recognise that there has been adoption by the majority of the major retail providers of the term 'full fibre' to distinguish FTTP from FTTC. We also recognise that there is general background information on the different FTTC and FTTP technologies on some providers' websites, as well as useful information on what service may be best depending on their broadband usage.[73]

3.28 However, we do not believe that the information currently provided on the underlying technology is sufficient. Firstly, the distinction between fibre and full fibre is not currently made by all providers, as providers use the term 'fibre' for technologies other than FTTC. As such, the term 'fibre' remains inconsistently used and is ambiguous. Secondly, information on the different technologies is not easily available when searching on websites for a broadband deal, or easily available at point of sale, when consumers are considering which broadband service to choose.[74]

3.29 We acknowledge that a number of respondents suggested that consumers associate the term 'fibre' with being high quality or 'full fibre' with the best broadband. We do not consider that these associations address the confusion on the use of the term fibre. As set above different technologies have particular characteristics and better understanding of those can help consumers make informed choices on the service that is best for them.

3.30 We also do not agree with views that providers always have an incentive to provide relevant information to their customers. We agree that this may be the case, for example, where a provider gains an advantage by distinguishing their service from their competitors, but not all providers have that incentive in relation to the underlying technology. We also note that despite research showing that about half of consumers would find information on the underlying technology useful (see below), in many cases, this information is not made available.

We have identified potential harms resulting from consumer confusion

3.31 We are concerned that without information on the underlying technology of the broadband service, the following outcomes could occur:

a) **Consumers may be unable to find the right product for their needs**. Some consumers who would prefer an FTTP service may end up buying a product that does not suit their needs. For example, some consumers may choose an FTTC service described as 'fibre' because they do not know the difference between a product described as 'fibre' or one described as 'full-fibre', or because they mistakenly believe that an FTTC service is FTTP. Others may choose a higher speed FTTP service to be sure they are buying an FTTP product when a cheaper, lower-speed FTTP service might better meet their needs.

[73] Based on desk research on how broadband services are described on the websites of the following broadband providers: BT, Now, Shell Energy, Sky, TalkTalk, Utility Warehouse, VMO2, Vodafone and Zen. [accessed February 2023 and October 2023]

[74] Based on desk research on how broadband services are described on the websites of the following broadband providers: BT, Now, Shell Energy, Sky, TalkTalk, Utility Warehouse, VMO2, Vodafone and Zen. [accessed February 2023 and October 2023]

b) Where information on the underlying technology is hard to find, **some consumers may have to spend unnecessary effort** finding out about the characteristics of the products available to them.

c) **Some consumers may disengage from the broadband market**. Some consumers perceive the broadband market to be complex and difficult to understand, as outlined in Section 2. This could contribute to a lower level of engagement in the broadband market for some consumers.[75] Older or vulnerable consumers in particular may find confusing or inconsistent terminology a barrier to meaningful engagement in the broadband market.[76] Additionally, some consumers may not engage with the marketing of FTTP services when FTTP becomes available, because they believe they already have an FTTP service.

3.32 We do not agree with Vodafone and VMO2's concerns that our identified harms are limited, speculative or hypothetical. We consider that the harms we have identified have the potential to affect a material number of consumers based on our research and other evidence referenced above. Also relevant, is our assessment of consumer benefits in Section 4.

3.33 We agree with VMO2 that currently the broadband market is delivering choice for consumers. We note the steady increase in FTTP deployment over the last few years, underpinned by our strategy to promote competition and investment in gigabit-capable networks. [77] In our view, this means that information on the underlying technology has become more important for consumers, as more of them now face a choice of technologies.

Consumers find information on the underlying technology useful

3.34 The market research we commissioned, outlined in Annex 3, looked at customer understanding of broadband terminology, what kind of information consumers would find useful, and where in the customer journey any such information would be helpful. The research suggests that consumers would find it useful to have clear and consistent information on the underlying technology of broadband services:

a) **Consumers value a wide range of information about broadband services.** Our research showed that respondents valued much of the information that was already provided to them as part of their sales journey. This included information on the monthly cost of the service and information on the speed of the connection. Respondents also said that they valued information on the reliability of the connection.

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[75] Frontier Economics, 2022. Unlocking the gigabit dividend, pp. 19-20. We note for instance that a report by Frontier Economics commissioned from TalkTalk identified a number of behavioural barriers to FTTP take-up, including that consumers are attracted to easy choices; As we discussed above, research by Which? showed a large portion of consumers were put off adopting gigabit-capable broadband as the terminology used made it difficult to compare packages.

[76] Ofcom, 2022. Switching Tracker, Q36C. For instance, 40% of those aged 65+ reported a lack of confidence in understanding the language used by providers, compared with 26% of those under 65, and 35% of those reporting an impacting/limiting condition reported a lack of confidence in understanding the language used by providers, compared with 25% of those not reporting an impacting/limiting condition; Our research found that three in four agree they are confident comparing the costs of the broadband deals available and understand the different options for broadband services in the market. This proportion was lower for women, the oldest age groups, and those in socioeconomic band DE. BDRC, November 2022. Broadband terminology research, slides 40 and 41.

[77] Ofcom, September 2023. Connected Nations 2023: Summer update, page 3; Ofcom, 2021. Wholesale Fixed Telecoms Market Review 2021.

b) **A large proportion of consumers would find information about the underlying technology useful.** The research asked respondents to rate how useful they would find different pieces of information about their broadband service (listed in the footnote below).[78] Greater proportions of respondents said that each of cost, reliability and speed would be useful, than those who said information about the underlying network technology would be useful.[79] Underlying network technology scored lower than cost, reliability and speed, but still received a strongly positive score. About half of respondents said they would find information on the underlying technology very or fairly useful. Only 13% said that a detailed description would not be useful, while 12% said that a one- or two-word term would not be useful.

c) **Information on technology would be useful for consumers on providers' websites and at the point of purchase**. About half of respondents (50% for a one- or two-word description, 55% for a detailed description) agreed that on the website was a place where information on technology would be useful, followed by about two-fifths of respondents agreeing this information would be useful at the point of purchase.[80] About a quarter (25% for a one- or two-word description) to a third (29% for a detailed description) of respondents indicated that information on the underlying technology would be useful in the terms and conditions.

3.35 Given that a large proportion of respondents (around half) told us that information on the underlying technology is very or fairly useful to them in its own right, we believe that this information would help a material number of people to more easily compare products and chose the appropriate service to meet their needs.

3.36 About half of respondents agreed that on the website or at the point of purchase was the place where information on technology would be useful. We consider that consumers should be able to assess the type of technology used to deliver the broadband services that are available at their address and that this information should be available before they purchase a service, regardless of the sales channel. Targeting the provision of clear and unambiguous information on underlying technology at the point consumers may make a purchasing decision means that the information will be timely and useful to the consumer to compare the specific services available to them.

3.37 We disagree with the general point made by Sky, VMO2, Vodafone and Verastar that, in summary, information on the underlying technology is irrelevant, as customers choose their service based on other factors such as cost, speed and reliability. In relation to the point that the same retail product can be provided over different technologies, as set out above, we are of the view that technology can have implications for network performance and

[78] Monthly cost, reliability, download speed, contract length, suitability for your household's needs, cost of equipment/installation, upload speed, other services included in the deal (e.g. TV, landline), an easily understood one- or two-word term on the technology used to deliver your broadband service (e.g. fibre, part fibre, cable), a detailed description indicating the technology used to deliver your broadband service (e.g. fibre, part fibre, cable).

[79] This is consistent with providers' research and evidence received in response to our consultation that cost, reliability and speed are important to customers.

[80] In our consultation document we quoted these figures as the proportions of respondents finding these pieces of information 'most important' when they are in fact the proportions saying they would find these pieces of information 'important' at all. The proportion finding these pieces of information 'most important' are 35% for a one- or two-word description and 38% for a detailed description..

consumer experience, especially in comparing FTTP with FTTC or ADSL services.[81] Further, our research shows that clarity on the underlying technology is useful to consumers when making their choice of supplier.

3.38 More specifically, we also disagree with Sky, VMO2, Vodafone and Verastar that Ofcom's research findings show the low importance placed on information about underlying technology by consumers. Although information on the underlying technology was ranked lower than cost, reliability and speed, this lower ranking does not mean that technology information would not be useful, or should not be provided. A low ranking for underlying technology could also be partly the result of the low availability and ambiguity of this information to date.

3.39 We welcome the additional market research evidence provided by VMO2. Those findings are consistent with our own research and, therefore, with our assessment that, although technology information is ranked lower than other attributes, this information is still useful and, in our view, should still be provided. It is possible that, with more widespread availability and improved clarity of this information and the increasing availability of FTTP services, the proportion of consumers who believe information on underlying technology is useful will increase.

3.40 Furthermore, providing information on the underlying technology can provide information to consumers that they value beyond speed and price. According to our research and respondents' feedback, most consumers highly value information on reliability.[82] Also, TalkTalk research found people are using 'speed' as a proxy for three needs (speed, reliability and reach), indicating that consumers do not fully understand the service, or the information they want is not available.[83] Information that lets the customer know whether a service is FTTC or FTTP will be particularly useful for consumers who care about reliability and are informed about the different characteristics of different technologies.

3.41 While costs and speeds are clearly important, this information is already provided in a comparable format, unlike information on the underlying technology. As consumers care about reliability, providing comparable information that will assist with this, means that consumers will be able to compare broadband services on a more like-for-like basis.

3.42 Given that it can be useful and relevant to consumers choosing their service, we consider that information on the underlying technology is an important characteristic of any broadband service. Therefore, consumers who purchase a new broadband service will potentially benefit from improved information about the underlying technology.

Guidance to ensure provision of information on the underlying network technology

3.43 In the previous section, we concluded that consumers should be able to access and would benefit from more clarity on the underlying network technology of their broadband services. In this section, we consider consultation responses on the nature and effectiveness of our

[81] Ofcom, 2023. The evolution of fixed access networks, page 24; Openreach, 2023. Business briefing, Slides 10-11. Slide 10 states that FTTP fault rates is 60% lower on average than for copper broadband.
[82] CityFibre, Response to March Consultation (Attachment 2), slide 26; Openreach, response to March Consultation, page 4.
[83] TalkTalk, Response to March 2023 Consultation, pages 6-7.

proposals, and set out our decision on the how this underlying network technology information should be provided in order to meet our policy objectives.

March 2023 consultation

3.44 To address the lack of clarity of information on the underlying technology of the broadband service for broadband consumers, in our consultation, we proposed guidance for providers under General Condition C2.3 and General Condition C1 that they:

a) include information on the underlying technology of the service using consistent terms and including a one- or two- word description of the underlying technology;
b) use those terms consistently to describe the service;
c) only use the terms 'fibre' and 'full-fibre' when referring to fibre-to-the-premises networks; and,
d) provide an easily accessible explanation of the one- or two-word terms used to describe the service.

3.45 As explained in more detail below we have made a number of adjustments to our guidance to take into account responses to our consultation.

Responses

Effectiveness of our proposed remedy

3.46 Among broadband providers, BUUK Infrastructure, CityFibre, Community Fibre, Fern Group, Gigaclear, Hyperoptic, KCOM, NetTek Limited, Ogi, Openreach, Shell Energy, toob, and Utility Warehouse each stated their support for our proposed approach.[84] BT also supported our proposals but highlighted some concerns over implementation, which we discuss in Sections 4 and 5.[85]

3.47 In terms of industry organisations, consumer organisations and public bodies, Citizens Advice Scotland, the CCP, Essex County Council and Digital Poverty Alliance, FCS, INCA and the Law Society of Scotland also supported our proposals.[86]

3.48 Responses from individuals were also generally supportive of our proposals.[87] Several spoke from personal experience on the prevalence of consumer confusion regarding broadband

[84] BUUK Infrastructure, Response to March 2023 Consultation, page 1; CityFibre, Response to March 2023 Consultation, page 2; Community Fibre, Response to March 2023 Consultation, pages 5-9; Fern Group, Response to March 2023 Consultation, page 1; Gigaclear, Response to March 2023 Consultation, page 1; Hyperoptic, Response to March 2023 Consultation, page 2; KCOM, Response to March 2023 Consultation, pages 1-2; NetTek Limited, Response to March 2023 Consultation, page 1; Ogi, Response to March 2023 Consultation, page 1; Openreach, Response to March 2023 Consultation, page 3; Shell Energy, Response to March 2023 Consultation, page 2; toob, Response to March 2023 Consultation, pages 2-3; Utility Warehouse, Response to March 2023 Consultation, page 1.
[85] BT, Response to March 2023 Consultation, page 3.
[86] Citizens Advice Scotland, Response to March 2023 Consultation, pages 1-2; CCP, Response to March 2023 Consultation, page 4; Essex County Council and Digital Poverty Alliance, Response to March 2023 Consultation, pages 1-2; FCS, Response to March 2023 Consultation, page 3; INCA, Response to March 2023 Consultation, page 1; Law Society of Scotland, Response to March 2023 Consultation, pages 2-3.
[87] Bridges, M, Response to March 2023 Consultation, page 1; Lear, G, Response to March 2023 Consultation, page 1; Milne, C, Response to March 2023 Consultation, page 1; Sellwood, G, Response to March 2023 Consultation, page 1; Strickland, M, Response to March 2023 Consultation, page 1; Thomas, C, Response to March 2023 Consultation, page 1; Webb, J, Response to March 2023 Consultation, page 1; Zotova, C, Response

terminology.[88] However some disagreed, with one respondent believing that a focus on underlying technology was counterproductive (see Annex 4).[89]

3.49 Some providers argued that our proposed approach could confuse consumers and increase complexity, and commented on potential terminology for the underlying technology:

a) VMO2 and Sky noted concerns about information overload, whereby the additional information offers no benefit, and may instead be counterproductive.[90]
b) VMO2 and Verastar said the introduction of new terms such as 'cable' and 'copper' would inadvertently increase complexity.[91]
c) Verastar did not agree with introducing the term 'part fibre', while TalkTalk and Vodafone were concerned that it could confuse consumers or make them believe their FTTC service had been downgraded.[92] Vodafone also said these consumers might unnecessarily switch to an FTTP product. Some individuals felt that terms such as "half-fibre" or "fibre/copper" were more easily understood than 'part-fibre'.[93]
d) Utility Warehouse felt that reserving the two terms 'fibre' and 'full fibre' for FTTP would confuse consumers and a single term would be clearer (e.g. just 'full fibre').[94] It also thought focus groups could determine better terminology.[95]
e) TalkTalk and Verastar felt attempts to ringfence the term 'fibre' would be ineffective and counterproductive, given its widespread use and current understanding among consumers.[96] Instead, they suggested focusing on ensuring the term 'full-fibre' is exclusively used to refer to FTTP would be a more effective approach.
f) INCA encouraged us to ensure that the term "fibre" on its own should not be used to describe a part-fibre service or any other service which is not FTTP.[97] While Shell Energy agreed that full fibre should only be used to describe FTTP, it did not see significant issues for customers by using fibre to describe FTTC.[98]
g) While generally Sky and Vodafone did not support our proposals, they could see value in using consistent terminology across industry, to meet the expectations of consumers that common terms are used, and prohibit the use of the term fibre for all copper or cable services, respectively.[99]

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to March 2023 Consultation, page 1; Name Withheld 1, Response to March 2023 Consultation, page 1; Name Withheld 3, Response to March 2023 Consultation, page 1.

[88] Webb, J, Response to March 2023 Consultation, page 1; Strickland, M, Response to March 2023 Consultation, page 1; Zotova, C, Response to March 2023 Consultation, page 1; Name Withheld 1, Response to March 2023 Consultation, page 1.

[89] Still, A, Response to March 2023 Consultation, page 1.

[90] VMO2, Response to March 2023 Consultation, page 5; Sky, Response to March 2023 Consultation, page 7.

[91] VMO2, Response to March 2023 Consultation, page 5; Verastar, Response to March 2023 Consultation, page 1-2;

[92] Verastar, Response to March 2023 Consultation, page 1; Vodafone, Response to March 2023 Consultation, page 3; TalkTalk, Response to March 2023 Consultation, page 9.

[93] Strickland, M, Response to March 2023 Consultation, page 1; Webb, J, Response to March 2023 Consultation, page 1.

[94] Utility Warehouse, Response to March Consultation, pages 1-2.

[95] Utility Warehouse, Response to March Consultation, page 2.

[96] Verastar, Response to March 2023 Consultation, pages 1-2; TalkTalk, Response to March 2023 Consultation, page 7.

[97] INCA, Response to March 2023 Consultation, page 3.

[98] Shell Energy, Response to March 2023 Consultation, page 2.

[99] Sky, Response to March 2023 Consultation, page 7; Vodafone, Response to March 2023 Consultation, page 6.

3.50 VMO2 thought that by raising the profile of one piece of information in the purchasing decision, we would weaken competition and undermine our general duties to promote competition. VMO2 cited the contribution its network had made towards the government's technologically neutral gigabit-capable objective, and suggested our proposals favoured FTTP – which was not in line with our duties under the CA 2003.[100]

3.51 VMO2 argued that many consumers will not read descriptions and will only see "simple terms about technology", potentially driving consumers away from buying VMO2's products because they are labelled differently as cable (in the mistaken belief that they contain no fibre), but potentially paradoxically towards FTTC given the term 'part fibre' and positive associations with the term 'fibre', despite FTTC products, in VMO2's view, being inferior to cable.[101] In support of this point VMO2 cited its own research which found customer awareness and understanding of the term 'cable' lags behind that of 'fibre' and 'full-fibre'.[102]

3.52 VMO2 also believed that we have not given adequate consideration to how our policy deals with multiple technologies within a single network, and that VMO2 has three different types of technologies, [✂].[103] VMO2 also explained that [✂].[104]

3.53 Separately, Sky said that in some circumstances, such as when a customer is found not to be suitable for a VoIP product, it may revert to using FTTC instead of supplying a FTTP service.[105]

3.54 The question of how Fibre to the Basement ('FTTB') services should be treated under our proposals was also raised by some providers. VMO2 raised it in the context of arguing that our policy does not distinguish between different types of FTTP.[106] Hyperoptic considered FTTB should be treated in the same way as FTTP under our proposals, and that we should similarly allow it to be described as a 'fibre' or 'full fibre' service, arguing it offered comparable speeds.[107] It added that such a definition is consistent with Ofcom, DCMS, legal (Court ruling during CityFibre's judicial review of the ASA's decision on fibre) and ASA definitions of full fibre.

3.55 Industry organisation INCA noted these ongoing disagreements over the status of FTTB among certain providers, and agreed this was an issue that would require attention in the future, however in its view this should not prevent or delay the measures outlined in Ofcom's proposals, which INCA endorsed.[108]

3.56 While TalkTalk agreed with our proposal for providers to explain the underlying technology using one or two terms in an easily accessible format, it was concerned that inconsistent compliance across different providers, products, and terminology could impact on consumers' ability to compare products and result in market distortions.[109] Given that concern, TalkTalk also said we should outline our proposed approach to enforcement

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[100] VMO2, Response to March 2023 Consultation, page 2.
[101] VMO2, Response to March 2023 Consultation, page 12.
[102] VMO2, Broadband labelling research findings, page 1.
[103] VMO2, Response to March 2023 Consultation, page 11. [✂].
[104] [✂].
[105] Sky, Response to March 2023 Consultation, pages 5-6.
[106] VMO2, Response to March 2023 Consultation, pages 9-10.
[107] Hyperoptic, Response to March 2023 Consultation, pages 1 and 4-5. Hyperoptic use the term fibre to the basement, rather than fibre to the building. Both terms are generally interpreted as a fibre connection to a multi dwelling unit, with a copper connection from the basement to the termination points.
[108] INCA, Response to March 2023 Consultation, page 2.
[109] TalkTalk, Response to March 2023 Consultation, page 12.

activity.[110] Related to enforcement, VMO2 were keen to understand, if we did not distinguish between different types of fibre, how we would engage with and monitor varying terms.[111]

3.57 BT asked us to consider whether our guidance is future proof to be compatible with other technologies (e.g. Fixed Wireless Access and mobile plus fibre or copper fixed connections) as there is a move towards convergence of fixed and mobile technologies.[112] Bill management site ApTap cautioned that guidance on the use of terms must be flexible enough to allow for innovation and accurate description of new technologies as they are deployed. Ogi also called for flexibility to ensure terminology could be meaningfully translated into Welsh.

3.58 Which? and the CCP emphasised the importance of making information clear and accessible, with the CCP highlighting there should be a particular focus on first-time broadband purchasers and people with low digital literacy and confidence.

Whether our approach is the minimum necessary to achieve our objectives

3.59 Sky, TalkTalk, VMO2 Vodafone and Verastar raised different concerns about the proportionality of our proposed remedy.[113] They disagreed with our proposals on the basis that our impact assessment was not effective and/or did not sufficiently demonstrate the case for intervention, and that the costs of implementing our proposals were significantly underestimated. We discuss this in more detail in Section 4.

How to provide information on the underlying technology

Description of the underlying technology at point of sale on the website, in the Contract Summary and in Contract Information

3.60 Vodafone objected to our proposed guidance on the basis that aspects of our proposals are not supported by GCs C1 and C2. In summary, Vodafone argued that:

a) GCs C1 and C2 relate to the description of services and do not require the use of specific terminology;[114]
b) those GCs do not require "consistent" use of specified terminology in all communications with consumers during the purchase process; and,
c) GC C2 does not require the provision of information at the point of sale – rather, the requirement is only that the information should be published somewhere on the provider's website.

As such, Vodafone stated that the information it already provides on its website on broadband technologies is sufficient to meet this requirement.[115]

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[110] TalkTalk, Response to March 2023 Consultation, page 12.
[111] VMO2, Response to March 2023 Consultation, pages 12-13.
[112] BT, Response to March 2023 Consultation, page 11.
[113] VMO2 also explained its concerns separately in its additional submission. VMO2 highlighted that requiring ISPs to make significant investments to provide user specific "technology information" would be disproportionate in circumstances where the market has a solution (advertising of "full fibre") and consumers are generally making choices based on other competitive factors. VMO2, Broadband labelling proposal, pages 1-2.
[114] Vodafone, Response to March 2023 Consultation, page 4.
[115] Vodafone, Response to March 2023 Consultation, page 5.

3.61 Utility Warehouse was concerned that adding more information to the description of the service in contractual information and the Contract Summary would be challenging to implement. It requested flexibility on Contract Summaries' length, given it is already difficult to include all mandatory information onto one A4 side (the prescribed length for a single service).[116]

3.62 KCOM suggested that, rather than including a customer specific description of underlying technology in Contract Summaries and Contract Information, an alternative would be to include a general statement in both documents on the technology used for each product offered by a provider.[117] VMO2 and Sky also suggested an amended approach where underlying technology information is only given, where providers choose to market on this basis, where this information is specifically requested by a customer, and it is possible to do so, or when providers choose to refer prominently to the technology in the relevant product's name or marketing, respectively.

Detailed explanation of the underlying technology

3.63 Generally, respondents agreed with the provision of a detailed explanation of the underlying technology.[118] Several respondents felt that currently providers use terminology that is confusing and inaccessible to many consumers.[119] Others also felt that it was important that detailed explanations are not hidden in terms and conditions and can be easily accessed by consumers.[120] While supportive of our proposal to provide a detailed explanation of the underlying technology, Hyperoptic also cautioned against this being too lengthy, in order to ensure consumers are able to easily draw out the key information.[121] Which? cited the importance of speed and reliability information, recommending that the description of broadband services should include reference to this information.[122]

3.64 While supportive of our proposals, CityFibre, Community Fibre, and INCA urged us to go further, such as by mandating consistency in the explanations used by providers to describe the one- or two-word terms in order to prevent divergence between providers which they felt could risk customer confusion continuing.[123]

Scope of the guidance

3.65 A number of respondents expressed views about how our proposals interact with the ASA's remit. Several providers expressed concerns about inconsistency between Ofcom and ASA

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[116] Utility Warehouse, Response to March 2023 Consultation, page 2.
[117] KCOM, Response to March 2023 Consultation, page 2.
[118] Citizens Advice Scotland, Response to March 2023 Consultation, page 2; Essex County Council and Digital Poverty Alliance, Response to March 2023 Consultation, page 2; Federation of Communication Services, Response to March 2023 Consultation, page 3; Gigaclear, Response to March 2023 Consultation, page 1; Hyperoptic, Response to March 2023 Consultation, page 2; INCA, Response to March 2023 Consultation, pages 2-3; Law Society of Scotland, Response to March 2023 Consultation, page 3; Name Withheld 3, Response to March 2023 Consultation, page 1; Ogi, Response to March 2023 Consultation, pages 1-2; TalkTalk, Response to March 2023 Consultation, page 7; Verastar, Response to March 2023 Consultation, page 3.
[119] Essex County Council and Digital Poverty Alliance, Response to March 2023 Consultation, page 2; Ogi, Response to March 2023 Consultation, pages 1-2.
[120] ApTap, Response to March 2023 Consultation, page 1. Webb, J. Response to March 2023 Consultation, page 1.
[121] Hyperoptic, Response to March 2023 Consultation, page 3.
[122] Which?, Response to March 2023 Consultation, pages 1-2.
[123] CityFibre, Response to March 2023 Consultation, pages 14-15; Community Fibre, Response to March 2023 Consultation, page 5; INCA, Response to March 2023 Consultation, page 3.

rules around broadband terminology.[124] A subset of these stakeholders went further, suggesting the ASA rules should mirror our guidance to improve consistency and reduce confusion.[125] Conversely, VMO2 suggested that the CAP code requirements on the use of the terms 'full fibre' and 'fibre' could be extended into the Ofcom regulatory framework, such as by including them in the guidance under GC C1 and GC C2, to provide end-to-end consistency in the use of these terms.[126]

3.66 There were also a number of suggestions from stakeholders about how far we should go to ensure regulatory alignment, from engagement with the ASA on the issue[127], to joint Ofcom/ASA guidance[128], to Ofcom taking control of broadcast advertising content regulation from the ASA.[129] Meanwhile, BT thought our proposals could lead to customer confusion if the same rules were not applied across all media, while CityFibre thought that providers could circumvent the guidance because it does not apply to marketing.[130]

3.67 The ASA noted that its remit, as set out in the CAP Code, includes online point of sale information.[131] It therefore noted that 'fibre' broadband advertising that amounts to online point of sale information would be considered within the ASA's remit by virtue of the scope of the Code.[132] BT requested that we make clear that our guidance has no bearing on the ASA's 2017 ruling on use of the term fibre.[133]

Our assessment

Effectiveness of our approach

3.68 As set out above, we believe that there are differences between different types of network technologies that matter to some consumers when looking for the right broadband service.

3.69 We are concerned that there is harm arising for some categories of consumers from not having clear and unambiguous information on the underlying technology of their broadband service. This is particularly the case for those consumers who reported that this information would be useful. The addition of information on the underlying network technology to the other service characteristics already provided will help to address these harms by

[124] BT, Response to March 2023 Consultation, page 11; BUUK, Response to March 2023 Consultation, page 2; Fern Group, Response to March 2023 Consultation, pages 2-3; INCA, Response to March 2023 Consultation, pages 2 and 7; KCOM, Response to March 2023 Consultation, pages 2-3; Toob, Response to March 2023 Consultation, page 1; Utility Warehouse, Response to March 2023 Consultation, page 1.
[125] BUUK, Response to March 2023 Consultation, page 2; Fern Group, Response to March 2023 Consultation, pages 2-3; Toob, Response to March 2023 Consultation, page 1; Utility Warehouse, Response to March 2023 Consultation, page 1.
[126] VMO2, Broadband labelling proposal, page 2.
[127] KCOM, Response to March 2023 Consultation, pages 2-3; Gigaclear, Response to March 2023 Consultation, page 1.
[128] INCA, Response to March 2023 Consultation, pages 2 and 7.
[129] Fern Group, Response to March 2023 Consultation, page 3. The Fern Group said, if needed, we should consider taking control of broadcast advertising content regulation from the ASA before our current Memorandum of Understanding ends on 1 November 2024 (it noted fibre will have reached most of the country by this point).
[130] BT, Response to March 2023 Consultation, paragraph 5.1, page 11; CityFibre, Response to March 2023 Consultation, paragraphs 70-71, page 14.
[131] ASA, Response to March 2023 Consultation, page 2.
[132] ASA, Response to March 2023 Consultation, page 2.
[133] BT, Response to March 2023 Consultation, page 11.

empowering consumers to compare like-with-like services across a more complete range of factors.

3.70 Clear and unambiguous information on the underlying technology would:

a) enable consumers (already aware of the differences in technology or not) to identify the right service for them;
b) reduce ambiguity and the effort required to understand services, and so could encourage some unengaged consumers to seek further information on the right deals for them; and
c) enable consumers to be more certain of how their current service is delivered by identifying the underlying technology in Contract Information, therefore supporting their ability to make a more informed choice about their future service.

3.71 We agree with those respondents who highlighted that provision of information which is not relevant to a purchasing decision can increase customer confusion and hamper consumers' ability to make sound choices. We have considered whether there is risk of increased confusion or information overload for consumers from requiring additional information on the underlying technology or the risk of introducing new terms such as copper or cable.

3.72 We think this risk is low because: firstly, we consider this information to be relevant to a purchasing decision and our consumer research suggests this is information that a material number of consumers would find useful. Secondly, providers already use a variety of different terms which refer to underlying technology, and many use the term 'fibre' extensively in their marketing materials. The intervention would therefore, in many cases, clarify existing terminology. Thirdly, the short description of the underlying technology is a relatively small addition to the set of information provided at the point of sale on the website (as can be seen in Figure 2), and in the Contract Information and the Contract Summary. It does not, in our view, present a risk of information overload or confusion.

3.73 Some providers commented that specific terms may not be easily understandable. The terms used in our statement and guidance are examples only; providers can decide on the terms used as long as they are clear and unambiguous. Providers are also required to offer a fuller description of the terms on their website (see below).[134]

3.74 In relation to concerns from TalkTalk and Vodafone that consumers could see a product described as 'part fibre' as a downgrade, firstly, consumers will receive this information at the point they are re-contracting for a new broadband service, in which case if they misunderstood the service they were previously buying (and thought it was an FTTP service), then they have the opportunity to upgrade to an FTTP service. Secondly, if on receiving information about their underlying technology, a customer decides to change their service to one more suited to their needs, we would view this as a positive outcome in line with our policy objectives. Finally, providers will have the flexibility to clarify in their communications to consumers that their underlying service has not changed from that provided previously.

3.75 We acknowledge stakeholders' comments on the use of the term 'fibre' that suggests our proposal to reserve the term to FTTP may be confusing or ineffective. We agree with a number of stakeholders that the term 'fibre' alone is insufficient because it has already been

[134] In relation to Utility Warehouse's suggestion that we should explore alternative terms through focus groups, we note that providers are best placed to determine the exact terminology to be used as long as it is clear and unambiguous.

used to refer to a number of technologies to date and therefore it is likely to be challenging to convey to consumers that this now means FTTP services only.

3.76 Accordingly, we have changed our approach. We have decided to make clear that the term 'fibre' on its own should not be used to describe FTTP or FTTC in the description of the underlying technology provided to consumers. This would mean, for instance, FTTP is described as 'full fibre', and FTTC as 'part-fibre' (or similar terms).

3.77 We do not agree with VMO2 that our intervention will distort competition to the detriment of cable services. VMO2 expressed concern that consumers could be discouraged from purchasing its products which are labelled as cable, in the mistaken belief that they contain no fibre, and instead choose FTTC products labelled as part-fibre, because consumers associate the term 'fibre' more positively.

3.78 We recognise the importance of VMO2's network in contributing towards the availability of gigabit-capable services for 75% of UK consumers (nearly 22.4m homes).[135] As noted above, on the VMO2 network, VMO2's cable services do not have materially different fault rate to VMO2's FTTP services.[136] We therefore consider it will be important for VMO2 to explain the benefits of its cable network to consumers, while not describing it as 'full fibre.' We believe it is important that all broadband providers provide an appropriate description of the underlying technology of their service to enable comparison and therefore it would be inappropriate to exempt some networks from doing this.

3.79 Given that we are asking providers to qualify any use of the term 'fibre', but otherwise providing flexibility in terms of explaining the underlying technology, we consider that it will enable them to capture changes to the underlying technology as they develop, within this additional explanation. For example, VMO2 raised the point that that customer confusion may increase specifically with the proliferation of different FTTP technologies. Under our guidance, we clarify that any FTTP technology can be described as 'full-fibre'. Providers have the flexibility to expand on the type of FTTP technology used if they wish in the detailed explanation of the underlying technology.

3.80 We have also considered the practicalities of whether providers are able to reasonably identify and provide information on the underlying technology of the broadband products they sell. Providers that purchase wholesale services on the Openreach platform are able to identify whether ADSL, FTTC or FTTP are available at consumers' premises, and use that information to present it to consumers. In general, broadband providers that have built alternative networks to Openreach are also clear on the type of underlying network technology that will be provided to their consumers.

3.81 We acknowledge that [✂].

3.82 It is not our objective as part of this exercise to require providers to change the way that they provision services to consumers. Where a provider has not determined at the point of sale what technology will be deployed to deliver services to a consumer, our guidance specifies that the provider should present the best information available to the consumer. For example, this could be a statement that the service could be provided by two different

[135] Ofcom, September 2023. Connected Nations summer update, page 4.
[136] This information relies on data gathered on fault rates as part of our Connected Nations 2023 report data collection process.

technologies.[137] We expect any provider in that situation to provide the consumer with information on the underlying technology of the broadband service as soon as reasonably practicable once it is available. [✂]. We expect that the total number of consumers likely to be affected by this exception is currently very small.

3.83 We recognise that there may be situations where the provider identifies that a broadband service bundled with a digital voice service over FTTP is available at a customer premises, but would not currently be sold to the customer, for instance if the customer has a telecare device that relies on traditional telephony.[138] This scenario may arise after the customer receives information on the services available at their premises and has been told those services are FTTP. Given that we expect this to arise in very limited circumstances, we consider that our guidance should still apply, and the provider should amend the information provided to the customer on the underlying technology where there are any changes to it.

3.84 For the avoidance of doubt, we view 'fibre to the building' (FTTB) products as a 'full fibre'/'fibre' service in the context of our proposals. This is consistent with how we track products within our annual Connected Nations programme of work.

3.85 Regarding TalkTalk's concerns about inconsistent compliance across the market and VMO2's query about monitoring the use of terms, we plan to closely monitor market developments. The purpose of our guidance is to assist providers to comply with the minimum requirements of Conditions C1 and C2.3 by outlining Ofcom's likely approach to investigating compliance. We intend to engage with providers both during the implementation period and after the guidance takes effect.

3.86 In relation to respondents' comments on future proofing and ensuring sufficient flexibility in our guidance, we note that we have not been prescriptive in the terms used to describe underlying technology, as long they are clear and unambiguous, as this allows providers flexibility to adapt their terminology to evolving technologies. We also note that while Fixed Wireless Access (FWA) services are covered by our guidance, mobile services are not in scope.

3.87 In response to the CCP's comment that information should be accessible to all, we note our existing guidance that providers should follow in relation to treating vulnerable consumers fairly – in particular, to make sure their terms and conditions, contracts and website are clear and use plain English where possible when conveying information – and in this case, on underlying technology. We expect that this guidance is taken into consideration when implementing the decisions in this document. We agree with Which? that information on the underlying technology should not focus too heavily on technical descriptions, and under our guidance the description should use one or two clear, unambiguous terms.

[137] As a theoretical example, for a product called Superfast 50, the underlying technology description could be: "provided over X or Y depending on the best option available at your address".

[138] Certain devices people use at home, such as care alarms, may be connected to the traditional landline. Telecare alarms may need to be replaced or reconfigured to continue working on a digital landline, so some providers may sell a landline service compatible with a telecare alarm until a solution can be found to ensure the telecare alarm continues to function over a digital landline.

Whether our approach is the minimum necessary to achieve our objectives

3.88 In light of the comments received on the proportionality of our proposals, highlighting that our proposed guidance would be complex and costly to implement, we have given further consideration to the most appropriate approach to meeting our objectives.

3.89 In the March consultation we proposed that the terms 'fibre' and 'full-fibre' should only be used when referring to FTTP. As set out above, some stakeholders told us that they use the term 'fibre' in the names of their services and this would be costly for them to change.

3.90 We consider that the most important aspect of our proposals is that consumers are informed about the underlying technology of the services available so that they can choose the broadband service that is right for them. As set out above, we do not consider that the term 'fibre' is sufficiently clear and unambiguous to describe the underlying network technology of a broadband service and expect providers to use terms such as 'full-fibre' or 'part-fibre' in the description of the underlying network technology.

3.91 However, we consider it is less important that 'fibre' is used as shorthand for these terms in product names. While there may be additional benefits from consistency of product names and network descriptions, once the technology has been made clear, we consider that changes to the product names are less important than a clear and unambiguous description of the technology that is given prominence during a customer's purchasing journey.

3.92 For example, we have considered whether a product called 'Fibre 30' but with a clear description that this is a part-fibre service would cause more ambiguity and confusion. We believe that a clear statement on the underlying technology will mean there is much less scope for customer confusion. In addition, it is unclear how meaningful the service name is for consumers and whether they believe this provides them with detailed information about the service they are purchasing.

3.93 Overall, we consider that requiring the provision of information on the underlying network technology is sufficient to meet our policy objectives and it is not necessary to specify how fibre terms are used in other contexts. Communications providers may want to consider further consistency across their entire customer journey but that will be a commercial decision for them to take.

3.94 We also considered not intervening in this area and, consistent with our views in the March 2023 consultation, we do not believe that doing nothing is appropriate. We have identified potential harms arising from the current position that we consider need to be remedied, and our assessment is that the information would be useful to a material number of broadband consumers.

3.95 We also considered respondents' other suggestions for Ofcom intervention. Those suggestions were varied and included expanding our proposals or our role. We believe many of those are out of scope of this project and the decisions we are making in this statement. We summarise them, and our assessment, in Annex 4.

How to provide information on the underlying technology

Description of the underlying technology at point of sale on the website, in the Contract Summary and in Contract Information

3.96 Given our view that it would be beneficial to consumers to have information on the underlying technology, we have decided that information on the underlying technology

should be available using one or two terms that are clear and unambiguous, such as 'cable', 'full-fibre', 'copper' or 'part-fibre'. This information should be provided at point of sale on providers' websites under GC C2.3, and in Contract Information and the Contract Summary, under GC C1.3 and GC C1.5.

3.97 In relation to Vodafone's objections that our guidance is not supported by GCs C1 and C2, we note that among other things, GC C2.3 and GC C1.3 require providers to give information on the "***description of the services offered, including the main characteristics of each service provided"***. As set out above, information on the underlying technology is an important characteristic of any broadband service, given that it can be useful and relevant to consumers choosing their service. As such, we have decided to clarify in our guidance that the ***description of the services offered*** should include clarity on the underlying technology of the networks used to deliver the service.

3.98 Our guidance does not, however, require the use of "specific" or "preferred" terms, as suggested by Vodafone. While our guidance is that providers should give consumers a short description of the underlying technology of their broadband products using one or two clear and unambiguous terms such as 'cable', 'full-fibre', 'copper' or 'part-fibre', those terms are merely examples given to assist providers. Providers will have discretion as to how they draft the more detailed explanation that is linked to the short description using one or two terms.

3.99 As explained above, our guidance will specify that providers should not use the term 'fibre' on its own when describing the underlying technology – due to the ambiguity surrounding this term and its inconsistent use in the broadband market. This is because we believe that describing the underlying technology simply using the term 'fibre' – without further context – is not sufficient to provide a clear, adequate and accurate description of the services offered (as required by General Conditions C1 and C2).

3.100 Vodafone has also argued that GC C2 does not specify where in the sales journey providers must publish information in respect of their communication services or bundles and that publishing it on the website is sufficient. In this regard, we note that the preamble to Condition C2 states that its aim is to ***"ensure the availability of adequate, up-to-date, comparable information for end-users*** *on the prices, tariffs, terms and conditions of communications services, and any charges applicable on termination of their contract* ***so as to enable end-users to compare easily the offers and services available in the market***".

3.101 Our guidance specifies that providers should provide information about the underlying technology at point of sale – because targeting the provision of clear and unambiguous information on underlying technology at this point in the sales journey means that the information is timely and useful to the consumer in order to compare the specific services available to them, consistent with the objective of GC C2. In our view, merely publishing this information somewhere on a provider's website would not be effective in meeting our policy objectives.

3.102 Our decision to include information on the underlying technology in Contract Information and in the Contract Summary will ensure that consumers who use telephone sales channels to purchase their broadband product will have access to information about the underlying technology. Consumers may use the information during the 14-day cooling off period to help them to decide whether to proceed with the service. It will also mean that consumers have a record of the type of product they have purchased when the time comes for them to renegotiate a service or purchase a service from another supplier.

3.103 In addition, while our guidance only specifies that the underlying technology should be provided at point of sale on the website, we expect that, for consistency, providers may want to explain this information to customers during telesales and face to face sales before the Contract Summary is provided.

3.104 Ofcom has previously published guidance on contract requirements under GC C1, which came into force in June 2022 (the 'GC C1 guidance').[139] Our new guidance is intended to complement the GC C1 guidance, not replace it. Therefore, we are creating additional guidance under GC C1. To ensure that stakeholders can easily identify and comply with our guidance, we have added cross-references in the current GC C1 guidance document which link to our final guidance on broadband information. The guidance is available separately here and via a link in Annex 1.

3.105 We note Utility Warehouse's request for flexibility on the length of Contract Summaries. It is possible that some providers find that compliance with our guidance on broadband information would require them to issue a Contract Summary longer than the length prescribed in the Contract Summary Implementing Regulation.[140] Paragraph 1.16a) of our GC C1 guidance sets out that providers may extend the length of the Contract Summary where there is reasonable justification.[141]

3.106 We do not agree with KCOM's suggestion of providing a non-customer specific statement explaining the technology used for different products. The aim of our proposals is to enable consumers to make informed choices on the services available at their address, and therefore the underlying technology information should be provided on the specific products available to them.

3.107 We do not consider that either of the approaches suggested by VMO2 and Sky, where underlying technology information is given if the provider in effect markets services on that basis and/or this information is requested by a customer, would be effective at achieving our policy objectives.

3.108 As set out above, we consider that information on the underlying technology needs to be given by all providers on a consistent basis, and not only by providers who market their broadband services on the basis of the underlying technology, so that consumers are able to compare broadband services on a more like-for-like basis.

3.109 Further, our research shows that there is consumer confusion in relation to broadband terms, and we consider that consumers may not proactively ask for information which has so far not been prominent. We therefore also do not support providing information on the underlying technology of their connection to customers on request only.

Illustrative examples of underlying technology information during an online journey

3.110 In response to the points made by providers that consistency of terminology across industry benefits customers, we agree that providers should use clear and unambiguous terms, and that it follows that providers should use consistent terms to describe the underlying

[139] Ofcom, 2022. Ofcom's guidance under General Condition C1 – contract requirements.
[140] Commission Implementing Regulation (EU) 2019/2243 of 17 December 2019 ('the Contract Summary Implementing Regulation').
[141] Ofcom, June 2022. Ofcom's guidance under General Condition C1 – contract requirements, pages 3-4.

technology at point of sale on the website, in the Contract Summary, and in the Contract Information.[142]

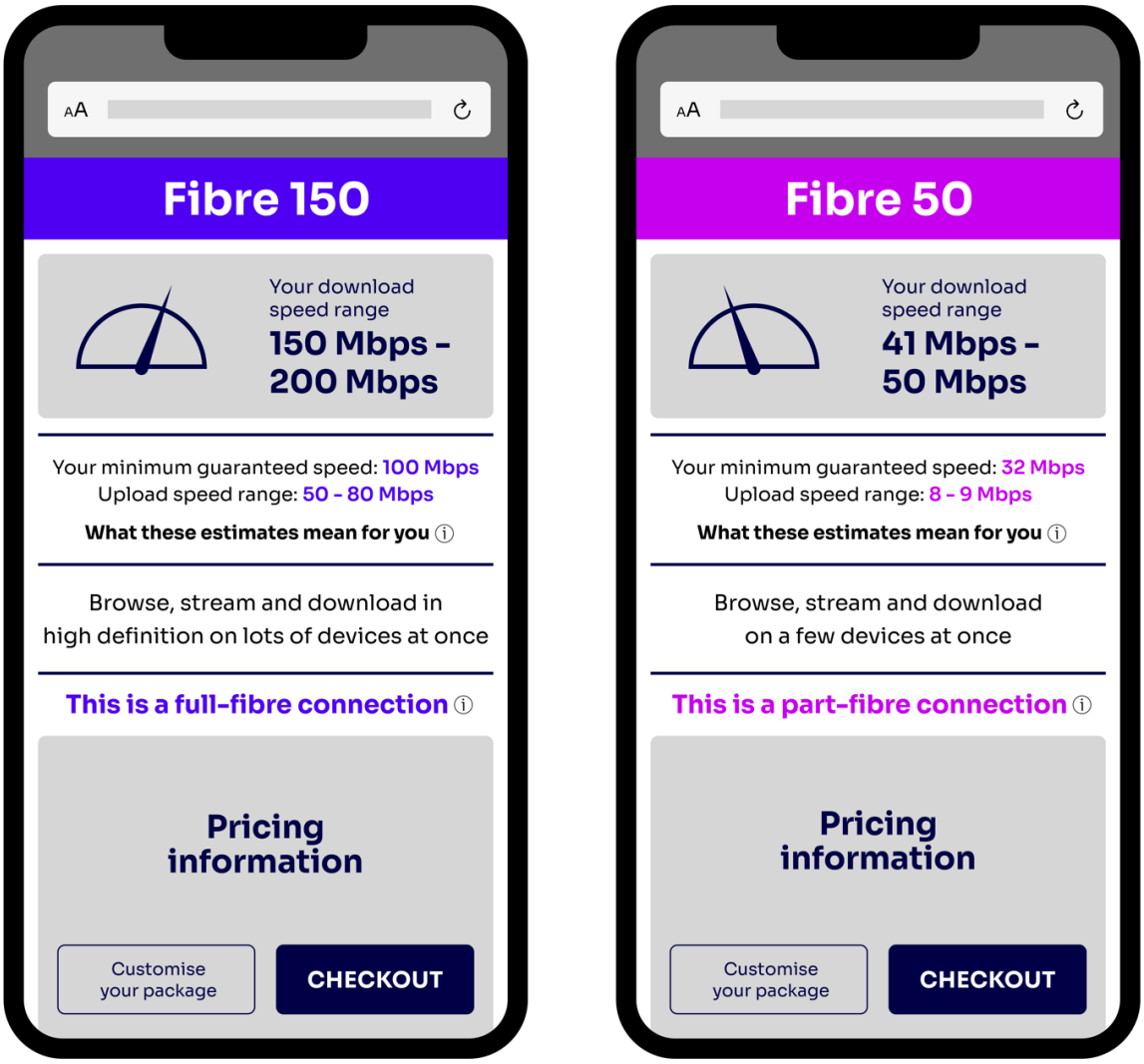
3.111 In response to CityFibre, Community Fibre and INCA's suggestion that we should be more prescriptive about the terminology used, we believe that it is not possible to specify terms for every scenario.

3.112 Figure 2 below shows examples of how providers can use one or two terms to describe the underlying technology at point of sale on the website.[143] In the examples below, the one or two terms used to describe the technology are highlighted in bold colour and the service is described as a 'full-fibre connection' or a 'part-fibre connection'. These examples are only an illustration of how providers could comply with our guidance.

[142] BUUK Infrastructure, Response to March 2023 Consultation, page 1; CityFibre, Response to March 2023 Consultation, page 12; Community Fibre, Response to March 2023 Consultation, pages 5-9; Fern Group, Response to March 2023 Consultation, page 1; Gigaclear, Response to March 2023 Consultation, page 1; Hyperoptic, Response to March 2023 Consultation, page 2; KCOM, Response to March 2023 Consultation, pages 1-2; NetTek Limited, Response to March 2023 Consultation, page 1; Ogi, Response to March 2023 Consultation, page 1; Openreach, Response to March 2023 Consultation, page 3; Shell Energy, Response to March 2023 Consultation, page 2; toob, Response to March 2023 Consultation, pages 2-3; Utility Warehouse, Response to March 2023 Consultation, page 1.

[143] This is an illustration of the information customers would see after they have given their postcode and can see the services currently sold by the provider at their address. This is the stage at which consumers are most likely to consider which services to purchase and where information on underlying technology would help them to make an informed choice.

Figure 2: Examples of using a short description of the underlying technology of each product, using one or two clear and unambiguous terms to describe the underlying technology



Detailed explanation of the underlying technology

3.113 We consider that, in addition to providers giving a short description of the underlying technology using one or two terms that are clear and unambiguous, a simple explanation of these terms would be helpful to consumers. This explanation should give more detail about the underlying technology, with a clear link to the relevant terms used at the point of sale on the website and in the Contract Information and the Contract Summary. It should also be given in a form that is accessible and easily understood. The inclusion of a detailed explanation will allow providers to explain to consumers the characteristics of their underlying technology further. In response to Which?, giving providers this flexibility means they could include how the network functions and any relevant information on consumer experience, such as their broadband speed.

3.114 Our new guidance states that providers should not use the term 'fibre' on its own when describing the underlying technology. This applies to the short description using one or two terms that are clear and unambiguous, and to any reference to these terms within the detailed explanation of the underlying technology. For the avoidance of doubt, our guidance

does not prohibit providers from using the word 'fibre' in its general sense within the detailed explanation – for example in the context of explaining that an FTTC service partially includes a fibre optic connection.

3.115 Set out below is an example of the detail that we consider may be appropriate to describe an FTTC service.

Figure 3: Example of a more detailed explanation of the term 'part-fibre'

Part-fibre or Fibre-to-the-cabinet (FTTC)

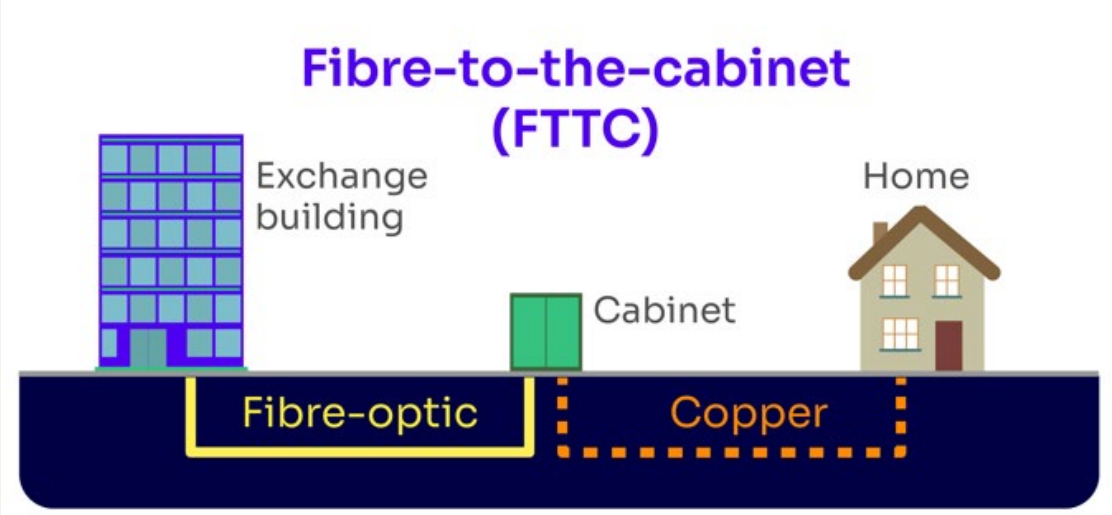
This term refers to a broadband technology also called Fibre-to-the-cabinet (FTTC).

Fibre-to-the-cabinet has a fibre-optic connection (made up of a bundle of thin glass 'fibre' threads) from the local telephone exchange to the street cabinet.

The final connection from the street cabinet to the customer is usually over a copper wire telephone line.

This means that broadband speeds may decrease the further the customer's home is from the street cabinet.

Fibre-to-the-cabinet is able to support download speeds of up to 80Mbit/s, but this can vary, in particular depending on the distance of the cabinet from your home. If FTTC is available for you, you will get a speed estimate for your address when you have a look at our broadband services and enter your postcode.



3.116 As set out in our guidance, where information on the underlying technology is given on the provider's website, the detailed explanation of the clear and unambiguous terms should also appear on the website. This explanation can be provided on a separate webpage if it is clearly linked and accessible to consumers from where the term(s) are used.

Scope of the guidance

3.117 While we agree that it may be helpful for further alignment between our approach and the approach of the ASA, our regulation does not extend to advertising material. We believe that, if consumers are provided with appropriate information before they make a broadband purchasing decision, and have this information available to them when they make future purchasing decisions, then this will meet our objectives and should address some of the confusion and complexity in the broadband market with regard to the underlying technology

used to deliver services. Providers may also want to consider aligning their advertising and broadband service names with their point of sale on the website, Contract Information and the Contract Summary, but this will be a commercial decision for them to make.

3.118 We also do not agree with VMO2's suggestion that our guidance should reflect the CAP Code rules on the use of the term 'fibre' and 'full fibre' in advertising. We have set out above why we consider it is necessary to intervene and ensure appropriate information on the underlying network technology is provided and the most effective form this should take.

3.119 We will continue to work closely with the ASA. However, in response to stakeholders' views about Ofcom taking a more active role in advertising, as we have outlined above, advertising is the remit of the ASA, not Ofcom. We have worked closely with the ASA throughout this project and will continue to do so in line with the existing memorandum of understanding between the ASA, CAP and Ofcom – which governs how we work together to protect consumers in communications markets.

3.120 The ASA has noted that its remit, as set out in the CAP Code, includes online point of sale information.[144] Therefore in relation to our overlapping remits broadband providers will need to comply with both the CAP Code and Ofcom's regulation, including our guidance. For the avoidance of doubt, our guidance has no bearing otherwise on the ASA's 2017 ruling on use of the term fibre.[145]

Conclusion

3.121 We are supporting investment by providers in the deployment of competing full-fibre networks through our regulatory framework for competition and investment. We believe this will enable people and businesses to benefit from fast, reliable, future-proof broadband services.

3.122 Our policy objective is to ensure that consumers have the information they need to compare services and choose the right product for them. To fulfil our objective, we believe that consumers should be able to identify easily, at point of sale and before they purchase the service, the underlying technology of the broadband service available at their address, as we believe this is an important characteristic of any broadband service.

3.123 Currently, providers do not always tell consumers what technology is used to deliver their broadband services.[146] We found that consumers are unclear about the underlying network technology and about half of consumers would find information on the underlying technology of the broadband service useful.

3.124 Therefore, we consider that we should address our concern that there is harm arising for some categories of consumers from not having clear and unambiguous information on the underlying technology of their broadband service.

3.125 In light of the comments received that our proposed guidance would be complex and costly to implement, we have given further consideration to the most appropriate approach to meeting our objectives. We consider that the most important aspect of our proposals is that consumers are informed about the underlying technology of the services available to them,

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[144] ASA, Response to March 2023 Consultation, page 2.
[145] BT, Response to March 2023 Consultation, page 11.
[146] Based on desk research on how broadband services are described on the websites of the following broadband providers: BT, Now, Shell Energy, Sky, TalkTalk, Utility Warehouse, VMO2, Vodafone and Zen. [accessed February 2023 and October 2023]

rather than reserving the term ‘fibre’ for FTTP products, including for the name of those FTTP products.

3.126 We have also decided to make clear that the term ‘fibre’ on its own should not be used to describe FTTP or FTTC in the description of the underlying technology provided to consumers so that only terms that are clear and unambiguous are used.

3.127 We have also considered the practicalities of whether providers are able to reasonably identify and provide information on the underlying technology of the broadband products they sell. It is not our objective as part of this exercise to require providers to change the way that they provision services to consumers. Where a provider has not determined at the point of sale what technology will be deployed to deliver services to a customer, our guidance specifies that the provider should present the best information available to the customer. We expect that the total number of consumers likely to be affected by this exception is currently very small.

3.128 In terms of the design of our remedy, we have decided that information on the underlying technology should be provided using one or two terms that are clear and unambiguous, such as ‘cable’, ‘full-fibre’, ‘copper’ or ‘part-fibre’. This information should be provided at point of sale on providers’ websites under GC C2.3, and in Contract Information and the Contract Summary, under GC C1.3 and GC C1.5. In relation to treating vulnerable consumers fairly, providers should also make sure their terms and conditions, contracts and website are clear and use plain English where possible when conveying information.

3.129 We consider that, in addition to providers giving a short description of the underlying technology using one or two terms that are clear and unambiguous, a simple explanation of these terms would be helpful to consumers.

3.130 Finally, we consider that this approach should apply to all broadband services delivered to consumers through a fixed connection, which includes ADSL, FTTC, cable, FTTP and Fixed Wireless Access (FWA) technologies.[147]

[147] FWA is a broadband service where the connection between the network and the equipment located at the customer’s premises is provided over the radio access medium.

4. Impact assessment

4.1 Having set out how our intervention addresses the harms we have identified and our decisions on the substance of the guidance, we now set out our assessment of the impact of the intervention. We also discuss stakeholder comments and evidence on the potential impacts.

4.2 Some stakeholders made general comments about our impact assessment in the March 2023 consultation. CityFibre agreed that the proposals in the consultation were a proportionate means of addressing the harm identified.[148] Four providers disagreed with our proposals because they believed that our impact assessment was not effective and/or did not sufficiently demonstrate the case for intervention:

a) TalkTalk took the view that the benefits were unlikely to outweigh the costs of implementation and thought we should conduct a "full impact assessment".[149] TalkTalk thought the impact assessment should also take into account the impact on smaller communications providers.[150] VMO2 considered our impact assessment unfit for purpose for failing to fully consider the impacts on consumers and competition, as well as lacking sufficiently detailed consideration of the practical difficulties of implementation.[151]
b) Vodafone and VMO2 argued that we had not passed the bar for intervention in this instance and felt a clearer articulation of the harms was required.[152]
c) Similarly, Sky suggested that our proposals did not sufficiently articulate the overall outcome we were aiming for, and therefore what information was required to evaluate and report on performance.[153]

4.3 We disagree that we did not properly consider the impact of our proposal in the consultation. The consultation set out our assessment of the benefit to consumers and the costs to industry. The purpose of the consultation process is to expose that analysis and obtain representations and evidence on which to reach a final decision. Given stakeholders' comments, we have sought further information on implementation costs and the number of consumers that would potentially benefit from the intervention. This evidence has been taken into account as part of our decision-making process, informing both our final decision and the length of the implementation period.

4.4 Below we set out our assessment of impacts in terms of the consumers who are most likely to benefit from the intervention as well as evidence on the costs of implementing it. In Section 5, we draw together our conclusions and assess the proportionality of our intervention.

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[148] CityFibre, Response to March 2023 Consultation, page 14.
[149] TalkTalk, Response to March 2023 Consultation, page 3.
[150] TalkTalk, Response to March 2023 Consultation, page 12.
[151] VMO2, Response to March 2023 Consultation, pages 13-14.
[152] Vodafone Response to March 2023 Consultation, page 1-2; VMO2, Response to March 2023 Consultation, page 14. VMO2 also summarised its assessment in its Broadband labelling proposal. It believes that requiring providers to make significant investments to provide user specific "technology information" would be disproportionate in circumstances where the market has a solution (advertising of "full fibre") and consumers are generally making choices based on other competitive vectors (i.e. speed, reliability, price). VMO2, Broadband labelling proposal, pages 1-2.
[153] Sky Response to March 2023 Consultation, pages 9-10.

The benefits of our intervention

4.5 In Section 3, we explain why we believe providing clear and unambiguous information about the underlying network technology of the broadband services on offer will benefit consumers by helping them make better decisions about the right product for them.

4.6 We have set out that a large proportion of respondents (around half) told us that information on the underlying network technology is very or fairly useful to them in its own right. Therefore, making this information available would benefit a material number of people, enabling them to compare products and choose the appropriate broadband service to meet their needs.

4.7 These consumers could also benefit from not spending unnecessary effort finding out about the characteristics of the service being offered. The fact they find that the description of the underlying technology would be very or fairly useful suggests that they have a preference for this information to be readily available, rather than potentially having to spend time looking through the providers' website to find it or not being able to find it at all.

4.8 Furthermore, if there is information that a consumer considers important to make a decision but finds it hard to find, they may decide to disengage from the market altogether.

4.9 Some stakeholders said that the intervention will only benefit a small part of the market. For example, TalkTalk argued that Ofcom should review how the impact of its proposals and the likely costs and benefits would vary depending on the maturity of FTTP deployment in different areas. TalkTalk argued that there are no benefits to areas with no FTTP deployment or areas with Openreach FTTP deployment, with other areas potentially having some benefit, but limited to a smaller and decreasing proportion of the UK population.[154] VMO2 argued that, at most, Ofcom can say there are potential harms for some categories of consumers, but this was not the basis for a wide-ranging intervention.[155]

4.10 We do not agree that our intervention will benefit only a small part of the market. We consider that the benefits of our intervention are greatest where consumers have a choice between FTTC and other technologies. This is because the choice between FTTC and these alternative networks could have implications for the network performance of the broadband service they receive (see Section 3).[156] We recognise that this means the potential impact of our intervention on consumers is likely to differ depending on what products are available in their area. We discuss the different types of areas below.

Areas where Openreach only has an FTTC network and other providers offer services over alternative networks

4.11 We consider that consumers in areas where Openreach only has an FTTC network and other providers offer services over alternative networks (i.e. FTTP or cable) are most likely to benefit from our intervention. This is because consumers in these areas have a choice between FTTC and other technologies. Having easy access to clear information on the

[154] TalkTalk, Response to March 2023 Consultation, page 8.
[155] VMO2, Response to March 2023 Consultation, pages 7-8.
[156] It is possible that consumers with a choice between other technologies (e.g. cable and FTTP) could benefit now or in future from our intervention. However, given the evidence currently available to us, we focus on consumers facing a choice between FTTC and other technologies for the purposes of our proportionality assessment. We consider this to be a conservative approach.

underlying network technology will help these consumers understand what networks are available to them, enabling them to identify the service that best meets their needs.

4.12 We estimate that, as of May 2023, there are around 11.6 million households and SMEs in these areas, equivalent to around two fifths of all premises.[157] According to our own research, approximately 14% of fixed broadband domestic consumers switch provider every year.[158]

4.13 Although many of these consumers will pick their provider based on price and speed, our research shows that about half of the people we surveyed said that having information on the underlying technology would be useful.[159] This suggests that, as of May 2023, around 750,000 premises a year could be in the category of consumers that benefit the most.[160] Consumers in this group potentially value information on technology, are switching providers, are in an area where multiple technologies are available, and would be able to easily access this information.

4.14 We recognise that as Openreach's FTTP rollout continues, the number of premises in these areas will shrink.[161] However, we do not envisage that by the time our measures come into effect this group will have shrunk to such an extent that our intervention will no longer result in significant benefits in at least the first year following implementation. We also expect that this group will remain sizeable in subsequent years and so benefits will continue to accrue in the short to medium term.

Other areas

4.15 We have also considered whether our intervention will benefit consumers in other areas, including:

a) Consumers in areas where Openreach has overlapping FTTC and FTTP networks and there are no alternative networks.[162]
b) Consumers in areas where Openreach has overlapping FTTC and FTTP networks and other providers offer services over alternative networks.[163]
c) Consumers in areas where Openreach only has an FTTC network and there are no alternative networks.[164]

[157] This analysis was carried out using the information on broadband coverage submitted by the largest ISPs for the Connected Nations report.
[158] Ofcom, 2023. Switching Tracker, Q28. This figure corresponds to overall fixed broadband switching, i.e. including standalone, double-play, triple-play, etc.
[159] See figure 5 of annex 3.
[160] A simple illustrative calculation would be 11.6 million premises * 87% (proportion of UK homes that have a fixed broadband connection) * 14% (proportion of fixed broadband decision makers who switch each year) * 53% (proportion of fixed broadband decision makers who would find the information very or fairly useful) = 748,826 premises. Some households that do not have a fixed broadband connection may be choosing between fixed broadband and broadband services available over other technologies. Proportion of UK homes taking fixed broadband sourced from Ofcom's Communications Market Report 2023.
[161] We note that between May 2022 and May 2023, the number of premises in areas where Openreach only has an FTTC network and other providers offer services over alternative networks shrunk from just under 12.5 million premises to just over 11.6 million (i.e. a reduction of 7%).
[162] We estimate that as of May 2023 there were c. 3.3 million premises in this group.
[163] We estimate that as of May 2023 there were c. 5.4 million premises in this group.
[164] We estimate that as of May 2023 there were c. 8.4 million premises in this group.

4.16 In areas where Openreach has both an FTTC and an FTTP network, i.e. areas a) and b) above, Openreach's wholesale pricing offer for FTTP means that, in most cases, it is unlikely that providers using the Openreach network will offer new consumers an FTTC product.[165] Consequently, consumers who are switching provider in these areas, will mostly be offered a non-FTTC product – an Openreach product in area a) or one provided by either Openreach or an alternative provider in area b). It is possible that existing consumers on FTTC who are thinking of signing up to a new deal with their or another provider could benefit from the intervention, as otherwise they may not be aware of their existing underlying technology or that they could upgrade to FTTP. However, we accept that any benefits to consumers in these areas would depend on their specific circumstances.[166]

4.17 In areas where Openreach only has an FTTC network and there are no alternative networks, consumers do not currently have a choice between different technologies. However, operators' FTTP footprints continue to expand, which means that many of these households will eventually have a choice between FTTC and other technologies (and benefits could be greater where Openreach has not yet deployed FTTP). Therefore, while this decision will not benefit these consumers at present, many could benefit in the future, as described above.

Costs of implementing changes

4.18 In this section we discuss the costs of implementing our decision, taking into account the implementation period, which is discussed in Section 5.[167]

4.19 In our consultation, we set out the view that we expected that the costs to industry of implementing the proposed changes would be minimal. We explained that providers already provide information on speeds and other features of the broadband service and therefore we anticipated that the cost of providing additional information would not be significant.

Consultation responses

4.20 CityFibre considered that there would likely be little cost associated with the inclusion of information relating to the underlying technology at point of sale.[168] It also considered that negligible changes to systems would be required to meet the proposed guidance.

4.21 Several providers argued that the costs of implementing the consultation proposals would be higher than predicted. Sky argued that we significantly under-estimated the time and

[165] The Openreach Equinox offer gives providers cheaper prices for Openreach FTTP products so long as signatories largely stop making new sales of legacy broadband products where Openreach FTTP is available, and switch to selling mainly FTTP products instead. See Ofcom, May 2023. Openreach proposed FTTP offer starting 1 April 2023 (Equinox 2). This often appears to have resulted in a policy of "FTTP first" where broadband providers sell FTTP by default where it is available at the premises. The summary of both the Equinox 1 offer and the Equinox 2 offer can be found in paragraphs 2.13 to 2.31 of the Equinox 2 Statement.

[166] For instance, some CPs may proactively offer an upgrade to FTTP. Even if they do not, our intervention only involves information at the point of sale on the website, in the Contract Summary and in the Contract Information, so any benefits would generally materialise for customers who actively seek out a quote (e.g. by visiting their provider's website).

[167] We discuss the risks of unintended consequences in Section 3. In particular, we explain why we do not believe our intervention will distort competition.

[168] CityFibre, Response to March 2023 Consultation, page 14.

resources which providers would need to implement the proposals.[169] Verastar agreed – it thought that it would require an overhaul of previous product descriptions (some of which will be for products existing consumers are already subscribed to) and the introduction of new terms, requiring significant resource from providers.[170]

4.22 TalkTalk suggested that the costs across industry are likely to considerably exceed Ofcom's assessment.[171] [✂].[172] TalkTalk also said we should consider resellers and smaller providers withing our impact assessment.

4.23 VMO2 argued that the changes would not be easy to implement or result in minimal cost for providers. It argued that significant work would be required to update its websites, Contract Summaries and terms and conditions for each different technology offered to consumers. It would also require changes to a range of systems, including billing, which are controlled by the provider and third parties. Finally, VMO2 cited the need to make changes to existing customer contracts, retraining of customer services agents, physical store materials and any information provided to comparison websites, which it argued Ofcom had not taken into account in the impact assessment. VMO2 said these changes would likely cost in the range of several million pounds and Ofcom had "massively underestimated" the likely costs.[173]

4.24 Vodafone made a similar argument, citing the changes it would need to make to all customer facing materials. It said that Ofcom had not appropriately assessed costs and said that implementing these changes will impose significant costs and resource demands on providers (in exchange for little benefit to consumers).[174]

4.25 BT stated that the largest changes would be to product names and descriptions as well as sales procedures, including Customer Requirement Forms (CRFs) and frameworks. BT said changes to digital journeys, agent systems and agent training would have a medium impact.[175] [✂].[176] BT considered that this was by no means a minimal cost.[177]

4.26 We did not receive cost estimates from other providers, resellers or other parties who might be affected by our proposal including from smaller providers – but we did receive responses from some smaller providers who were supportive of our measures. For example, Shell Energy supported our proposed changes, without mentioning any cost impact. [178] The Federation of Communication Services Limited (FCS) was also supportive of our measures.[179]

Our assessment

4.27 After we received the consultation responses, we held discussions with some providers and issued an additional data request to further inform our view on the costs of implementation as well as the possible impact of a different implementation period.

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[169] Sky Response to March 2023 Consultation, page 2. Sky also explained that regulatory initiatives would result in deprioritising some Sky initiatives which would have benefitted customers.
[170] Verastar, Response to March 2023 Consultation, page 2.
[171] TalkTalk, Response to March 2023 Consultation, page 3.
[172] TalkTalk, Response to March 2023 Consultation, page 3.
[173] VMO2, Response to March 2023 Consultation, pages 13-14.
[174] Vodafone, Response to March 2023 Consultation, pages 3-6.
[175] BT, Response to March 2023 Consultation, page 10.
[176] BT, Response to March 2023 Consultation, page 10.
[177] BT, Response to March 2023 Consultation, page 10.
[178] Shell Energy, Response to March 2023 Consultation, page 3.
[179] FCS, Response to March 2023 Consultation, page 3

4.28 We issued these requests to BT, TalkTalk, VMO2, Vodafone and Sky where we asked for an estimated split of the costs of implementing different aspects of our consultation proposals, that is:

a) only implementing our proposal of providing a short description of the underlying technology using one or two terms such as 'full fibre' or 'cable';
b) only implementing our proposal of reserving the use of the words fibre and full fibre for FTTP; and
c) implementing both elements of the proposals.

4.29 The cost information that has been provided is summarised in the table below. It is important to highlight that several of these providers warned that the cost figures that they provided were high-level estimates. Some also noted that there could be additional costs, depending on the details of the decision. This information has provided us with an indicative estimate of costs to enable us to form a view on the likely impacts of our decision – it is not a detailed assessment of estimated costs.

Table 1: Summary of cost information provided

Provider	Cost of providing additional description (a)	Cost of reserving the use of the words fibre and full fibre for FTTP (b)	Cost of implementing both proposals (c)
BT[180]	[✂]	[✂]	[✂]
TalkTalk[181]	[✂]	[✂]	[✂]
Sky	[✂]	[✂]	[✂]
VMO2[182]	[✂]	[✂]	[✂]
Vodafone[183]	[✂]	[✂]	[✂]
Total (rounded)	£1.2 million	£3.6 million	£3.8 million

4.30 As explained in Section 3, we consider that requiring the provision of information on the underlying network technology is sufficient to meet our policy objectives and it is not necessary to specify how fibre terms are used in other contexts. Therefore, the intervention we are assessing corresponds to option (a).

4.31 The specific caveats that were provided by some of the providers ([✂]) suggest that the actual one-off costs of implementing our decision to provide a short product description of the underlying technology could be higher than the £1.2 million in table 1 above for option (a). We did not receive information that would allow us to accurately estimate how much more over £1.2m these costs would be when considering the caveats. However, for the

[180] [✂].
[181] TalkTalk [✂].
[182] VMO2 [✂] and that its costs estimate information did not include certain consequential costs of Ofcom's proposal. [✂].
[183] Vodafone [✂].

purposes of assessing the proportionality of our intervention, we have considered what an upper bound for the costs of option (a) might be using the information that is available to us. In doing so, we recognise that there is uncertainty around these costs and have therefore taken a conservative approach.[184] Specifically:

a) [✂].
b) VMO2 explained that its costs estimate information did not include certain consequential costs of Ofcom's proposal [✂].
c) Given the above, to account for the caveats in the cost estimates and using the information available to us, we believe that a conservative upper bound for the costs of option (a) could be £3.9m.

4.32 As noted above the smaller providers did not provide cost information in response to the consultation.[185] Many of these smaller providers - which serve just under 9% of residential broadband consumers[186] - already provide an explanation of the technology at point of sale. Furthermore, as set out in our Statement on Openreach proposed FTTP offer starting 1 April 2023 (Equinox 2), we understand that most small providers offer FTTP services only.[187] Given this, we do not expect the total one-off implementation costs for smaller providers and resellers will materially add to the costs of implementation.[188]

4.33 We therefore believe that the one-off implementation costs of the intervention could lie somewhere between £1.2 million and £3.9 million. We acknowledge that there is uncertainty around these estimates, but we remain of the view that the scale of the costs to industry of implementing our decision is not significant and unlikely to have a material impact on providers.[189]

[184] i.e. we would rather overstate than understate costs.
[185] Only Verastar noted the impact of changing the marketing and contractual material to refer to any broadband service that uses the term fibre. Verastar, Response to March 2023 Consultation, page 2.
[186] Our data, including estimates, includes over 25 million household customers as of March 2023.
[187] Ofcom, May 2023. 'Openreach proposed FTTP offer starting 1 April 2023 (Equinox 2)', page 36. For Zen, as set out in paragraph 3.61 of the Equinox 2 Statement, it has always obtained the full Equinox 1 discounts.
[188] For example, for FTTP-only providers who are using their own infrastructure to provide their broadband service, we would not expect there to be costs of linking different systems as they would only need to provide information on a single technology for all customers.
[189] We estimate that residential retail revenues for landline and broadband for these five providers were around £11bn for the twelve months to June 2023, which means that these one-off costs would be between 0.011-0.035% of yearly revenues for these five ISPs.

5. Conclusions and implementation

5.1 As set out in Sections 2 and 3, we want to support consumers in better understanding the characteristics of their broadband service so that they can compare services more easily and choose the service that best meets their needs. It is particularly important to empower consumers to make an informed choice at this time because of the continued deployment of FTTP networks. More and more consumers have the choice of an FTTP service in parallel with services delivered over copper, FTTC and cable technologies.

5.2 We have identified that, currently, providers do not use clear and unambiguous terms to describe their broadband services. In particular, some providers use the term 'fibre' which is ambiguous, as it could refer to a number of different technologies, notably fibre to the cabinet (FTTC), fibre to the premises (FTTP), or cable technologies.

5.3 We have also found that consumers are unclear about the underlying network technology that is being used to deliver their broadband service. While we recognise that this information may not be important to all consumers, it will be relevant to a material number and around half of consumers told us that they would find this information fairly or very useful when deciding what broadband service to buy.

5.4 This information is important because the different underlying network technologies can have implications for performance. Notably, on the Openreach network, FTTP can provide a more reliable service than FTTC, as it is less prone to faults.

5.5 Having identified these concerns, and in order to deliver our policy objectives of empowering consumers to make informed choices, we have therefore decided to issue new guidance for broadband providers under General Conditions C1 (Contract requirements) and C2 (Information publication and transparency requirements). In summary, our guidance provides that:

- providers should give a short description of the underlying technology of each broadband product offered at point of sale on the website, in Contract Information and in the Contract Summary, using one or two clear and unambiguous terms such as 'cable', 'full-fibre', 'copper' or 'part-fibre';
- the use of the word 'fibre' on its own for describing the underlying technology is ambiguous, and therefore should not be used to describe the underlying technology (providers will remain free to use the term 'fibre' in product names should they wish to do so); and
- providers should give a more detailed explanation of the underlying technology (for example through a link) so that consumers can understand what it means for them. It should also be given in a form that is accessible and easily understood.

5.6 We have taken into account comments from stakeholders and targeted our approach to ensure it remains effective in addressing the issues we have identified while being the least onerous for providers. We consider that the information we are requiring will deliver benefits to a material number of consumers, while not imposing significant costs on broadband providers.

Assessing the proportionality of our guidance

5.7 For the reasons set out in this statement, we are satisfied that our guidance is consistent with our statutory duties to further the interests of citizens and consumers under sections 3 and 4 of the CA 2003. We are not making any changes to our General Conditions to implement our decisions and, as such, the statutory tests under section 47 of the CA 2003 do not formally apply (see Section 2, Legal Framework). Nevertheless, under our regulatory principles we operate with a bias against intervention, which is derived from our duty in section 3(3) of the CA 2003 to have regard to the principles under which regulatory activities should be (amongst other things) proportionate and targeted only at cases in which action is needed. As such, we have considered the proportionality of our decision to issue new guidance.

5.8 In assessing proportionality, we consider:

a) whether a measure is an effective means of achieving our objectives;
b) whether the measure is necessary to achieve those objectives, or whether those objectives could be achieved by a less onerous approach; and
c) whether the measure is, in the round, proportionate (including whether the measure gives rise to adverse effects which are disproportionate to the aims pursued).

Effective means of achieving our objectives

5.9 As explained above, we are supporting investment by providers in the deployment of competing full-fibre networks through our regulatory framework for competition and investment. It is particularly important to empower customers to make an informed choice at this time because of the increased availability of gigabit-capable services and the continued deployment of FTTP networks.

5.10 To enable people and businesses to take advantage of new broadband services where appropriate, and confidently identify the right service for them, our policy objective is to ensure that people and businesses can better understand the characteristics of fixed broadband services. We also want to support customers in migrating with confidence from older to newer technologies, including from copper-based to full-fibre-based broadband. Put simply, we want to ensure that consumers have the information they need to choose the right product for them.

5.11 We are concerned that there is harm arising for some categories of consumers from not having clear, consistent information on the underlying technology of their broadband service. This is particularly the case for those consumers who reported that this information would be useful.

5.12 The addition of information on the underlying network technology to the other service characteristics already provided will help to address these harms by empowering consumers to compare like-with-like services across a more complete range of factors, and consumers generally will potentially benefit from improved information on the underlying technology of broadband services.

5.13 To be effective, our remedy needs to ensure that the information provided is accessible to consumers. We have therefore specified that it should be provided using one or two clear and unambiguous terms at the point of sale on a provider's website, and in the Contract Summary and Contract Information – which are already required to be provided to

consumers under our rules. As we explain above, to make sure that those terms are clear and unambiguous, they should be consistently used to describe the underlying technology at point of sale on the website, in the Contract Summary, and in the Contract Information. In addition, under our guidance providers will need to provide a more detailed explanation of the underlying technology (for example through a link) so that consumers can understand what it means for them.

5.14 In our view, these relatively simple additions to the information provided to consumers will be effective in helping them to better understand the characteristics of fixed broadband services and so make informed and confident choices about the service that is right for them.

Necessary and the least onerous means of achieving our objectives

5.15 We believe that intervention is necessary to address our concern that consumers do not have clear, consistent information on the underlying technology to help them choose the right broadband product.

5.16 However, in light of the responses to our consultation on the proportionality of our proposals, highlighting that our proposed guidance would be complex and costly to implement, we have decided to revise our approach to ensure it is the least onerous means of achieving our objectives.

5.17 In the March 2023 consultation, we proposed that the terms 'fibre' and 'full-fibre' should only be used when referring to FTTP. As set out above, stakeholders told us that they use the term 'fibre' in the names of their services and this would be costly for them to change. We have therefore given further consideration to the most proportionate approach to achieving our aims.

5.18 We have concluded that the most important aspect of our proposals is that consumers are informed about the underlying technology of the services available to them so that they can choose the broadband service that is right for them. In our judgement, this is more important than reserving the use of the words 'fibre' and 'full-fibre' for FTTP more generally and is sufficient to meet our policy objective. We have therefore removed this aspect of our proposals from our new guidance. Providers will remain free to use the term 'fibre' in their product names (subject to other rules and guidance that may apply e.g. in the context of advertising).

Our guidance is a proportionate means of achieving our policy objectives and does not give rise to disproportionate adverse effects

5.19 We have considered whether our guidance is, in the round, proportionate to achieve our policy objectives. In light of the consultation responses, and particularly concerns identified by some broadband providers regarding implementation costs, we have considered further the benefits and costs of our decision (see Section 4) and whether it may give rise to effects that are disproportionate to the policy objectives.

5.20 In Sections 3 and 4, we explain that we believe providing accurate and clear information about the underlying technology will benefit consumers by helping them make better

decisions about the right broadband product for them. Consumers could also benefit from not spending unnecessary effort finding out about the characteristics of the service being offered. In addition, it could help those consumers who might disengage from the market, if there is information that they consider important to make a decision but it is hard to find.

5.21 As set out in Section 4, we have estimated that our intervention will benefit a material number of consumers. Our estimate focuses on where we consider that the benefits of our intervention are greatest, which is where consumers have a choice between FTTC and other technologies. This is because the choice between FTTC and alternative networks could have implications for the network performance that consumers experience.[190]

5.22 In contrast, we estimate that the scale of the costs of implementation to industry is not significant and unlikely to have a material impact on providers, as we believe that an indicative range of total one-off costs of implementing our decision could be between £1.2 million and £3.9 million.[191]

5.23 While it is difficult to put a monetary amount on the actual benefit to consumers, given the relatively low costs of implementation, the benefit to each consumer does not have to be particularly large to justify our intervention.[192] Therefore, our assessment in the round is that our guidance is proportionate.

5.24 In addition, we have also taken a proportionate approach to implementation (see below).

5.25 In terms of whether there are other potential adverse effects that are disproportionate to the achievement of our policy objectives, we have considered the risk that additional information on the underlying technology may increase consumer confusion. We think this risk is low because firstly we consider this information to be relevant to a purchasing decision and our consumer research suggests this is information that consumers would find useful. Secondly, providers already use a variety of different terms which refer to underlying technology, and many use the term 'fibre' extensively in their marketing materials. The intervention would therefore, in many cases, clarify existing terminology. Thirdly, the short description of the underlying technology is a relatively small addition to the set of information provided at the point of sale, in the Contract Summary and in the Contract Information.

[190] It is possible that consumers in other areas with a choice between other technologies (e.g. cable and FTTP) could benefit now or in future from our intervention. However, given the evidence currently available to us, we focus on consumers facing a choice between FTTC and other technologies for the purposes of our proportionality assessment. We consider this to be a conservative approach.

[191] Based on the cost information submitted by providers and discussed in Section 4, the cost of implementing the measures in our guidance would be at least £1.2 million, whereas the cost of our consultation proposal would be at least £3.8m i.e. more than three times.

[192] As a simple sense check, we estimate above that, as of May 2023, there were around 750,000 consumers who would particularly benefit from the intervention, but note that this figure will fall over time. If we assume 1.5 million customers benefit over the next 3 years, and assume the total one-off cost of implementation is £3.9 million (the top of our range), then the total benefit to each of these customers would need to average around £2.60 for the benefits to outweigh the implementation costs. This is equivalent to just under 15 pence per month over an 18 month period. For simplicity, this illustrative calculation disregards the time value of money, but this does not affect our view.

Final decision

5.26 As we believe that our intervention is a necessary, least onerous and proportionate response to address the concerns we have identified, we have decided to issue new guidance as set out at Annex 1.

5.27 In line with best practice, we intend to evaluate the impact of our intervention on furthering our policy objective of helping consumers better understand the characteristics of fixed broadband services. There are a number of factors that may lead to increasing consumer understanding of aspects of their broadband service, which could limit our evaluation, but we will give further consideration to this both before and after implementation.

Implementation

5.28 In our consultation we explained our view that implementation would be straightforward and proposed an implementation period of three months. Providers expressed concerns about the complexity of implementation and the time necessary to implement our proposal.

Responses

5.29 A number of providers explained the challenges they would face to implement our proposals. Sky, BT, VMO2, TalkTalk and Vodafone explained that changes to product names are not simple to implement, and require changes at all stages of the purchasing journey, in addition to marketing material and both their own and affiliates' web pages.[193] Providers also raised concerns that changes to their internal systems would be complex and likely unachievable within the timeframes proposed in our consultation.[194] As a result, those providers also said more time would be needed to implement our proposals and provided a range of timeframes:

a) BT estimated 12 months for implementation;[195]
b) KCOM gave a 6-month estimated timeframe;[196]
c) Sky estimated 9 months for implementation;[197]
d) TalkTalk estimated it would need 6 months to change the product description, and at least one year to update all product names and descriptions. It suggested an alternative would be to allow for a phased approach to implementation, but noted the impact of this would need to be assessed;[198]
e) VMO2 gave an estimate of 9-12 months. [✂];[199] and

[193] Sky, Response to March 2023 Consultation, page 8; BT, Response to March 2023 Consultation, page 8; VMO2, Response to March 2023 Consultation, page 13; TalkTalk, Response to March 2023 Consultation, page 3; Vodafone, Response to March 2023 Consultation, page 6.
[194] Sky, Response to March 2023 Consultation, page 8; BT, Response to March 2023 Consultation, page 8; VMO2, Response to March 2023 Consultation, page 13; TalkTalk, Response to March 2023 Consultation, page 3; Vodafone, Response to March 2023 Consultation, page 6; KCOM, Response to March 2023 Consultation, page 2.
[195] BT, Response to March 2023 Consultation, page 3.
[196] KCOM, Response to March 2023 Consultation, page 2.
[197] Sky, Response to March 2023 Consultation, page 8.
[198] TalkTalk, Response to March 2023 Consultation, page 11.
[199] VMO2, Response to March 2023 Consultation, page 14.

f) Vodafone estimated this timeframe at 36 weeks. [✂].[200]

5.30 Openreach said it "may be a challenging deadline" but did not provide an estimate of how long providers might require.[201]

Our assessment

5.31 We acknowledge providers' views about the complexity of implementation and time required to make necessary changes. We note, however, that many concerns raised were with regards to requiring providers to change product names – a proposal we are no longer pursuing.

5.32 We recognise that the complexity of implementation is likely to vary between providers, depending on what information they already provide and how straightforward it is to update their systems and processes.

5.33 As part of our additional data request and discussions with providers, we received some detail on the types of activities that would need to be undertaken to implement our guidance. While each provider had a different categorisation of the sort of activities that would be needed to implement these changes, they generally involved changes to their systems to ensure the availability of accurate and specific information on the underlying network technology of services for each customer, updating their customer service processes and updating webpages amongst others.

5.34 We recognise that system changes can be complex and require appropriate time to develop, for instance if they require the provision of dynamic, real-time information as will be required under our decision. We also acknowledge that, in addition, where system changes are needed, providers will need to plan the development and budget for those changes before they can start being implemented. Therefore, in light of the implementation activities and stakeholder estimates on the timeframes involved, and to ensure that providers have sufficient time to plan and implement our decision, we consider that nine months is an appropriate implementation period. Accordingly, our guidance will apply from 16 September 2024.

Next steps

5.35 Our guidance will apply from **16 September 2024.**

5.36 We will engage with relevant broadband providers on their plans for implementation from January 2024.

[200] Vodafone, Response to March 2023 Consultation, page 7.
[201] Openreach, Response to March 2023 Consultation, page 6.

A1 Guidance

A1.1 Our guidance is available here.

A2 Link to existing C1 guidance

A2.1 This Annex sets out the text to be added to the existing GC C1 guidance[202] following the introduction of our new guidance. We have decided to add two paragraphs to the current GC C1 guidance to help Regulated Providers easily cross-refer between both sets of guidance

A2.2 After paragraph 1.35, we have decided to insert the following:

Broadband information: Guidance under General Conditions C1 and C2 (Informing consumers about the network technology used to deliver their broadband service)

1.35A On 13 December 2023, Ofcom issued guidance on providing clear and unambiguous information about the type of network technology used to deliver the broadband service ('Broadband information: Guidance under General Conditions C1 and C2'). This sets out that providers should give information about the underlying technology of the network used to deliver the broadband service when describing the broadband service at point of sale on the website, and in the provision of Contract Information under GC C1.3. This information should include a short description of the underlying technology using one or two terms that are clear and unambiguous. Specifically, providers should not use the word 'fibre' on its own when describing the underlying technology of the broadband service. Providers should also give a more detailed explanation of what the clear and unambiguous terms used to describe the underlying technology mean, in a way that can be easily accessed by customers. Please refer to the Broadband information: Guidance under General Conditions C1 and C2, in addition to the statement explaining our reasoning and setting out examples of how to provide information on the underlying technology.

A2.3 After paragraph 1.39, we have decided to insert the following:

Broadband information: Guidance under General Conditions C1 and C2 (Informing consumers about the network technology used to deliver their broadband service)

1.39A The Broadband information: Guidance under General Conditions C1 and C2 referenced at paragraph 1.35A above also applies to the Contract Summary under GC C1.5.

[202] Ofcom, 2022. Ofcom's guidance under General Condition C1 – contract requirements.

A3 Market research on broadband terminology – summary

Research background and methodology

A3.1 We commissioned market research to assess consumer understanding of broadband terminology, what kind of information consumers would find useful, and where in the customer journey such information would be useful.

A3.2 We appointed the agency BVA BDRC to conduct the research. BVA BDRC carried out an online survey in November 2022. The survey had several stages:

a) BVA BDRC asked respondents how well they understood different terms relating to broadband technologies (fibre, cable broadband, full fibre, fibre-to-the-premises (FTTP), copper broadband, part fibre, fibre-to-the-cabinet (FTTC), ADSL).[203]
b) They then showed respondents descriptions and graphics of four broadband technologies (copper broadband, cable broadband, fibre to the cabinet (FTTC) and fibre to the premises (FTTP)) which are used to deliver fixed broadband services and asked whether these descriptions matched respondents' original understanding.[204] [205]
c) The survey then asked respondents how useful information about different aspects of a product would be when deciding on a broadband service.[206] BDRC also used 'MaxDiff' methodology to measure in absolute terms how useful each piece of information would be relative to each other.[207]
d) Finally, the survey asked respondents where in the purchasing journey they would find two specific types of information useful: firstly, a detailed description indicating the technology used to deliver your broadband service (e.g. fibre, part fibre, cable), and secondly, an easily understood one- or two-word term on the technology used to deliver your broadband service (e.g. fibre, part fibre, cable).

[203] The question was asked of each term in turn (and the order of asking randomised between respondents to avoid any order effect) and worded: 'How well do you think you understand what each of these phrases means, i.e. do you know what it would indicate about the service's attributes and characteristics?'
[204] Prior to being shown in the main study, BVA BDRC conducted a pilot study in which it discussed the four descriptions with ten broadband decision makers and refined them where necessary to ensure maximum clarity to the reader.
[205] BDRC, November 2022. Broadband Terminology research, slide 15.
[206] Monthly cost, reliability, download speed, contract length, suitability for your household's needs, cost of equipment/installation, upload speed, other services included in the deal (e.g. TV, landline), an easily understood one- or two-word term on the technology used to deliver your broadband service (e.g. fibre, part fibre, cable), a detailed description indicating the technology used to deliver your broadband service (e.g. fibre, part fibre, cable).
[207] MaxDiff ("Maximum Difference scaling") is a trade-off methodology in which respondents are presented with small groups of the attributes of interest (e.g. cost, speed, reliability) and asked to indicate which is most and least important. Across many iterations spanning all respondents, the analysis from responses is used to generate utility scores showing the relative importance of each attribute. These scores sum to 100 across all attributes. An attribute with a utility score of 10, for example, is half as important as one with a utility score of 20 and twice as important as another with a utility score of 5.

e) The survey also asked background questions of respondents, including on their purchasing intentions and confidence towards the broadband market and technology, to establish if there were important differences between categories of consumers.

A3.3 BDRC's report on the findings of the research is available on our website.[208] We summarise the findings of the research below.

Research findings

Claimed consumer understanding of broadband terminology was highest with fibre

A3.4 When respondents were first shown different terms to describe broadband technology, only a minority of respondents claimed to 'completely understand' each of the terms tested ('fibre', 'cable broadband', 'full fibre', 'fibre to the premises (FTTP)', 'copper broadband', 'part fibre', fibre to the cabinet (FTTC)',' ADSL').

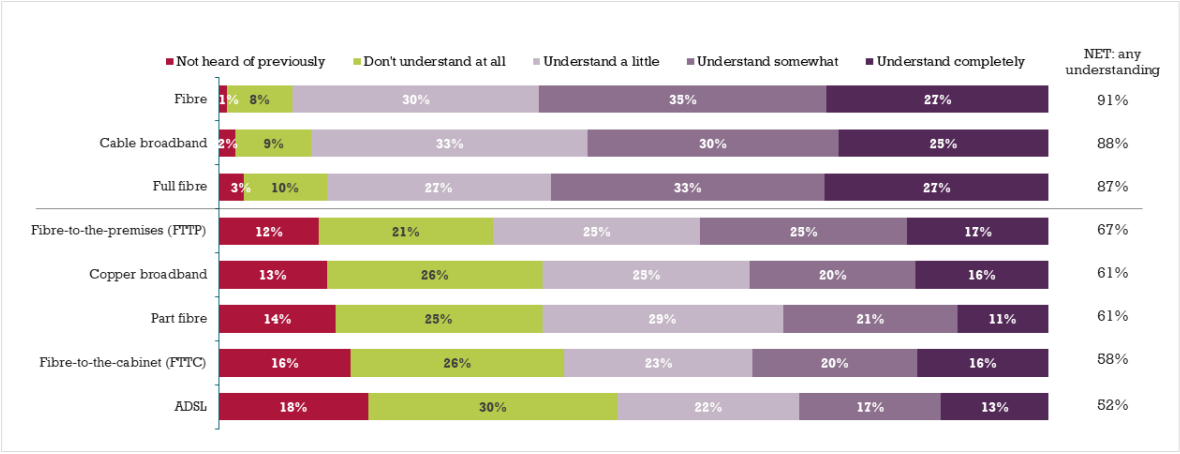
A3.5 Claimed understanding varied by the terms tested. The level of claimed complete understanding reported by respondents was highest for the terms 'fibre' (27%), 'full fibre' (27%) and 'cable broadband' (25%).

A3.6 More generally, the results suggested some familiarity or claimed understanding with the terms tested, as a high proportion of respondents reported at least a little understanding of the terms 'fibre', 'full fibre' and 'cable'. In particular, 91% said they understood the term 'fibre' completely, somewhat or a little, 88% claimed this level of understanding of 'cable' and 87% for 'full fibre' (as set out in figure 4 below).

A3.7 An important minority of respondents did not understand the other five terms tested at all: ADSL (30%), copper broadband (26%), fibre to the cabinet (FTTC) (26%), part-fibre (25%) and fibre to the premises (FTTP) (21%). There was also a lower level of 'complete' understanding of these five terms (ranging from 11-17%) and greater proportions who had not heard of them previously (ranging from 12% to 18%, compared with 1-3% for the first three terms).

[208] BDRC, November 2022. Broadband terminology research..

Figure 4: Table setting out the proportion of respondents who understood terms completely, somewhat, a little, not at all, or had not heard of them previously



Source: Broadband Terminology Research 2022
QE1. How well do you think you understand what each of these phrases means, i.e. do you know what it would indicate about the service's attributes and characteristics?
Base: All respondents (1,155)

A3.8 After seeing detailed descriptions[209] of the four different technologies tested ('copper broadband', 'cable broadband', 'fibre-to-the-cabinet (FTTC)', and 'fibre-to-the-premises (FTTP)', a high proportion of those who initially said they had at least a little understanding of the terms said these descriptions closely or exactly matched what they initially thought ('cable broadband' (81%), 'fibre-to-the-premises (FTTP)' (87%), 'copper broadband' (86%), 'fibre-to-the-cabinet (FTTC)' (86%)).[210]

A3.9 Among those who had misconceptions about the different technologies, many of the reasons they gave for these misconceptions related to the technical details of how broadband reached their home. For example, for cable and FTTC, some said they did not realise fibre was involved or that the connection was part-fibre. For FTTC, some said they did not understand the term 'cabinet' or realise a cabinet was involved.

A3.10 In addition, the actual level of misunderstanding of some technologies may be higher than reported by respondents. For example, our data shows that of those who believe they have an FTTP service, only 46% live in a full fibre area.[211]

Respondents find a variety of information on a broadband service useful

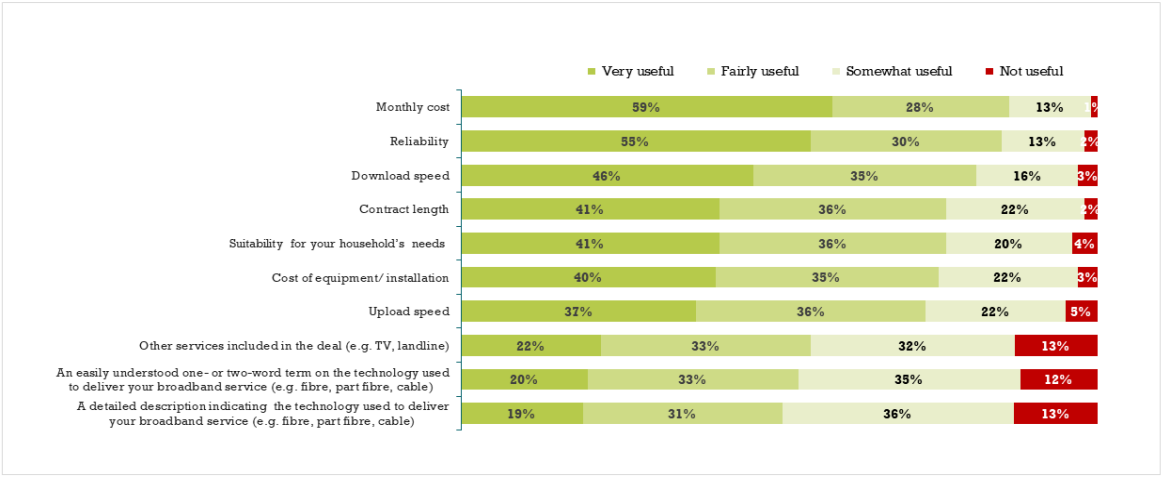
A3.11 The research asked how useful respondents would find a broad variety of information that they might consider as part of the purchasing journey (see figure 5 below).

[209] BDRC, November 2022. Broadband terminology research, Annex A.
[210] BDRC, November 2022. Broadband terminology research, slide 15.
[211] BDRC, November 2022. Broadband terminology research, slide 42.

A3.12 Respondents generally claimed that all the types of information we tested were useful in absolute terms, with at least half of respondents ranking each of the terms as very or fairly useful.[212] [213]Respondents particularly valued information about:

a) Monthly cost (87% found this very or fairly useful);
b) Reliability (85% found this very or fairly useful); and
c) Download speed (81% found this very or fairly useful).[214]

Figure 5: table setting out the proportion of respondents who would find different pieces of information very useful, fairly useful, somewhat useful or not useful



Source: Broadband Terminology Research 2022
QH2. Please use the following scale to say **how** useful information about each item would be when deciding on a broadband service
Base: All respondents (1,155)

A3.13 The research also evaluated the usefulness of different pieces of information relative to each other (using MaxDiff technique – see the Broadband terminology report). Monthly cost is relatively the most useful type of information, followed by reliability, and download speed. Relative to other terms, a 'one- or two-word term' and 'detailed description' on technology ranked lower, although as noted above, these were still useful in absolute terms.

A3.14 We asked respondents where in the purchasing journey they would like to see information about the underlying technology used to deliver the service. The highest proportion of respondents said that information on technology would be useful on providers' websites, followed by at the point of purchase:

a) over half, 50% and 55% respectively, said that 'an easily understood one- or two-word term on the technology used to deliver your broadband service' and 'a detailed description indicating the characteristics of the service' would be useful on providers' websites.

[212] BDRC, November 2022. Broadband terminology research, slide 18.
[213] The full list of types of information we asked respondents about was: monthly cost, reliability, download speed, contract length, suitability for your household's needs, cost of equipment/installation, upload speed, other services included in the deal (e.g. TV, landline), an easily understood one- or two-word term on the technology used to deliver your broadband service (e.g. fibre, part fibre, cable), a detailed description indicating the technology used to deliver your broadband service (e.g. fibre, part fibre, cable).
[214] For full results, see BDRC, November 2022. Broadband terminology research, slide 18.

b) about two fifths, 41% and 42% respectively, said one- or two-word term and a detailed description would be useful at point of purchase.

A4 Alternative options proposed by respondents

A4.1 Several respondents suggested alternative approaches to help consumers make informed choices. We assess those options below.

Consultation responses

A4.2 Respondents suggested a number of alternatives:

a) Openreach, TalkTalk, and Which? said Ofcom should consider a broadband technology labelling scheme, for instance Openreach suggested that tiered "good/better/best" labels applied to broadband services.[215] Openreach also said it would support and welcome Ofcom working with industry to create further tools to be adopted across the industry to help customers understand 'good, better and best'. However, toob did not support the introduction of a gigabit-capable labelling scheme to help customers distinguish between different types of broadband product, and agreed with our position that introducing such a scheme would create significant practical issues and further customer confusion.[216]

b) Which? said it was disappointed we had not proposed 'use cases' on what consumers can expect from their broadband technology, as proposed by GigaTAG.[217] It noted that while some providers may already be using use cases, we had not set out clear evidence of this in the consultation, and it is unlikely to be consistent across providers. It said without use cases there is a risk of customer confusion. It added that use cases could help consumers to identify the right package for them. It also called for further research to identify the most helpful use cases.

c) Essex County Council and Digital Poverty Alliance proposed a glossary of terms and a single source of information that would allow consumers to understand their broadband usage requirements, signpost consumers to relevant providers, and compare offers and customer reviews on different services.[218]

A4.3 More generally, Vodafone, TalkTalk, and Ogi suggested a different or wider role for Ofcom. Vodafone said that Ofcom would be better to focus on other initiatives and advocated that Ofcom supports consumers, particularly those who are vulnerable, during the PSTN switch off.[219]

[215] Openreach, Response to March 2023 Consultation, page 3; TalkTalk, Response to March 2023 Consultation, pages 2-3 and 12; Which?, Response to March 2023 Consultation, page 2.
[216] toob, Response to March 2023 Consultation, page 1.
[217] Which?, Response to March 2023 Consultation, pages 1-2. GigaTAG, June 2021. Gigabit Take-up Advisory Group: Final Report, section 3, pages 20-27.
[218] Essex County Council and Digital Poverty Alliance, Response to March 2023 Consultation, page 1.
[219] Vodafone, Response to March 2023 Consultation, page 4.

A4.4 TalkTalk and Ogi considered that Ofcom and Government should consider their education and awareness raising roles to encourage take-up as full fibre rollout continues. TalkTalk also said that Ofcom should focus more on addressing coordination failures.[220]

A4.5 In contrast, CityFibre recommended that we expand the scope of our guidance. It considered that we should amend our existing guidance on end of contract notifications and annual best tariff information ('ECN guidance') to align with our March proposals.[221] CityFibre also believed that we should amend our ECN guidance to require providers to alert consumers that FTTP services may now be available, possibly directing them to Ofcom's broadband availability checker.[222]

A4.6 VMO2 provided a range of other proposals that it felt Ofcom could potentially consider. In particular, it considered the naming convention for broadband speed tiers to be largely outdated and potential confusing. It therefore suggested we focus on encouraging more consistency in speed naming rather than underlying technology.[223] Likewise, one individual respondent suggested that a better approach would be the introduction of an industry-wide naming convention to differentiate products by their speed rather than underlying technology. [224]

Our assessment

A4.7 In response to views that we should introduce a broadband labelling scheme, we considered such an option in line with the recommendation of the GigaTAG working group. As set out in our consultation, there are significant practical issues with the introduction of such a scheme. For instance, consumers might consider a label publicly approved by Ofcom as a guarantee of good service quality rather than a description of product type. In addition, there are significant difficulties identifying the appropriate service parameters (such as speed or technology) that should be part of any labelling scheme. We believe that it is more appropriate in the first instance to consider the impact of our proposed approach before exploring further intervention.

A4.8 We note, in response to Which?'s comments, that informative use cases, which indicate the kinds of online activities that consumers can expect to experience when using a broadband product (such as the number of devices that can be run simultaneously, or the quality of video that can be streamed over a single connection), are already available and used extensively by providers. We expect industry to continue to clarify and develop these use cases, as the market matures, to ensure that they remain useful for consumers and are consistent across the customer sales journey.

A4.9 We note Essex County Council and Digital Poverty Alliance's views that that there should be a single source of information for consumers regarding broadband requirements, signposting to relevant providers, offers and customer reviews. We believe it would be

[220] TalkTalk, Response to March 2023 Consultation, pages 1-2 and 12. Specific examples of proposed Ofcom intervention are set out in the Frontier Economics report commissioned by TalkTalk, Unlocking the gigabit dividend, August 2022. This includes a recommendation that Ofcom could spearhead an update to industry marketing guidelines to ensure a greater emphasis on broadband reliability; Ogi, Response to March 2023 Consultation, page 2.
[221] CityFibre, Response to March 2023 Consultation, page 19.
[222] CityFibre, Response to March 2023 Consultation, page 19.
[223] VMO2, Response to March 2023 Consultation, page 5.
[224] Still, A, Response to March 2023 Consultation, page 1.

difficult for there to be an accurate and up to date single source of information that could provide consumers with specific information about the services they can receive. However, we note that consumers are already able to access many of these features through price comparison websites. As mentioned above, providers also already provide use cases which are tailored to their services and under our final decision consumers will be able to access a detailed explanation of the broadband technology used to deliver their service.

A4.10 In relation to Vodafone's comments that we should focus more on the PSTN switch off, it is the responsibility of providers to have processes in place to migrate consumers safely and without undue disruption. Ofcom's objective during the migration is to support this and we already have relevant rules, guidance and published expectations to fulfil our objective, as well as an ongoing monitoring programme.

A4.11 In response to TalkTalk, and Ogi's comments about the role of Ofcom in raising awareness and understanding to encourage the take up of full fibre, we highlight above that, while we believe that clear and unambiguous information on underlying technology is useful to broadband consumers, it is also for providers to explain and differentiate their services. In relation to TalkTalk's other recommendations to Ofcom to focus more on addressing coordination failures, we note our response in our Plan of Work 2023-24.[225]

A4.12 In response to CityFibre's comments, we acknowledge that our guidance will not apply to end of contract notifications (ECNs). However, we do not consider that it is appropriate for us to intervene to make underlying technology information available in ECNs, without first evaluating the outcomes of our intervention set out in this document. ECNs already aim to help consumers consider their alternatives at the end of their contract period or annually.[226] Our intervention will allow consumers to find information about the underlying broadband technology prior to purchasing a service, when considering their options in response to an end of contract notification. We also note that information about the underlying technology will also be available to consumers in their Contract Summary.

A4.13 In response to views that we should reform broadband speeds naming, we agree that broadband speeds information is relevant to customer decision-making. We have therefore already conducted significant work in this area through our broadband speeds codes of practice. Improvements to the codes in our March 2018 statement included:

a) more realistic speed estimates at the point of sale;

b) always providing a minimum guaranteed speed and the right to exit connected to this speed at the point of sale;

c) strengthening consumers' rights and extending the right to exit to bundled products; and

d) ensuring all consumers benefit from the codes, regardless of their broadband technology.[227]

[225] Ofcom, March 2023. Ofcom's Plan of Work 2023–24 - Summary of responses to our consultation, pages 4, 10, 20.
[226] Ofcom, May 2019. Helping consumers get better deals. Statement on end-of-contract notifications and annual best tariff information, page 46.
[227] Ofcom, March 2018. Better Broadband Speeds Information: Voluntary Codes of Practice, page 2.

A4.14 Given our extensive work already to ensure that consumers have transparent information on the actual speeds they will receive at their address, we do not believe that we should undertake further work on broadband speed naming at this stage.

A5 Glossary and abbreviations

ASA: Advertising Standards Authority

ADSL: 'Asymmetric Digital Subscriber Line' – a type of technology used to deliver broadband to a customer's home over a traditional copper telephone line. This is the technical term for copper broadband (defined below). The maximum achievable download speed for ADSL based services is up to 24 Mbit/s, but actual speeds delivered by copper connections diminish with distance. Copper can also be affected by poor weather. Since the copper network is old, it can be susceptible to faults, and it consumes more energy than newer broadband technologies.

BVA BDRC: a research agency.

CA 2003: Communications Act 2003

Cable broadband: a type of technology used to deliver broadband to a customer's home. Has a fibre-optic connection from a local hub to the street cabinet (see below). The final connection from the street cabinet to the customer is over a type of cable (made up of a copper core, metal sleeve and plastic covering).

Cable: A 'hybrid fibre coaxial cable' used by a provider to deliver broadband services from a "street cabinet" to a customer's connection. This is made up of a copper core, metal sleeve and plastic covering. Also used to refer to cable broadband in general.

CAP: Committee of Advertising Practice

Copper broadband: a type of technology used to deliver broadband to a customer's home. Connects from a local telephone exchange usually to a street cabinet (see below) and then to the customer's home on a traditional copper telephone line.

DCMS: Department of Culture, Media and Sport

EA 2010: Equality Act 2010

Fibre: A strand of glass less than a hair's width carrying telecommunication signals in the form of light. Fibres are bundled together in tubes, may be reinforced to avoid breakage, and then packed into cables.

FSB: Federation of Small Businesses

Fibre to the cabinet (FTTC): A type of technology used to deliver broadband to a customer's home. Has a fibre-optic connection (made up of a bundle of thin glass 'fibre' threads – see 'fibre' above) from the local telephone exchange to the street cabinet. The final connection from the street cabinet to the customer is usually over a copper wire telephone line.

Fibre to the premises (FTTP): A type of technology used to deliver broadband to a customer's home. Has a fibre-optic connection all the way from the local exchange to the customer's home. Sometimes referred to as 'full fibre.'

Full fibre: See 'FTTP' above.

General Conditions (GC): conditions set by Ofcom under section 45 of the Communications Act 2003.

GigaTAG: Gigabit Take-up Advisory Group

Gbit/s or Gbps: a unit to measure broadband speed. 1 Gbit/s is one thousand times faster than 1 Mbit/s.

Gigabit-Capable Broadband: A broadband connection capable of delivering a rate of up to 1 Gbit/s. This may be FTTP or hybrid fibre coaxial cable.

INCA: Independent Networks Cooperative Association.

Mbit/s or Mbps: A unit to measure broadband speed.

NIA 1998: Northern Ireland Act 1998.

Part fibre: Refers to services such as FTTC and cable broadband. Services are usually delivered by fibre from the exchange to a cabinet in the street and from there over a copper connection (for cable broadband, this is made up of a copper core, metal sleeve and plastic covering) to the customer's premises.

Provider: A communications provider, defined in section 405(1) of the Communications Act 2003 as meaning a person who (within the meaning of section 32(4)) provides an electronic communications network or an electronic communications service.

Street cabinet: A box that is normally only a few hundred metres from the customer's home. It is used to connect wires or fibre from an exchange building (or local hub) to the customer's premises).

Superfast: a broadband connection capable of delivering a rate of 30 Mbit/s or more.

VoIP: Voice over Internet Protocol (sometimes referred to as "digital voice"). A technology that allows users to send calls over broadband connections using internet protocol, using either the public internet or private IP networks.

Ultrafast: A category of broadband services where the download speed is expected to be at least 300 Mbit/s.

VMO2: Virgin Media O2.

WFTMR: Ofcom's Wholesale Fixed Telecoms Market Review 2021-26.