Response to Ofcom Consultation – Plan of Work 26/27

5 February 2026

BT Group is the UK's leading fixed and mobile connectivity provider. We build and run the biggest independent converged network in the country.

Considered in the round, Ofcom's plan of work represents a reasonable starting point for its approach to regulation in FY 26/27. We agree with the high-level objective to release more spectrum for mobile broadband services, and support consideration of how Ofcom can facilitate exchange exit – noting the need for a broad perspective on these issues encompassing existing protections for vulnerable users, mobile broadband coverage, and the need for orderly wholesale migrations.

- We suggest there are areas where Ofcom should do more to further the interests of consumers and citizens:
- How can regulation and wider policy support better mobile connectivity?
- A more strategic view of what a telecoms service is, and what is expected of all providers
- More and better enforcement on scam calls and messages
- Future strategy for standalone fixed voice
- Considered and proportionate deregulation

We also note a number of areas where proposals would benefit from more detail or clarity that would enable market participants to plan and – ultimately – support good outcomes for citizens and consumers.

- Greater clarity and consistency on what Ofcom means by 'supervisory regulation'
- Priorities on consumer, competition, and resilience 'supervision'
- Consumer impact of AI in telecoms

We set these out in more detail below.

1. FURTHER WORK AREAS REQUIRED

How can regulation and wider policy support better mobile connectivity?

Ofcom says it will "continue our programme of work to promote improvements in mobile connectivity"[1]. Outside of the mobile mapping work, the proposed plan suggests no concrete work in this area despite Ofcom saying in 2025/26 it was going to 'start a programme of work to promote competition and investment in the mobile market'[2]. Specifically, Ofcom's 2025/26 plan of work stated it planned to publish a report on this topic in Q3 2025/26; however, we believe no report was then published.

We urge Ofcom to set out its considered views on mobile investment and how customer experiences can be improved as soon as possible. Ofcom should provide a better view on the topics it thinks appropriate for focus. We believe this should include how regulatory and public policy can support mobile connectivity on the railways, in rural areas and in dense urban areas. This is critical given (i) mobile market ARPUs are falling in real terms and impacting profitability, (ii) investors see past and present returns as an indicator of future returns and (iii) marginal coverage or quality gains do not translate to increased revenues, implying the market will not deliver these investments alone.

A more strategic view of what a telecoms service is, and what is expected of all providers

Ofcom has no plans to think longer term on how telecoms regulation should evolve to reflect the current and future market dynamics and customer experiences. It has no equivalent to its strategic focus on broadcasting:

> *"Most of the current legislative and regulatory framework was designed for a linear world. We will undertake a fundamental review to ensure audiences are protected, that regulation is flexible to respond to market changes and encourages growth and innovation."*

The same is true for telecoms services: Ofcom's understanding of choice, competition and consumer interests remains overly focused on the past, as evidenced by the narrow and historic perspectives Ofcom has applied recently in A2P and voice service regulation.

Specifically, Ofcom should address:

- <u>The scope of the definition of Electronic Communications Services (ECS) under the Communications Act:</u> providers can no longer distinguish between the scope of the various legislative regimes for telecoms that have grown up over time. This includes the Communications Act 2003, the Online Services Act 2023, the Network and Information Systems Regulations 2018[3]. Different services fall into different regimes, and different

[1] Ofcom (2025) Ofcom's proposed Plan of Work 2026/27 Page 7

[2] Ofcom 2025/26 plan of work, para 2.10

[3] We note the UK Government is seeking to introduce new obligations via the Cyber Security and Resilience (Network and Information Systems) Bill 2025 which might extend this confusion

obligations are attached to each regime. But consumers do not observe these differences in day-to day-use.

Ofcom should launch a piece of work now to consider these issues in the round – with a view to providing guidance to industry on the applicability of definitions, and/or providing advice to Government[4] on how legislation should be updated to reflect market realities.

- Obligations on Over-the-Top Services (OTTs)[5]: Consumers continue to substitute some categories of 'traditional' ECS for OTTs[6] - while finding it difficult to distinguish between service types/associated protections on each. OTT providers, in turn, have entered new areas of the market – such as emergency access via satellite directly to devices - without attracting the high degree of regulatory scrutiny that normally attaches to provision of such services (e.g., when enabled by fixed and mobile providers).

  Ofcom should launch a piece of work (complementary to the item above) to consider what obligations should apply to OTTs in a new service environment. At a minimum, this should include emergency access/funding for public safety answering points (PSAPs), spectrum licensing/obligations, scams and fraud reporting and prevention, security, other consumer protection.

More and better enforcement on scam calls and messages

Ofcom must be proactive in its enforcement activities to clean up the voice and SMS ecosystem, to ensure that (i) bad actors are appropriately sanctioned for breaches in existing General Conditions and/or failure to comply with the National Numbering Plan, and (ii) intelligence sharing between providers (e.g. on the origins of bad traffic, sometimes referred to as 'traceback') can be delivered in a way which complies with the wider obligations of market participants. We understand Ofcom's monitoring programme[7] into phone and text scams remains open. A greater volume of enforcement action is required here. We also suggest scams calls and messages should be an area with 'supervision' in Ofcom's work programme.

Future strategy for standalone fixed voice

A large number of customers wish to remain on a fixed voice service without any associated broadband and BT is overwhelmingly the biggest retail provider in this market. However, regulation on this has not been revisited since Ofcom's 2017 review.

Ofcom should launch a piece of work to clarify its long-term vision for standalone fixed voice customers, encompassing the proportionality of obligations on providers of such services, consideration of how consumers use voice services, by what technology they are delivered, the extent to which pricing is fair given substantive industry investment, the ability of the market to cater to their needs, and how other policy initiatives like social tariffs interact or replace specific requirements here.

Considered and proportionate deregulation

Ofcom's track record on deregulation is weak, and it provides no views on how it will meet the Government's objective to reduce regulatory burdens by 25% in the telecoms space. Ofcom should proactively set out a review of the existing body of telecoms regulation, proposing areas

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[4] We note the European Union, which uses a similar (although distinct in this area) regime to the UK, is considering changes to the applicability of definitions via the draft Digital Networks Act

[5] These are sometimes referred to as Online Communications Services (Online Harms Act 2025) or Number Independent Interpersonal Communications Services (in the European Electronic Communications Code 2018)

[6] Ofcom (2025) Consultation: Reviews of Call Termination Markets and End-to-End Connectivity Condition Paragraph 3.13,

[7] Ofcom (2024) Enforcement programme into phone and text scams

that offer least value to consumers/citizens, and seek views on what regulations are still required versus those that could be removed. Candidates for removal could include:

- disproportionate broadband USO reporting requirements given continued low volumes of connection requests (now generally numbering no more than 10-20 confirmed orders per month);
- insurance requirement for physical street furniture;
- Continued legacy regulation such as geographic numbering or directory services, rules set on phone box use;
- long standing voluntary commitments, including fixed voice (see above); and
- wholesale voice regulation using the SMP framework, which is largely redundant in an all-IP world.

2. PROPOSALS THAT NEED MORE DETAIL OR REVISION

Greater clarity and consistency on what Ofcom means by 'supervisory regulation'

We note the trend to refer to 'monitoring' now as supervision programmes (consumer, competition, resilience). We think Ofcom should consider a broader and more joined up supervisory model than what Ofcom seems to be suggesting. More akin to other sectors, Ofcom should have dedicated teams working closely with specific companies across policy areas, not siloed supervision by regulatory issue. This would help Ofcom:

- better identify linkages and trade-offs across policy areas like competition, consumer and resilience. We observe limited join-up across different policy areas within Ofcom today; and
- to understand the impact of regulation of the companies they regulate. Such teams would work with policy and enforcement teams as required so Ofcom can consider issues from a range of perspectives.

To ensure that such an approach will work in practice, it is essential that Ofcom establishes a clear working process with regulated parties to ensure transparency, fairness, and good outcomes for all market participants (including consumers and citizens). We would welcome a broader, direct conversation with Ofcom on how supervisory regulation will work best with its stakeholders.

Priorities on consumer, competition, and resilience 'supervision'

We are unclear what Ofcom is actually proposing in terms of 'supervision' activity in consumer and resilience policy. On both, Ofcom should be able to guide industry as to where it will focus in each quarter, with quarterly updates to its work programme as required. Greater clarity on areas of focus, and volume of information requests, helps industry better plan resources and manage regulatory overheads.

Specifically:

- On resilience, it is not clear what is meant by Ofcom's proposal to "enhanc[e its] supervision approach"[8] and revise Telecoms Procedural Guidance. This is a multiyear item which has long been a focus for both Ofcom and stakeholders: Ofcom should be more specific on what changes may be required.
- On competition supervision, any work should not just focus on Openreach compliance, but also in monitoring and reporting on the evolution of competition in this market. This will be key to Ofcom really understanding the relevance and application of regulatory guidance and rules set out in the Telecoms Access Review.

Consumer impact of AI in telecoms

This work would be better scoped not with an open request for input, but with more targeted information gathering on specific areas of potential concern. Ofcom knows the broad sources of consumer harm or benefits telecoms services bring. It should be more proactive in offering views for discussion on how it thinks AI could play into this. Otherwise, this is an open-ended and potentially significant resource request on industry.

[8] Ofcom (2025) Ofcom's proposed Plan of Work 2026/27 Page 9