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Ofcom's proposed Plan of Work - UW response

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Utility Warehouse was one of the first 'challenger' brands when it entered the retail energy market over 20 years ago, and we have a unique perspective in that we operate across numerous regulated markets: energy, telecoms and financial services. Today we serve over 1 million households. We are proud of our market-leading standing in key customer service benchmarks, most recently and notably we were named one of the three Which? Recommended suppliers for 2026 for broadband.

Overview

We welcome the opportunity to comment on Ofcom's proposed Plan of Work for 2026/27. Ofcom's plan of work is an important document, setting the regulatory agenda for the forthcoming year in telecoms and the other markets Ofcom regulates. Companies like UW use it to anticipate and plan for regulatory changes, manage resources effectively and consider how their business plans align with Ofcom's regulatory objectives.

We fully support Ofcom's priority of "Internet [...] we can rely on", and the outcomes they are looking to achieve through their work in the forthcoming year. As Ofcom will know, the telecoms market remains incredibly competitive, and this has resulted in customers receiving faster speeds, more data and better coverage, all while household spend on fixed and mobile services has been falling in real terms over the last decade¹. But despite this progress there are still some challenges that need to be addressed by Ofcom and industry which we discuss below.

Migration from legacy services

The transition from the traditional public switched telephone network (PSTN) to IP telephony due to take place before January 2027 is a massive undertaking for industry, and one where major risks have to be managed. UW is already engaging with both Ofcom and DSIT on our approach to migrating customers and ensuring we do so with an abundance of care. Although this migration is deemed as "industry led", it is not something that most telecoms providers have a great deal of control over as Openreach set the timelines for migration. This leaves smaller providers like UW stuck between competing demands from Openreach to migrate customers quickly, and Ofcom/DSIT to do it safely. Though we will attempt to meet both objectives there may be times when we need some leadership from Ofcom/DSIT in terms of specifics around what we are reasonably expected to do in order to achieve a safe and successful transition. Ofcom already takes their role as a consumer champion in this space very seriously, and rightly so, but there may be times when they also need to advocate for smaller providers to allow them to protect their customers. Whether it is ensuring that they are not rushed into migrating in line with unrealistic timescales that suit Openreach, or that they are not disadvantaged through higher prices of new technologies that they have been forced into taking.

¹ Based on Ofcom's data published as part of its [Communications Market Report 2025](#).

Tackling scam calls and texts

Scam calls and texts remain a blight on the UK public and continue to erode trust and confidence in telecoms networks. We are glad that Ofcom still sees dealing with them as a priority and have already responded to Ofcom’s recent consultation on combatting mobile messaging scams. As Ofcom will know, scammers react quickly, and regulation can move slowly. In addition to Ofcom’s latest proposals, we believe that industry needs a mechanism for sharing intelligence, best practice and solutions easily and quickly. We would find it helpful if Ofcom could establish an industry working group that meets regularly to discuss latest trends in fraud and scams and how to best combat them.

Protecting the automatic compensation scheme

When Ofcom introduced the Automatic Compensation code of practice in 2019 it did so on a voluntary basis because it would be quicker than introducing compulsory regulation². UW and others willingly signed up because we could see the benefits for our customers to be gained from such a scheme. Whilst customers receiving compensation for poor service or missed appointments is only fair and welcome, the real benefits of the scheme would derive from the providers being incentivised to deliver better service in the first place. But ultimately this incentive only exists where those who are responsible for the service are also responsible for the compensation payments. Ofcom itself supported the principle that those at fault should bear the burden of payments³. When the scheme was originally introduced, when they were at fault Openreach’s payments covered a large portion of the compensation to customers, so the principle was largely followed.

However over the years this incentive for Openreach to provide better service has been weakened as the rates they pay to providers has remained static, effectively reducing the cost of failure to them every year. Meanwhile the rates that UW and others pay out are adjusted every year by the rate of inflation. The last few years have seen relatively high inflation rates, which means that the difference between what Openreach pays providers and what providers have to pay customers is significant.

	Payments on launch of scheme	Payments as of April 1 2026	Openreach payments	Openreach % share of cost in 2019	Openreach % share of cost today
Delayed repair	£8	£10.34	£4.79	59.9%	46.32%
Delayed Provision	£5	£6.46	£4.32	86.4%	66.87%
Missed Appointment	£25	£32.21	£19.91	79.6%	61.8%

Not only is the incentive for Openreach to deliver better service weakening each year, but the costs to providers of remaining in the Automatic Compensation scheme is increasing outside of their control. The simple fact is that Openreach still has significant market power and providers cannot force or negotiate successfully with Openreach to change their compensation terms or they would already have done so. If Ofcom does not act to correct this then the whole scheme risks being undermined and customers will ultimately be the ones to pay the price.

² Paragraph 1.8, [Ofcom’s Automatic Compensation Statement](#), November 2017

³ “Our view is that, in principle, the wholesale provider should generally bear the ultimate cost of retail level compensation circumstances where it is at fault” - Paragraph 5.102, Ofcom’s Automatic Compensation Statement.