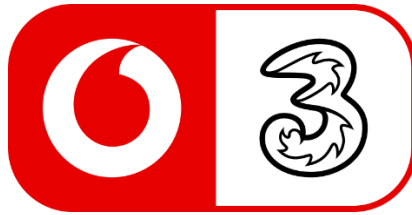


Response to Ofcom's Consultation:

Plan of Work 2026/27

5 February 2026

Non-confidential



Introducing VodafoneThree

At the beginning of June 2025, Vodafone UK and Three UK merged to become VodafoneThree. The merger signals the start of an exciting new chapter in UK communications, allowing citizens and consumers to benefit from a market leading new company that has the scale, resources and the innovative spirit to deliver game changing connectivity.

A new era of connectivity

The merger signals not just a transition towards material enhancements in the UK's mobile coverage, but it will create more opportunities for more customers to benefit from competitively priced, quality business connectivity and broadband services.

Connecting every community

Our investment will boost speeds for every customer as we bring 5G Standalone (5G SA) to every corner of the UK by 2034. From busy city centres to remote rural towns, we're making sure every area has the access it needs, including the most vulnerable within society.

To find out more about VodafoneThree, our brands and how we are building the UK's best network, visit: <https://vodafoneandthree.uk/>

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Executive Summary

VodafoneThree welcomes the opportunity to comment on Ofcom's Plan of Work for the year ahead. The UK faces persistent challenges: weak economic growth, underinvestment in infrastructure, global competition for capital, regional inequality, strategic vulnerabilities in telecoms, and digital exclusion that undermines public services and productivity. VodafoneThree has committed £11bn to build a world-class nationwide, digital infrastructure. This fully funded and guaranteed initiative aims to deliver UK's best network, targeting 99.95% population coverage by 2034. Central to this plan is an extensive rollout of 5G Standalone (5GSA) technology, designed to drive growth, productivity, and digital inclusion while tackling regional inequalities.

The UK currently lags behind other developed countries on network quality, and that gap risks holding back our competitiveness. Our investment is an opportunity to close that gap. By accelerating digital infrastructure deployment, we can unlock economic gains and strengthen the UK's leadership in AI. However, significant barriers remain that could slow progress – such as inefficiencies in the planning system, rising energy costs, and adverse impact of big tech firms like Google and Apple's market power on the UK mobile market.

We are pleased to see Ofcom's Plan of Work focusing on adapting to technological change and addressing emerging challenges, including online harms from AI and user-generated content, promoting seamless mobile connectivity, exploring how satellite communications could transform telecoms, and strengthening network resilience. However, Ofcom should also recognise the importance of long-term investment in telecoms infrastructure, address the barriers that could hinder future investment, and engage with Government on these challenges in its role as the sector expert.

We group our feedback on the Plan of Work under three areas: (1) Investment, Innovation, and Competition; (2) Impact of Digital Platforms and Online Communication Services (OCS) on the UK Mobile Market; and (3) Other Regulatory Projects.

Investment, Innovation and Competition

Barriers to mobile investment

The UK continues to lag other developed countries on mobile network quality, which risks undermining our competitiveness. Ookla's recent study¹ on 5G availability places the UK 24th out of 30 European countries. Our £11bn investment in the UK's digital infrastructure is a major opportunity to close this gap. By rapidly building better digital infrastructure we can unlock economic gains, address the digital divide, and boost the UK's leadership ambitions in AI.

While VodafoneThree's investment commitment presents a significant opportunity to transform the UK's mobile landscape, realising its full potential is at risk. There are government-inflicted and regulatory burdens that continue to hinder investment, such as:

- **Inefficiencies in the planning system** - MNOs continue to face significant challenges in securing development permissions, creating a major barrier to investment in network quality. Reform of the planning system is therefore essential and will require coordinated action from Ofcom, Government and local authorities. Local authorities, in particular, often experience delays in planning permission for digital infrastructure due to a dangerous combination of a complex and burdensome regulatory environment, alongside lack of digital awareness. Promoting greater understanding of mobile connectivity within local authorities – an area where Ofcom can play a role – would help streamline mobile infrastructure deployment.
- **Rising Energy Cost** - Non-commodity energy charges (these are charges mainly associated with government schemes and levies) now account for over 60% of total telecoms energy bills, rising materially year-on-year and scaling directly with network expansion. This creates a structural disincentive to invest in nationwide 5G, with escalating costs putting planned investment, rural coverage, and customer affordability at risk.

In its 2025/26 Plan of Work, Ofcom had planned to publish a report in Q3 2025/26 on mobile investment², assessing barriers and drivers of investment in network quality. We were disappointed that this report was not published, given how critical mobile network quality is for consumers and businesses, for seamless connectivity, and supporting economic growth.

We therefore ask Ofcom to continue its work on mobile investment, reinstate this report in its 2026/27 forward programme, and support Government in addressing these barriers by providing its regulatory expertise of our sector.

¹ [5G Coverage in Europe: Progress Toward Goals Amid Lingering Disparities | Ookla®](#)

² [Statement: Ofcom's Plan of Work 2025/26](#)

Ofcom should engage with other sectoral regulators and Government on AI to ensure consistency of approach and explore creative ways to promote innovation

We have been closely following Ofcom's ongoing work on AI and will engage with Ofcom as it develops its understanding of the use of AI technologies in the telecoms sector, as well as the risks and opportunities presented by AI adoption. As regulatory coherence is required to support innovation, we encourage Ofcom to maintain close collaboration with its DRCF partners as it considers whether and how to regulate the use of AI in the telecoms sector. In particular, we strongly recommend that the four UK regulators with responsibilities for digital regulation – the CMA, the FCA, the ICO and Ofcom – agree a principles-based Code of Practice on the use of AI in the industries they regulate to reduce the risk of fragmented, inconsistent or duplicative regulation which could raise costs, stifle innovation and impede economic growth.

We also recommend that Ofcom ensure its forward work programme remains aligned with the Government's emerging approach to AI regulation, particularly the new blueprint establishing AI Growth Labs and supervised regulatory sandboxes to accelerate innovation, cut unnecessary bureaucracy, and deliver measurable public interest outcomes such as faster planning approvals.

In this context, Ofcom could explore similarly creative approaches to fostering innovation in other areas of its work, including whether an innovation-focused Net Neutrality sandbox, designed to test traffic management or network optimisation techniques in safe, controlled conditions, could sit within the broader AI sandbox framework. Including such broader-scope projects would support coherent cross-government regulation, ensure consistency with the UK's pro-growth strategy, and enable Ofcom to generate real-world evidence in a way that complements the Government's wider regulatory model.

Competition is working effectively to deliver positive outcomes for consumers

Over the past decade, communication providers in the UK have made significant strides in enhancing consumer experiences by investing heavily in network infrastructure and keeping prices competitive. Industry data indicates that both fixed-line and mobile services have seen notable improvements in quality, while the cost per unit of service has consistently decreased, even as overall usage has risen. Ofcom's pricing trends confirm that consumers are now receiving greater value for money, thanks to increased data consumption, sustained competition among providers, and ongoing technological advancements.

Substantial capital investments have underpinned continuous enhancements in network performance and capacity, with a particular focus on the nationwide deployment of 5G and full-fibre infrastructure. For example, introducing 5G technology in urban areas requires nearly five times the capital expenditure compared to 4G, highlighting the industry's commitment to advancing UK connectivity. As a result of these efforts, average maximum download speeds have reached approximately 285 Mbit/s, and monthly household data usage now exceeds 580 GB. Meanwhile, mobile data consumption continues to accelerate, and the price per gigabyte falls as coverage expands.

In 2024 alone, the industry invested £9.2 billion in improvements. Such enhancements are delivering benefits not just for connectivity, but also for digital inclusion, economic growth, and the UK's international competitiveness. The momentum in investment continues, exemplified by

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VodafoneThree's £11bn commitment to one of the world's most ambitious connectivity programmes.

It is essential that this ongoing investment in services and quality is matched by a stable and fair approach to pricing. Transparency and competition must remain central, ensuring that consumers are treated fairly and can navigate the telecommunications market with confidence.

Competition in retail markets is functioning well, giving consumers real choices. Rather than taking an interventionist stance, fostering healthy competition is the most effective way to serve consumers' interests. Small-scale interventions with weak justification can waste resources, slow down the introduction of new products, and potentially disrupt normal market processes. The positive state of the market is evident, with the recent merger between Three and Vodafone serving as a strong example. Given this progress, Ofcom should support stability by acknowledging these developments rather than intervening in ways that might hinder them.

Impact of Digital Platforms and OCS on the UK Mobile Market

Impact of Apple and Google’s Market Power on the UK mobile market

Mobile operating systems act as gatekeepers between app providers, consumers, businesses and networks, and the way Apple and Google enable new technologies through their ecosystems will shape how mobile networks evolve. For example, they could become gatekeepers for mobile airtime subscriptions, using their operating systems as the platform through which consumers choose their operator. This makes it essential for Ofcom and the CMA to ensure that when firms with substantial market power enter new markets, they do so on fair terms and not exploit their gatekeeper position.

The CMA’s 2022 findings³ confirmed that Apple and Google hold substantial and entrenched market power in mobile operating systems. Given Ofcom’s duties to ensure mobile markets work in the interests of citizens and consumers, it should consider whether this market power could be leveraged in ways that negatively affect the UK mobile market.

In its Digital Markets Strategy update⁴, Ofcom indicated that assessing the impact of large digital firms on mobile broadband would be an area of focus. However, this work was not included in its 2025/26 priorities and is also absent from the proposed 2026/27 priorities. We therefore recommend that Ofcom include in its 2026/27 priorities an assessment of whether Apple’s and Google’s market power could lead to adverse outcomes for the UK mobile sector, and consider whether any resulting concerns would be addressed by the Digital Markets, Competition and Consumers Act 2024 (DMCC) or require other regulatory intervention.

Online Communication Services – levelling the playing field

Recent evidence shows that Online Communication Services (OCS) have rapidly overtaken traditional telecoms services as the primary means of messaging and, increasingly, calling in the UK. Yet despite this clear substitution, OCS providers continue to operate without the regulatory obligations that apply to Communication Providers—obligations such as emergency call provision, resilience requirements, measures to tackle fraud and scams and other wide-ranging General Conditions.

This imbalance places UK operators at a structural disadvantage in markets where OCS now dominate usage and consumer preference. Ofcom’s decision to abandon its earlier work on the OCS market, while pursuing new regulation solely on traditional providers, risks further distorting competition and conflicts with its growth duty. A more coherent regulatory approach is needed, one that recognises the competitive impact of OCS, addresses asymmetries in obligations and public-good contributions, and ensures a genuinely level playing field across all communication platforms.

³ [Final report](#)

⁴ [Digital markets, communications and media: update to Ofcom’s areas of focus](#)

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Furthermore, equivalent obligations for OCS providers will ensure more effective customer protection. Consumers are unlikely to be aware that similar services are regulated differently depending on their provider and would rightly expect the same protections to be in place. For example, in the case of fraud prevention imposing checks narrowly on regulated services such as SMS/MMS will simply result in fraudulent activity being displaced to those channels with less regulatory oversight. Ofcom should consider having different consultations to expand measures to different types of communications regulated under different regimes. If an avenue to regulate cannot be found and new legislation is required, Ofcom should in the meantime urge providers of these OCS services to make voluntary commitments equivalent to those requirements that apply to regulated Communications Providers.

Other Regulatory Projects

Connected Nations and Map your Mobile Coverage checker

We are pleased to see that Ofcom's forward work programme includes review of the Connected Nations reporting to ensure it remains fit for purpose, along with enhancements to the Map Your Mobile coverage checker. We fully support this and would welcome the opportunity to work with Ofcom to discuss what has worked well, what could be improved, and how the reporting can be shaped for the future.

The Need for Reform in the UK's Emergency Service Call Handling Provision

The United Kingdom's emergency service call handling system has seen minimal change over the past three decades. Despite advances in technology and shifting public needs, the current system remains heavily reliant on initial 999 call handling and triage, which are then transferred to a network of first responder contact centres. These centres often operate with inconsistent connectivity arrangements, which can impact the efficiency and effectiveness of the service.

The overwhelming majority of funding for the emergency call handling service is provided by a very small group of UK communication providers. This creates an often-overlooked burden on the UK communications sector, which is responsible for sustaining a service that benefits the entire public. Such a narrow funding base is neither fair nor sustainable in the long term. Existing General Condition obligations reside solely with the originating communication provider (OCP) even though the OCP is unable to assure end-to-end resilience.

Given these issues, there is a pressing need for a comprehensive overhaul of the UK's emergency call handling provision. A full-service redesign is essential to ensure that the system is equipped to meet future challenges and continues to serve the public effectively. This includes not only modernising the service itself but also rethinking the funding arrangements and obligations that underpin access to the service.

Future arrangements must ensure that the funding burden is distributed more fairly and transparently. Broader participation in funding should be sought, accompanied by increased scrutiny of both the costs involved and the design of the service. This approach would help create a more equitable and accountable system.

Ofcom has a crucial role to play in this process. Working collaboratively with Government, Communication Providers, and other stakeholders, Ofcom can help deliver an emergency call handling system for the UK that is both well-designed and fairly funded. In light of these challenges, it is recommended that Ofcom consider initiating a review project later in the year to address these issues and guide the transformation of the service.

Ofcom's Security and Resilience Supervision Programme

We support Ofcom's intention to enhance its supervision approach to ensure networks are secure and resilient. As part of this exercise, we invite Ofcom to consider whether its existing approach – gathering large volumes of information through rolling information requests with limited two-way engagement - best achieves its stated aim of not only monitoring how communication providers comply with their security duties but also working with them to improve their security.

The existing information gathering process is exceptionally labour intensive, drawing on the resources of internal stakeholders who are also accountable for delivering VodafoneThree's compliance programme. A more proportionate, risk-based approach would allow Ofcom to discharge its duties under Section 105M of the Communications Act 2003 without unduly disrupting business as usual activities.

Moving forward, we also advocate for a structured and ongoing feedback loop between Government, Ofcom, and industry stakeholders to ensure that implementation of the revised Telecommunications Security Code of Practice and Ofcom's downstream monitoring activity is both practical and proportionate.

In relation to Ofcom's ongoing work on power resilience we urge careful focus on efficient and practical solutions and cross sector work. As the PSTN is phased out and copper networks are withdrawn, mobile networks are getting more attention, especially when grid power fails. It is important to note that mobile networks also rely on grid electricity, so the most effective solution remains strengthening the overall power grid. Expanding power independence at mobile sites faces significant practical and financial obstacles and cannot fully address longer-term outages. Additional funding and careful planning are necessary to further improve RAN power autonomy, as seen in countries like Australia where government support is provided.

Some immediate steps can be taken to enhance outcomes, such as prioritising certain mobile sites for power restoration. This approach, however, requires collaboration among Ofcom, mobile network operators, Ofgem, distribution network operators, and the Government. Looking ahead, direct-to-device satellite technology could help build communications resilience without relying on extensive and expensive lithium battery installations. Environmental sustainability should also be taken into account.

Ofcom's Annual Administrative Charges: Ensuring Fairness and Revenue Collection

Ofcom imposes annual administrative charges on telecommunications providers operating within the UK. These charges apply specifically to providers whose 'Relevant Turnover' from 'Relevant Activities'—such as telephone calls and internet services—totals £5 million or more. The legal authority for these fees is established under Section 38 of the Communications Act 2003.

The primary objective of these charges is to fund the regulatory functions of Ofcom. The fees are calculated as a percentage of each provider's turnover and are designed to cover the costs associated with Ofcom's duties. These duties include, but are not limited to, consumer protection and the management of competition within the telecommunications network sector.

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The current regime relies on communication providers to self-declare their relevant turnover. Based on these declarations, Ofcom then collects the appropriate administrative fees. This system is intended to ensure efficiency and fairness in the allocation of regulatory costs across the sector.

It is essential that all eligible providers pay their fair share, as the integrity of the system depends on broad compliance. If certain providers do not contribute as required, the burden of funding Ofcom's regulatory work falls disproportionately on a smaller group of providers. This situation can result in higher administrative charges for the compliant providers, leading to an unfair distribution of costs across the industry.

To address potential gaps in revenue collection, We would encourage Ofcom to initiate a proactive project aimed at ensuring that all eligible communication providers are identified and contribute accordingly. This would help to prevent missing revenue and ensure that the funding of Ofcom's work is shared equitably across the sector. Currently, any shortfall in contributions is offset by increasing charges for the existing pool of providers, which is not a sustainable or fair solution for the industry as a whole.