



Vodafone's response to Ofcom's Plan of Work 2024/25

We welcome the opportunity to comment on Ofcom's plan of work for the year ahead. Since Ofcom's establishment 20 years ago, the sectors it regulates have matured, and their importance has grown in ways that no one could have anticipated. The broader digital landscape has also flourished, and the role of telecoms companies within it continues to change.

However, what good looks like hasn't changed: 'internet we can rely on' and communications that work for everyone are products of a vibrant sector that has the space and trust to innovate and invest sustainably. We are pleased to see Ofcom recognises that part of its role as the telecoms regulator is to keep pace with that changing landscape, and to support industry in continuing to deliver those good outcomes.

We would like to see more from Ofcom to publicly evidence how past interventions have positively influenced the market, and their plans to deregulate where that evidence is lacking. We would also like to see a more robust evidence-base that communications are not working for everyone before new regulation is proposed, to avoid the risk of over-regulation in competitive retail markets.

Telecoms in the wider economy

Communications services underpin every aspect of the economy, and our collective dependence on good connectivity continues to grow. With that dependence comes a need for high quality of service and availability, which telecoms operators are working continuously to deliver.

However, as we become more interconnected, Ofcom should play its role as industry expert to recognise our share of the responsibility and fight our ground. Just as it has supported the sector in switching off legacy technologies, future debates around who pays for power resilience, coverage at Electric Vehicle charging points, telecare device upgrades, utilities networks, will need to recognise that telecoms companies can only be accountable for delivering their own services – not those of other industries reliant on those services.

Ofcom will need to consider how it can use all the tools in its arsenal to engage with Government, other regulators, and other industries, to create a fair and holistic framework. Only a shared approach can support continued innovation and competition in its regulated sectors.

Regulatory certainty and evaluation

In its 2022 future approach to mobile markets, Ofcom emphasised the importance of regulatory certainty for encouraging investment. It marked a new phase of consumer regulation that focused more on monitoring and evaluating compliance than introducing new regulation. Nonetheless, in the past year we have seen new consumer regulation being proposed, across a number of areas, and in a way that is not in-keeping with Ofcom's own strategy.

Regulation costs the sector. Over the last three years, implementing new consumer regulation alone has cost Vodafone c.£80m, not including resource costs, any loss of revenue, and the ongoing operational costs of maintaining previous regulatory requirements. We welcomed Ofcom's update to its impact assessment guidance in 2023, which recognised the necessity of a robust



evidence-base and theory of harm for new regulation, and the importance of evaluating the success of existing regulation.

In the year ahead, we would like to see clear and comprehensive evidence that Ofcom is truly following its own commitment to prioritising the health of the market. We hope to see those principles being taken forward through Ofcom's programme of ex-post evaluations, and we would welcome a review of regulations to ensure that what remains is fit for purpose and doesn't overlap with other interventions.

Wholesale Telecoms Access Review

The upcoming wholesale access review is an opportunity for Ofcom to really consider how the structure of the wholesale market feeds through to consumer outcomes. We are seeing service levels dropping and product provision becoming more limited, whilst prices rise with inflation each year. We would like to see Ofcom recognising the pressures retailers face from wholesale costs and the shifting balance of accountability, and how that can affect the quality of service delivered to consumers across the UK.

Effective regulation in the wholesale market, where SMP is present, can feed through to retailer behaviour, achieving outcomes in a way that creates more value for the sector and allows the market to deliver for customers.

Cross-cutting regulation

As noted, matters that affect the UK telecoms industry increasingly have cross-sector relevance. We are pleased to see that Ofcom highlights its continued work with the DRCF, and we would like to see more detail. It would be useful if Ofcom could outline the relationships of relevant work programmes with those of the DRCF and those of other regulators. This would aid coherence and transparency of matters, which increasingly have cross-sector relevance, and work to minimise the burden on stakeholders seeking to map this for themselves.

For example, we anticipate that the power resilience work will be viewed as a cross-sector issue, to be reviewed in co-ordination with power network planning and upgrades. Likewise, online communications services fall into a regulatory gap. Ofcom previously set out a desire to conduct a market study into Online personal communications services (online video, voice and messaging platforms), given how developments in these markets may impact Ofcom's duties relating to competition, consumer protection, access to essential services and securing end-to-end connectivity. Ofcom published consumer research in 2023 confirming the widespread use of these services by consumers, however consumers are not widely aware these services sit outside the scope of regulation. We would welcome future Ofcom work in this area, alongside other relevant regulators, to ensure regulation is up to date, consistent and fair.

Use of data

As Ofcom shifts towards a greater monitoring function, its use of data will become more and more critical. We note that the Data Strategy proposed for publication in last year's annual plan has switched to 'ongoing' in this year's. We would appreciate an update on the work, if not the full strategy, given the ongoing burden on operators to submit industry data.



Furthermore, we very much welcome the consultation on information gathering proposed in paragraph 4.9 of the Plan of Work. We note that it is not currently in the Project Annex, and would like to record our interest in seeing the expected timings in the final statement.

Vodafone UK
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