

BT Group Response: Ofcom Further consultation on WLA pricing remedies - Telecoms Access Review (TAR) 2026-31

Overview

BT Group agrees¹ with Ofcom's proposal that Openreach contractual measures can deliver Ofcom's intended outcomes from its original proposals on an 80/20 anchor product. Such an approach would:

- 1) represent good regulatory policy by preserving regulatory predictability, utilising market mechanisms to deliver positive customer outcomes wherever possible and delivering on Ofcom's stated "bias against intervention²";
- 2) maintain consistency - be 'neutral' from an Openreach customer perspective in terms of accessing a price protected anchor product, given customers will be able to benefit from the same Openreach pricing irrespective of whether this is delivered via a SMP condition or Openreach commercial offers, and;
- 3) [Redacted]

We set out some further detail on each of these items below.

1. Good regulatory practice: preserving predictability and utilising market mechanisms

As noted in our previous submissions to Ofcom on this topic³, BT Group strongly supports Ofcom in its efforts to deliver regulatory predictability for all participants in UK electronic communications markets. The principle of 'bias against intervention'⁴ underpins regulatory certainty by ensuring Ofcom only intervenes when market mechanisms are insufficient. Openreach's binding contractual offers now deliver the desired policy outcome, making further regulatory intervention unnecessary and inconsistent with this principle⁵.

In this case, Openreach has put a (contractually binding) offer into the market to deliver an equivalent policy outcome on the pricing anchor. While the offer put in place by Openreach was not in the market at the time of Ofcom's initial (March 2025) TAR consultation, its publication represents a substantive change in market circumstances since that time.

As exemplified by its proposed policy on exchange closure, Ofcom has already set the principle that commercial mechanisms can be more appropriate than formal regulation where there are sufficient incentives on both sides to agree a commercial arrangement⁶. In this context, the current

¹ Our comments in this document are focused exclusively on Ofcom's discreet of consultation 17 October 2025 on Wholesale Local Access (WLA) pricing remedies specific to 'anchor pricing' ('the consultation'). For the avoidance of doubt, our position on Ofcom's proposed assessment/intervention in the WLA market more generally (as set out in Ofcom's March 2025 TAR consultation) remains as set out in our consultation response of 21 June 2025, namely that: (1) not all of Ofcom's proposals represent a consistent or predictable application of its WFTMR 2021 approach, (2) Ofcom's proposals fall short and do not align with current dynamics, and (3) disproportionate regulation, including late deregulation, raises risks of consumer harm.

² See Ofcom's [Regulatory Principles](#). Accessed 5/11/2025

³ BT Group (2025) [BT Group's Response to Ofcom's TAR Consultation](#)

⁴ See Ofcom's [Regulatory Principles](#). Accessed 5/11/2025

⁵ We note this principle was reaffirmed by Ofcom as [recently](#) as October 2025

⁶ TAR [Volume 3: Non-Pricing Remedies](#), 3,27

112, Equinox 1 and Equinox 2 contractual terms were all negotiated (and – in the case of pricing in 112 – extended) and agreed voluntarily between Openreach and its customers in response to direct requests.

2. Maintaining consistency for Openreach customers

In our assessment – and in the context of BT's status as the largest consumer of WLA products – the proposals for any future 80/20 pricing anchor to be delivered via contractual means are neutral from an Openreach customer perspective. This is because the policy outcome desired by Ofcom (migration of the anchor to the 80/20 speed tier) is – ultimately – independent of the measure used to deliver it. We understand that any complexities resulting from the migration to the 80/20 anchor itself are the scope of the consultation.

Indeed, in some circumstances, a contractual mechanism which continues to leverage existing (Fibre to the Cabinet, Single Order Generic Ethernet Access, and Equinox) Openreach commercial offers provides marginally more certainty to Openreach customers compared with a regulatory approach. This is because it would:

- Maintain the current system of rebates for full fibre products at the future anchor speed;
- Preserve the geographic definitions established by the Wholesale Fixed Telecoms Market Review (WFTMR), thus avoiding unnecessary complexity;
- Uphold the existing order mix targets for customers benefitting from the Equinox offers.

Conversely, an SMP condition imposed on Openreach might require substantive further dialogue between Openreach and its customers to assess what the change might mean in practice. This is likely to lead to prolonged uncertainty for Openreach customers as the above issues are resolved – in particular given ongoing migrations programmes.

3. [REDACTED]

[REDACTED]