

**Response to Ofcom's Consultation: Further consultation on
WLA pricing remedies - Telecoms Access Review 2026-31**

17 November 2025

About UKCTA

1. This submission is made by the UK Competitive Telecommunications Association (UKCTA). UKCTA is a trade association promoting the interests of fixed line telecommunications and broadband companies competing against BT as well as each other, in the residential and business markets. Its role is to develop and promote the interest of its members to Ofcom and the Government. Details of membership can be found at www.ukcta.org.uk. Its members serve millions of UK consumers.

Introduction

2. Ofcom's 10-year plan from 2021 sets out an approach to encourage competition in fibre infrastructure. As the plan approaches its midpoint, maintaining consistency is important for investors, market participants, and consumers. Ofcom has recognised Openreach as holding a dominant position in this sector and has therefore determined that specific measures are necessary to address this dominance.
3. Openreach has identified several practical concerns regarding a misalignment between current CP commercial buying arrangements for the services included in the proposed anchor service (with most of these purchases occurring under Equinox purchasing agreements) and Ofcom's anchor proposals effective from April 2026.
4. As an alternative, Openreach are advocating for Ofcom to move to a 'Contract Focused Approach', where Ofcom would rely on Openreach's long term supply agreements, rather than a formal charge control, to provide effective price protection for the anchor product.
5. Openreach have set out additional contractual waivers, amendments and price list notifications that would give effect to this proposed approach should Ofcom choose to pursue it.
6. UKCTA members endorse a regulatory approach that is equitable and proportionate; however, they have several concerns regarding this proposal. Based on the details provided in the consultation, there remain unresolved issues that must be addressed or clarified.

Main Submission

7. Ofcom should consider the complex and lengthy negotiations often involved in Openreach contracts, even when regulations require reference offers. The unequal bargaining power in contract formation raises concerns about contractual asymmetry and suggests that relying on contracts drafted by Openreach may lead to less effective outcomes than direct regulatory remedies.
8. There are concerns that, in the event of a future dispute regarding contract interpretation, Ofcom may not intervene between the parties. In recent years, Ofcom has established a notably high threshold for involvement in such matters.
9. Should a material contractual dispute arise, it would require one CP (or a consortium of CPs) to have the incentive and cost appetite to bring a dispute. There would likely be delays in reaching resolutions, due to the expectation built within the S.185 process for good faith commercial resolution efforts to be exhausted (which are often played out beyond what may be judged reasonable in other contexts due to CPs being keen to satisfy this requirement). In addition, this mechanism may be less transparent and/or effective for non-signatories to the Openreach Equinox 1 & 2 contracts (indeed for non EQ2 CPs, this consultation may prove a challenge to respond to given the lack of visibility over the full terms).
10. Any future dispute will remain subject to Ofcom's administrative priorities caveat. Although Ofcom would likely treat this as a priority in the present context, its prioritisation may differ should an issue arise at a later date. This stands in contrast to the modified Charge Control approach, where an SMP breach would be deemed automatic.
11. To the best of our knowledge, it is over a decade since Ofcom chose to actively involve itself in such contractual matters, even when SMP products are concerned. This lack of ongoing regulatory oversight on a contractual based remedy does not provide the necessary comfort for communication providers who purchase the anchor product. If Ofcom chooses to adopt a contract focused approach in lieu of a charge control, stakeholders need clarity over who will be responsible for enforcing

the contracts, including arbitrating on any disagreements around terms and conditions.

12. Communication Providers must meet several contractual requirements to qualify for anchor pricing. Although existing mechanisms offer administrative advantages, Openreach should ensure clarity by updating contracts so every anchor product purchase receives the regulated price. Missing volume forecasts or targets, or inaccurate forecasting, should not prevent a CP from receiving anchor pricing.
13. Any outcome that fails to deliver this would be inferior to what Ofcom have proposed and harm CP outcomes, consumers and potentially retail competition.
14. There is also a mismatch between internal BT purchasing arrangements and external purchasing, which should be a concern not only to Ofcom's TAR team, but also the OMU as it monitors the 2017 Openreach Commitments. The current contractual approach requires a headline price greater than the anchor price to be paid in the first instance, with the difference (assuming all contractual gates are met) rebated to ensure the effective anchor price is met, some six months after the fact.
15. This arrangement benefits BT Group's working capital and by the same token has a negative impact on the working capital of external communication providers. If a contractual approach is adopted, then either the anchor price needs to reduce below the regulated level to take account of the adverse impact on CP working capital, or the rebate in arrears mechanism for anchor purchases should cease, with the effective anchor price paid at the point of sale/billing. To the best of our knowledge there is no ongoing need for a delayed rebate, with order validation no longer a contractual requirement.
16. Should a contractual based remedy be adopted, Ofcom must make it clear to all stakeholders that the mandate for enabling a price-controlled wholesale product to safeguard consumer welfare remains in force and that while the mechanism for delivery has been modified (to one delivered within an Openreach contract), this regulatory obligation remains solid. It may be the case that a new obligation to

deliver an accessible anchor product at the specified anchor price via contract is codified within the regulations.

17. As the need for a pricing anchor for the period 2031–2036 is reconsidered to protect consumers, it is essential that the principle of a wholesale pricing anchor is preserved. In preparing for the subsequent market review, it should be acknowledged that, for pragmatic reasons, delivery has shifted to a contractual basis; however, the underlying obligation endures. Ofcom should clarify that this adjustment represents an alternative method of implementing remedies rather than a move toward deregulation. Accordingly, we recommend that if a contractual approach is pursued, Ofcom should provide explicit direction requiring BT to offer anchor pricing through contracts, ensuring that such pricing remains available to all purchasers.
18. While UKCTA members are often advocates of regulatory pragmatism and proportionality, they would be uncomfortable if this resulted in setting a precedent and the follow-on expectation that TAR'31 adapts to the contours of long-term commercial contractual agreements that Openreach may have made in an earlier period (in wholesale access or elsewhere). Should Ofcom decide to proceed, it must make clear that no precedent is being set. It should use the opportunity to remind Openreach that it has to accommodate potential regulatory framework changes within its drafting as there can be no guarantee any such contractual accommodations will be made in the future.
19. UKCTA members have previously indicated their support to move the anchor to a more realistic level, with 40/10 no longer a mainstream service. We would therefore urge Ofcom when reaching a conclusion on this matter to provide comfort over Equinox Contract clause 15.2 that allows Openreach to review all prices should there be a change in the anchor product.
20. The market is facing the uncertainty over future rental and connection pricing should Openreach choose to exercise its ability to increase rental charges by £1 and connection by £20 in Autumn 2026. Should this option be taken, it will have a corresponding impact on retail prices and consumers.

21. In addition, UKCTA members have concerns over higher connection charges in Area 3, where competitive constraints are weaker. We are unclear on the evidence used to justify the higher charges and we would be interested in Ofcom's own research around how this impacts consumers in Area 3. We are keen to discourage all regulatory action that might exacerbate a digital divide through higher connectivity costs in Area 3.
22. Some FTTP connections are more difficult due to site or location factors, and extra customer needs may also arise. As a result, higher installation charges may apply in certain cases to address more complex requirements.
23. We do not object to the implementation of two new connection service grades for FTTP, with higher pricing for Premium and Advanced Connections. However, we are concerned that pricing is frequently determined by automated processes, such as referencing Ordnance Survey data to assign the connection charge band. This approach can result in incorrect outcomes and potential over-charging.
24. A final manual check is needed at the point of installation to ensure the price paid by the CP (and indirectly by the end customer) is reflective of the actual work undertaken. If a sole trader providing professional services is located in a domestic house or flat that is also their home, then it would not be appropriate nor fair to charge them more to connect to fibre than the identical house next door. In these situations, it would only be appropriate if the customer had opted for a high-care style installation experience with additional safeguards or the job complexity was greater, resulting in a higher cost to provision.
25. Likewise, an if architectural firm, solicitors or GP practice was located within a property that was built as a domestic residential unit, but had subsequently found new life and a change of use as a business premises, with no residual residential purpose, then again it would not be appropriate to charge more, unless the job complexity was genuinely more intricate.
26. While a broad- brush approach to initial charging is fine for administrative purposes, upon completion of the job, the correct installation cost should be

confirmed. We would ask Ofcom to ensure this is mandated in any final legal text to prevent over-charging/ over-recovery.

27. In practical terms, what Ofcom is proposing as part of question 3 results in Ofcom's proposed remedies the follow directly from Ofcom's market analysis for the TAR being set aside, with the output bent to fit an existing Openreach contractual construction.

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