

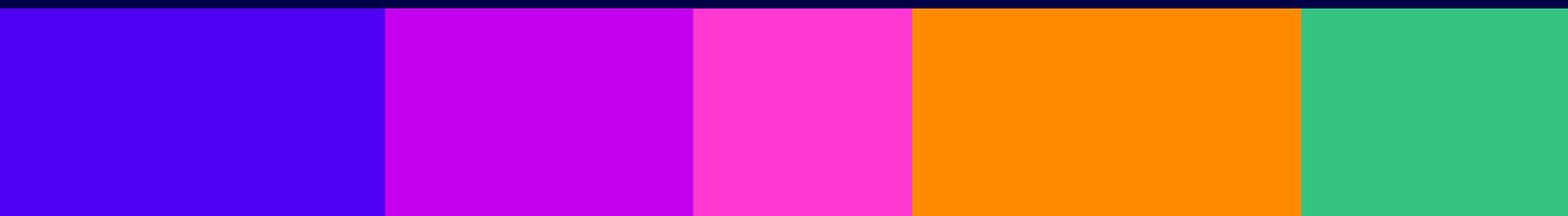


Pricing trends

for communications services in the UK

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Contents

Section

Overview	3
Key metrics	6
Changes in communications prices	7
Pricing of bundled and fixed broadband services.....	11
Pricing of mobile services.....	22
Pricing of landline services	33
Pricing of pay-TV and subscription video-on-demand services	37
International comparisons	42
Cost of living.....	44
Consumer engagement.....	53
Terminology used in this report.....	58

Annex

A1 Methodology.....	61
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Overview

This report looks at pricing trends for UK residential fixed broadband, mobile phone, landline and pay-TV services. It covers the prices at which standalone and bundled services are offered and what customers pay for these services. It also looks at affordability, debt and consumer engagement.

The analysis is undertaken against the backdrop of an ongoing cost-of-living crisis, with inflation continuing to be at a high level in 2023 and many leading providers implementing above-inflation price increases for some existing customers.

Overall, we have found that prices, both for some new and existing customers, have increased in 2023. However, the market remains competitive and there are still good deals to be found for those who shop around. There is choice in the market, and many customers can save money by switching to a new provider or negotiating with their current one.

Ofcom has worked to remove barriers to customers getting the best deal possible and make sure people can navigate the market with confidence, to ensure that they are treated fairly by providers and that vulnerable customers are protected. As part of this work, Ofcom is consulting on proposals to require providers to set out the price of their services throughout the contract, clearly and definitively and in pounds and pence, when customers sign up to a new deal.¹

While we include some existing customer spend data that was collected from communications providers for use in this report, most of the analysis is based on tariff data, i.e. the prices available to new customers on providers' websites. These new customer prices are sometimes referred to as 'front-book' prices (as opposed to the 'back-book' prices charged to existing customers).

Most of the data presented has been adjusted for inflation using the [Office for National Statistics \(ONS\) Consumer Prices Index \(CPI\) figures](#). By using real-terms prices, the figures are presented in a way that eliminates the impact of high inflation, however, doing this may mask price increases to consumers in cash terms which are significant, but below inflation levels. For example, a large nominal (unadjusted) increase in the price of a service would appear as a small real-terms (adjusted) price fall if the nominal increase was lower than the inflation rates that are currently being experienced.

We have included real and nominal figures in some of the charts in this report and have added them to an [interactive dashboard](#) which we have published alongside this report.

What we have found – in brief

General:

- **Inflation-plus price formulas led to some customers experiencing large price rises in 2023.** Many of the UK's largest fixed and mobile telecoms providers applied inflation-plus annual price increases (most commonly, the CPI rate plus 3.9% applied in spring of each year) and the continuing high inflation levels in late 2022/early 2023 resulted in many existing customers facing price increases of over 10%; the highest price increase was the 17.3% introduced by O2 and Virgin Mobile. Further inflation-linked in-contract price rises will take effect in spring 2024.

¹ [Ofcom, Inflation-linked in-contract price rise terms – proposals for new rules and guidance](#)

Ofcom research shows that three in ten UK households (around eight and a half million in total) were struggling to afford their communications services in October 2023.²

- **Prices for new customers also increased at above inflation rates for standard and superfast fixed broadband.** Unlike in 2022, the prices available to new customers for standard and superfast broadband also increased in real terms in 2023. Ultrafast broadband price increases for new customers were below the rate of inflation, so prices fell in real terms.
- **However, average broadband and mobile prices have fallen in real terms in the last five years.** Ultrafast promoted prices reduced by 15% and superfast list prices reduced by 13%. Average list and promoted prices for standard broadband dual-play bundles decreased by 5% and 9% respectively. The average monthly price of mobile phone services, excluding handset costs, fell by 33% in real terms the five years to 2023, despite average data use having increased by 249% over this period.

Bundles and broadband:

- **It is usually cheaper for people with fixed broadband to purchase their services as part of a bundle, rather than on a standalone basis.** Our analysis of typical ‘baskets’ of communications services bought by households shows that those with a fixed broadband connection could save between 17% and 34% when they purchase bundled services (if they also need landline).
- **More customers are saving money by switching to a social tariff.** Social tariffs offering a lower-price service to those on qualifying benefits are available from many providers. Take-up of fixed and mobile social tariffs grew substantially to 380,000 households in October 2023 (from 220,000 in February) so many more customers are now benefiting from the savings and protections these offer. However, awareness and take-up among eligible customers remains a challenge. Just over half (55%) of eligible households in October 2023 were unaware of social tariffs, and while take-up is improving, it remains low as a proportion of eligible households (8.3%). The fixed broadband social tariffs available in October 2023 cost between £12 and £23 a month (much less than comparable commercial products).
- **Standalone fixed broadband is a cheaper option for those who do not need a landline service.** In September 2023, average monthly list and promoted prices for standalone fixed broadband services were 14% and 15% cheaper, respectively, than the average list and promoted prices for fixed broadband bundled with a landline.
- **Ultrafast broadband can be cheaper from smaller providers.** Prices offered by the UK’s independent full-fibre network providers are frequently lower than those offered by established fixed broadband providers. Smaller full-fibre providers were offering 900 Mbit/s to 1 Gbit/s broadband services for between £25 and £50 per month in October 2023, compared to around £50-£60 for similar services from larger providers.

² <https://www.ofcom.org.uk/research-and-data/multi-sector-research/affordability-tracker>

Landline:

- **Landline prices were stable or fell in real terms in the year to September 2023.** Average landline line rental prices remained stable in real terms in the year to September 2023 (a 6% increase in nominal terms) and there were falls in the prices of call bundles and out-of-bundle calls in real terms during this period.

Mobile:

- **Mobile prices based on the profile of an average user (i.e. a basket based on average data and voice use) were unchanged in real terms, despite increasing data use.** The average monthly price of a mobile service (excluding handset cost), based on average use across all mobile users in 2023, was unchanged in real terms in the year to Q2 2023 compared to average prices in 2022 (in nominal terms it was 7% higher). This was despite an estimated 1.6 GB (23%) increase in average monthly data use. UK mobile prices were second cheapest (after France) in Q3 2023 among the six comparator countries we analysed, and lower than in Germany, Italy, Spain and the US.
- **There were large price increases for SIM-only tariffs offering between 1 and 10 GB of inclusive data.** Our analysis shows that average monthly promoted prices for these services increased by 23% in real terms in the year to September 2023. The main drivers of this increase were not the price of individual tariffs going up, but several lower-cost providers stopping service offerings, some services with lower data allowances being withdrawn, and new, more expensive, ones with larger inclusive data allowances being launched.
- **Tariffs that include airtime and a handset typically cost more than buying a handset outright.** Pay-monthly mobile tariffs including airtime and a handset (either in a combined or split contract) accounted for 37% of all mobile subscriptions in Q2 2023. Our analysis shows that, on average, it was 23% cheaper to buy a handset separately and use it with a SIM-only plan across the mobile connections we looked at. Many mobile providers have stopped offering combined handset and airtime contracts in favour of separate (split) device and service contracts.
- **There is a price premium for 5G connectivity on pre-pay.** Most pre-pay services are now hybrid services which enable customers to buy a pack with inclusive calls, texts and data that usually expires after a month. The availability of cheap hybrid tariffs resulted in average pre-pay being cheaper for the three connections included in our analysis with a lower data requirement (5 GB/month or less); however, pay-monthly was cheaper for the three higher-use profiles (largely because these connections require 5G connectivity which is typically more expensive on pre-pay).

Pay-TV and subscription video-on-demand (SVoD)

- **Some SVoD services have been subject to above-inflation price increases.** While Apple TV+ was the only major UK SVoD service to increase its price in the year to September 2023, Netflix, Disney+ and Apple TV+ all introduced above-inflation price increases in Q4 2023.

Key metrics

Broadband services (inflation-adjusted)

Dual-play bundles

Change in average list price from 2022 to 2023

Year to Sept 2023		8 months to Sept 2023	
Superfast	Ultrafast	Superfast	Ultrafast
-6%	-9%	5%	-3%

Standalone fixed broadband

Standalone fixed broadband average savings compared to taking fixed broadband with a landline service in September 2023: **14%** on list price, **15%** on promoted price

Number of households taking standalone broadband

Q2 2021	Q2 2022	Q2 2023
1.9m	3.0m	4.1m

62% of people with a landline service included with their broadband did not make an outgoing call in Q2 2023

Mobile services (inflation-adjusted)

Change in average mobile use and prices from 2022 to 2023

Prices	Minutes	SMS	Data use
£			
0%	-13%	-11%	+23%

Average prices available to new customers for SIM-only pay-monthly mobile services from 2022 to 2023:

1 GB or less	>1 GB and ≤ 10 GB	>10 GB and ≤ 100 GB	More than 100 GB
-13%	+23%	+2%	-5%

Customers switching supplier (excluding when moving home)

22% of the population had switched one or more of their landline, mobile, fixed broadband or pay-TV service in the last 12 months

Price differentials (inflation-adjusted)

The gap between average promoted and list prices continues to narrow

	September 2022	September 2023
Broadband & landline	£9	£8
Broadband, landline & pay-TV	£17	£16

Households with communications affordability issues

Oct 2021	Oct 2022	Oct 2023
18%	32%	30%

Social tariffs

Take-up of social tariffs has increased but remains low at **8.3%** of eligible households in September 2023

Changes in communications prices

Above-inflation price rises for many existing customers

Many UK customers experienced significant communication service price increases in 2022 and/or 2023. In some, but not all, cases these were due to providers having introduced inflation-linked price variation terms into customer contracts. Customers with these terms in their contracts do not have certainty around what they will pay over their minimum contractual period, as price increases during this period are determined by the future Consumer Prices Index (CPI) or the Retail Prices Index (RPI) values, which are not known at the time of entering a contract.

Analysis included in our review of inflation-linked price variation terms shows that at least six in ten broadband customers and over half of mobile customers are currently on deals subject to inflation-linked price variation terms. Based on information received from providers, we also estimate that inflation-linked price variation terms increased prices for customers on affected contracts by an average of £62 per year for dual-play broadband customers in 2023 and between £28 and £69 per year for mobile customers.³

Price rises resulting from inflation-linked price variation terms were first applied to affected customers in March/April 2021. Before 2020, fixed broadband and landline service contracts did not usually have annual price rises specified in the contract, although some mobile services had annual price rises that were linked to inflation measures, but at the rate of inflation (and not 'inflation+x%'). This meant that some customers had a right to exit penalty-free if their provider increased prices during the minimum contractual period.

In January 2023, the Office for National Statistics (ONS) announced inflation rates for the 12 months to December 2022, when the CPI was +10.5%. In February 2023, the ONS released CPI and RPI inflation figures for the year to January 2023, which were +10.1% and +13.4% respectively. These CPI or RPI figures, plus each provider's chosen uplift 'x' figures, were used in the annual price change formulas set for several landline, fixed broadband and mobile tariffs, as detailed below. As a result, some customers experienced price increases of up to 17.3% in 2023.

Customers who are out of contract may have also experienced price rises. However, they are free to move to a different provider, whereas in-contract customers have less flexibility to do so and have to pay a penalty if they leave their contract to find a better deal. Some services are not affected; for instance, there is no penalty if a customer moves from a standard tariff to the same provider's social tariff partway through their contract.

³ [Ofcom, Inflation-linked in-contract price rise terms – proposals for new rules and guidance](#)

Figure 1: In-contract price rise mechanisms, by provider: 2023

Provider	Service	Price rise details	Month	2023 increase
Providers with annual price increases built into their contracts				
BT, EE	Broadband, landline, mobile, TV	CPI published in January + 3.9%	March	14.4%
iD Mobile	Mobile	CPI published in February + 3.9%	April	14.0%
KCOM	Broadband	£2 for in-contract broadband services, plus an additional £3 for those out of contract.	March	£2 - £5 per month
O2 and Virgin Mobile	Mobile (airtime only) ⁴	RPI published in February + 3.9%	April	17.3%
Plusnet	Broadband, landline, mobile	CPI published in January + 3.9%	March	14.4%
Shell Energy ⁵	Broadband, landline	CPI published in January + up to 3.0%	April	12.5%
TalkTalk	Broadband, landline	CPI published in January + 3.7%	April	14.2%
Tesco Mobile	Mobile	CPI published in January + 3.9% (prices fixed for Clubcard holders)	April	14.4% (no increase for Clubcard holders)
Three	Mobile, broadband ⁶	CPI published in January + 3.9%	April	14.4%
Vodafone	Mobile, broadband ⁷	CPI published in January + 3.9%	April	14.4%

⁴ O2 pay-monthly and SIM-only users with mobiles, tablets and/or smart watches who took out a deal or upgraded before 25 March 2021 were subject to price rises based on January's RPI figure published in February 2023.

⁵ Excludes fixed broadband and landline users who signed up on or after 9 January 2023.

⁶ Applies to customers who joined or upgraded their phone, SIM Only, Mobile Broadband or Home Broadband plan on or after 1 November 2022.

⁷ Vodafone mobile, tablet or smart watch users who signed up before 9 December 2020, and fixed broadband and landline users who signed up before 2 February 21 were subject to price rises based on February's RPI figure, published in March 2023.

Provider	Service	Price rise details	Month	2023 increase
Providers with terms which allow for price rises, but where customers are given the right to leave without penalty				
Sky	Broadband, TV	Prices may change	April	8.1% (on average)
Sky	Mobile	Out-of-contract mobile customers only	February	9% (on average)
Virgin Media	Broadband, landline, TV	Prices may change	April/ May	Increase in 2023 not inflation-linked (but averaged 13.8%)

Source: Provider websites / media reports.

Note: There are some exclusions by specific providers in terms of services and customers.

Sky and Virgin Media do not specify annual price changes in their fixed broadband contracts and have instead implemented general customer price rises in 2023. Their customers are given an opportunity to exit their contracts without penalty if they are unhappy with the changes. However, Virgin Media has announced that from 2024, it will adjust its prices based on RPI published in February plus an additional 3.9%, with the first increases to be implemented from April 2024.⁸

In our review of inflation-linked price variation terms, we have proposed to amend our rules to require providers to set out at the point of sale, in pounds and pence, the recurring monthly core subscription price/s of their services, or the amount by which they will increase prices.⁹ Providers should also set out when any changes in monthly subscription price will occur.

Under our proposals, the £/p requirement would not permit providers to include inflation-linked price variation terms in new contracts. It would not prevent providers from increasing prices for customers during their minimum commitment period, but any price rises must be set out in pounds and pence at the point of sale.

Customer price rises come in the context of economic uncertainty and increasing cost bases of some UK telecom providers. While there is a lag in price rises delivering higher revenues, the data Ofcom collects from UK fixed and mobile operators shows that for the industry as a whole, revenues were stable between 2020 and 2022.

New customer dual-play bundle prices have increased

Many providers have introduced annual inflation-plus price increases into new customer contracts, with the price variation terms usually being applied in March/April of each year. We have therefore conducted analysis to see if the prices available to new customers are being raised at the same time.

Pure Pricing tariff data shows that there were real-terms increases in average list and promoted new customer prices for dual-play landline and fixed broadband bundles when the existing customer price increases came into effect in March/April 2023.¹⁰ These increases were sustained in the period

⁸ <https://www.virginmedia.com/help/prices>

⁹ [Ofcom, Inflation-linked in-contract price rise terms – proposals for new rules and guidance](#)

¹⁰ When we analyse promoted prices in this report, we calculate the average monthly price paid across the minimum contractual period, taking any promotional discounts into account. When we look at list prices, we calculate the average monthly cost, excluding any promotional discounts.

to September 2023, when promoted and list prices remained above the levels they had been at before the March/April in-contract price increases were introduced.

This was not the case in March/April 2022, when there were real-term falls in average new customer promoted and list prices for dual-play bundles when the existing customer price increases were introduced, after which prices continued to decline slowly.

Pricing of bundled and fixed broadband services

It is cheaper to buy bundled services, in most cases

Ofcom research shows that the proportion of UK households that take bundled communications services (i.e. buying different services such as landline and fixed broadband ('dual-play') or landline, fixed broadband and pay-TV ('triple-play') in the same contract) has remained stable over recent years, at about 80%. Looking at prices of telecoms services purchased in a bundle, or separately, from multiple providers can highlight the best choices for these households.

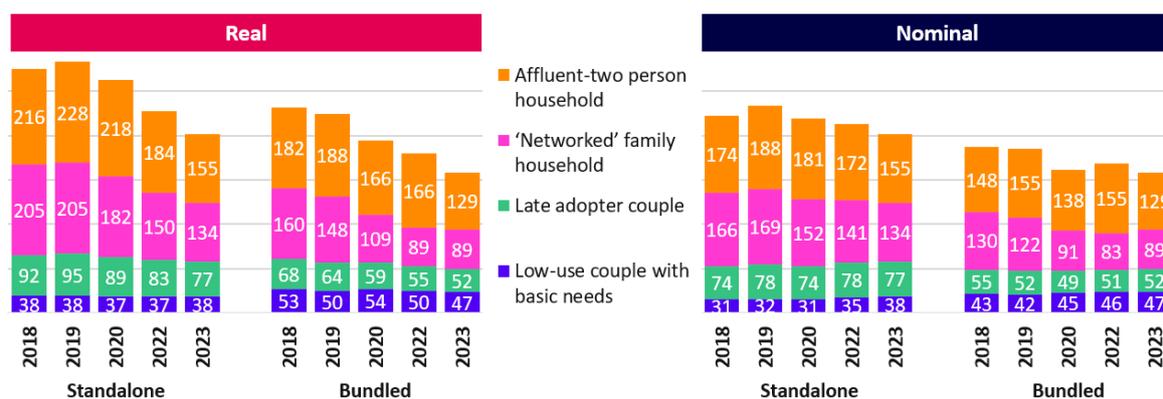
One of the ways in which we analyse the price of communications services is by looking at the cost of 'baskets' of services that are designed to represent the usage of four 'typical' households. We then use a model provided by pricing specialist, TechInsights, to identify the lowest available prices for these households using different combinations of bundled and/or standalone services, and calculate weighted average prices based on different providers' prices and market shares.¹¹ The model uses the prices available to new customers on providers' websites, as opposed to the prices charged to existing customers, and excludes social tariffs. More details of the methodology can be found in Annex 1.

The total price of fulfilling our households' requirements using bundles fell by 12% in real terms (6% in nominal terms) while the total price of fulfilling them using standalone services fell by 11% in real terms (5% in nominal terms) in 2023. Real-terms prices fell for all households during the year, except for the 'low-use couple with basic needs' household, for which standalone prices increased by 1% in real terms (8% in nominal terms) and the 'networked family' households, for which real-term bundled prices were flat year on year and rose by 6% in nominal terms. In nominal terms, standalone prices fell for all households except the 'low-use couple with basic needs', while bundle prices increased for all households except the 'affluent two-person household'.

Our analysis shows that it is usually cheaper to buy a bundle of services than purchase the same service on a standalone basis from multiple providers. In 2023, it was cheaper for all households that require a broadband connection to bundle their services, with average savings ranging from 17% to 34%. However, the 'low-use couple with basic needs' household only requires landline and mobile phone services, which are not typically bundled together without other services (none of the providers whose tariffs are included in TechInsights' pricing model offers a bundle consisting of only landline and mobile services). As a result, the cheapest bundle options for this household also include fixed broadband, which the household does not need, making bundling a more expensive option than purchasing standalone landline and mobile services.

¹¹ Weighted average monthly price is defined as the average of the lowest price tariff from each of the operators for each service, weighted by the market share of the service provider, in order to ensure fair representation. Further details of the methodology can be found in Annex 1.

Figure 2: Weighted average monthly price for standalone and bundled services, by household basket (£/month)



Source: Ofcom / TechInsights.

Notes: All figures are rounded to the nearest number; analysis is based on weighted average tariffs from the UK’s largest providers: BT, EE, NOW, Plusnet, Shell, Sky, TalkTalk, Virgin Media, and Vodafone; includes promotional discounts; data relates to July in each year except 2020, when it relates to October; households are designed to reflect different usage patterns, each requiring set amounts of landline, mobile phone, fixed broadband and pay-TV services; the ‘affluent two-person household and two members of the ‘networked’ family household’ require 5G mobile services from 2020 onwards; real-terms figures are adjusted for CPI (July 2023 prices).

Superfast and ultrafast fixed broadband and landline bundle prices fell year on year

Communications providers frequently offer price promotions to attract new customers. These usually take the form of customers who sign up to a service receiving a discounted ‘promoted’ price which is lower than the service’s standard (list) price.

Promotional discounts usually last for a specified period and are more frequently offered for fixed broadband and bundles including fixed broadband than for mobile services. Once the promotional period has ended, consumers typically revert to paying the more expensive list price. In the case of fixed broadband and fixed broadband bundles, the promotional price usually, but not always, lasts for all of the minimum contractual period.

Looking at the difference between list and promoted prices can therefore provide insight into the savings that are available to consumers who engage effectively with the market and secure lower prices by taking out a new contract.

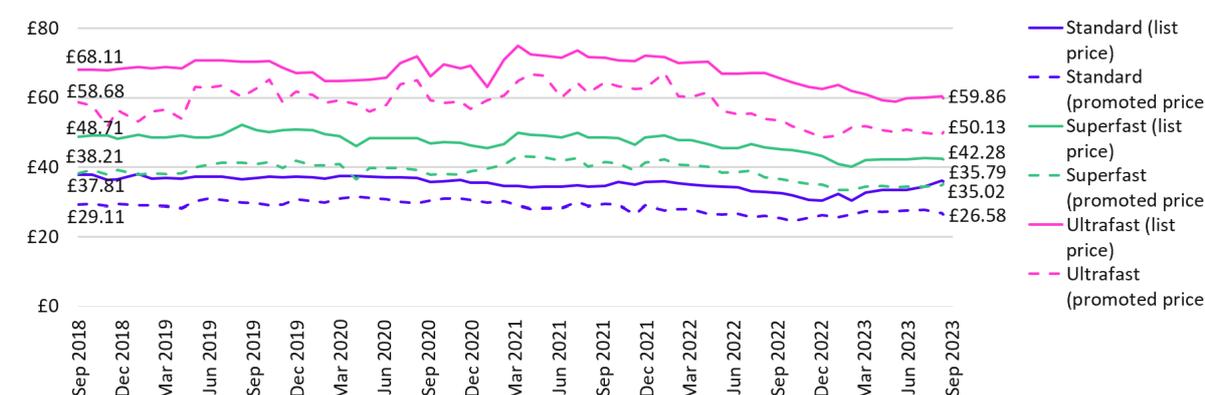
Our analysis shows that average new customer (promoted) prices for bundled superfast and ultrafast fixed broadband services (those with advertised download speeds of 30-299 Mbit/s and 300 Mbit/s or more, respectively) fell year on year in real terms. Conversely, prices for bundled standard fixed broadband services (with advertised download speeds below 30 Mbit/s) increased.

Average list prices for new customers purchasing dual-play landline and standard fixed broadband bundles increased by 10% in real terms in the year to September 2023, while average promoted prices for the same bundles increased by 5%. These increases may be due to providers trying to encourage customers to upgrade to faster services. In nominal terms, the increases in average list and promoted prices for standard dual-play bundles were even higher, at 18% and 12% respectively.

Meanwhile, average list and promoted prices fell in real terms for dual-play superfast and ultrafast fixed broadband bundles over the same period, decreasing by 6% and 4% respectively for superfast bundles, and 9% and 6% for ultrafast bundles. In nominal terms, ultrafast dual-play bundle list prices fell by 2% year on year, while ultrafast promoted and superfast list prices remained stable. Superfast promoted prices increased by 3% in nominal terms year on year.¹²

Both average list and promoted prices for dual-play landline and fixed broadband bundles were lower in real terms in September 2023 than they had been five years previously for standard, superfast and ultrafast bundles. The greatest price reductions over this period were in ultrafast promoted prices (down by 15%) and superfast list prices (down by 13%). Average list and promoted prices for standard fixed broadband dual-play bundles also decreased over this period, down by 5% and 9% respectively. Over the same five-year period, average list and promoted prices for standard, superfast and ultrafast fixed broadband dual-play bundled services all increased in nominal terms, ranging from 6% (for ultrafast promoted prices) to 17% (standard list prices).

Figure 3: Average monthly real-terms prices for residential dual-play landline and fixed broadband bundles



Source: Ofcom / Pure Pricing's Monthly Broadband Pricing Tracker reports.

Notes: There are variations across providers, which are concealed when using average pricing; represents monthly average of list and promoted available tariffs for new customers from BT, Community Fibre, EE, Hyperoptic, NOW, KCOM, Plusnet, Post Office, Shell, Sky, TalkTalk, Virgin Media, Vodafone and Zen; when available, promotions include the promoted price and any 'gifts' offered; Community Fibre and Hyperoptic data from February 2022; across all call plans, contract terms and data allowances; standard broadband products are those with an advertised speed <30Mbit/s, superfast ≥30Mbit/s to <300Mbit/s, ultrafast ≥300Mbit/s; adjusted for CPI (September 2023 prices).

Widening price differential for standard fixed broadband and landline dual-play bundles

People may pay different prices for the same fixed broadband product, and the difference in the prices paid by different customers for the same service is known as a price differential. In the communications sector, price differentials arise due to differences between 'list' and 'promoted' prices.

The average price differential for dual-play bundles narrowed by 8% to £8.31 per month in September 2023, down from £9.03 in September 2022. While average monthly price differentials for

¹² This analysis is based on new customer prices and so is unweighted.

standard broadband dual-play bundles widened in real terms in the year to September 2023 (up 29% to £9.21), those for bundles, including superfast and ultrafast broadband, fell by 16% (to £7.26) and 20% (to £9.73) respectively. The price differential increase for standard broadband bundles was driven by an increase in average list prices that was higher than that in average promoted prices (as noted above). For all dual-play bundle types, savings could be gained through re-contracting or switching following the end of a dual-play bundle contract.

Figure 4: Dual-play residential landline and fixed broadband bundle pricing and price differentials, in real terms: September 2023

Broadband	Promoted prices		List prices		Price differential	
	£/mth	1yr Δ	£/mth	1yr Δ	£/mth	1yr Δ
Standard	£26.58	£1.33 (+5%)	£35.79	£3.39 (+10%)	£9.21	£2.06 (+29%)
Superfast	£35.02	-£1.40 (-4%)	£42.28	-£2.78 (-6%)	£7.26	-£1.38 (-16%)
Ultrafast	£50.13	-£3.20 (-6%)	£59.86	-£5.57 (-9%)	£9.73	-£2.37 (-20%)

Source: Ofcom / Pure Pricing's UK Monthly Broadband Pricing Tracker reports.

Notes: In this analysis, standard broadband products are those with an advertised speed <30Mbit/s, superfast ≥30Mbit/s and <300Mbit/s, and ultrafast ≥30Mbit/s; figures are adjusted for CPI (September 2023 prices).

Smaller providers tend to offer the lowest fixed broadband prices

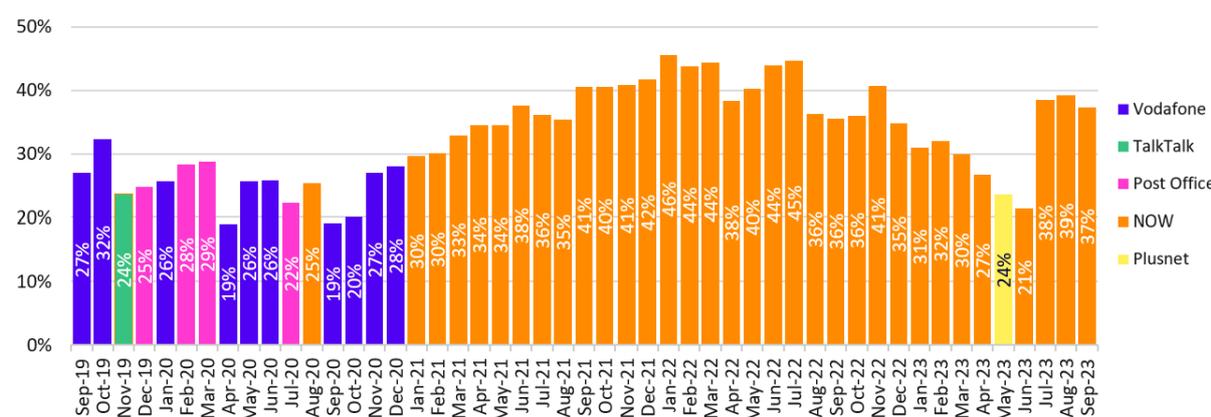
Price competition is a sign of a well-functioning market. Each year we identify the 'challenger providers' in the fixed market by examining average promoted prices of dual-play landline and fixed broadband bundles with superfast broadband offered by different providers.

We do so by calculating an average price across all superfast dual-play services in Pure Pricing's Monthly Broadband Pricing Tracker reports, and an average price for each of these providers with superfast dual-play services. The provider with the lowest average price, and the percentage saving of their average price from the average price across all superfast dual-play services, are represented in the chart below. It should be noted that Pure Pricing's tariff data does not include some smaller providers, and these may offer lower prices.

Our analysis shows very little change in the last couple of years with NOW offering the lowest average prices for superfast fixed broadband and landline bundled services for all months from January 2021 to September 2023, except for May 2023 (when Plusnet was the lowest-priced provider). In the first three quarters of 2023, the lowest available prices were, on average, 31% lower than the average price of all included bundles. This is lower than the 41% in the first three quarters of 2022 and 35% in the first three quarters of 2021.¹³

¹³ These averages are unweighted; all contract lengths are included.

Figure 5: Dual-play superfast fixed broadband: bar heights show the percentage difference in price between lowest-priced provider and average price



Source: Ofcom / Pure Pricing's Monthly Broadband Pricing Tracker reports.

Notes: All figures are rounded to the nearest percentage; Pure Pricing's Monthly Broadband Pricing Tracker reports during the analysed period includes the dual-play landline and fixed broadband tariffs offered by BT, Community Fibre, EE, Hyperoptic, KCOM, NOW, Plusnet, Post Office, Shell Energy, Sky, TalkTalk, Virgin Media, Vodafone and Zen Internet; other providers may offer lower prices.

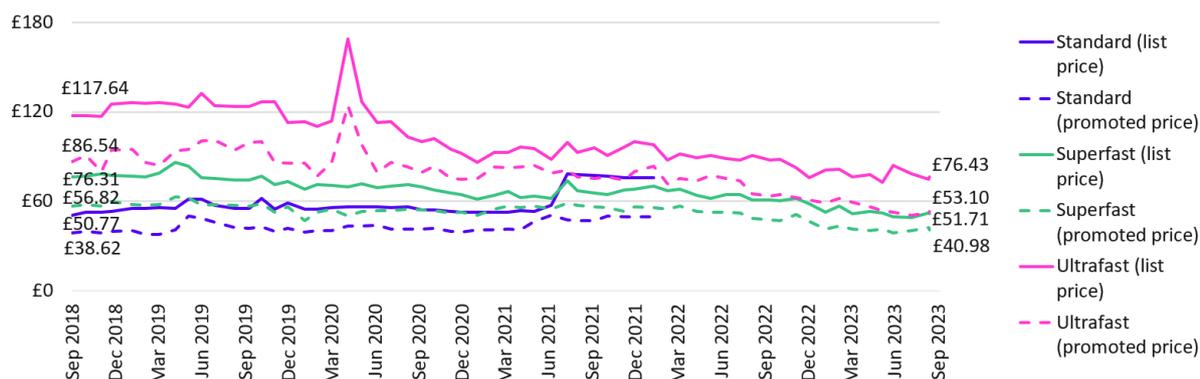
Triple-play bundle prices have fallen considerably

Data collected from fixed broadband providers for this report shows that 36% of bundles purchased by households were triple-play landline, fixed broadband and pay-TV bundles at the end of Q2 2023.

Looking at the prices of triple-play bundles, our analysis shows that average list and promoted prices have decreased in both real and nominal terms year on year and over a five-year period. In the year to September 2023, superfast list and promoted prices fell by 15% and 14% respectively in real terms, while ultrafast list and promoted prices fell by 13% and 16% respectively.

The average price differential for a triple-play bundle fell by 5% in real terms, to £15.77, in the year to September 2023. Our analysis shows that the price differentials for superfast and ultrafast triple-play services both narrowed during this period. The average monthly promoted price for a triple-play bundle with superfast broadband was £10.73 (21%) lower than the average list price in September 2023, while the average promoted price for a triple-play bundle with ultrafast broadband was £23.33 (31%) lower than the list price.

Figure 6: Average monthly real-terms prices for residential triple-play landline, fixed broadband and pay-TV bundles



Source: Ofcom / Pure Pricing's Monthly Broadband Pricing Tracker reports.

Notes: Most fixed broadband providers have stopped offering triple-play bundles with standard broadband (<30 Mbit/s) and as such, there is no data relating to these services after January 2022; represents monthly average of list and promoted available tariffs for new customers from BT, EE, Sky, TalkTalk, Virgin Media and Vodafone (no standard Virgin Media or Vodafone service; no ultrafast Sky or TalkTalk service); promotions include the promoted price and any 'gifts' offered; in this chart standard broadband products are those with an advertised speed <30Mbit/s, superfast ≥30Mbit/s to <300Mbit/s, ultrafast ≥300Mbit/s; the peak in ultrafast package pricing in April 2020 was due to some providers withdrawing their services; adjusted for CPI (September 2023 prices).

Standalone fixed broadband is a cheaper option for those who do not need a landline service

The availability of standalone broadband services is increasing due to the continued roll-out of gigabit-capable full fibre networks and fixed broadband providers offering standalone fibre-to-the-cabinet (FTTC) using Openreach's network.¹⁴

Standalone broadband services are proving popular with those who do not need a landline service, and data collected from the UK's largest fixed broadband providers shows that 4.1 million UK homes took a standalone fixed broadband service at the end of Q2 2023, more than double the figure two years previously. Separate data collected for this report shows that 62% of households with a landline service included with their fixed broadband did not make an outgoing call in the three months to June 2023 (up from 57% a year previously).¹⁵

To understand how much people who do not want a landline voice service can save by purchasing standalone broadband, we have compared the price of fixed broadband and landline bundles to those of standalone fixed broadband services.

Our analysis indicates that consumers who do not want a landline voice service can save money by purchasing a standalone fixed broadband service rather than one which is bundled with a landline. In September 2023, average monthly list and promoted prices for standalone fixed broadband services were respectively 14% and 15% cheaper than the average list and promoted prices for fixed broadband bundled with a landline. The table below shows the differences in prices between some UK broadband providers' standalone fixed broadband and their dual-play landline and fixed broadband bundles, where the fixed broadband services are equivalent.

All of the standalone fixed broadband services included in our analysis were cheaper than the equivalent dual-play landline and fixed broadband bundles. The average saving calculated from the figures below was £5.43 per month, with Community Fibre (whose landline service includes unlimited calls to UK geographic and mobile numbers) offering the largest savings to those taking standalone broadband services, at £10 per month.

¹⁴ In 2020, Openreach launched single-order generic ethernet access (SOGEA) services, which allow retail providers on the Openreach network to offer FTTC broadband without a landline service.

¹⁵ Data for 2022 has changed due to operator resubmissions.

Figure 7: Differences between selected residential standalone fixed broadband and dual-play landline and fixed broadband bundle prices, for providers which offer both: September 2023

	Advertised download speed (Mbit/s)						
	30 - 49	50 - 64	65 - 99	100 - 199	200 - 499	500 - 899	900 - 1,200
BT	£5.00	£5.00	£5.00	£5.00	£5.00	£5.00	£5.00
Community Fibre				£10.00			£10.00
EE	£5.00	£5.00	£5.00	£5.00		£5.00	£5.00
Hyperoptic		£2.00		£2.00		£1.83	£1.75
Virgin Media		£8.00		£7.50	£8.00		
Zen	£6.00		£6.00	£6.00	£6.00	£6.00	£6.00

Source: Ofcom / Pure Pricing's UK Monthly Broadband Pricing Tracker September 2023.

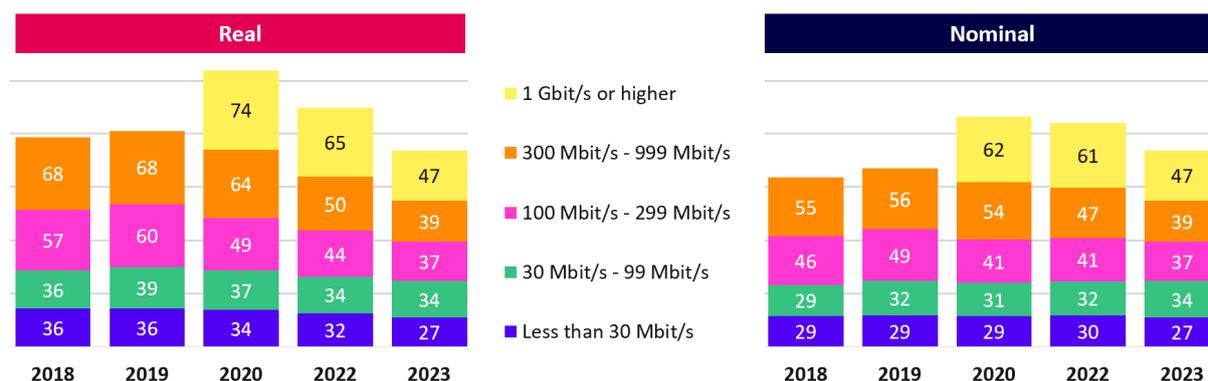
Notes: Figures are calculated using the average monthly price for each service, thereby accounting for any promotional discounts; negative figures indicate a saving when purchasing fixed broadband on a standalone basis; Sky is not included in the table above as it had no standalone fixed broadband offerings in September 2023; TalkTalk is not included in the table above as there were no dual-play bundles offered by TalkTalk which had an equivalent fixed broadband to its standalone fixed broadband products.

Standalone fixed broadband prices are falling

Using TechInsights' pricing model, we have analysed the weighted average monthly price of a standalone fixed broadband connection (excluding set-up costs) for five broadband connections ranging from a connection requiring an advertised download speed of less than 30 Mbit/s to a gigabit connection with an advertised speed of 1 Gbit/s or more.

Our analysis shows that there was an 18% real-term fall in the total price of the five connections included in our analysis in 2023. The average price of all five connections declined year on year except for superfast connections offering 30-99 Mbit/s, for which prices increased by 1% in real terms in 2023. Since the inclusion of gigabit broadband services in the analysis in 2020, the total price of all five connections has fallen by 29% in real terms, with average price falls ranging from 8% for 30-99 Mbit/s connections to 40% for 300-999 Mbit/s connections over this period. Average prices have also fallen in nominal terms (i.e. not adjusted for inflation) year on year, with the exception of 30-99 Mbit/s superfast packages, for which average prices increased by 8%.

Figure 8: Weighted average monthly prices of standalone fixed broadband services (£ per month, excluding set-up cost)



Source: Ofcom / TechInsights.

Note: All figures are rounded to the nearest number; based on standalone fixed broadband prices from the UK's largest providers: BT, EE, Plusnet, TalkTalk, Sky, Virgin Media and Vodafone; real-terms figures are adjusted for CPI (July 2023 prices).

Ultrafast broadband can be cheaper from smaller providers

Ofcom's [Connected Nations Update: Summer 2023 report](#) shows that 75% of all UK homes had access to a gigabit-capable broadband connection in May 2023 either via cable or full fibre, and full-fibre broadband was available to 52% of homes.

Ultrafast broadband prices offered by the UK's independent full-fibre network providers are frequently lower than those offered by established fixed broadband providers, and operators such as Community Fibre, Gigaclear, Hyperoptic and G.Network offer challenger pricing within their network footprints as a market entry strategy.

In addition to the monthly service price, some providers charge installation, set-up and/or activation fees which can vary considerably by provider and by contract length. If a customer is eligible, they may be able to claim vouchers worth up to £1,500 towards the costs of installing gigabit broadband through the [Gigabit Broadband Voucher Scheme](#) (part of the Government's 'Project Gigabit'). Up to £210m worth of voucher funding is being made available to homes and businesses connecting to gigabit networks through a registered provider.

Figure 9: Selected full-fibre broadband service pricing: October 2023

	30/50 Mbit/s ¹	100/ 150 Mbit/s ¹	300/350 Mbit/s ¹	900-1,000 Mbit/s ¹	Set-up fees	Contract (months)
	(Promoted price) ¹⁶ list price					
B4RN	-	-	-	£33.00	£60.00 over a year	12

¹⁶ 'Promoted price' refers to the price per month for the duration of the contract with the exception of Hyperoptic (free for the first two months) and Trooli (half price for the first three months for the 150 Mbit/s package, and half price for the first nine months for the 900 Mbit/s package).

	30/50 Mbit/s ¹	100/ 150 Mbit/s ¹	300/350 Mbit/s ¹	900-1,000 Mbit/s ¹	Set-up fees	Contract (months)
BT	(£27.99) £35.99	(£29.99) £37.99	(£32.99) £40.99	(£42.99) £50.99	Free	24
Community Fibre	-	£20.00	-	£25.00	Free	24
County Broadband	-	(£34.99) £40.99	(£38.99) £47.99	(£49.99) £79.99	Free	24
Gigaclear	-	-	£17.00	-	Free	18
G.Network	-	£22.00	£30.00	£48.00	£29.00	24
Hyperoptic	£25.00	£32.00	-	£45.00	£19.00	24
Jurassic Fibre	-	£25.00	-	£39.00 ¹⁷	Free	24
KCOM¹⁸	-	(£29.99) £44.99	-	(£49.99) £72.99	£24.99	24
Lightning Fibre	-	£24.00	-	£39.00	£48.00 (free for 1 Gbit/s)	24
Swish Fibre	-	£25.00	-	£39.00	Free	18
TalkTalk	-	£28.00	-	£45.00	£4.95 (free for 900 Mbit/s)	18
Toob	-		-	£25.00	Free	18
Trooli	-	(£15.00) £30.00	-	(£23.00) £46.00	£120.00	24
Truespeed	-	£25.00	£29.00	£39.00	Free	12
Virgin Media	-	(£15.00) £30.00	(£21.00) £39.00	(£30.00) £50.00	Free	24
Vodafone¹⁹	-	(£28.00) £39.00	-	(£46.00) £58.00	Free	24
WightFibre	-	£25.95	£27.95	£49.95	Free	1
Zzoomm	-	(£19.95) £29.95	-	(£29.95) £39.95	Free	12

¹⁷ 950 Mbit/s speed package.

¹⁸ Includes line rental.

¹⁹ Includes line rental.

Source: Ofcom / provider websites.

Notes: Prices as of October 2023 and include VAT; providers offer one of these broadband speeds; Virgin Media and WightFibre also use DOCSIS-based infrastructure; other contract lengths may also be offered.

Average spend increased for most fixed broadband bundles

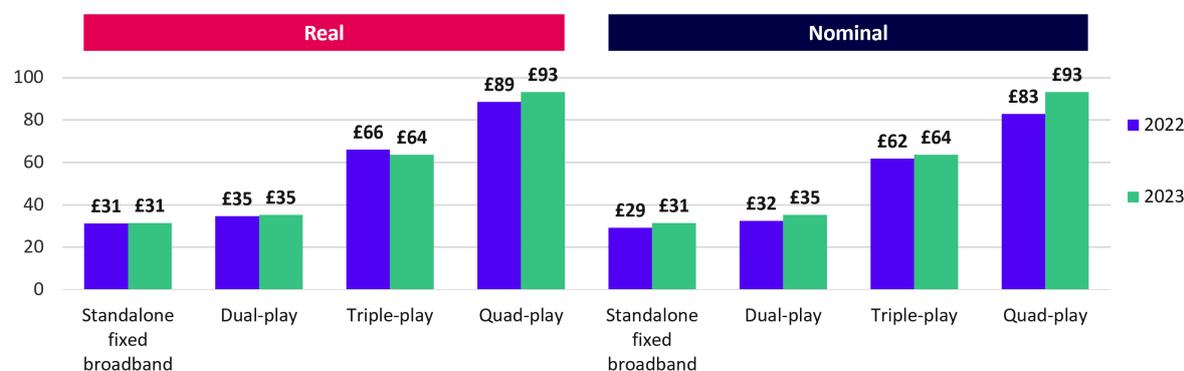
In addition to analysing tariff data, we collect data from operators on what customers spend on their service.

Our analysis shows that the average monthly spend on standalone fixed broadband and dual-, triple- and quad-play bundles all increased in both real and nominal terms in the year to Q2 2023, the only exception being average spend on triple-play bundles, which fell by 4% in real terms over this period.

The largest percentage increase in average spend in the year to Q2 2023 was for quad-play bundles, up 5% in real terms and 12% in nominal terms. The increases for standalone fixed broadband were up by 1% in real terms and 7% in nominal terms, and for dual-play landline and fixed broadband bundles they were 2% in real terms and 9% in nominal terms over the same period.

The main drivers of the observed increases are likely to be price increases for tariffs available to new customers, inflation-linked in-contract price rises, and consumers upgrading to faster broadband connections, including ultrafast and gigabit services.

Figure 10: Average monthly spend for standalone and bundled fixed broadband customers, by type of service: Q2 2022 and Q2 2023



Source: Ofcom / provider data.

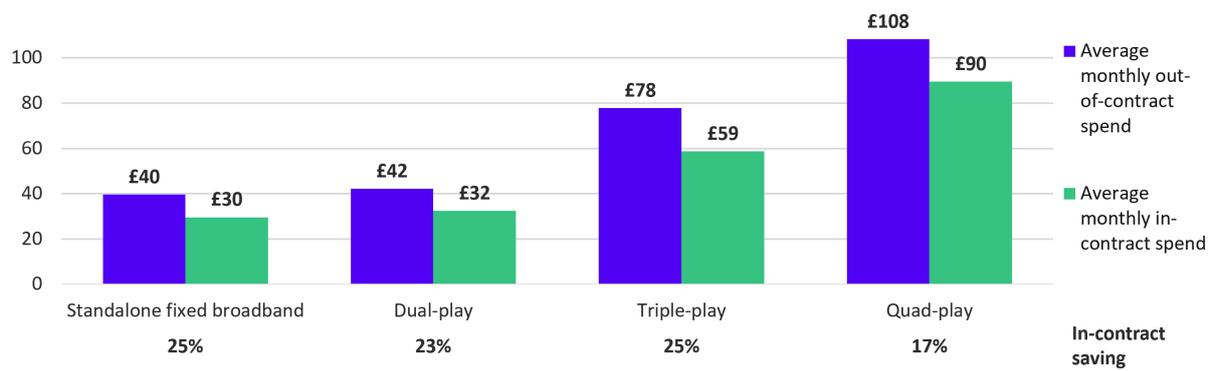
Notes: All figures are rounded to the nearest number; dual-play refers to landline and fixed broadband bundles, triple-play to landline, fixed broadband and pay-TV bundles, and quad-play to landline, fixed broadband, pay TV and mobile phone bundles; real-terms figures are adjusted for CPI (July 2023 prices).

Savings available for those who engage in the market

Our analysis of customer spend data indicates that in-contract fixed broadband customers tend to pay less than out-of-contract customers. This is likely to be because many are paying 'promotional' prices, whereas out-of-contract customers are more likely to be paying (higher) list prices.

Standalone and triple-play fixed broadband customers had the highest proportional in-contract savings in Q2 2023, at 25%, while savings for dual- and quad-play bundle customers were lower at 23% and 17% respectively. Nonetheless, these are all significant savings and highlight the importance of people engaging with the market to get the best deals.

Figure 11: Average monthly in-contract and out-of-contract spend for standalone and bundled fixed broadband customers, by type of service: Q2 2023



Source: Ofcom / provider data.

Notes: All figures are rounded to the nearest number; dual-play refers to landline and fixed broadband bundles, triple-play to landline, fixed broadband and pay-TV bundles and quad-play to landline, fixed broadband, pay TV and mobile phone bundles.

Pricing of mobile services

The price of a basket of mobile services based on average use was flat in real terms in 2023

As a way of monitoring the price of mobile phone services, we create a basket of mobile services based on the average voice, messaging and data use (based on operator data provided to Ofcom).²⁰

However, whereas in most basket-based pricing analysis the basket does not change over time, in the analysis below it changes from year to year to reflect rapidly changing usage (operator data shows that while average data use continues to rise, average outgoing calls per user have fallen to below pre-pandemic levels, and the downward trend in SMS has continued as customers continue switching to over-the-top messaging apps such as WhatsApp, Signal and Telegram).²¹

We then use TechInsights' pricing model to identify the lowest-priced service for customers taking out new contracts from those mobile providers whose tariffs are included in the model and which meet the requirements of a basket of mobile services (excluding the handset cost where applicable). An average (new customer) price is then calculated across providers, weighted by their retail market shares.

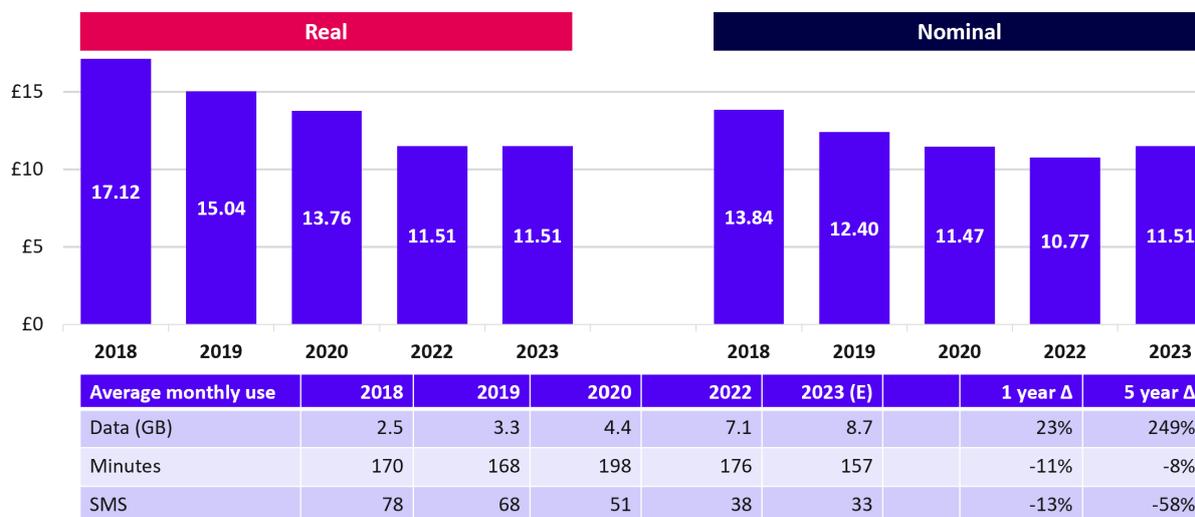
Our analysis shows that the average monthly price of a mobile service, based on average use across all mobile users and excluding the handset cost, was £11.51 in 2023. This was unchanged in real terms compared to the price of a basket of mobile services based on prices and average use in 2022, and a 7% year-on-year increase in nominal terms. Before 2023, real-term prices for the baskets used in this analysis had been declining (and had fallen by an average of 9% per year between 2018 and 2022), so the flat prices observed in 2023 represent a notable change in trend.

Overall, the price of the basket in 2023 was 33% lower than the price of a basket of mobile services based on prices and use in 2018 in real terms, and 17% lower in nominal terms, despite average data use having increased by 249% over this period.

²⁰ For our conclusions document on Ofcom's future approach to mobile markets, we collected customer-level data for 2019-2021 and are in the process of moving to a programmatic collection of the data. The advantage of customer-level data is that we can observe actual contract choices and mobile usage, which will allow us to get a more precise view of pricing and other developments in the market. We plan to publish our future monitoring approach early 2024 and incorporate this into the Pricing Trends report in the future.

²¹ Ofcom published a [discussion document on Personal online communication services](#) in October 2023.

Figure 12: Weighted average monthly prices for average mobile use, excluding handset cost (£/month)



Source: Ofcom / TechInsights.

Notes: Based on prices excluding handset costs; includes promotional discounts; data relates to July in each year except 2020, when it relates to October; average mobile data use includes residential and business customers; average call and messaging use includes handset connections only; average data use includes handset connections; 2023 usage figures are estimated based on H1 2023 operator data; real-terms figures are adjusted for CPI (July 2023 prices).

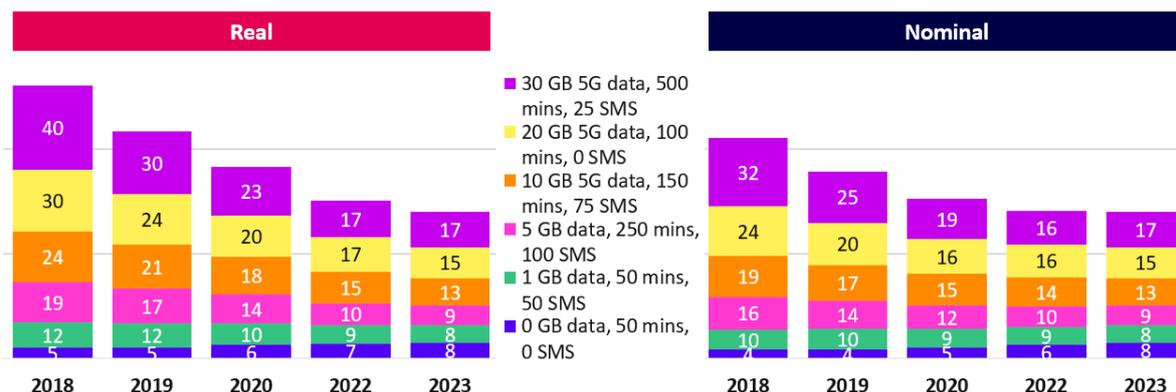
Average prices have fallen in real terms for all but our lowest-use connection

We use the same TechInsights model to understand how prices are changing for different types of mobile users. As in previous years, we have created six mobile user profiles to represent a range of mobile consumer usage types, calculating an average price for each one based on the lowest price tariffs from each operator which meet the requirements of the basket (weighted by retail market share).²²

Analysis of these profiles shows that real-terms prices are falling for most connections, with the total price of all six connections having fallen by 7% in 2023. However, the price of the lowest-use mobile connection, with no data requirement, increased in real terms by 11% over the period. In nominal terms, the total price of our six connections fell by 1% between 2022 and 2023. However, the price of the lowest-use mobile connection, with no data requirement, increased by 18%, and the highest-use mobile connection, with a 30 GB data requirement, increased by 6%.

²² Using TechInsights' pricing model, we calculated the average price to fulfil the usage requirements of each use profile (excluding the cost of a handset). More details of the methodology can be found in Annex 1.

Figure 13: Weighted average monthly prices of standalone mobile services (£ per month, excluding handset cost)



Source: Ofcom / TechInsights.

Notes: All figures are rounded to the nearest number; data relates to July in each year except 2020, when it relates to October; the 10 GB data, 150 mins, 75 SMS basket, 20 GB data, 100 mins, 0 SMS basket and 30 GB data, 500 mins, 25 SMS basket require 5G connectivity from 2020 onwards; real-terms figures are adjusted for CPI (July 2023 prices).

In most cases it is more expensive to acquire a handset with a mobile contract

Thirty-seven per cent of UK residential mobile users purchased their handset and airtime together from their provider at the end of Q2 2023, either in split or combined pay-monthly contracts.

Purchasing a mobile phone from a mobile service provider can be an appealing option for consumers, enabling them to spread the cost of the phone across the minimum contractual period (or sometimes longer). However, the total contract price may be higher than buying a handset separately and using it with a SIM-only mobile service.

Our analysis, using TechInsights' pricing model (which includes both combined and split handset and airtime contracts), shows that the average monthly price of all six of our mobile connections was higher when obtaining the handset from a mobile provider along with airtime than it was when buying the handset outright and using it with a SIM-only plan.²³ There was an average saving across all six mobile connections of £6.84 per month (23%) in 2023 when purchasing a SIM-free phone separately and using it with a SIM-only deal, or around £164 over the duration of a typical 24-month contract. However, this analysis does not consider any additional benefits that may be included alongside the purchase of a handset, such as entertainment add-ons, device care and inclusive roaming options.

While it is generally cheaper to buy a handset outright and use it with a SIM-only deal than it is to buy it together with a pay-monthly contract, a one-off payment for a handset is unaffordable for many people. However, manufacturers and resellers sometimes sell phones at 0% APR to those who pass the required credit checks, so this may be a lower-cost option than taking out a combined contract.

We have also undertaken a separate analysis of operator tariffs to compare the cost of acquiring a 128 GB Apple iPhone 15 with an airtime contract to the cost of purchasing the phone separately and

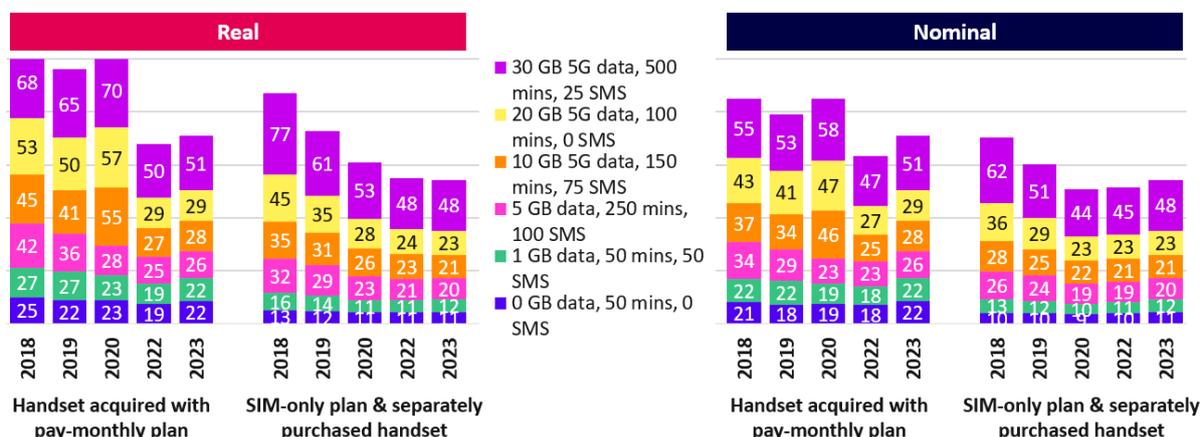
²³ Details of how these prices are calculated are set out in Annex 1.

using it with a pay-monthly SIM-only plan. To do this we looked at the 24-month tariffs offered by the four UK mobile network operators (EE, O2, Vodafone and Three) for services with unlimited calls, texts and data and the fastest data connection speeds available.

Our analysis shows that it was more expensive to acquire the handset along with airtime from three of the four providers than to buy it separately and use it with the same provider's equivalent SIM-only service. As before, this analysis does not take account of any additional benefits that may be provided. We found that the difference between the two prices for the providers with which it was more expensive than buying the handset outright was equivalent to paying an APR (annual percentage rate) of between 8% and 21% for their handset 'loan' when SIM-only promotional offers were included, and between 8% and 16% when they were excluded.²⁴

Three was the only MNO with which it was cheaper to acquire the handset alongside airtime than to buy it separately, and was found to be £73 cheaper over the length of the contract when SIM-only promotional offers were included, and £133 cheaper when they were excluded.

Figure 14: Weighted average monthly price of handset with pay-monthly, or purchased separately to use with SIM-only plan (£/month)



Source: Ofcom / TechInsights.

Notes: All figures are rounded to the nearest number; weighted average tariffs from the UK's largest providers: BT (incl. EE and Plusnet), giffgaff, iD Mobile, Lebara, Lycamobile, Sky Mobile, Talkmobile, Tesco Mobile, Three, VMO2 (incl. O2 and Virgin Mobile), and Vodafone; the 10 GB data, 150 mins, 75 SMS basket, 20 GB data, 100 mins, 0 SMS basket and 30 GB data, 500 mins, 25 SMS basket require 5G connectivity from 2020 onwards; data relates to July in each year except 2020, when it relates to October; prices excluding additional usage charges; real-terms figures are adjusted for CPI (July 2023 prices).

New customer pay-monthly SIM-only prices are increasing except for those offering 1 GB of data or less

SIM-only subscriptions, where the user buys their airtime from a mobile provider and uses it with a separately acquired handset, were the most frequently used type of service at the end of Q2 2023,

²⁴ The APR is lower when SIM-only promotions are excluded from the analysis as excluding promotions gives a higher total cost for a SIM-only package and subtracting this higher SIM-only cost from the cost of the equivalent handset and airtime contract gives a lower estimate of the cost of the handset when purchased with airtime. This in turn gives a lower estimated monthly handset payment and therefore a lower APR. Prices as of October 2023, taken from provider websites.

representing 41% of total mobile subscriptions, up three percentage points from 2022. A key driver of this shift is consumers using their mobile handsets for longer to reduce their mobile spend, meaning that at the end of a combined airtime and handset contract, many customers continue to use the same handset and move to a SIM-only contract.

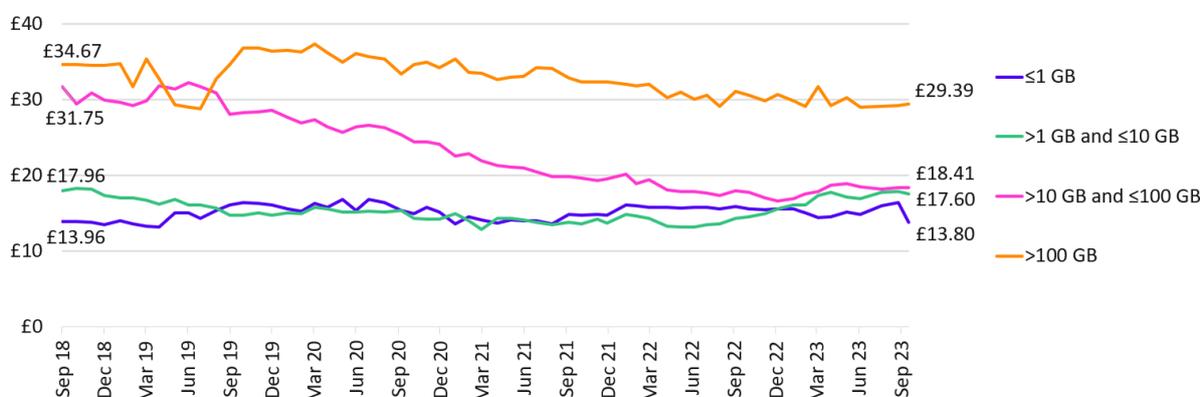
In the year to September 2023, the average prices available to new customers for SIM-only pay-monthly mobile services fell in real terms for the lowest (1 GB of data or less) and highest (more than 100 GB) data tiers included in our analysis (down 13% and 5% respectively). Conversely, average prices increased for SIM-only pay-monthly tariffs offering >10 GB and to ≤100 GB (up 2%) and >1 GB and ≤10 GB (up 23%) over the same period.

Increases in the prices of individual services were not the main driver of the large uptick in the average new customer price of >1 GB and ≤10 GB SIM-only services (although these were observed in some cases). Rather, it was due to a reduction in the number of lower-priced tariffs, following several low-cost providers exiting the market, and many services with lower data allowances being replaced with more expensive options offering more data. An increase in the number of tariffs offered by more expensive providers also had an upward effect on average prices in the category. The increases observed were partly offset by falling prices for some services, while others were replaced with tariffs offering more inclusive data for the same price.

Since September 2018, average prices for SIM-only pay-monthly mobile services across all the categories included in our analysis have fallen in real terms, with services offering >10 GB and ≤100 GB of inclusive data most notably decreasing in price (down 42%). This has led to the gap narrowing between the average promotional prices of tariffs offering >1 GB and ≤10 GB of inclusive data and those offering >10 GB and ≤100 GB: from £14 per month to less than £1. The average promoted price of tariffs offering 1 GB or less of data fell below products which offered more inclusive data (>1 GB to ≤10 GB) in January 2023, having previously been more expensive, on average, than tariffs in the higher data category since July 2021.

In nominal terms, average prices fell by £1.10 (8%) year on year for tariffs with up to and including 1 GB of data. However, average prices increased for other data categories in our analysis: >1 GB to ≤10 GB tariffs by £4.19 (34%), >10 GB and ≤100 GB tariffs by £1.55 (9%) and >100 GB tariffs by £0.22 (1%).

Figure 15: Average pay-monthly SIM-only promoted mobile prices in real terms: (£/month)



Source: Ofcom / Pure Pricing's Monthly Mobile Pricing reports.

Notes: Represents average monthly promoted prices for available tariffs for new customers from BT, EE, iD Mobile, O2, Plusnet, Sky, Tesco, Three, Virgin Mobile and Vodafone; the average monthly prices shown include price promotions where offered, although these are not commonplace in the mobile market and the difference between list and promoted prices is minimal; adjusted for CPI (September 2023 prices).

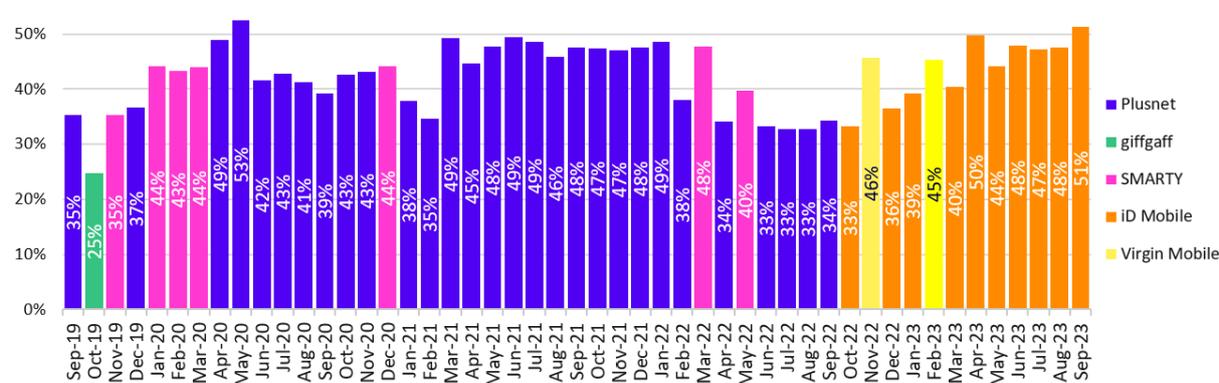
Smaller providers offer the lowest SIM-only mobile prices

As with fixed broadband services, we have undertaken similar analysis using Pure Pricing’s Monthly Mobile Pricing Tracker reports to find challenger providers offering pre-pay and pay-monthly SIM-only mobile phone products with inclusive monthly data of more than 10 GB and up to and including 100 GB. It should be noted that Pure Pricing’s tariff data does not include some smaller providers, and these may offer lower prices.

Among the mobile providers we analysed, the budget brands of mobile network operators (MNOs) offered the lowest available prices for most of the period from September 2019 to September 2023, and no main brands of MNOs were the cheapest provider during this period. Plusnet was the lowest-price provider in all but three months between April 2020 and September 2022; however, it stopped offering mobile plans to new customers in early 2023 and existing customers will have to switch provider when it eventually closes its mobile service.

From October 2022 to September 2023, iD Mobile offered the lowest average price in all but two months (when Virgin Mobile was the lowest-priced provider). Virgin Mobile no longer offers mobile services to new customers, and customers will be migrated to O2 plans by the end of 2023.²⁵ In the first three quarters of 2023, the prices offered by the lowest-priced providers were, on average, 46% lower than the average price of pay-monthly SIM-only mobile services, compared to 38% in the first three quarters of 2022 and 45% in the first three quarters of 2021.²⁶

Figure 16: Pay-monthly SIM-only mobile with >10GB and ≤100GB monthly data allowance: bar heights show the percentage difference in price between lowest-priced provider and average price



Source: Ofcom / Pure Pricing’s Monthly Mobile Pricing reports.

Notes: All figures are rounded to the nearest percentage; Pure Pricing’s Monthly Mobile Pricing Tracker reports during the period above includes the pay-monthly SIM-only tariffs with >10GB and ≤100GB monthly data allowances offered by BT, EE, giffgaff, iD Mobile, O2, Plusnet, Sky, Tesco, Three, Virgin Mobile and Vodafone; other providers may offer lower prices.

²⁵ Customers migrating to O2 tariffs will pay no more than they did as a Virgin Mobile customer and will receive unlimited texts and voice calls, and either double the data or an unlimited data allowance. All customers were given the right to cancel their contract if they did not want to migrate to O2.

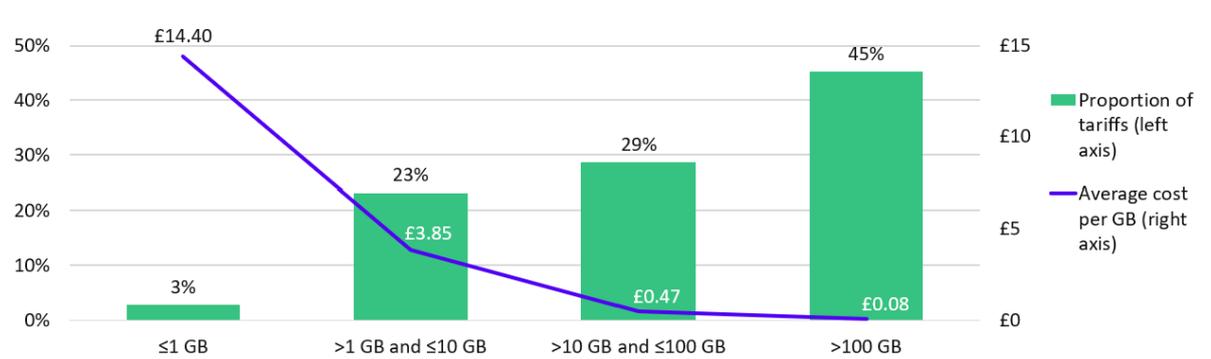
²⁶ These averages are unweighted; all contract lengths are included.

The average cost per GB was unchanged year on year

In the year to September 2023, the average cost per GB of inclusive data remained stable at £0.13 across the SIM-only pay-monthly tariffs included in our analysis. However, there was a considerable variation in the cost per GB, ranging from £0.08/GB for tariffs with >100 GB of inclusive data to £14.40 for tariffs with 1GB or less of inclusive data.

Of the SIM-only pay monthly tariffs included in Pure Pricing's UK Monthly Mobile Pricing report in September 2023, 45% offered over 100 GB of inclusive data (up from 36% in September 2022), while the proportion of tariffs offering inclusive data of 1GB fell from 6% to 3% over the same period.

Figure 17: Distribution of SIM-only pay-monthly tariffs, by data allowance and average data cost/GB: September 2023



Source: Ofcom / Pure Pricing's UK Monthly Mobile Pricing report September 2023.

Notes: Average cost per GB and average data allowance in the >100 GB category assumes a 500 GB allowance for tariffs with unlimited data.

There is a price premium for 5G connectivity on pre-pay

Of the pre-pay tariffs available in Pure Pricing's September 2023 Monthly Mobile Pricing report, 96% were 'hybrid' pre-pay tariffs. Hybrid tariffs have no minimum contract period and offer an inclusive allowance of calls, texts, and data, which usually expires after a month. Any use outside the inclusive allowances is deducted from a pre-pay credit balance, as is the case with traditional pre-pay services. Hybrid pre-pay tariffs can enable people to avoid annual in-contract price rises.

Using TechInsights' pricing model, we have analysed the weighted average monthly pre-pay and pay-monthly mobile prices of our six mobile connections. This shows that while the average pre-pay prices of the three lowest use profiles were between 14% and 19% lower than the average pay-monthly prices in 2023, the three connections with the highest data usage were between 21% and 26% more expensive when bought on a pre-pay basis.

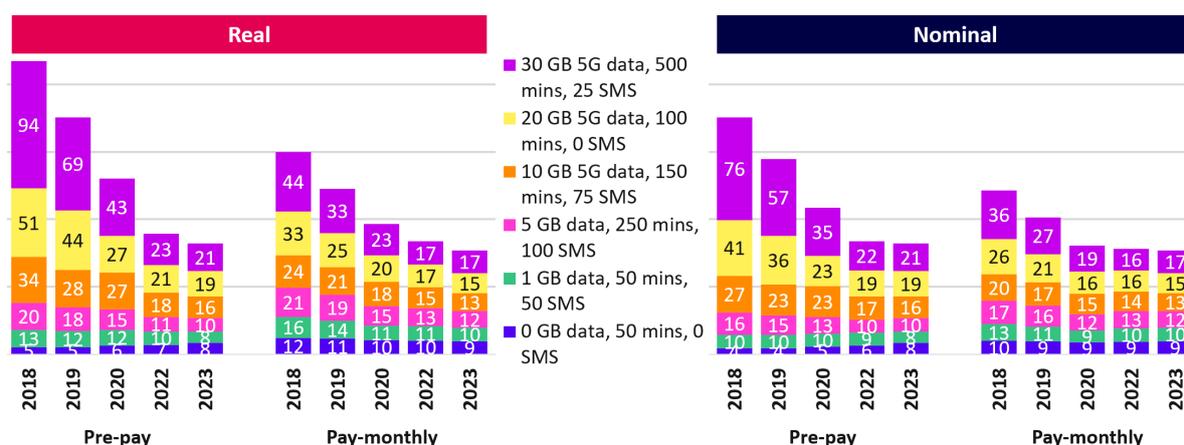
This was partly due to the requirement that the three highest data-use connections have 5G connectivity. While our analysis of TechInsights' pricing model shows that the premium for 5G services has all but disappeared for pay-monthly mobile services (as most pay-monthly tariffs offer both 4G and 5G connectivity as standard), this is not the case for pre-pay services, some of which do not include 5G. As a result, the requirement for 5G for the higher-use connections increases the monthly pre-pay price by £3-£5 per month, and only the connection with the highest data use is cheaper using pay-monthly tariffs if 5G is not needed.

The weighted average pay-monthly price of all six connections, and the pre-pay prices of those mobile connections with a data requirement, fell in real terms between 2022 and 2023. However,

the average pre-pay price of the lowest-use connection (which does not have a data requirement) increased by 19% over this period.

In nominal terms, there were increases in the pay-monthly prices of the highest and the two lowest data-use connections in 2023, and the total pay-monthly price of all six connections fell by 2%. The total pre-pay price of all six connections also fell by 2% year on year, with the connection without any data use being the only one whose average price increased in 2023, up by £1.71 per month (27%).

Figure 18: Weighted average monthly pre-pay and pay-monthly mobile price, excluding handset cost (£/month)



Source: Ofcom / TechInsights.

Notes: Data relates to July in each year except 2020, when it relates to October; the 10 GB data, 150 mins, 75 SMS basket, 20 GB data, 100 mins, 0 SMS basket and 30 GB data, 500 mins, 25 SMS basket require 5G connectivity from 2020 onwards; real-terms figures are adjusted for CPI (July 2023 prices).

The decline in out-of-bundle mobile call charges is slowing

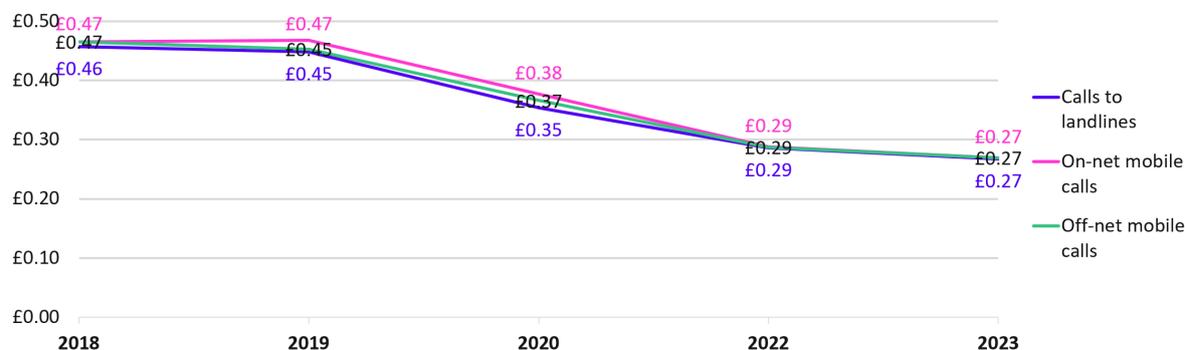
Most calls from UK mobile phones are made from allowances included within a monthly contract or a pre-pay balance. Calls outside these allowances are charged at ‘out-of-bundle’ rates.

Average pre-pay and pay-monthly out-of-bundle prices for mobile calls to UK landlines and mobiles (including both on-net and off-net calls) declined by 6% across all call types compared to 2022, and about 40% over the previous five years. In nominal terms, average out-of-bundle call charges fell by less than 1% across all call types in 2023.

Using tariff data collected by TechInsights in July 2023, our analysis shows that the proportion of mobile phone tariffs (both pre-pay and pay-monthly) that offered unlimited minutes was unchanged in 2023, at 84%. This means that many new mobile users will not incur out-of-bundle call charges for UK geographic and mobile call charges. Those customers without unlimited minutes, and making calls outside their allowance, can protect themselves from ‘bill shock’: all mobile providers must give

new customers, and customers who extend or renew their contract, the option to set a spending cap.²⁷

Figure 19: Average out-of-bundle call charges for calls from mobile phones in real terms (£/minute)



Source: Ofcom / TechInsights.

Notes: Excludes tariffs for which out-of-bundle call charges are not relevant; includes pre-pay and pay-monthly tariffs; based on tariffs offered by BT (incl. EE and Plusnet), giffgaff, iD Mobile, Lebara, LycaMobile, Sky Mobile, Tesco Mobile, Three, VMO2 (incl. O2 and Virgin Mobile) and Vodafone; includes VAT; data relates to July in each year except 2020, when it relates to October; on-net calls are made between customers on the same network, while off-net calls are made between different mobile networks; adjusted for CPI (July 2023 prices).

Inclusive allowances minimise out-of-bundle spend

Average monthly spend data provided to Ofcom by the UK’s largest mobile providers shows that the prevalence of inclusive call, text and data allowances meeting customers’ needs resulted in out-of-bundle spend accounting for only a small proportion of total mobile spend in Q2 2023, averaging £1.41 per month (8% of total spend) across all subscription types, up 1pp from the previous year. For pre-pay mobile services, the average out-of-bundle spend was £1.93 per month in Q2 2023, 34% of average monthly spend, up by 6pp year on year. This was significantly higher than the proportion across all pay-monthly subscriptions, where out-of-bundle spend averaged 6% of total spend, the same as last year. Since 2022, there has been a real-terms fall of £0.76 (4%) for average in-bundle spend across all subscription types. Out-of-bundle spend has risen in real terms by £0.06 (5%) across all subscription types.

²⁷ This requirement was implemented on 1 October 2018 as a result of the Digital Economy Act 2017. Further information is available at <https://www.ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/costs-and-billing/mobile-bill-limits>.

Figure 20: Average monthly in-bundle and out-of-bundle spend, by subscription type: Q2 2023



Source: Ofcom / provider data.

Notes: Based on data provided by BT (inc. EE and Plusnet), iD Mobile, Sky Mobile, SMARTY, TalkTalk, Tesco Mobile, Three, VMO2 (inc. O2 & Virgin Mobile) and Vodafone; data for 2022 has changed due to operator resubmissions.

Zero rating is mainly focused on non-commercial services

Zero-rating is where the data used by certain websites or apps is not counted towards a customer's overall data allowance. There are currently relatively few UK mobile tariffs with zero-rating offers relating to commercial content. Information obtained by Ofcom from the largest UK mobile providers as part of our Net Neutrality review²⁸ indicates that 17% of customers had a mobile contract that provided zero-rated access to certain commercial content at the beginning of 2023, down from 19% at the start of 2022.²⁹

Some major mobile providers have withdrawn tariffs offering access to zero-rated content in recent years. For example, O2 no longer offers its 'unlimited music streaming' service,³⁰ Three has withdrawn its 'Go Binge' product for new customers³¹ and Vodafone has withdrawn its zero-rated 'Vodafone Pass' and now only offers zero-rated access to commercial content under its VOXI brand.³²

In contrast to the limited take-up and availability of tariffs with zero-rated access to commercial services, mobile providers have zero-rated more non-commercial content in recent years. For example, during the Covid-19 pandemic all major mobile providers offered zero-rated access for the NHS COVID-19 app³³ and to the educational website Oak National Academy, as well as other non-

²⁸ See [Ofcom 2023 Net Neutrality Review](#), para. 5.42.

²⁹ This is 17% of their customers who have any type of mobile contract (including those with unlimited data or no data) that provide zero-rated access to commercial content, which is mostly social media, video streaming or audio streaming content. This 17% does not include consumers who have purchased a temporary 'add-on', which provides them with zero-rated access for a given month. Some of these customers are on legacy contracts, meaning even mobile providers that have withdrawn contracts with zero-rated access for new customers, have continued to provide zero-rated access to content for ongoing contracts.

³⁰ See Ofcom, 2019. [Ofcom's approach to assessing compliance with net neutrality rules](#), para. 3.27 to 3.28. While the offer was not strictly zero-rating, it was advertised as unlimited streaming.

³¹ Three website. [All about Go Binge](#) [accessed 19 October 2023].

³² Vodafone website. [What are Vodafone Passes?](#) [accessed 19 October 2023].

³³ [NHS COVID-19 app launches across England and Wales](#).

commercial websites.³⁴ Data gathered by Ofcom recently from the largest UK mobile providers indicates that they have continued to zero-rate some non-commercial content for all their customers; however, the extent of the practice varies between providers.³⁵

³⁴ Mobile UK, 2021. [Mobile Operators Extend Educational Assistance by Zero-Rating Oak National Academy Website](#). [accessed 19 October 2023].

³⁵ See [Ofcom 2023 Net Neutrality Review](#), para. 5.46.

Pricing of landline services

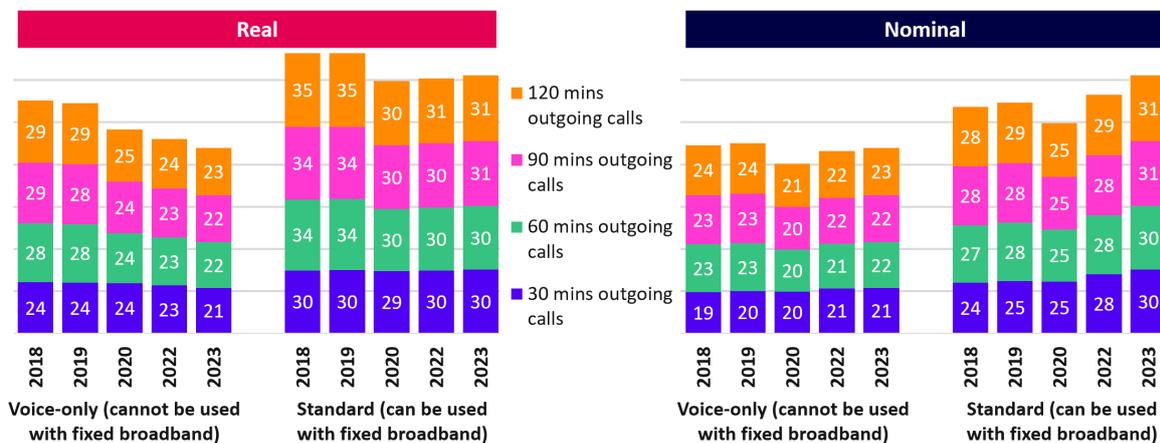
Mixed picture on landline service prices

Most people with a landline voice service purchase it as part of a bundle alongside a fixed broadband service. Data collected for this report shows that the proportion of customers who purchased landline services on a standalone basis was 5% at the end of Q2 2023, unchanged year on year.

Some providers offer special standalone landline tariffs which are aimed at customers who do not want a fixed broadband service. These tariffs cannot be used with a separately purchased broadband service, even if it is purchased from the same provider, and they are therefore unsuitable for people who require a fixed broadband connection.

Based on analysis of the standalone landline prices offered by the UK's leading residential telecoms providers, in 2023 average prices for standalone landline services that cannot be used with fixed broadband continued to be cheaper than those that can. The total price of our four standalone landline connections increased by 1% in real terms using services that can be used with fixed broadband between 2022 and 2023, whereas the total price when using services that cannot be used with fixed broadband, such as [BT's Home Phone Saver plan](#), fell by 5% over the same period. In nominal terms, the total price of our four connections increased using both standard and voice-only standalone line rental services in 2023, up by 8% and 2% respectively.

Figure 21: Average monthly price of standalone landline services for different usage profiles (£/month)



Source: Ofcom / TechInsights.

Notes: All figures are rounded to the nearest number; tariff data collected in July each year except for 2020 when it was collected in October; includes promotional discounts where available; outgoing call splits are 90% to UK landlines and 10% to UK mobiles; 60% during daytime, 25% in the evening and 15% at weekends; BT included for all years; 2018, 2019, 2020, 2022 and 2023 includes Virgin Media; 2019, 2020 additionally includes Post Office, and Shell Energy has been included from 2022; voice-only standalone tariffs include BT Home Phone Saver and exclude BT Line Rental Saver and BT Basic; standard standalone tariffs exclude BT Home Phone Saver, BT Line Rental Saver and BT Basic; real-terms figures are adjusted for CPI (July 2023 prices).

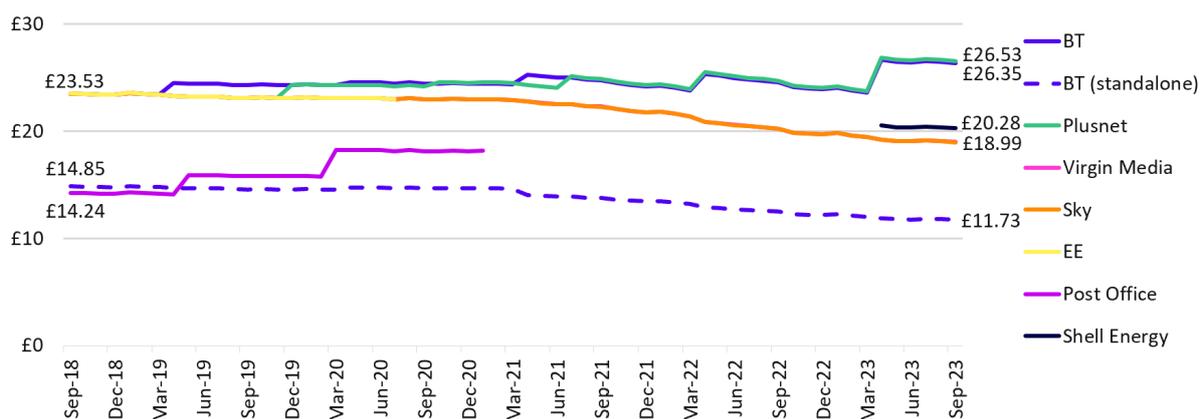
Average line rental prices fell slightly in real terms

Since April 2018, the prices customers pay for standalone landline services have been protected by voluntary commitments from BT. These commitments, which were [updated in March 2021](#), mean that BT will, among other measures, continue to apply a price cap of CPI+0% for voice-only products and a safeguard cap of CPI+2.5% of the price of line rental, until March 2026.

However, while BT raised its standard line rental price in both March 2022 and 2023, it chose not to increase the line rental price paid by landline-only customers by increasing the discount for those taking a standalone landline service without broadband (either from BT or another provider). As a result, its monthly list price for landline-only line rental has been flat in nominal terms (and has fallen in real terms). Virgin Media also offers a standalone line rental and has not raised the price of its service across the period in our analysis; this has remained at £19.00 since September 2016.

Among the providers which identified a landline line rental charge, the average monthly standard line rental prices (i.e. those for services that can be used with fixed broadband provided over the same line) fell by £0.10 (0.5%) to £20.02 in real terms in the year to September 2023, and was £2.20 (10%) lower than three years previously.

Figure 22: Residential line rental prices in real terms (£ per month)



Source: Ofcom / Pure Pricing's Monthly Broadband Pricing Tracker reports.

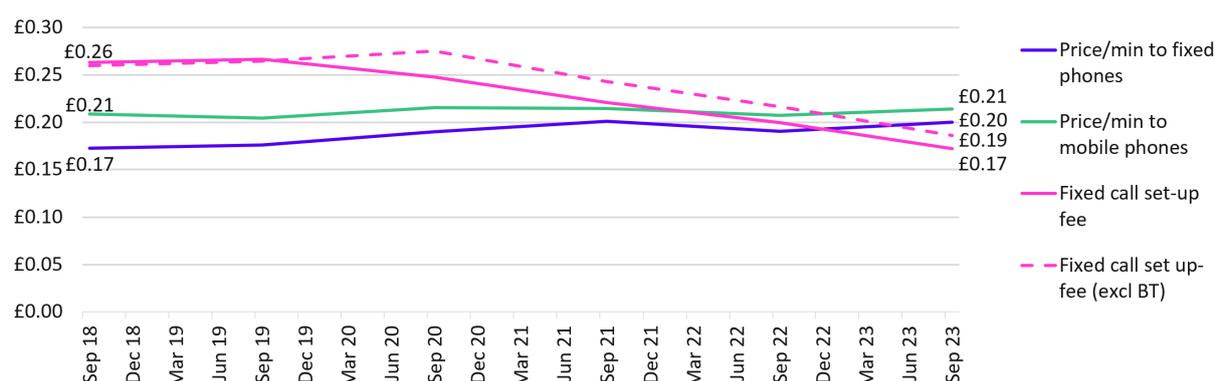
Notes: Excludes line rental saver pre-payment tariffs; includes promotions; Virgin Media is not visible on the chart because its pricing is similar to Sky's i.e. September 2023 Virgin Media charge is £19.00; adjusted for CPI (September 2023 prices).

Out-of-bundle landline call prices have increased...

Many landline contracts include bundled calls, either at any time or during evenings/weekends. When customers do not have bundled calls, or make calls outside their bundle, they are charged a per-minute rate as well as a fixed-call set-up rate.

Per-minute call charges for outgoing residential landline calls to UK landlines and mobile telephones both increased by one penny, to £0.20 and £0.21 respectively in real terms in the year to September 2023. Average fixed call set-up fees decreased by three pence (14%) to £0.17 in real terms year on year. Excluding BT, the average fixed call set-up fee also fell by three pence in real terms to £0.19 over the same period.

Figure 23: Average out-of-bundle price of national calls from landlines, in real terms



Source: Ofcom / Pure Pricing's Monthly Broadband Pricing Tracker reports.

Notes: Represents average per-minute price of residential fixed calls to landlines and mobiles outside bundles, and average call set-up fees (connection charges); includes BT, EE, Gigaclear (from 2023), Hyperoptic (from 2022), KCOM (from 2022), NOW (from 2018), Plusnet, Shell Energy (replaced Post Office in March 2021, with Post Office from 2018), Sky, TalkTalk, Virgin Media, Vodafone and Zen (from 2019); peak call price included where peak/off-peak prices vary; adjusted for CPI (September 2023 prices).

...but the picture is mixed for landline call packages

Operator data shows that while the number of households taking a landline call package fell in the year to end Q2 2023, the proportion of landline customers taking an inclusive call package increased by 2pp to 61%. This was because a large number of customers who did not take a call package cancelled their landline service and switched to a standalone fixed broadband service (or a bundle that does not include a landline).

The average price of an evening and weekend call bundle fell by 21 pence (4%) year on year in real terms to £4.83, rising by 10 pence per month (2%) in nominal terms. Since September 2018, average prices for evening and weekend call bundles have decreased by 8% in real terms and increased by 14% in nominal terms.

The average price of anytime call packages increased by 37 pence per month (4%) in real terms year on year, or £1.01 per month (10%) in nominal terms. Over the five-year period of our analysis, the average price of an anytime call package rose by 8% in real terms and 33% in nominal terms.³⁶

³⁶ The CPI inflation index increased by 24% between September 2018 and September 2023.

Figure 24: Average landline call package prices in real terms (£/month)

	2018	2019	2020	2021	2022	2023
Evening and weekend calls	5.26	5.30	5.65	5.33	5.04	4.83
Anytime calls	9.90	9.31	11.43	11.50	10.30	10.67

Source: Ofcom / Pure Pricing's Monthly Broadband Pricing Tracker reports, data as of September of each year. Notes: Evening and weekend call package figures are the average of prices offered by BT (2018 and 2019 only), NOW, Plusnet, Shell Energy (replacing Post Office in March 2021, with Post Office from 2019), Sky, Virgin and Vodafone; anytime call package figures are the average of prices offered by BT, Community Fibre (from 2022), EE, Hyperoptic (from 2022), KCOM (from 2022), NOW, Plusnet, Shell Energy (replacing Post Office in March 2021, with Post Office from 2019), Sky, TalkTalk, Virgin, Vodafone and Zen (from 2021); adjusted for CPI (September 2023 prices).

Pricing of pay-TV and subscription video-on-demand services

Average prices for the TV element of triple-play bundles fell in the year to September 2023

Consumers who want to access TV channels/content beyond that available over free-to-air platforms can subscribe to a pay-TV service. These are provided by multichannel TV providers such as Sky, Virgin Media, BT and NOW, which provide access to content using a variety of technologies.

Based on operator data collected for this report, 76% of all pay-TV customers purchased pay TV as part of a bundle at the end of Q2 2023, and 65% of pay-TV customers bought it as part of a triple-play bundle along with landline and fixed broadband services.

In order to understand bundled pay-TV prices, we have estimated the cost of buying pay TV as part of a triple-play bundle by subtracting the average price of a dual-play landline and fixed broadband bundle from the price of the provider’s triple-play landline, fixed broadband and pay-TV bundle. In doing so, we have ensured that these bundles are similar in terms of broadband speed, data allowance, call package and minimum contractual period. While we believe the pay-TV element of the triple-play package will account for most of the difference between the two prices, the result will partly be driven by other variations in services, and the data below is therefore only indicative.

Our analysis shows that the estimated monthly list price of pay TV when purchased as part of a bundle fell by £1.41 (7%) to £19.51 in real terms in the year to September 2023, while the price for new customers taking promotional offers fell by £0.16 per month (2%) to £7.33 over the same period.

Figure 25: Average monthly list price of pay TV as part of a triple-play bundle, in real terms



Source: Ofcom, using data from Pure Pricing Monthly Broadband Pricing Tracker reports.

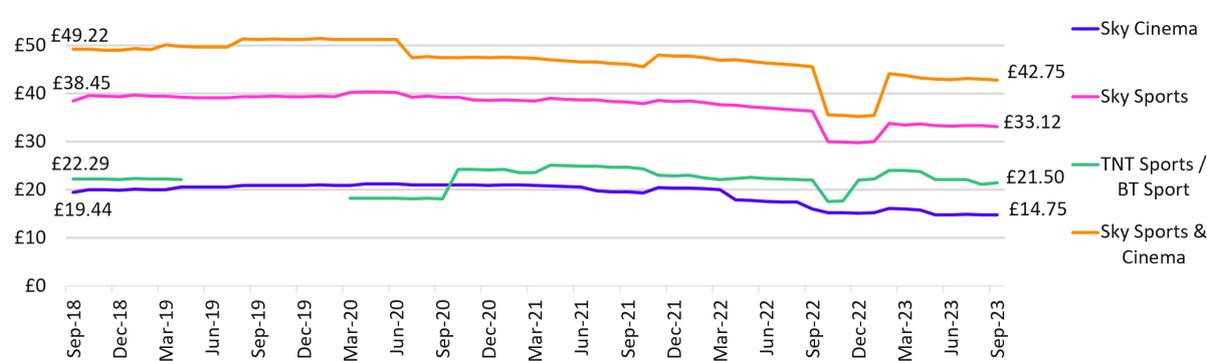
Notes: Average pay-TV subscription fee component of triple-play bundle; calculated as the difference between equivalent triple-play and dual-play tariffs for the following providers: BT, Sky, TalkTalk and Virgin Media; adjusted for CPI (September 2023 prices).

Premium pay-TV add-on prices decreased in real terms over the past year

The average price of premium pay-TV content add-ons has been derived by analysing the tariffs offered by BT, NOW, Sky, TalkTalk and Virgin Media, and calculating the average cost of adding the required premium content to these providers' basic pay-TV services.

All premium add-ons decreased in price in real terms in the year to September 2023, with the price of Sky Sports content having the largest decrease year on year (9%). There was a notable fall in the average monthly price of pay-TV premium add-ons in October 2022 (and a similar increase in February 2023) which was due to one pay-TV service offering generous promotional discounts on premium content.

Figure 26: Average monthly price of pay-TV premium add-ons in real terms



Source: Ofcom / Pure Pricing's Monthly Broadband Pricing Tracker reports.

Notes: Figures are derived by calculating the average price of adding the required content to the basic pay-TV service from those providers that offer relevant add-ons; includes the following pay-TV services: BT, NOW, Sky TV (including Sky Stream from May 2023), TalkTalk, and Virgin Media (including Stream from Virgin Media from November 2021); TNT Sports replaced BT Sport in July 2023; there was no data for prices of adding TNT Sports/BT Sport to a basic pay-TV service from May 2019 to February 2020 and as such there is no data recorded during this time period for TNT Sports/BT Sport; adjusted for CPI (September 2023 prices).

Ad-supported tiers launched for UK's most popular SVoD services

Sixty-seven per cent of UK households took a subscription video-on-demand (SVoD) service in Q3 2023, down from a peak of 68% in Q3 2022, while the average number of SVoD subscriptions per SVoD home remained stable in the year to Q3 2023, at just over two per household. Netflix continued to be the most popular SVoD service, with 58% of UK households subscribing, followed by Amazon Prime Video (45%) and Disney+ (27%).³⁷

In response to the maturing SVoD market, most SVoD providers have launched, or plan to launch, ad-supported tiers, typically at lower monthly prices than traditional ad-free tiers. This includes the UK's three most popular SVoD services: Netflix launched its ad-supported tier in November 2022, Disney+ in November 2023, and Amazon Prime Video will become ad-supported as standard in 2024, with ad-free streaming to be available at an extra cost.

³⁷ Barb Audiences Ltd, Establishment Survey Q3 2023

Thirteen per cent of UK online adults and teenagers surveyed in February 2023 indicated that they had purchased Netflix’s ad-supported tier.³⁸ While ad-supported tiers offer access to content at a lower monthly price than ad-free tiers, prices have increased for some ad-free services. Netflix discontinued its Basic plan for new and returning members in July 2023 (priced at £7.99 per month for existing customers), meaning that Netflix’s cheapest ad-free plan for new customers is now priced at £10.99 per month.

Figure 27: Selected video-on-demand pricing in UK: November 2023

Provider	Pricing	Free trial	Ad-supported tier
Amazon Prime Video	£5.99 per month for Amazon Prime Video only. £8.99 per month or £95 per year (includes express shipping on items purchased on the Amazon website, among other benefits).	30-day free trial	Amazon Prime Video will become fully ad-supported in 2024 and an ad-free tier will be offered for an increased price per month.
Apple TV+	£8.99 per month	7-day free trial	
Channel 4	Ad-free on-demand content (Channel 4+) can be streamed for £3.99 per month or £39.99 per year.	7-day free trial for Channel 4+	All on-demand content can be streamed for free with ads. Ads are featured during streaming of live content.
Discovery+	Basic: £3.99 per month or £39.99 per year. Standard: £6.99 per month or £59.99 per year. Premium (including TNT Sports): £29.99 per month.		All plans feature a small number of ads when on-demand content is streamed.
Disney+	Standard with ads: £4.99 per month.		Ad-supported tier launched in November 2023, priced at £4.99 per month.

³⁸ Ofcom, [Media Nations 2023](#).

Provider	Pricing	Free trial	Ad-supported tier
	<p>Standard: £7.99 per month or £79.90 per year.</p> <p>Premium: £10.99 per month or £109.90 per year.</p>		
ITVX	Ad-free on-demand content (ITVX Premium) can be streamed for £5.99 per month or £59.99 per year.	7-day free trial for ITVX Premium	On-demand content can be streamed for free with ads.
Netflix	<p>Standard with adverts: £4.99 per month.</p> <p>Basic: £7.99 per month (no longer available to new or returning customers).</p> <p>Standard: £10.99 per month.</p> <p>Premium: £17.99 per month.</p>		Ad-supported tier launched in November 2022, priced at £4.99 per month.
NOW	<p>Entertainment: £9.99 per month.</p> <p>Cinema: £9.99 per month.</p> <p>Sports: £34.99 per month.</p>		On-demand content is ad-free only when NOW Boost add-on is purchased for £6 per month. All live content streamed in these plans is ad-supported, regardless of Boost add-on.
Paramount+	£6.99 per month.	7-day free trial	
YouTube Premium	£12.99 per month.	One-month free trial	

Source: Provider websites.

Note: Free trials are subject to eligibility.

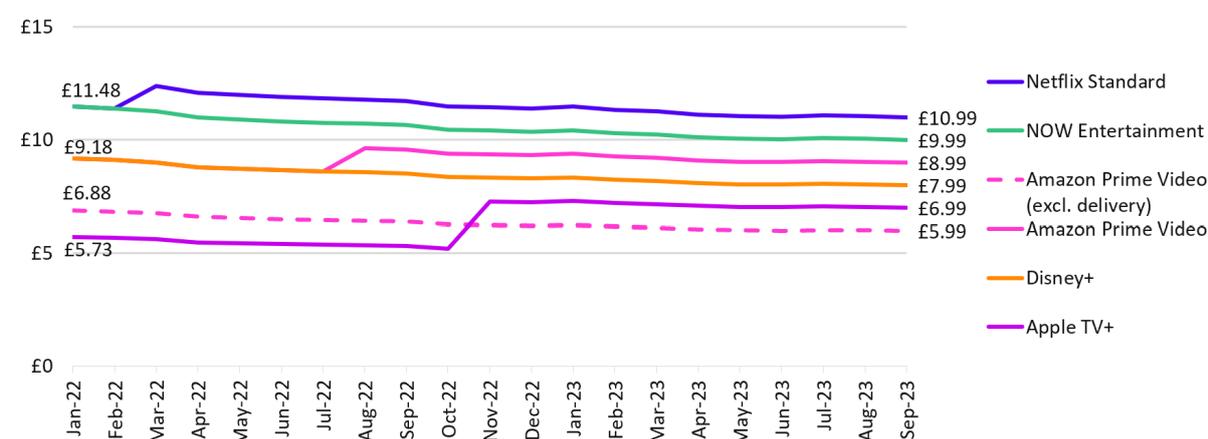
Many SVoD services have been subject to recent price increases

Analysis of the monthly prices of selected UK SVoD services shows that the only price increase in the year to September 2023 was for Apple TV+, which increased by £2 to £6.99 in November 2022. The price of all of the other services included in our analysis fell in real terms (and were unchanged in nominal terms) over this period.

However, more recently, several price increases have been introduced:

- the monthly price of Apple TV+ increased to £8.99 in October 2023;
- Netflix increased the monthly price of its Basic and Premium plans (to £7.99 and £17.99 respectively) in October 2023 (the price of its Standard plan was unchanged); and
- the monthly price of Disney+ increased from £7.99 to £10.99 in November 2023.³⁹

Figure 28: Monthly pricing of SVoD services in real terms (£)



Source: Ofcom / Pure Pricing's Monthly Broadband Pricing reports.

Notes: Netflix also offers Standard with adverts (£4.99) and Premium (£17.99) plans; NOW also offers Sports (£34.99) and Sky Sports Day Pass (£11.98 per day); adjusted for CPI (September 2023 prices).

³⁹ Disney+ launched two new plans in November 2023, 'Standard with Ads' and 'Standard', priced at £4.99 per month and £7.99 per month respectively. All existing Disney+ subscribers continued to pay £7.99 per month until the date of their first billing charge on or after 6 December 2023, after which all existing subscribers were upgraded to the Disney+ Premium plan (£10.99 per month) unless they requested to cancel or switch to a different plan.

International comparisons

The UK was ranked fourth out of six countries for residential communications service pricing in 2023

As part of our programme of price monitoring work, we benchmark communications service prices in the UK against those in France, Germany, Italy, Spain and the US. This part of the report provides a summary of our findings regarding:

- standalone landline, fixed broadband and mobile phone prices;
- dual-play (landline and fixed broadband) bundles; and
- triple-play (landline, fixed broadband and pay-TV) bundles.

We compare prices using two metrics:

- average prices, which are calculated from the prices of the largest providers in each country's price for a particular service/bundle type, weighted by their market share; and
- lowest prices, which are lowest available price for a service/bundle type in each country.

Across all the standalone services, bundles and pricing metrics included in our analysis, the UK was ranked fourth among our six comparator countries in 2023 after Italy, France and Spain. The UK was ranked fourth for both 'average' and 'lowest' prices in 2023.

This was a fall compared to 2022 (when the UK was ranked third) as the UK was overtaken by Spain during the year. Italy continued to have the lowest prices overall, and the US continued to have the highest prices.

Among the six countries included in our analysis, the UK had the second-lowest standalone mobile phone prices, the third-lowest standalone fixed broadband prices,⁴⁰ was ranked fourth for triple-play bundles and standalone landline services (out of five in the case of triple-play bundles) and fifth for dual-play bundle prices.

Figure 29: International comparison of overall, lowest available and weighted average standalone and bundled household usage prices: 2023

	Landline		Fixed broadband		Mobile phone		Dual-play bundles		Triple-play bundles		Overall rank across all metrics &
	Average	Lowest	Average	Lowest	Average	Lowest	Average	Lowest	Average	Lowest	
GBR	2=	4	3	4=	2	1=	5	5	4	2=	4
FRA	5=	6	2	1=	1	1=	2	1	2=	1	2
DEU	5=	5	5	4=	4	5	4	4	2=	2=	5
ITA	1	3	1	1=	3	3	1	3	n/a	n/a	1
ESP	2=	1	4	3	5	4	3	2	1	2=	3
USA	4	2	6	6	6	6	6	6	5	5	6

Source: Ofcom / TechInsights.

Notes: Grey boxes denote the top-ranking country for each metric; the overall rank is calculated from the mean of the individual service and metric rank; Italy had no offers for triple-play landline, fixed broadband and pay TV

⁴⁰ In some cases, providers do not offer standalone broadband services, or it is cheaper to purchase broadband services bundled with landline services than to buy standalone broadband. For this reason, our analysis of fixed broadband prices looks at the price required to be able to receive fixed broadband services, whether purchased on a standalone basis or as part of a bundle.

with premium films; we are therefore unable to rank it for triple-play bundles. Data relates to August/September 2023.

Landline services

- When factoring in both weighted average and lowest available prices, the UK had the fourth-lowest prices for standalone landline services among the six countries included in our analysis in 2023, unchanged from 2022.
- The UK ranked joint second (with Spain) for weighted average standalone landline prices across the three connections used in our analysis, and fourth in terms of the lowest available prices for these profiles. Again, these ranks were unchanged since 2022.

Fixed broadband services

- The UK was placed third overall for fixed broadband prices, up from fifth in 2022.
- The UK was third across our three fixed broadband connections for weighted average prices and joint-fourth (with Germany) for lowest available prices. Compared to 2022, the UK's rank was up one place for lowest available prices and unchanged for weighted average prices.
- UK ultrafast broadband prices compared less well than those for standard and superfast broadband services: the UK ranked second for both standard and superfast services, and joint fourth (with Germany) for ultrafast services.⁴¹

Mobile phone services

- The UK had the second-lowest standalone mobile prices across the three mobile connections used in our analysis in 2023, when factoring in both weighted average and lowest available prices.
- France had the lowest standalone mobile prices, having overtaken the UK during the year.
- The UK had the joint-cheapest available standalone mobile prices (with France) in 2023, and the second-cheapest weighted average prices (after France). The UK was ranked top for both metrics in 2022.

Bundled services

- Across the three dual-play landline and fixed broadband bundled services included in our analysis, the UK ranked fifth overall, and in terms of both weighted average and lowest available prices.
- For the two triple-play bundles included in the analysis, the UK was placed fourth out of five overall, ranking joint second (with Germany and Spain) for lowest available prices and fourth for weighted average prices.

⁴¹ The superfast rank is out of five as there were no suitable superfast broadband services in Spain in 2023.

Cost of living

Reliable telecoms networks are essential for how we live and work. [Ofcom's Connected Nations 2022](#) report shows that the average monthly fixed broadband household traffic per line rose by 6% to 482 GB in 2022, while our [Communications Market Report 2023](#) shows that average data use per mobile user increased by 1.4 GB (24%) to 7.1 GB per month in 2022.

With continued reliance on telecoms services, we know that consumers are currently having to contend with the growing financial pressures of rising retail prices and substantial increases in household bills, resulting in cost-of-living pressures. Communications services are not the most significant factor driving inflation, but price rises across household budgets are increasing affordability pressures for consumers across a wide swathe of society.

Affordability of communications services

Ofcom has a duty to carry out, publish and take account of consumer research regarding the experiences of consumers of communications services. In discharging these duties, we regularly collect and publish market intelligence and consumer research on the affordability of communications services.

We have published five reports on the affordability of communications services in which we noted that significant numbers of consumers faced affordability issues with accessing internet services, including fixed broadband and mobile broadband. Social tariffs (or 'targeted tariffs') play a role in supporting households on means-tested benefits, and Ofcom urged all providers to offer and promote social tariffs.

Our Communications Affordability Tracker monitors consumers' attitudes and behaviours regarding the affordability of communications services, and has been running since June 2020. The latest results are published in an interactive form on the Ofcom [website](#).

Three in ten UK households had difficulty affording their communication services

The latest results from the Communications Affordability Tracker reflect the ongoing pressures households face amid the cost-of-living crisis. As shown below, the proportion of consumers reporting communications affordability issues increased from 15% in April 2021 to a peak of 32% in October 2022 and remained close to this level at 30% in October 2023. This equates to approximately 8.5 million (\pm 800,000) UK households.⁴² As previous research has shown, the households that were most likely to have affordability issues were younger households (with members aged between 18 and 24), those in receipt of benefits, those with children, and those with a resident with an impacting/limiting condition.⁴³

To understand the financial impact that the cost of communication services has on households, we asked consumers if they had experienced various affordability challenges.⁴⁴ In October 2023, we

⁴² For an explanation of population estimates, see the methodology in Annex 1.

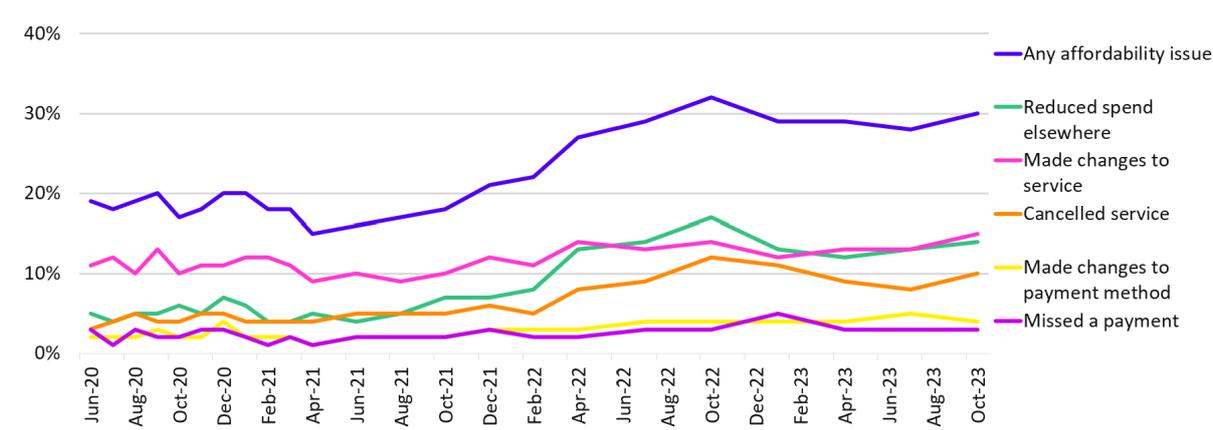
⁴³ Participants were asked whether they or anyone in their household had any conditions which impact or limit their use of communication services. These can include, but are not restricted to, problems with hearing, eyesight, mobility, mental abilities or mental health.

⁴⁴ A household can experience multiple issues with the same service or the same issue with multiple services.

found that 15% of households had made changes to their service (e.g. changed package or tariff), 14% had reduced spend elsewhere (e.g. on food and clothes)⁴⁵ so they could afford communications services, and 10% had cancelled a communications service. As we have seen in previous waves, households with pay-TV and/or SVoD services were the most likely to cancel these services due to affordability issues.

Three per cent said they had missed a payment and 4% had made changes to how they paid for their service.⁴⁶ All five affordability challenges remained consistent with levels reported in October 2022.

Figure 30: Experience of communications affordability issues: 2020-2023



Source: Ofcom Communications Affordability Tracker.

Base: UK decision makers aged 18+

More than one in ten households struggle to pay for pay-TV and subscription video-on-demand services

As in October 2023, households taking pay-TV and/or SVoD services were the most likely to say they struggled to afford these services, with 13% stating that this was the case. This is probably due to households prioritising spend on other communication services rather than pay TV and SVoD, as these two services have the highest levels of cancellations (7% and 9% respectively). Our research also found that 69% of households which had cancelled their SVoD service in the past month retained access to another SVoD service.⁴⁷

The proportion of households making changes to their pay-TV service (7%) was also higher than for other communications services, which may reflect the range of service packages available for pay TV.

Our research shows that 10% of households with fixed broadband⁴⁸ found it difficult to afford their service in October 2023, equating to around 2.4 million (± 500,000) UK households. After a period of stability in the reported level of fixed broadband affordability issues in 2022, we have seen a continued upward trend seen since April 2023. Among fixed broadband households, 6% said they

⁴⁵ These were the examples given to participants, but responses were not restricted to these. Participants could be reducing spend on other items, not just food and/or clothes.

⁴⁶ This might include using savings to pay the bill; using a credit card to pay the bill; taking an agreed payment break/deferral; using an overdraft to pay the bill; taking out a loan/borrowing money to pay the bill; or entering into a repayment plan agreement.

⁴⁷ This is indicative only as low base (n=63)

⁴⁸ The base of this calculation is households who own or previously owned (i.e. cancelled in the last month) a fixed broadband service.

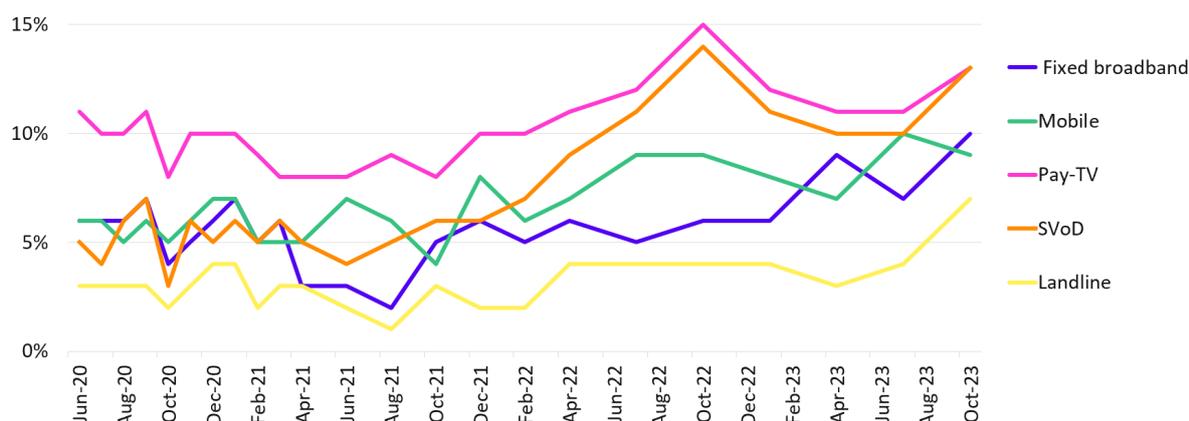
made changes to their fixed broadband service, 3% made changes to their payment method and 1% cancelled their fixed broadband service. As observed previously, households including an individual with an impacting/limiting condition (17%) and those in receipt of benefits (14%) were more likely to experience fixed broadband affordability issues.

Nine per cent of households with a mobile phone found it difficult to afford their service, which equates to about 2.4 million ($\pm 500,000$) homes, unchanged year on year. Among households with a mobile, 5% made changes to their data, 3% made changes to their minutes, 2% changed their payment method, 1% missed a payment and 1% cancelled their service.

About 4% of households are ‘mobile internet only’ households which can access the internet only via a mobile data connection (e.g. using a smartphone or a dongle/USB device).⁴⁹ Our research found that 13% of these households experienced affordability problems with their mobile service in October 2023, 5% made changes to their payment method and 5% missed a payment for their service. This is consistent with October 2022.

In October 2023, 7% of households said they had a landline affordability issue. Of those with a landline service, 4% made changes to their service, 2% cancelled their service and 1% made changes to their payment method.

Figure 31: Experience of communications affordability issues, by service: 2020-2023



Source: Ofcom Communications Affordability Tracker.

Base: UK decision makers aged 18+

Monitoring debt and disconnection in telecoms

We continue to monitor levels of customer debt, rates of disconnection for non-payment and providers’ practices against the good practice guidance Ofcom has set out.⁵⁰ This section summarises our analysis of overall levels of debt and disconnection in the fixed and mobile telecoms sectors. The analysis uses data requested from providers who collectively account for over 90% for fixed, and over 85% for mobile telecoms customers. Monthly data was provided for the 12 months to June 2023.

⁴⁹ Data based on Ofcom’s Technology Tracker 2023:

https://www.ofcom.org.uk/data/assets/pdf_file/0016/262510/technology-tracker-2023-data-tables.pdf

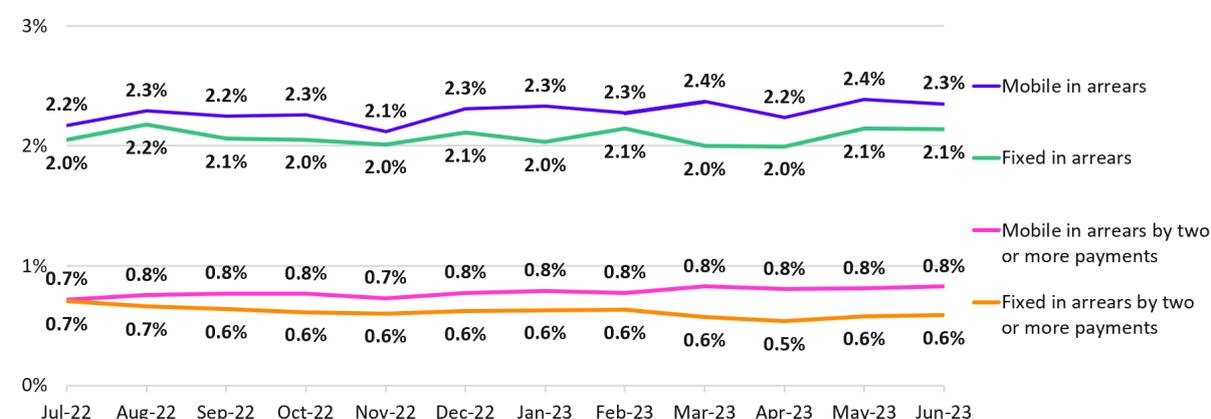
⁵⁰ See [Treating vulnerable customers fairly: A guide for phone, broadband and pay-TV customers](#).

The proportion of customers who are in arrears remained stable...

The analysis shows that between 2.0% and 2.2% of fixed telecoms customers and between 2.1% and 2.4% of mobile contracts were in arrears by at least one payment at the end of each month in the period between July 2022 and June 2023.⁵¹

The proportion of customers in arrears who have missed two or more regular payments indicates how many customers have longer-term debt and are therefore at risk of loss of service through disconnection for non-payment. The analysis shows that less than 1% of fixed telecoms customers, and those with mobile contracts, were in arrears by two or more payments in the year to June 2023. The proportions in arrears by two or more months have been stable for both fixed and mobile customers over the same period.

Figure 32: Proportion of customers in arrears and in arrears by two or more payments, fixed and mobile



Source: Ofcom / provider data.

Note: For mobile we refer to the proportion of contracts, rather than customers.

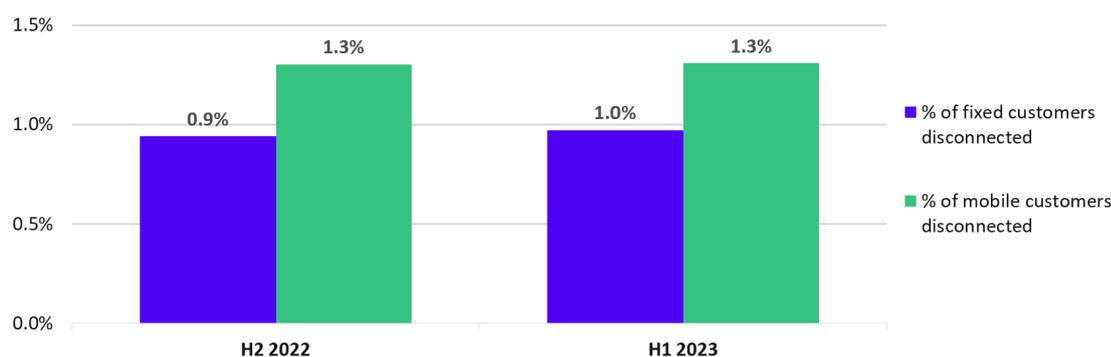
...as did the proportion of customers disconnected for non-payment

The proportion of fixed customers who were disconnected for non-payment increased slightly from 0.9% to 1.0% between H2 2022 and H1 2023. The proportion of mobile telecoms contracts that were disconnected for non-payment was unchanged at 1.3% over the same period.⁵²

⁵¹ Note that due to changes in the methodology for recording arrears by some providers, we cannot make direct comparisons with previous periods.

⁵² These figures are not directly comparable with those published in [Pricing trends for communications services in the UK](#), Ofcom, December 2022, because in that report we were only able to use information on disconnections for a subset of the providers included in this year's report.

Figure 33: Proportion of customers disconnected for non-payment, fixed and mobile



Source: Ofcom / provider data.

Note: For mobile we refer to the proportion of contracts, rather than customers.

The average debt of customers in arrears has fallen

Total customer debt decreased slightly during the analysed period, from a monthly average of £629m during the second half of 2022 to £606m in the first half of 2023. The average amount owed by customers in arrears also decreased, from £408 in November 2022 (its highest value during the analysed period) to £364 in June 2023.⁵³

Figure 34: Total customer debt and average debt owed per customer in arrears, fixed and mobile



Source: Ofcom / provider data.

Note: For mobile we refer to the proportion of contracts, rather than customers.

The amount of bad debt written off initially increased, but has since fallen

Bad debt figures represent the amount of customer debt that was written off by providers in a specific period. This metric is an indication of the severity of the affordability issues faced by customers.

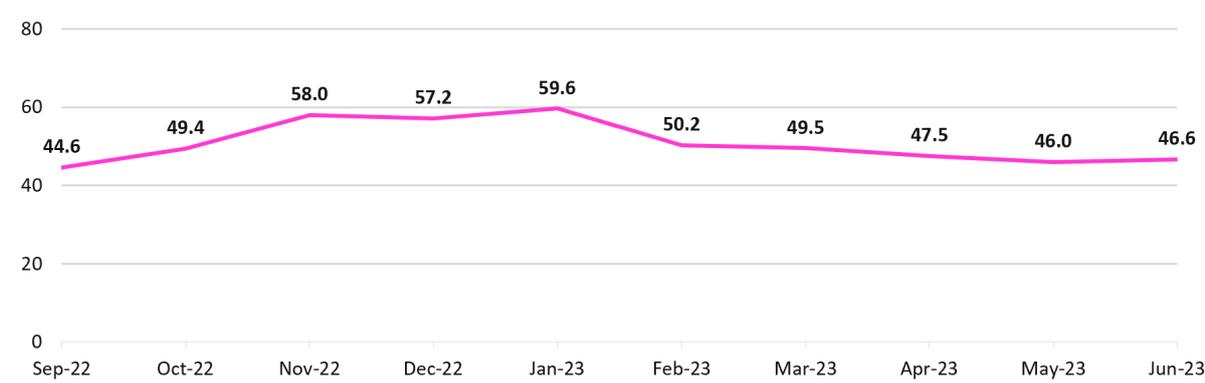
The amount of customer debt that was written off as bad debt by communications providers can be a volatile measure, as (i) providers tend to write off bad debt periodically; and (ii) providers tend to

⁵³ These figures are not directly comparable with those published in [Pricing trends for communications services in the UK](#), Ofcom, December 2022, because in that report we were only able to use information on debt for a subset of the providers included in this year's report.

change their accounting practices relatively often. To obtain a better idea of how bad debt has evolved over the 12-month period analysed, we have used a three-month moving average.

About 8% of total residential fixed and mobile customer debt was written off by providers over the period analysed. The three-month moving average for written-off bad debt rose to just under £60m for January 2023, but then decreased to an average of £46.6m in the second quarter of the year. This equates to around 2% of total residential fixed and mobile revenue during the analysed period for the providers included in the analysis.

Figure 35: Total customer debt written off as bad debt (three-month moving average)⁵⁴ (£m)



Source: Ofcom / provider data.

Support for vulnerable consumers and those on low incomes

Overview of social tariffs

Over the past few years, Ofcom has called on communications providers to offer and promote broadband social tariffs. Social tariffs are available to those on qualifying benefits and can help ensure that fixed broadband and mobile services remain affordable for customers on low or no income who struggle to pay their bills. Ofcom does not have the power to introduce regulated social tariffs without being directed to do so by the UK Government. However, providers have responded to our calls to offer social tariffs on a voluntary basis and the number available to customers has continued to increase, from three in 2020 to more than 30 in December 2023.

Social tariffs are offered at a discounted price relative to comparable commercial tariffs. They are priced at between £12 and £23 per month for fixed broadband and £10 to £12 per month for mobile, and at the time of [our latest affordability report in April 2023](#), they could provide consumers with savings of around £200 per year on their fixed broadband bills. Almost all social tariffs for fixed broadband offer superfast speeds and are available to consumers who are receiving means-tested benefits such as Universal Credit and Pension Credit. We also expect social tariffs to offer additional protections to consumers, such as no in-contract price rises, the ability to switch to and off a provider's social tariff with no early termination charges, and minimal set-up costs.

⁵⁴ These figures for bad debt are not directly comparable to those previously reported in [Pricing trends for communications services in the UK](#), Ofcom, December 2022. Besides presenting it as a three-month moving average, the reason for this difference is that in that previous report we were only able to use information on debt from a subset of providers in our calculations.

Availability of social tariffs

Since our April 2023 report, additional fixed broadband social tariffs have come onto the market, increasing availability and choice for consumers. Shell Energy has announced the launch of two social tariffs, Shell Essentials Fast Broadband and Shell Essentials Fibre Broadband, while Vodafone has launched a second social tariff with a higher specification, Vodafone Fibre 2 Essentials.

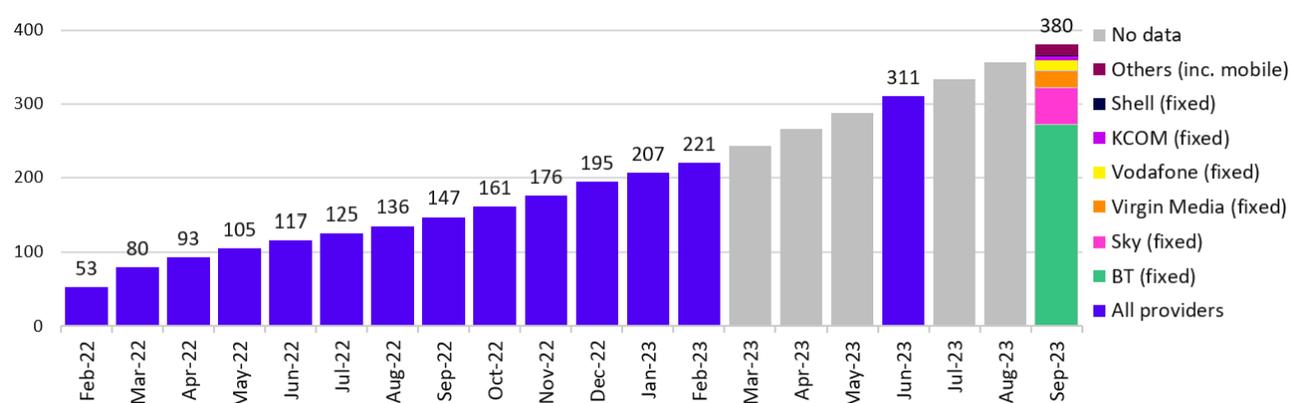
Following our call for superfast speed social tariffs in our April 2023 report, Community Fibre upgraded its social tariff to a speed of 35 Mbit/s (Community Fibre Essential 35 Mbit/s). BT has amended its Home Essentials offering for new customers: only Universal Credit recipients with zero income will be eligible for its £15 social tariff. For eligible customers who do not have zero income, two social tariffs are available, priced at £20 (36 Mbit/s) and £23 (67 Mbit/s). TalkTalk continues to be the only major fixed broadband provider that does not offer, or have any plans to offer, a social tariff.

Mobile social tariffs are less established than fixed broadband social tariffs. However, all four MNOs now offer, or plan to offer, a social tariff. EE, Three (SMARTY) and Vodafone (VOXI) currently offer social tariffs and VMO2 plans to launch a mobile social tariff in 2024. We note that Three has responded to our April 2023 report, in which we called on it to show flexibility, allowing its eligible customers to move to its SMARTY social tariff without penalty wherever possible, and it has confirmed that this is now possible for customers who are on a SIM-only deal.

Take-up of social tariffs

In our April 2023 report, we showed that take-up of social tariffs had quadrupled in the year to February 2023, reaching over 220,000 customers. Take-up has continued to grow substantially in 2023, and by September, social tariff take-up had increased to 380,000, an increase of nearly 160,000 customers (72%) since February 2023.

Figure 36: Social tariff take-up: February 2022 to September 2023 (000s)



Source: Ofcom/provider data.

Notes: We did not collect monthly take-up figures between February and September 2023 and therefore measurements are interpolated and do not represent values between these periods.

In our reports to date, we have provided an aggregated industry-level view of social tariff take-up. As social tariffs have become more established products for most providers, we have decided to publish take-up figures individually for the largest providers of fixed broadband social tariffs.

As shown above, BT has the largest share of fixed broadband customers taking a social tariff (72%), followed by Sky (13%), Virgin Media (6%), Vodafone (4%), KCOM (1%) and Shell Energy (0.3%). These proportions are partly a reflection of the length of time over which different social tariff products

have been available.⁵⁵ For most of the major providers, take-up is spread across multiple social tariff products, which include different fixed broadband connection speeds and add-on options such as mobile and pay TV.

The overwhelming majority of social tariff take-up is in the fixed broadband market, with only 3% of social tariff take-up in mobile. The lower take-up probably reflects the fact that mobile social tariffs are comparably new to the market, and that low-cost SIM-only deals are available, which, in some cases may be less expensive than the social tariffs on offer. Our April 2023 report discussed the role of mobile social tariffs in more detail, recognising that the potential savings were much lower than in the fixed broadband market, but highlighting the benefits of the additional protections offered by social tariffs, such as no in-contract price rises. We also note, as highlighted above, that SIM-only deals in the lower end of the market have increased significantly in price.

Although take-up of social tariffs has grown, it still remains low as a proportion of all eligible customers. In previous reports, we have used the number of households receiving Universal Credit, the main working age means-tested benefit, as a proxy for eligible households.⁵⁶ In April 2023, we reported that 5.1% of the 4.3 million households on Universal Credit were on social tariffs. The latest data from the Department for Work and Pensions (DWP) shows an increase of households on Universal Credit to 4.6 million, suggesting that 8.3% of eligible households were on a social tariff in September 2023.

Raising awareness of social tariffs

In October 2023 our research⁵⁷ found that 55% of UK adults with a fixed broadband service, and eligible for a social tariff,⁵⁸ had not heard of the cheaper social tariff fixed broadband services they could access. This was consistent with our February 2023 research, which showed that 53% of those eligible were not aware that these tariffs were available to them. This period of stability in eligible consumers' awareness of fixed broadband social tariffs followed an increase in 2022, from 16% in January to 30% in April.

We asked those eligible for social tariffs, and aware of them, where they had first heard of them. Social media (24%), general online search (18%) and television (16%) were the top ways in which people had found out about social tariffs.

⁵⁵ In our first report, *Affordability of communications services*, December 2020, three providers – BT, Virgin Media and KCOM – were offering cheap tariffs that had eligibility requirements linked to financial vulnerability, now referred to as social tariffs. Sky launched a broadband social tariff in April 2022. Vodafone first offered a mobile social tariff during the Covid pandemic and launched its fixed broadband social tariff in October 2022. Shell Energy launched its social tariffs in the summer of 2023.

⁵⁶ We recognise that the actual number of eligible households is higher, as most social tariffs include other means-tested benefits such as Pension Credit in their eligibility criteria. However, for consistency and simplicity, we refer only to households on Universal Credit.

⁵⁷ Online omnibus research, among 2084 UK adults ages 18+. Fieldwork conducted 4-5 October 2023. We have been collecting awareness of both fixed broadband and mobile social tariffs among UK consumers on the *Communications Affordability tracker* since April 2023. While the tracker has a number of differences to the Yonder research; for example, a different methodology, question wording and question positioning, we do see the same trend in 2023: there are no significant differences in awareness over time for eligible consumers. We will continue to use the *Communications Affordability tracker* to measure awareness of social tariffs. More details of the methodology can be found in Annex 1.

⁵⁸ The benefits that were included in the analysis to qualify as eligible were Income Support, Income-based Jobseeker's Allowance, Pensions Credit (Guaranteed Credit), Employment and Support Allowance (ESA), Universal Credit (where household has other earnings), Universal Credit (where household has no other earnings) and Personal Independence Payment (PIP).

We continue to call on providers to promote their social tariffs. In our [Affordability of communications services: April 2023 update](#) report we outlined our expectations on providers regarding the promotion of social tariffs.

Consumer engagement

The number of tariffs on offer has fallen

When consumers reach the end of their contract, they have a choice: either to switch to a different provider, recontract with their current provider, or continue using services from their current provider, but outside a contract. Looking at the proportion of customers out of contract can give an indication of consumer engagement in the telecoms sector.

Data collected from the UK's largest telecoms providers shows that 26% of fixed broadband customers were out of contract at the end of Q2 2023, unchanged from the previous year. Over the same period, 34% of pay-monthly users were out of contract,⁵⁹ up by 5pp year on year, with half of them on contracts which had ended more than a year ago.

The out-of-contract category includes a wide range of customer circumstances, and this should be considered when considering these findings. While some out-of-contract customers will have engaged with the market and decided not to switch or recontract, others will not have engaged with the market. Ofcom has introduced several rules and initiatives to help consumers engage with telecoms markets and take advantage of the deals that are available, such as annual best-tariff notifications (ABTNs) and end-of-contract notifications (ECNs). We will continue to monitor the impact of these in improving customer engagement.

For customers who would like to recontract or switch to a different provider, there are plenty of tariffs available on the market. Analysis of the number of tariffs in TechInsights' pricing model⁶⁰ shows that the number of fixed broadband tariffs (including standalone and bundles, but excluding mobile broadband) on offer fell from 2,561 to 1,668 (down 35%) in the year to July 2023, while the number of mobile tariffs decreased from 638 to 534 (down 16%) over the same period.

While the number of bundles on offer has fallen, there is still plenty of choice. The number of tariffs in the market is a measure of choice, but it also adds complexity. Price comparison services can help people navigate the market and make a purchase by setting out details of services and deals, helping them compare by provider and price, and enabling them to identify which one might best fit their needs.

Ofcom has [accredited several price comparison services](#), and only those services which undergo a thorough, independent audit are accredited by us. This ensures that the information they provide is accurate, comprehensive, and easy to understand.

⁵⁹ All pay-monthly SIM-only customers with 30-day rolling contracts are classed as being out-of-contract (as they can switch at any time without penalty, split contract customers who have reached the end of their airtime contract are classed as being out-of-contract, even when they still have an active handset contract with a longer term, combined contract customers who have reached the end of their handset and airtime contract will be classed as out-of-contract.

⁶⁰ We use a model provided by pricing specialist TechInsights to analyse the cost of baskets of communications services. This model contains details of the tariffs that the major providers offer on their websites. More details of the methodology can be found in Annex 1.

Monitoring how consumers engage in the communications market

Customers can protect themselves from price rises when they reach the end of their contract by switching or negotiating with their providers. Since 2020, Ofcom’s Switching Tracker has used a combination of methodologies to monitor consumer behaviour within the communications market, which includes landline, fixed broadband, mobile and pay TV.

A quarter of households have switched at least one communication service in the past 12 months

A quarter (25%) of households have switched provider for at least one of their communications services in the past year. Almost a quarter of standalone fixed broadband (24%) and 19% of standalone landline customers switched provider during this time, while 15% of standalone pay-monthly mobile customers made a switch (rising to 26% among customers aged 16-24).⁶¹ As in 2022, switching rates were lowest among pay-TV customers, with only 10% switching provider (3% having done so when moving to a new home).

Figure 37: Proportion of consumers switching in the past 12 months



% switched in last 12 months (from date of 2023 interview)	Standalone landline			Standalone mobile		Pay-TV		Fixed broadband		Dual-play ¹	Triple-play ²	Any
	Total	No broadband	Broadband from another provider	Pay-monthly	Pay-as-you-go	Total	Standalone	Total	Standalone	Total	Total	Total
Base	161	88*	73*	1,688	391	947	297	2,139	679	674	376	2,717
Total switched	19%	24%	10%	15%	18%	10%	15%	14%	24%	13%	13%	25%
Total excluding home movers	6%	5%	9%			7%	9%	10%	16%	10%	12%	22%

Source: Ofcom Switching Tracker 2023 (fieldwork conducted August to September 2023).

Base: Shown in table. All adults aged 16+ who are the decision-makers. *Caution – small base size.

Notes: ¹Dual-play refers to those who use the same provider for their landline and fixed broadband services (but not pay TV or mobile); ² Triple-play refers to those who use the same provider for their landline, fixed broadband and pay-TV services (but not mobile).

Three in ten households made changes to their communications service packages after contacting their provider

Overall, 30% of households made at least one change to their service or package in the 12 months after contacting their provider, while 12% made changes as a result of being contacted by their provider. As in 2022, 13% of standalone pay-monthly mobile customers had made changes to their existing package in the past year by contacting their provider, including receiving a discount, adding extra or improved services, or reducing or downgrading services, while 6% had made changes after being contacted by their provider.

Triple-play customers were again the most likely to have proactively made any changes to their service, with 39% saying they had contacted their provider to change their package in the past 12

⁶¹ More information about the Switching Tracker tables, data and technical report, including details of the methodology can be found here: <https://www.ofcom.org.uk/research-and-data/data/statistics/stats23>

months. Users of most services or bundles were more likely to have improved or added extra services to their package than to have downgraded or reduced their services.

Figure 38: Proportion of consumers making changes to their service/package, apart from switching

														
	Standalone landline		Standalone pay-monthly mobile		Standalone pay-TV		Standalone fixed broadband		Dual-play		Triple-play		All decision makers	
Base	161		1,688		297		679		674		376		2,717	
Change initiated by...	Customer	Provider	Customer	Provider	Customer	Provider	Customer	Provider	Customer	Provider	Customer	Provider	Customer	Provider
Discount	9%	7%	7%	4%	7%	4%	12%	6%	14%	4%	29%	5%	19%	8%
Added extra / improved	6%	5%	5%	2%	3%	6%	7%	4%	6%	1%	10%	4%	10%	5%
Reduced / downgraded	5%	2%	3%	*%	7%	*%	6%	1%	4%	*%	15%	1%	10%	1%
Any 2023	17%	10%	13%	6%	15%	10%	21%	10%	20%	6%	39%	7%	30%	12%

Source: Ofcom Switching Tracker 2023 (fieldwork conducted August to September 2023).

Base: Shown in table. All adults aged 16+ who are the decision-makers.

Standalone customers are the least engaged

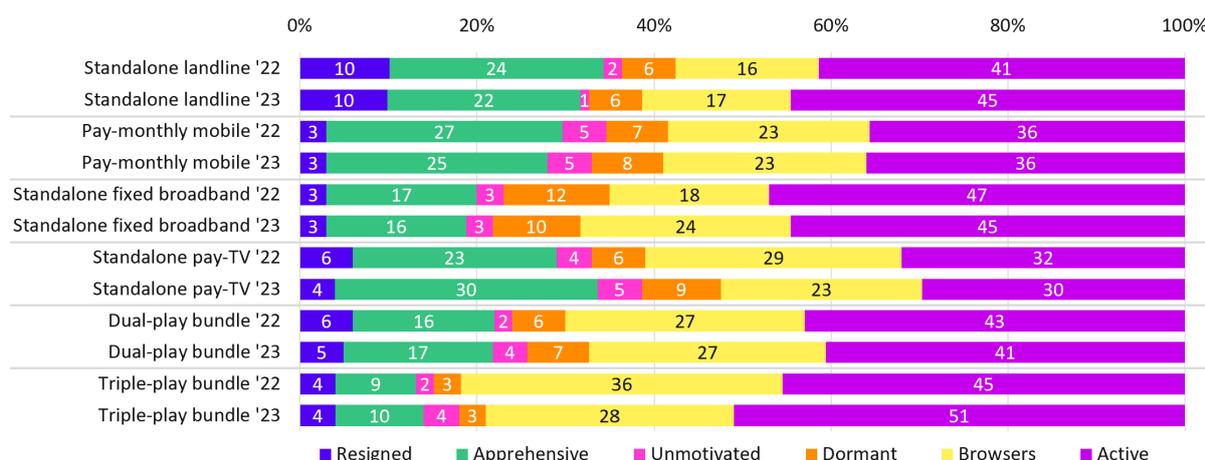
There are a number of ways in which consumers can engage with the communications market – these are ‘considering switching’, ‘keeping an eye on the market’ or ‘making changes to existing services’. To engage effectively with the market, consumers should be confident in the following three aspects of engagement: (a) understanding the language and terminology used by providers, (b) speaking to providers about new deals, and (c) comparing the costs of various offers.

Ofcom’s Engagement Index, taken from our Switching Tracker, takes all these factors into account and classifies consumers as being active, browsers, dormant, unmotivated, apprehensive or resigned.⁶²

Most consumers fall into one of the more engaged segments (active, browsers or dormant), although this varies according to the type of service/package the consumer has. Standalone pay TV, standalone landline and standalone pay-monthly mobile customers are the least engaged groups, with the highest proportions falling into the resigned, apprehensive or unmotivated segments in 2023. The proportion of consumers falling into the active segment was highest among triple-play decision-makers (51%) and lowest among standalone pay-TV decision-makers (30%) in 2023.

⁶² The detailed definitions used to create each segment can be found in Annex 1.

Figure 39: Engagement Index by communication service/package: 2022 vs 2023

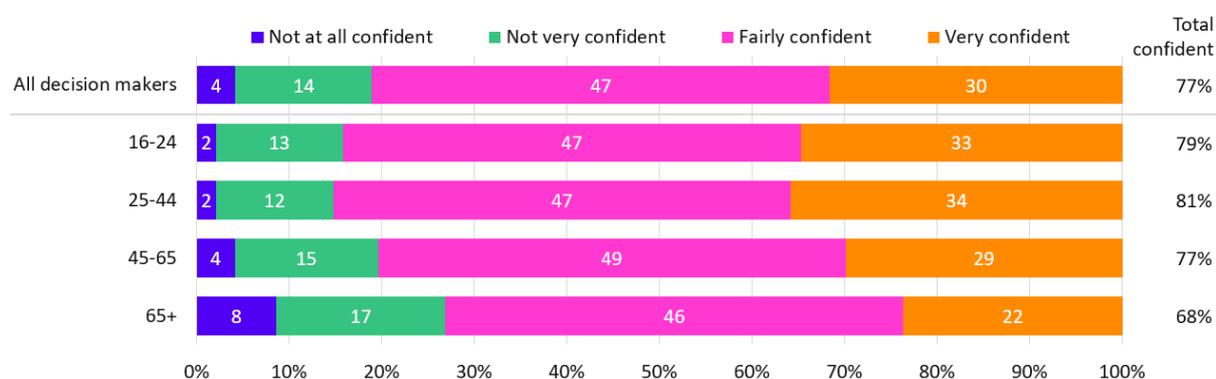


Source: Ofcom Switching Tracker 2023 (fieldwork conducted August to September 2023).

Base: All adults aged 16+ who are the decision-maker for landline as a standalone service (260 in 2022, 161 in 2023); mobile contract as a standalone service (2043 in 2022, 1688 in 2023); fixed broadband as a standalone service (644 in 2022, 679 in 2023); pay TV as a standalone service (443 in 2022, 297 in 2023); bundle of services (in 2022 dual-play 915, triple-play 511) (in 2023 dual-play 674, triple-play 376).

Those aged under 65 were more confident in their ability to compare costs of various deals in the communications market than those aged 65+ (79% vs 68%), while the confidence level across all consumers was 77%.

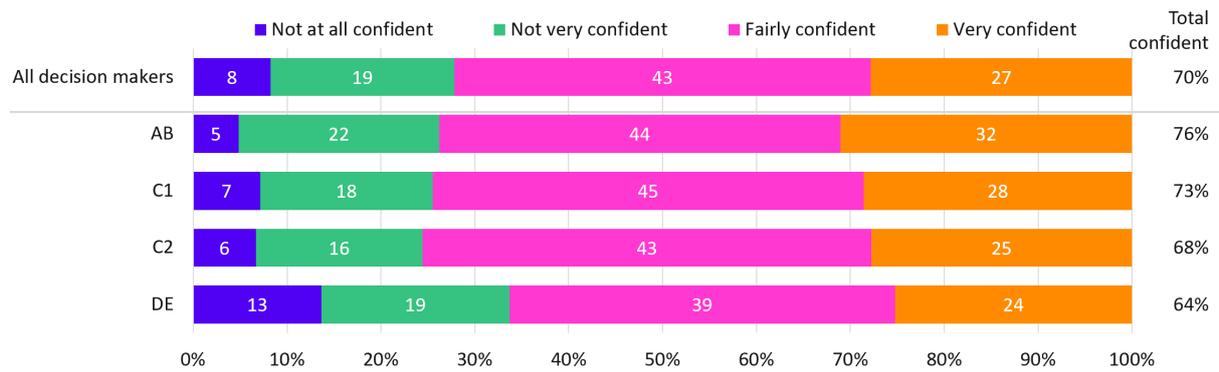
Figure 40: Level of confidence of consumers comparing costs of the various deals available in the market, by age group



Source: Ofcom Switching Tracker 2023 (fieldwork conducted August to September 2023).

Turning to variations between socio-economic groups, consumers in the DE band were the least confident in understanding the language and terminology used by communications providers (64%).

Figure 41: Level of confidence of consumers understanding the language and terminology used by providers, by socio-economic group



Source: Ofcom Switching Tracker 2023 (fieldwork conducted August to September 2023).

Base: All adults aged 16+ who are the decision-makers for any communications services (2717); socio-economic groups AB (786), C1 (751), C2 (530), DE (622).

Terminology used in this report

- **4G:** The fourth generation of broadband cellular network technology, which can achieve speeds of over 100 Mbit/s.
- **5G:** The fifth generation of broadband cellular network technology, which can provide higher connection speeds, lower latency and support more connections than 4G.
- **Annual best-tariff notification (ABTN):** An annual notification sent by the communications provider to a customer who is out of contract, which includes information about their current contract and the best tariff for the services they use.
- **Bundle:** A combination of more than one service from a single communications provider. This can include fixed broadband and landline, or pay-TV and fixed broadband, and can be provided under one or multiple contracts.
- **Dual-play:** Two services delivered by a single communications provider, most commonly landline and fixed broadband.
- **End-of-contract notification (ECN):** A notification sent to a customer by their communications provider that outlines the date on which the customer's minimum contract period will end, the services currently provided and the price paid, any changes to the service and the price at the end of the minimum contract period (where relevant). It explains that the customer has options available to them (such as SIM-only deals for mobile) and may be able to make savings. End-of-contract notifications are sent between 10 and 40 days before the end of the customer's minimum contract period.
- **Fixed broadband:** High-capacity internet connectivity that uses physical line.
- **Hybrid pay-as-you-go:** Hybrid PAYG tariffs have no minimum contract period and offer an inclusive allowance of calls, texts, and data which usually expires after a month. Any use outside the inclusive allowances is deducted from a pre-pay credit balance.
- **In contract:** Within the minimum contractual period for a specified service.
- **In-bundle spend:** Average monthly spend on services included within call/messaging/data allowances bundles for all subscriptions. This refers to the average monthly usage subscription charge, but not to any additional charges once they have reached their usage allowance.
- **Inflation:** Inflation measures how the prices of goods and services change over a certain period, usually a year. We use the Consumer Prices Index (CPI), based on a basket of regularly purchased goods and services and published by the Office for National Statistics (ONS), to calculate real-terms price changes across the period of data presented in this report.
- **List price:** The list price is the price that the consumer will pay once the promotional period of their contract ends. This is usually at the end of the minimum contractual period.

- **Minimum contractual period:** The length of contract the customer originally signed up to.
- **Nominal terms:** Sometimes referred to as 'cash terms' this represents the price of goods and services as they were paid for in the period they were purchased, without making any adjustment for inflation. This shows the actual money that has been paid for goods and services but does not reflect that prices and incomes generally increase over time, so £1 today is generally less of an individual's or company's total expendable income than £1 the previous year making something which costs £1 today 'feel' cheaper. As prices tend to rise, changes expressed in nominal terms are usually higher than those expressed in real terms.
- **Out of contract:** Outside the minimum contractual period for a specified service, but still paying for the service (e.g. via a rolling monthly contract).
- **Out-of-bundle:** Average monthly spend on services outside any call/messaging/data allowances.
- **Pay-as-you-go (PAYG):** Also known as pre-pay. With a pay-as-you-go mobile service, customers pay in advance by topping up their phone with credit, and the charges for use are subtracted from this balance.
- **Pay-monthly:** A post-pay (pay-monthly) tariff is a tariff whereby the customer is billed for the cost of any service after the usage.
- **Pay-TV service:** A television service which viewers pay by subscription to watch a particular channel/channels.
- **Promoted price:** The promoted price is a reduced price (compared to the list price) paid by a consumer when they sign up to a broadband service. The promoted price lasts for a specified period; often, but not always, equal to the minimum contractual period. Once the promotional period has expired consumers revert to paying the list price.
- **Quad-play:** Four services delivered by a single communications provider, most commonly landline, fixed broadband, pay TV and mobile.
- **Real terms:** Represents the price of goods and services each period after adjusting for general inflation using the Consumer Prices Index. This reflects that prices and incomes generally increase over time, so £1 today is generally less of a person or companies total expendable income than £1 the previous year making something which costs £1 today 'feel' cheaper. As inflation is usually above zero, changes expressed in real terms are usually lower than those expressed in nominal terms.
- **Residential:** Intended for the use of private individuals, rather than companies/commercial entities.
- **SIM-only:** A type of monthly mobile contract where the customer receives physical SIM card or eSIM and an inclusive allowance of mobile data, minutes and texts their mobile provider but not a device to use them with.
- **Social tariff:** Social tariffs offer discounted broadband or mobile services for people in receipt of certain benefits.

- **Standalone:** A customer taking a single service from a communications provider, not a bundle of two or more services. For example, standalone mobile refers to a customer taking just a mobile service from their provider.
- **Standard fixed broadband product:** A fixed broadband service with an advertised download speed of less than 30 Mbit/s.
- **Subscription video-on-demand service (SVoD):**
- **Superfast fixed broadband product:** A fixed broadband service with an advertised download speed of 30 Mbit/s or higher (in the pricing analysis in this report, the superfast category excludes ultrafast broadband services).
- **Triple-play:** Three services delivered by a single communications provider, most commonly landline, fixed broadband and pay TV.
- **Ultrafast fixed broadband product:** A fixed broadband service with an advertised download speed of 300 Mbit/s or higher.
- **Zero rating:** Zero-rating is where the data used by certain websites or apps is not counted towards a customer's overall data allowance.

A1 Methodology

We use several datasets to analyse residential pricing trends. Here we set out the sources of these datasets, how they are compiled and the way in which they have been used in this report:

- operator data;
- tariff information from Pure Pricing;
- basket-based pricing using TechInsights' price benchmarking model;
- international price benchmarking using TechInsights model; and
- consumer research – including the communications affordability tracker and the switching tracker (which includes the Engagement Index).

Operator data

While the pricing data provides a view of the tariffs that are available to consumers, we used our formal powers to collect information from the leading providers of residential fixed and mobile services in the UK. The data was collected from the following providers of fixed and mobile services:

- fixed telecoms providers: BT (incl. EE and Plusnet), KCOM, Shell Energy, Sky, TalkTalk, Three, Virgin Media O2 and Vodafone; and
- mobile service providers: BT (incl. EE and Plusnet), iD Mobile, Sky Mobile, Three, Tesco Mobile, Virgin Media O2 and Vodafone.

We collected information regarding numbers of customers/subscriptions and average spend per customer/subscription, including the proportion of spend that was out-of-contract and out-of-bundle, for Q2 2023.

Data was collected for the following services:

- Standalone landline
- Standalone fixed broadband
- Standalone pay TV
- Standalone mobile phone
- Standalone mobile broadband
- Dual-play with landline and fixed broadband
- Dual-play with fixed broadband and pay TV
- Dual-play with fixed broadband and mobile phone
- Triple-play with landline, fixed broadband and pay TV
- Triple-play with landline, fixed broadband and mobile phone
- Quad-play with landline, fixed broadband, pay TV and mobile phone
- Other service combinations

Tariff information

Pure Pricing

We use retail tariff information taken from Pure Pricing's Monthly Broadband Pricing reports to analyse residential line rental and bundled service prices. We also use retail tariff information from Pure Pricing's Monthly Mobile Pricing reports to analyse mobile SIM-only prices.

The prices are those available to new customers on providers' websites. These new customer prices are sometimes referred to as 'front-book' prices as opposed to the 'back-book' prices charged to existing customers.

When we analyse promoted prices, we calculate the average monthly price paid across the minimum contractual period, taking any promotional discounts into account. When we look at list prices, we calculate the average monthly cost, excluding any promotional discounts.

Basket-based pricing analysis: UK price benchmarking model

To analyse the tariffs available in the UK, we use a bespoke pricing model commissioned from pricing consultancy TechInsights. The model is populated with tariff data for landline, mobile voice and data, fixed broadband, pay TV and 'bundled' services (i.e. incorporating more than one service, such as triple-play tariffs). As above, the prices are those available to new customers on providers' websites. The key objectives of the work are as follows:

- to identify and compare the pricing that is available for consumers buying landline, mobile, fixed broadband and pay-TV services;
- to identify and compare the pricing that is available by purchasing communications services within bundled tariffs (for example, triple-play services, which typically offer a single bill for the delivery of landline, fixed broadband and pay-TV services);
- to compare pricing across a wide range of service usage scenarios, from the requirements of those with basic needs to those of consumers with more sophisticated consumption; and
- to incorporate the cost of hardware such as set-top boxes or broadband modems/routers in order to reflect the full prices that consumers pay, and to compare like-with-like by allowing for equipment subsidies when they are included within propositions from service providers.

Basic methodology

Further detail is provided below but the basic principles are as follows. We constructed five household types and defined a usage profile of communications services comprising landline, mobile, fixed broadband and pay TV appropriate for each one. A wide range of components were included within the household usage profiles to ensure as accurate as possible a representation of the real-world prices consumers pay. For example:

- landline minutes were distributed by whether they were to fixed or mobile lines, and time of day (day, evening, weekend), and non-geographic calls were excluded from the analysis;
- mobile calls (and messaging) were split between on-net and off-net, voicemail was included and the 'affluent two-person household' and two members of the 'networked family household' require 5G mobile services from 2020 onwards;
- call set-up and per-minute charging were incorporated, and a range of call lengths were used;

- the fixed broadband component was defined both by minimum headline speed and by minimum data allowance requirements; and
- the pay TV element included a digital receiver and, for some household usage profiles, a digital video recorder (DVR). Two tiers of pay TV were considered:
 - > the most basic service available above the channels available on free-to-air TV; and
 - > a basic pay-TV service with premium sports content (top-tier football matches).

Broadband routers, digital set-top boxes and DVRs are included within the household usage profiles and amortised over an appropriate period in order to attribute a monthly cost. This is necessary because this equipment is often inseparable from the service price, as operators frequently include subsidised or ‘free’ equipment (for example a mobile handset or a wi-fi router) within the monthly subscription. For similar reasons, connection and/or installation costs are included.

Data for 2023 was collected in July of this year. Data for 2020 was collected in October of that year. For all other years, data was collected in July. For each year the data covers details of every tariff and every tariff combination (including bundled services) from at least the largest three operators by retail market share (and from more than three operators, if this was required to ensure that a minimum of 80% of the overall market was represented). Bundled tariffs (i.e. those that incorporate more than one service) were also collected. Only those tariffs available on the websites of the operators were included (i.e. the analysis excludes bespoke tariffs that are offered only to certain customers). The number of providers covered in the pricing model has increased over time.

Our model identifies the tariffs that offer the lowest price for meeting the requirements of each household. All sales taxes and surcharges have also been included, to reflect the prices that consumers actually pay.

To provide an illustration of representative prices for the individual services, and to illustrate the best value that consumers can get for their usage profile, we have provided the weighted average standalone pricing, illustrating the price of each individual service, as defined by the average of the lowest price tariff from each of the operators for each service, weighted by the market share of the service provider, in order to ensure fair representation.

Household types

For this study, we have considered hypothetical households, and have defined their requirements for communications services based on average use in 2018. These were reviewed at the start of the 2023 study and have been updated. These household types are designed to be collectively broadly representative of the overall population.

Figure M1: Household types

Summary	Fixed voice mins	Mobile voice mins	Mobile SMS messages	Mobile handset data	Fixed broadband speed	Fixed broadband data	TV
Low-use couple with basic needs	120	50	None	None	None	None	Free-to-air
		50	None	None			
	90	50	50	1 GB		25 GB	Free-to-air

Summary	Fixed voice mins	Mobile voice mins	Mobile SMS messages	Mobile handset data	Fixed broadband speed	Fixed broadband data	TV
Late adopter couple		50	50	1 GB	≥30 Mbit/s		
'Networked' family household	60	250	100	5 GB	≥100 Mbit/s	1,000 GB	Basic pay TV with HD/4K & DVR, plus OTT service/ SVoD subscription
		250	100	5 GB			
		100	None	20 GB (5G)			
		100	None	20 GB (5G)			
Affluent two-person household	30	150	75	10 GB (5G)	≥300 Mbit/s	500 GB	Premium pay TV with movies and sports, HD/4K & DVR
		150	75	10GB (5G)			

Source: Ofcom.

Landline usage profiles

The landline usage profiles define the use per month for the household and calculate the monthly cost of using the landline service. The elements of the usage profiles are listed below, with values for each of the four household types which use this service. The cost of customers' equipment is amortised over a five-year period.

Figure M2: Landline usage profiles

	Affluent two-person household	'Networked' family household	Late adopter couple	Low-use couple with basic needs
Outbound call mins	30	60	90	120
Type of calls	90% UK landline and 10% to UK mobiles			
Time of day	60% daytime, 25% evening and 15% weekend			

Source: Ofcom.

Mobile voice and data usage profiles

To analyse the prices of standalone mobile services, we used six connection types to represent use across diverse types of consumers. We exclude the cost of a handset from our analysis.

Figure M3: Mobile usage profiles

	Outgoing call mins per month	Outgoing SMS messages per month	Data use per month
Mobile user profile 1	50	None	None
Mobile user profile 2	50	50	1 GB
Mobile user profile 3	250	100	5 GB
Mobile user profile 4	100	0	20 GB (5G)
Mobile user profile 5	150	75	10 GB (5G)
Mobile user profile 6	500	25	30 GB (5G)

Source: Ofcom.

To calculate the total price paid by consumers of buying a handset outright and using it with a SIM-only plan compared with acquiring a handset with their airtime contract, we assign each type of mobile connection usage profile a low-, mid- or high-range handset across the time series.

Figure M4: Mobile usage profiles: handsets

	2018	2019	2020	2022	2023
Mobile user profile 1	Alcatel 1016G	Alcatel 1016G	Alcatel 10.66G	Nokia 105	Nokia 105
Mobile user profile 2	Alcatel 1016G	Alcatel 1016G	Alcatel 10.66G	Nokia 105	Nokia 105
Mobile user profile 3	Samsung Galaxy A6	Samsung Galaxy A6	Samsung Galaxy A21s	Samsung Galaxy A22 128 GB	Samsung Galaxy A23 5G 128 GB
Mobile user profile 4	Samsung Galaxy A6	Samsung Galaxy A6	Samsung Galaxy A21s	Samsung Galaxy A22 5G 128 GB	Samsung Galaxy A23 5G 128 GB
Mobile user profile 5	Samsung Galaxy A6	Samsung Galaxy A6	Samsung Galaxy A21s	Samsung Galaxy A22 5G 128 GB	Samsung Galaxy A23 5G 128 GB
Mobile user profile 6	Samsung Galaxy S9	Samsung Galaxy S10	Samsung Galaxy S20	Samsung Galaxy S22 5G 128 GB	Samsung Galaxy S23 5G 128 GB

Source: Ofcom.

Bundled service profiles

To analyse the price of services when purchased as bundles, we use six household profiles with different usage across services. Not all have been featured in this report.

Figure M5: Household profiles for bundled services

'Typical' household type	Summary	Fixed voice	Mobile voice	Mobile messaging	Mobile handset data	Fixed broadband	TV
Low-use couple with basic needs	A low-use couple with basic needs	Medium-high use	Low use	None	Low	None	Free-to-air
Late adopter couple	A broadband household with basic needs	Medium use	Low use	Low use	Low	Low use	Free-to-air
Mobile 'power user' (requires 5G from 2020 onwards)	A mobile-only household	None	High use	Low use	High use	None	Basic pay TV with HD & DVR
'Networked' family household	A family household with multiple needs	Low use	Medium use	Medium/No-use (depends on user)	Medium-High use (depends on user)	Medium use superfast	Basic pay TV with HD & DVR, plus OTT service/SVoD subscription
Affluent two-person household (requires 5G from 2020 onwards)	A two-person household with sophisticated needs	Very low use	Medium use	Medium use	High use	High use superfast	Premium pay TV with HD & DVR

Source: Ofcom.

International price benchmarking

We have used a pricing model, provided by TechInsights, to benchmark prices internationally. For landline, mobile phone and fixed broadband services, this uses a methodology like that adopted by the Organisation of Economic Co-operation and Development (OECD) in its ongoing price benchmarking work with TechInsights. When comparing the prices of bundled communications services, we used data taken from TechInsights Bundle Benchmarking service, which also uses a methodology similar to that used by the OECD.

The tariff data used in the analysis was taken from operator websites in Q3 2023. The bundled tariff data was collected in July and August 2023, and the standalone service tariffs in either August or September 2023 (depending on the service). The purchasing power parity-adjusted (PPP) exchange rates used to convert prices into GBP were for September 2023 and were taken from the OANDA web service (using exchange rates as at 1 September 2023) and the OECD database of comparative price levels (CPL).

Methodology

Our analysis compares the best prices available from the leading providers by retail market share in each country to buy a 'basket' of services. Baskets are based on typical usage levels for low, medium and high users, as defined by the OECD, with some adjustments, made at Ofcom's request.

Figure M6: Baskets used in international price benchmarking analysis

	Low use connection	Medium use connection	High use connection
Landline services	20 outgoing calls	60 outgoing calls	140 outgoing calls
Fixed broadband services	Fixed broadband with advertised speed <30 Mbit/s and unlimited data	Fixed broadband with advertised speed ≥30 Mbit/s and <300 Mbit/s and unlimited data	Fixed broadband with advertised speed ≥300 Mbit/s and unlimited data
Mobile phone services	30 outgoing calls , no data	300 outgoing calls, 5 GB data	100 outgoing calls, 20 GB data
Dual-play fixed broadband and landline bundles	Fixed broadband with advertised speed <30 Mbit/s and unlimited data; anytime calls to UK landlines	Fixed broadband with advertised speed ≥30 Mbit/s and <300 Mbit/s and unlimited data; anytime calls to UK landlines	Fixed broadband with advertised speed ≥300 Mbit/s and unlimited data; anytime calls to UK landlines
Triple-play fixed broadband, landline and pay-TV bundles	n/a	Broadband with advertised speed ≥30 Mbit/s and <300 Mbit/s and unlimited data; anytime calls to UK landlines; pay TV with >5 channels	Broadband with advertised speed ≥300 Mbit/s and unlimited data; anytime calls to UK landlines; pay TV with >5 channels and premium sport and films

Source Ofcom / TechInsights

To give examples of the baskets that are used in the analysis, a mobile basket includes the requirement for a set number of calls, text messages and data use, and a fixed broadband basket includes a set amount of data and a required download speed. Voice call durations are set according to OECD definitions.

Analysis was undertaken for standalone landline, fixed broadband and mobile phone services, dual-play (fixed broadband and landline), and triple-play (fixed broadband, landline and pay TV) bundles. For each service, and each basket, the leading providers' published residential prices are costed using the defined methodology for each profile, and the cheapest offer available from each provider is considered. These results are then used to identify the cheapest cost per country for each basket, as well as a weighted average.

Our analysis includes only residential tariffs; we do not look at the prices available to businesses. Promotional offers (e.g. in the form of introductory reduced prices) and offers where savings can be made by paying for services up-front (e.g. 'line rental saver' offers) are taken into account, where applicable.

We include tariffs from at least the three largest providers in each market, ensuring that we include providers which achieve a combined market share of at least 80% by service (except in the US, where providers may operate regionally). When we calculate 'average' prices, we weight the data according to the retail market share of each provider.

For the bundle pricing analysis, we have used the main providers in each of the countries covered (based on fixed broadband and pay TV as starting services). As market share data is not available for bundled services, the market share for fixed broadband is used when weighting average prices by market share.

Consumer research

The report also draws upon data from established Ofcom surveys.

The Communications Affordability Tracker

The Communications Affordability Tracker is a CATI (Computer Assisted Telephone Interview) survey run by Ipsos MORI with c.1,000 UK adults aged 18+ interviews conducted each wave. The tracker identifies those who are either the sole or joint decision-maker for communications services in their household and/or those who personally use a mobile phone. Quotas are set on age, gender, working status and geographical region. This sample also includes a Northern Ireland boost, which was subsequently down-weighted in the UK representative results. This provides us with continued understanding of consumer affordability issues in the UK communications markets (covering mobile, landline, fixed broadband, pay TV and on-demand TV services).

The fieldwork for the data referenced in this report was carried out between 4 and 10 October 2023 among 1115 UK adults aged 18+. Fieldwork generally takes place in the first week of each month and therefore experiences largely reflect those of the previous month e.g., October fieldwork will largely reflect experiences in September.

In this report we have included population estimates based on percentages from the October 2023 Communications Affordability Tracker and Office for National Statistics ("ONS") estimates of the number of households in the UK.

For more information on how these population estimates were made please see the [Affordability Tracker technical annex](#).

Awareness of Broadband Social Tariffs

The Awareness of Broadband Social Tariffs is an online Omnibus survey run by Yonder among a nationally representative sample of 2,084 adults aged 18+. ⁶³ The research measures the awareness of broadband social tariffs and how people heard about them. The fieldwork for the data referenced in this report took place between the 4 - 5 October 2023.

⁶³ [Awareness of social tariffs, October 2023 data tables](#)

Since April 2023, awareness of broadband social tariffs has also been measured on the Communications Affordability Tracker. In future, the Communications Affordability Tracker will become our main source of data on this topic.

The Switching Tracker

The Switching Tracker is an annual survey conducted in August/September among household decision-makers for communications services, which monitors levels of participation in terms of switching and engagement activities. It looks at landlines, mobile, internet/broadband markets and pay TV, as well as dual- and triple-play bundles. It used a combination of post-to-web, post-to-phone and online methodologies.

In 2023 we interviewed 2,717 adults aged 16+ in the UK across the different survey methods. Interviews were carried out between August and September 2023. A letter was sent to a sample of UK households inviting one member of the household who has responsibility for at least some communications services to complete the survey online or by telephone, depending on their preference. Those interviewed online following a postal invitation were asked for referrals to friends or family members without access to the internet. Once the post-to-online and post-to-phone interviewing was complete, some additional interviews were conducted using online panels in order to balance the overall sample and to ensure that the sample was nationally representative of the UK population.

The Engagement Index

Ofcom's Engagement Index is derived from the Switching Tracker. It takes a selection of behavioural and attitudinal factors into account and classifies consumers as being either active, browsers, dormant, unmotivated, apprehensive or resigned.

The first three groups (actives, browsers and dormant) are, to a greater or lesser extent, engaged in the market and are aware of alternative deals and/or suppliers. The resigned group are dissatisfied with the overall service provided by their supplier but have not made any effort to look into other deals or negotiate a better deal. There could be a number of reasons for their non-engagement, including being in a location where choice of supplier (e.g. in a remote rural area where coverage from some mobile operators is poor) or choice of service (e.g. in an area where fibre broadband is not available) is limited.

The unmotivated group have not had any recent engagement with the market but are confident in their ability to compare costs, speak to their current provider and understand the language and terminology used by providers. Some of this group, although they do not lack confidence in their ability to engage with the market, claim that they would like to save money on their service, but lack the time to do so. In short, these people claim to have the skills they need to engage, but for one reason or another have chosen not to do so.

The final group, which we have termed 'apprehensive', have not had any recent engagement with the market, are not confident in their ability to compare costs, speak to their current provider or understand the language and terminology used by providers and this lack of confidence may be discouraging them from engaging.

Figure M7: Segment definitions in the Engagement Index

	2023
Active	<p>A. Switched supplier in the last year, unless when moving home, OR at least two of the following:</p> <p>B. Are currently/planning to look for a new deal.</p> <p>C. Have initiated some supplier contact.</p> <p>D. Have conducted some competitor evaluation.</p>
Browsers	<p>Not active. One of the following:</p> <p>B. Are currently/planning to look for a new deal.</p> <p>C. Have initiated some supplier contact.</p> <p>D. Have conducted some competitor evaluation.</p>
Dormant	<p>Not browsers, but are/may still be in contract. One or more of the following:</p> <p>E. Switched supplier in the last 13-24 months (but not necessarily without moving home at the same time).</p> <p>F. Have never switched supplier but have been with their supplier for up to 24 months.</p> <p>G. Have upgraded or downgraded services in the last year, but this was provider-led and not initiated by the customer.</p>
Unmotivated	<p>None of A-G above AND confident comparing costs and speaking with current provider about new deals and understanding the language and terminology used by providers.</p>
Apprehensive	<p>None of A-G above AND not confident comparing costs and speaking with current provider about new deals and understanding the language and terminology used by providers.</p>
Resigned	<p>None of A-G above AND not satisfied with overall service provided.</p>

Source: Ofcom Switching Tracker carried out by Critical Research in August-September 2023.

Notes: Those who switched when moving are defined in the Engagement Index based on any other activity that would qualify them. Those who undertook activities shown under B-D above would be defined as Active or Browsers, while those who did not undertake these activities and simply took over the existing service in their new home would not be defined as Active or Browsers.