

Broadband and the road to 5G

Digital, Culture, Media and Sport Committee Call for Evidence

Summary

1. Digital infrastructure which delivers good quality connectivity is essential for consumers, particularly as people's lives are becoming more and more reliant on being connected to perform everyday tasks such as banking, shopping and streaming.
2. This need for connectivity has been further highlighted by the current Coronavirus pandemic. Millions of people are reliant on their broadband and mobile connections to work remotely and stay in touch with family and friends. Which? believes that all consumers should be able to access the benefits that 5G and gigabit-capable broadband will bring.
3. Which? supports the Government's ambition for nationwide gigabit-capable broadband by 2025. To support this ambition, it will be critical to ensure that there is consumer demand for these connections. A research that Which? undertook in 2019 found that consumers tended to feel that their current connection was fine, even in light of problems with their connection. This belief led some consumers to not perceive a need to move to a higher quality service. It will be important to address beliefs such as these to ensure that consumers benefit from gigabit connectivity.
4. Ensuring demand for gigabit connections will be critical to their success. A Connectivity Taskforce, composed of representatives from consumer and business groups, should be established to advise on a strategic, evidence based approach to stimulate demand for gigabit-capable broadband connections. We believe that the lessons learnt from the rollout of 4G mobile coverage and superfast broadband in the UK will be important for the rollout of new technologies. It will be essential to recognise the key issues, for example the slow take up of superfast broadband and the lack of 4G mobile coverage in hard to reach areas, and adapt future rollouts accordingly.

General Comments

5. Which? welcomes the Government's ambition to rollout nationwide gigabit-capable networks. With good quality connectivity increasingly important to consumers as more services move online, these new connections will bring consumers benefits such as faster, more reliable connections.
6. It is critical that consumers are brought along on the journey of these improvements to UK connectivity. Consumers may not understand the benefits that these new connections can bring, when their current service seems to work well for them and meets their needs. Importantly, lessons must be learnt from the slow take-up of superfast broadband to ensure increased take-up and further investment in gigabit-capable connectivity.
7. The need for good quality, reliable connections has been reinforced by the current uncertainties faced by consumers and businesses . The Coronavirus pandemic and

the steps being taken by the Government to curtail its spread has highlighted the need for good connectivity for people to be able to continue day to day work, order shopping and stay in contact with family and friends.

8. We welcome the steps that have been taken to date to improve connectivity in the UK, and the ongoing measures being implemented by government and Ofcom to deliver improvements in both mobile and broadband coverage, such as the Shared Rural Network. As consumers continue to increasingly rely on good quality connectivity in their daily lives, the Government's ambitions for gigabit-capable connectivity should deliver significant benefits for consumers. However, it is critical that all consumers have the opportunity to benefit from these connections, with no parts of the UK left behind.

How realistic is the Government's ambition of nationwide gigabit-capable broadband by 2025, and what measures (regulatory, financial, technical, other) will be needed to achieve it?

9. Central to the success of the Government's ambition for nationwide gigabit-capable broadband by 2025 will be ensuring that there is consumer demand for these connections. It is essential that the rollout of gigabit connectivity is supported by strong take-up. This will not only help to support ongoing commercial investment from industry in these new services, but it will also ensure that consumers are able to benefit from them.
10. Take-up of gigabit connections will require consumers to engage with the broadband market and understand the benefits that these connections can offer them. Last year, Which? undertook research to help understand the barriers that consumers face to engaging with the broadband market.
11. An important finding from this was that most research participants tended to think that their current service is fine. However, some who held this view were experiencing problems with their broadband service or potentially paying relatively high prices. This was supported by our quantitative research which found 38% of consumers agreed that if their broadband works fine for their household there is no reason to review it at the end of the contract, while worryingly, 43% believe that their current broadband meets their their needs and do not want to upgrade to full fibre. The satisfaction with their service led some consumers to not perceive a need to move to a higher quality service. In the context of gigabit connections, it could mean that consumers are not inclined to switch or even consider moving to these connections as they feel that there is no need to seek out a new service.
12. As part of this belief that their current service is fine, we found consumers tended to normalise service issues, accepting broadband variability. This is likely to have important read-across for gigabit connections and the extent to which consumers will be persuaded by the promise of more reliable connections.
13. As gigabit connections become more widely available, it will be important to help consumers overcome the barriers they face when engaging with the broadband market. In particular, we believe more will need to be done to address the lack of knowledge about the broadband market, as consumers tend to struggle with different terminology and knowing what speed they need based on their intended usage. There is also a lack of awareness of what types of connections are available.
14. Our research found that consumers also faced other key barriers to engagement with this market. In particular, consumers had concerns that changing providers may lead to a poorer service and that it may lead to unexpected costs. Addressing consumer

concerns about the risks of engaging with the broadband market will be essential to ensure take-up of gigabit connectivity.

What are the challenges to the roll-out of 5G and gigabit-capable networks? To what extent do existing legislative, regulatory and spending plans address them?

15. In terms of mobile connectivity, Which? has focused on ensuring that consumers across the UK have access to good quality 4G coverage from a choice of operators. As such, we are supportive of the recent agreement that has been reached between the Government and the mobile network operators for a Shared Rural Network (SRN). However, as work to deliver the SRN begins, we would like to see more transparency about when and where coverage will be delivered so that consumers have clarity about when they can expect to benefit from these coverage improvements.
16. We believe that the lessons from the rollout of 4G mobile coverage in the UK will be relevant to that of 5G networks. For example, it is reasonable to expect that in rural areas building a business case for 5G deployment will be challenging, similarly to 4G. This may impact on the appetite of operators to roll out 5G networks in some areas.
17. We are aware that some consumers also have concerns about the potential health risks of 5G. If these concerns gain further traction, even without firm evidence, it could make it more challenging for operators to rollout their 5G networks in some areas. For example, it may lead to issues with obtaining planning permission. It is important that consumers are provided with accurate and useful information to help dispel myths and give them confidence in new technologies. Which? has published information to help address the myths circulating in relation to 5G.
18. We welcome the pledge made by the Government in the 2020 budget to invest £5 billion in gigabit broadband rollout in the most difficult to reach 20% of the country, which we address as part of Question 3. Alongside this, Which? recognises the regulatory and legislative steps that have been taken to date to help support the rollout of gigabit capable networks. Which? welcomes the steps Government is taking to amend current building regulations to guarantee that all new homes have the right infrastructure to support gigabit broadband. Given that good quality connectivity is essential to consumers, and with broadband increasingly seen as a utility, it is crucial that it is viewed with this level of importance, and prioritised, by property developers.
19. We also welcome the steps taken by the Government in relation to Multi-Dwelling Units (MDUs), which should make it easier to rollout gigabit connectivity to these properties and ensure that consumers can benefit from these better quality connections.

What needs to happen to ensure the Government's 'outside-in' approach successfully addresses the digital divide while also delivering value for money?

20. Consumers across the UK must have access to good quality connectivity, particularly as services increasingly move online. Which? welcomes the Government's decision to pursue an 'outside-in' approach to gigabit connectivity. This will ensure that consumers in the hardest to reach parts of the UK are not left behind.
21. In using this 'outside-in' approach, the Government must give careful consideration to its interaction with the existing broadband Universal Service Obligation (USO). In

particular, consumers in some parts of the UK will now be considering whether to apply for a USO connection. For some, this will come at a cost. The Government must therefore provide clarity to consumers in those hard to reach parts of the UK when they can expect to be connected with gigabit connectivity, so they can make an informed choice about whether to take a USO connection. This is particularly important for those instances where consumers are above the cost threshold of £3,400 and may choose to pay for the connection themselves.

22. To ensure that the 'outside-in' approach delivers value for money, it is essential that the Government does not fund connections in those areas of the UK which could be served by commercial investment. In particular, it will be important to be mindful of those infrastructure builders who specialise in rolling out broadband networks in hard to reach and rural areas. When assessing value for money, consideration must also be given to how many consumers can benefit in an area, and what technology would be best suited to deliver these connections.
23. Once the Government has made its assessment of which areas will be covered by the 'outside-in' approach, it should be made clear to consumers in those areas when they can expect to receive a gigabit connection and the benefits of having this connectivity. This will help ensure take up of these connections, and may also help make deployment easier as consumers will better understand why local roads are being dug up, for example.

What does take-up of broadband and mobile services indicate about consumer and business attitudes to digital connectivity? What needs to be learnt from this for the roll-out of, and the switchover to, gigabit-capable networks?

24. Consumers are increasingly reliant on good quality connectivity. As of 2019, 79% of adults in the UK own and use a smartphone, using around 2.9GB of mobile data per month. Data use is also increasing rapidly over fixed broadband connections, growing 31% from 240GB per month per connection in 2018 to 315GB in 2019. However, even in light of these growing demands for good quality connectivity, the take up of superfast broadband has been slow. Currently, while 95% of the UK has access to superfast broadband, just 57% of households have taken these connections.
25. Our broadband engagement research highlighted that faster speeds are usually not a pull to engage with the broadband market unless participants were experiencing significant service issues. Consumers tended to be satisfied with their current speed, and wanted to ensure service would remain consistent. The take-up of superfast connections has been slow (currently 57%), even as availability has increased to 95%. Furthermore the price of superfast is broadly similar to many standard broadband services, with Ofcom finding that many out-of-contract standard broadband customers are paying higher prices than new superfast customers. In fact, 70% of consumers believe that superfast broadband is more expensive than the standard one. As such, there are important lessons from the rollout and take up of superfast broadband that must be considered for the rollout of gigabit capable networks to ensure increased consumer take-up.
26. Our research found that in relation to superfast broadband service, most consumers (60%) tend to see it as a "premium service" and a third (32%) said it was something that was not needed to them with the same percentage saying that they don't think is available in their area. These findings are important in the context of gigabit-capable broadband. It will be important that consumers view gigabit connections as, in effect, a 'standard connection' as they will eventually be forced to take these connections as

part of the switchover. It also highlights the importance of providing consumers with information to understand the benefits that different types of connection can offer them. It is essential that in thinking about the move to gigabit capable networks that lessons are learnt from the rollout of superfast broadband across the UK. In particular, how to drive take up of these new services and ensure that all consumers understand the benefits and cost of these connections.

27. Which? has called for the establishment of a Connectivity Taskforce, bringing together the UK Government, consumer and business groups to ensure that consumers and businesses across the country are ready to take advantage of gigabit capable connections being rolled out across the UK. This taskforce should advise on a strategic, evidence-based approach to stimulate demand for gigabit capable connections, to ensure that users are ready to take advantage of these connections.

What will be the impact on individuals and communities whose broadband and mobile connectivity fails to keep pace with the rest of the country over the next 10 years? What is the link with other DCMS policy concerns, such as changing patterns in the consumption of digital media?

28. All consumers should have access to a reliable connection that meets their needs, especially as more services are moving online. It is important that consumers aren't left behind, or face digital exclusion, and that all consumers across the UK are able to benefit from good quality, reliable connections.
29. Changes in the communications market may present significant challenges for vulnerable users, whose ability to take advantage of these are affected by factors such as their age, disability, their income or their location. Those users, inevitably, are more at risk of being offline and not be able to participate fully in digital society.
30. Access to banking is an example of this issue, and it offers an overview of the challenges ahead with the rise of a digital society. A fifth of consumers do not feel confident checking their balance online or via an app, and many of these people rely entirely on offline banking. Which? analysis found that the UK has lost almost two-thirds of its bank branches in the last 30 years, with over 3,300 branches closing across the country since 2015. This has left a fifth of households now more than three kilometres from their nearest branch. In addition to branch closures, between January 2018 and January 2020, the number of free-to-use ATMs reduced from 54,500 to 45,000, an overall 17% reduction in the size. These changes have led to a situation where poor connectivity causes problems for consumers who have been forced to rely on digital payments and online banking following a decline in their ability to access banking services. This makes it all the more critical that consumers have access to decent connectivity.
31. In the next ten years, thanks to the rollout of gigabit capable connections, more and more services will move online and consumers will have access to a new array of products and services. Yet, not all of them may be able to benefit from these changes, if they are unable to access this new technology. As a result it is important to ensure that no segments of the population are left behind.
32. Telecommunication providers have been working hard to maintain our current infrastructure throughout the Coronavirus pandemic. However, it has also highlighted the importance of having access to fast, reliable connections, with millions of people working remotely and relying on their internet connection to keep in touch as well as access services such as online food shopping.

How effectively do the different stakeholders (UK and devolved governments, local authorities, Ofcom, industry) work together in both the mobile and broadband sectors? How might these relationships be improved to support gigabit-capable roll-out?

33. The SRN has been a good example of government and industry working effectively together to deliver improvements in connectivity for consumers. These effective working relationships must be maintained.
34. Each of the stakeholders mentioned has an important role to play to ensure that consumers truly benefit from the upcoming changes in the mobile and broadband sectors. Which? has called for the establishment of a Connectivity Taskforce, bringing together the UK Government, consumer and business groups, that would take an evidence based approach to ensure that all consumers and businesses are able to truly benefit from the investment being made in gigabit-capable networks. This taskforce could include representatives from the devolved governments, Ofcom and local authorities.

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