



2 Marylebone Road
London NW1 4DF
t 020 7770 7000
f 020 7770 7600
which.co.uk

Which? Response to the CityFibre consultation on the copper to fibre switchover

Which? welcomes the opportunity to respond to CityFibre's consultation on the copper to fibre switchover. Consumers must have the right connections for their needs that enable them to fully participate in the digital world in which we live. Migration to full fibre offers consumers the opportunity for more reliable, faster connections.

It is critical that consumer interests are protected as we move to a full fibre world and that the switchover is as smooth and seamless as possible for consumers. In the rest of this response we set out our thoughts on what we believe to be important considerations from the consumer perspective for the migration to full fibre.

Encouraging consumer demand

Central to the success of full fibre networks will be ensuring consumer demand for full fibre broadband services. This will require consumers to engage with the market. Ofcom has said that 'competition will help ensure investment in new full fibre networks'. We believe that our recent research looking at consumer engagement with the broadband market has a number of important lessons for the successful rollout of full fibre.¹

In particular, we found that consumers face a number of barriers to engaging with the broadband market. Some of these are particularly relevant when thinking about the rollout of full fibre and ensuring consumers take advantage of the opportunity to get a better service.

Our research found that many consumers believe that their current service is 'fine' - participants felt largely satisfied with their current broadband package. While this was true for some participants, others who held this belief were facing problems or paying relatively high prices. We found that this satisfaction led to a lack of perceived need to save money, or motivation to seek out a higher quality service. Given this finding, it will be particularly important to help consumers understand what their current broadband service provides relative to the benefits of moving to a full fibre connection. Currently, the belief that their service is fine acts to undermine consumer engagement. Overcoming this issue will be important, but potentially challenging, given that broadband is an experience good.

We also found that consumers face a number of other motivational barriers which constrain their engagement with the broadband market. These barriers could also impact on the extent to which consumers decide to take these more reliable, full fibre, connections. In particular, we found that people believed changing provider may lead to a worse service. Participants were affected by the belief that a new provider is not guaranteed to be as reliable as a current provider. Participants also believed that engagement may lead to unexpected costs, with concerns about whether engagement would lead them to a good value package in

¹ <https://www.which.co.uk/policy/utilities/4986/broadband-engagement>

practice and concerns about additional fees and charges being included. Addressing these motivation barriers will be important to ensure that consumers take up gigabit capable broadband services.

Lessons from superfast broadband take-up

Which? believes that the relatively slow take-up of superfast broadband could have important lessons for the rollout of gigabit connections. The rollout of this new infrastructure will need to be supported by strong consumer take-up of these connections. In our recent research we sought to understand the extent to which faster speeds are a 'pull' for consumers.

We found that faster speeds were not a strong pull to engage, with those who upgrade speed tending only to do so as a result of service issues e.g. as a result of high household usage which had led to problems such as buffering. This is important in the context of full fibre, as the promise of gigabit capable broadband services is unlikely to be a draw for many consumers, with them believing that their current speed is sufficient for their needs. We found 43% of consumers agreed with the statement 'my current broadband connection already meets my needs, so I would not want to upgrade to full fibre'.² It may therefore be necessary to offer a wider range of speeds over the full fibre network to encourage consumers to migrate to speeds more akin to what they currently purchase.

Our research also highlighted that superfast broadband is not a pull for a number of other reasons, for example, because consumers tend to view it as a premium service and think is likely to be much more expensive than their standard broadband. However, in reality, Ofcom has found this cost difference to be relatively small.

We found that 62% of consumers were worried that it would cost them a lot more to have full fibre.³ In this context, it will be important that consumers have access to accurate and clear information to help them understand the costs and benefits of migrating to full fibre. It may be necessary to build more effective incentives to encourage consumers to engage, and benefit from the choice and competition in the broadband market.

Switching process

We believe that a Gaining Provider Led (GPL) process across the broadband market is critical to make switching as easy as possible for consumers. It will be important that there is an easy and hassle free process for consumers to move to these gigabit connections to help support take up of these connections and enhance the investment case. We are aware, and supportive, of the work currently being undertaken by industry to establish what a GPL process could look like for broadband, particularly given that competition at the infrastructure level creates an additional level of complexity. We look forward to engaging with industry and Ofcom on this issue when final proposals are published.

² Which? surveyed 2069 UK adults, of whom 1714 said they were responsible for making decisions about broadband, between 4th and 6th September 2019. Fieldwork was carried out online by Populus and data have been weighted to be representative of the UK population (aged 18+).

³ Ibid.

It is essential that the GPL process for broadband is clear for consumers and easy for them to understand and follow. We also know that consumers want to avoid interruptions to their service - 45% of consumers were worried about interruptions to their broadband service during the full fibre installation process. This should also be considered as part of establishing the new GPL process for switching, along with other consumer concerns about the switching process.

Conclusion

Consumers need to be taken along on the journey as the UK migrates from copper to fibre. Our own research highlights the importance of overcoming the barriers to engagement in this market to ensure take-up of these new connections. Consideration must also be given to how to improve consumer trust in the telecoms industry. Low levels of trust can have a knock-on effect on consumers' willingness to engage and to take advantage of better services.

We have recently proposed that the Government commissions a Connectivity Taskforce. This would include consumer and business groups to advise on a strategic, evidence based approach to help stimulate demand for gigabit capable broadband connections.

Which? wants to work alongside industry, Government and Ofcom to ensure that all consumers are able to truly benefit from the investment being made in gigabit capable networks.

For further information please contact Laura Holdgate, Principal Policy Adviser

laura.holdgate@which.co.uk

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