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Which? response to Ofcom consultation on the approach to high excess costs under the broadband universal service.

Introduction

Which? welcomes the opportunity to reply to Ofcom's [consultation](#) on the approach to high excess costs under the broadband universal service. We believe that the broadband universal service obligation (USO) is an important safety net to ensure that all UK consumers have access to decent connections and are able to participate in our increasingly digital society.

As the UK's consumer champion, we are interested in the proposals set out by Ofcom related to those USO connections where excess costs are high. BT must seek to avoid unnecessary delays when installing USO connections above the £5,000 excess cost threshold and ensure that consumers eligible for the USO are able to receive these connections as quickly as possible so they can benefit from decent connectivity.

Which? also welcomes the ongoing work by Ofcom, the Government and industry to improve connectivity in very hard to reach areas. We believe it is important that consumers living in these areas have access to good quality connections which meet their needs.

Our Recommendations

1. Clear information for USO customers

Consumers requesting a USO broadband connection need to know how much it will cost them and when it will be delivered. It is critical that consumers do not end up worse off following Ofcom's proposed change of approach to high excess costs.

2. Clear timeframe

Given Ofcom's proposed change in approach, allowing BT to recover all excess costs prior to commencing build for those premises with excess costs above £5,000, it is critical that consumers do not face unnecessary delays in receiving their connections. Where a customer does not commit to paying all the excess costs, BT should be required to provide a clear timeframe to ensure that the customer understands how long BT will seek to aggregate demand and the implications if it is not possible to do so. We consider that Ofcom's proposed approach of waiting a 'reasonable period of time' to allow for demand aggregation is too vague and risks consumers waiting a long time to find out if the USO connection will even be built. Providing more

specificity will ensure that consumers do not face unnecessary delays to the build and more swiftly receive greater certainty about how much they will be required to pay.

3. *Raising awareness where excess costs exceed £5,000*

It is right that Ofcom's consultation highlights the need for BT to support different approaches to covering excess costs which are above £5,000. We welcome this broader thinking around how excess costs can be covered within communities. As part of this, it will be critical to raise awareness to support demand aggregation. Beyond community schemes, such as that highlighted in the consultation, there may also be opportunities to work with other local organisations to help raise awareness.

4. *Raising awareness where excess costs are less than £5,000*

Similarly, it is critical that BT seeks to raise awareness among eligible premises in those areas where excess costs are £5,000 or less. This will help to ensure that BT recovers its costs, preventing possible knock-on impacts on pricing more broadly. Critically, it will also ensure that all eligible consumers are aware of the USO availability in the area and are able to take the necessary steps to receive a decent connection. As with the case of those facing high excess costs, BT should also consider the role that other organisations can play in helping to raise awareness.

5. *Exploring alternative connectivity options*

We are aware that there are areas of the UK where the cost of deploying a USO connection remains prohibitive, due to their geographical location or the lack of existing infrastructure. For consumers living in these areas, alternative approaches to obtaining decent connectivity must be explored. If options other than the USO are already available to these consumers, it is critical that they are informed of these. This is particularly important in those cases where consumers are required to pay excess costs to receive a USO connection.

6. *Monitoring*

Ofcom's previous investigation¹ and its outcomes have highlighted the need for monitoring the USO. This must continue to ensure that it is working as expected and that consumers are able to benefit from the safety net of the USO.

¹ Ofcom "Investigation into BT's compliance with its obligations as a broadband universal service provider" 2020
https://www.ofcom.org.uk/about-ofcom/latest/bulletins/competition-bulletins/open-cases/cw_01256

About Which?

Which? is the UK's consumer champion. As an organisation we're not for profit - a powerful force for good, here to make life simpler, fairer and safer for everyone. We're the independent consumer voice that provides impartial advice, investigates, holds businesses to account and works with policymakers to make change happen. We fund our work mainly through member subscriptions. We're not influenced by third parties – we never take advertising and we buy all the products that we test.

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September 2021