

Vodafone's response to Ofcom's consultation on broadband information

Just over 10.1 million (41%) UK homes now have access to full fibre connections, but take up remains relatively low.¹ As Ofcom itself estimated in its 2022 Connected Nations Report, the take-up of services using full fibre at any speed, where it is available, is around 25%.²

As a brand that has led the market in broadband growth, in particular the uptake of full fibre services, Vodafone supports initiatives that are intended to drive uptake of those services. We recognise that the proposed guidance (the 'Guidance') is driven in part by a wish to ensure that customers are given the information that Ofcom believes will enable them to take advantage of full fibre networks. However, despite Vodafone's place in the market as one of the largest full fibre providers, we do not believe that the proposals set out in the Guidance and consultation (the 'Consultation') will materially support full fibre growth. We are also of a view that Ofcom has failed to provide sufficiently strong evidence in support of the introduction of this guidance.

We consider that Ofcom should not issue the Guidance. Instead, we propose that Ofcom should explore other ways of supporting customers during a time of change in the broadband market. To the extent that Ofcom considers that it should proceed to issue the Guidance, we consider that it should be changed to reflect the scope of the relevant General Conditions of Entitlement ('General Conditions') and the actual needs of customers.

Ofcom has not demonstrated that the proposed intervention is needed

Ofcom recognises that the decisions that it makes can impose significant costs on its stakeholders, and it is important for Ofcom to think very carefully before adding to the burden of regulation. One of Ofcom's key regulatory principles is a bias against intervention, and Ofcom has recently restated this commitment in its consultation on revised impact assessment guidance.³ As we set out below, it is not clear that the high hurdle of Ofcom's bias against regulation has been passed in relation to the Guidance, and as such Ofcom should not proceed with its proposals.

Ofcom has not presented strong evidence that customers value information on underlying technology

Ofcom has not presented a strong evidential case that its proposed changes will be truly helpful to customers in the broadband market.

Ofcom justifies the Guidance on the basis "some people would find it useful".⁴ However, of the ten categories of information surveyed as part of Ofcom's consumer research, these two areas had the two of the highest number of respondents stating that this information would not be useful, and the lowest proportion of respondents identifying that the information would be "very useful".⁵ It would therefore appear to the extent that customers might value this information, that value is very minimal. It in fact appears that of the ten categories of information Ofcom surveyed, customers considered the information proposed to be the least useful and unlikely to influence

¹ 8 February 2023 Connected Nations Update, [Connected Nations 2022 - Ofcom](#)

² Connected Nations Report, December 2023, page 5, [Connected Nations 2022: UK report \(ofcom.org.uk\)](#)

³ See Ofcom's Regulatory principles ([Policies and guidelines - Ofcom](#)) and 17 March 2023 Impact Assessment Guidelines consultation ([Consultation: Impact assessment guidance \(ofcom.org.uk\)](#)), page 3.

⁴ Consultation on broadband description, page 3.

⁵ Broadband Terminology Research November 2022 Report ([Broadband terminology research \(ofcom.org.uk\)](#)), page 18

purchasing decisions when compared to factors such as price and speed.

Given the relatively low value that customers attribute to this information, it is not clear that the Guidance would generate significant consumer benefits. Ultimately, it is likely that having assessed whether a service meets their needs in relation to cost, reliability and speed, the customer's purchase decision will not be influenced by the information about underlying technology.

Furthermore, Ofcom has also been unable to identify tangible harms that have emerged from the current status quo that need to be rectified through additional guidance. The harms set out at paragraph 3.13 of the Consultation are entirely speculative and, given that Ofcom's own research shows consumers attribute relatively little value to information about underlying technologies, the likelihood of these harms manifesting is low. We also note that Ofcom has undertaken consumer research in preparing its consultation and proposed guidance, but has not conducted research into customers actual purchasing experiences. When undertaking its research, Ofcom did not ask customers whether they had encountered any harm because of supposedly "inconsistent" or "confusing" terminology around broadband technology. Ofcom could have readily asked customers to confirm its theorised harms by undertaking research as to whether a lack of information or consistent terms had:

- made it harder for customers to find a product that was correct for their needs;
- resulted in more effort being expended to select a service; or
- had resulted in any customer disengaging from the market.

In light of the above, it is unclear how the introduction of this guidance can be consistent with Ofcom's bias against intervention.

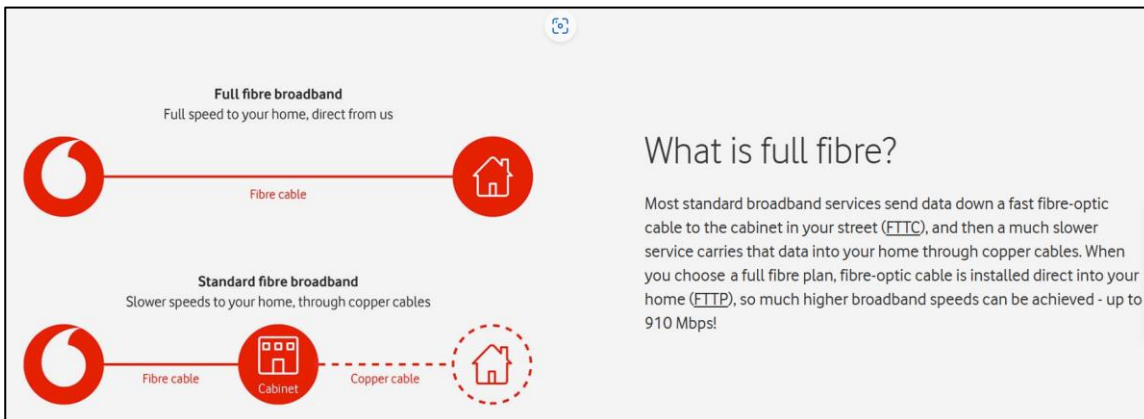
Common terminology has already evolved in the market and Ofcom's proposals could generate consumer confusion

As FTTP services have proliferated in the broadband market, the term "full fibre" has evolved as the dominant way describing those services to customers. This is the terminology used by Vodafone, and in its guidance, Ofcom agrees that the term "full fibre" is an appropriate description of FTTP services.

Alongside the use of "full fibre", the market has now largely adopted the use of the term "fibre" to mean FTTC services. The use of the term "Fibre" to describe FTTC has historically distinguished these services from copper-only services, and it has therefore been an accurate description of such services. We consider it remains an accurate description today.

Vodafone has already invested significant time and effort in improving the consistency of our broadband descriptions. Across all of our broadband plans, Vodafone consistently uses the terms "fibre" and "full fibre". We use the term "full fibre" to refer to our FTTP services and "fibre" to refer to our FTTC products. We also make available on our website a description of the difference between a full fibre line and a fibre line.⁶

⁶ [Full Fibre Broadband Deals - FTTP | Vodafone](#)



This information is clearly available to customers on our full fibre deals page: [Full Fibre Broadband Deals - FTTP | Vodafone](#). To the extent that customers do find information about their underlying technology useful, Vodafone customers already have clear and intelligible information available on our website.

There is also a risk that those customers who are already on fibre services could believe they have been downgraded should these types of tariffs be renamed to “part fibre”. This could lead to potential negative consequences, including undermining consumer confidence in the market but also potentially prompting customers to switch their service to full fibre services even where their current services adequately meet their needs. Neither of these outcomes would be positive for the customer.

Costs of implementation

There is no legal requirement on Ofcom to issue this guidance, and, as shown above, the case for introducing this guidance is insufficiently strong so as to outweigh a bias against intervention. We are of a view that Ofcom has not properly reflected on the costs and challenges of implementing this guidance as part of a cohesive impact assessment. Implementing these changes will create significant costs and resource demands for all providers, for potentially very limited customer benefit.

Firstly, we would note that this guidance has been proposed at a point in time when Vodafone and others in industry have already invested time and resource in ensuring consistency and clarity in their plan names and descriptions. Had Ofcom introduced this guidance at an early point in the development of the full fibre market, the proposals would be less disruptive than they are at this point in time. As it stands, Vodafone and others would have to unpick the significant work undertaken to date in order to enact Ofcom’s proposals. This would undermine the historic resource we have invested in this area for a minimal or non-existent gain for consumers.

Ofcom has also failed to reflect on the full scope of changes that would have to be enacted, even if it limits its proposals to changes in the sales journey and pre-contract summary. Changing naming conventions in relation to plan names and descriptions is not a simple matter of swapping out words in specific limited location., Ofcom will be aware that Vodafone and other providers will not want to have the same products described differently in different locations. This means that implementing Ofcom’s proposals requires significant changes across a range of areas.

While Vodafone already uses the term “full fibre” as per Ofcom’s preferred approach, under Ofcom’s proposals we would have to replace any reference to “fibre” to “part fibre”. Not only would we need to do this in the areas

specifically directed by Ofcom, but we would also need to, at the very least:

- undertake an intensive scrape of the entirety of Ofcom’s website, including Help and FAQ’s pages and landing pages;
- review and revise all customer welcome communications;
- rebuild and rename all plans to use Ofcom’s preferred terminology;
- revise terminology on all billing platforms and in-life communications to reflect the new plan names;
- withdraw and destroy existing retail merchandising and advertising across over 400 UK stores and print and replace with new materials;
- withdraw and reissue all paid media and marketing; and
- revise all frontline material and support materials used by our retail and support agents, and for whom the terms “fibre” and “full fibre” are well established.

Making these changes requires time and resource, all of which would need to be diverted from existing work which is intended to deliver value and a positive experience to our customers. We therefore consider that, when weighed against the lack of clear harm prevented or benefit delivered to consumers, the impact of Ofcom’s proposal is not justified.

There are other areas where Ofcom can work with providers to support customers in the full fibre market

We understand that Ofcom has proposed this guidance as it believe that consumers can view the broadband market as complex, and it believes confusion over technology and terminology contributes to this. Vodafone agrees that it is important to take steps to improve customer confidence and reduce confusion. However, we would argue that there are better initiatives for Ofcom to focus on in place of this guidance.

For example, the most significant change in the broadband market over the coming months will be the retirement of PSTN. Vodafone will be actively supporting our customers during this transition in order to ensure they have the information and guidance they need to successfully navigate the change. We would advocate for Ofcom to refocus its efforts supporting consumers, particularly vulnerable consumers, during PSTN switch-off, working with broadband providers to ensure that the process goes as smoothly as possible. As noted above, the guidance proposed by Ofcom would require significant work to implement, at a time when there are far more significant challenges for consumers in the broadband market which require focus and attention from all stakeholders.

Vodafone would welcome other opportunities to work with Ofcom to promote the uptake of full fibre broadband and navigate PSTN switch off.

Several of Ofcom’s proposals are not supported by the General Conditions

Ofcom has positioned its proposed Guidance as being issued under General Conditions C1 and C2. However, we consider that the Guidance puts forward several proposals that are not within the bounds of these General Conditions and it is therefore not appropriate to issue the Guidance in its current form.

General Conditions C1 and C2 require the provision of information, but do not require use of specific terminology

At paragraph 3.32 of the Consultation, Ofcom has noted that “*GC C2.3 and GC C1.3 require providers to give information on the description of the services offered. We propose to clarify in our guidance that the description of the services offered should include clarity on the underlying technology of the networks used to deliver the*

*service.*⁷ Ofcom is correct to say that these GCs require a **description** of the services offered.

However, Ofcom then goes on to say that “*we also propose to clarify in our guidance, under both GC C1 and GC C2, **terms** should be used consistently, and that ‘fibre’ and ‘full-fibre’ should only be used when referring to FTTP*”⁸ [emphasis added]. We do not consider that this proposal is within the bounds of conditions C1 and C2. It is entirely possible to provide a clear and adequate description of the services offered without using particular terms, as long as the description of the service provided is accurate. Indeed, there is nothing in either GC C1 or GC C2 that indicates that providers can be required by Ofcom to use specific terms in providing the required description.

Ofcom’s guidance that descriptions required under GC C1 and C2 should use Ofcom’s preferred terms is therefore outside of the boundaries of the General Conditions it cites in support.

The General Conditions do not require “consistent” use of specified terminology in all communications with customers during the purchase process

In the Guidance, Ofcom establishes at paragraph A2.2 that “*Regulated providers should use clear ‘consistent terms’ to describe the technology used to deliver the broadband service, in all communications with customers throughout the purchase process*”.⁹

However, Ofcom has not cited a specific general condition in support of this proposal, as it has done for its other proposals. There is no General Condition that would require providers to use consistent terminology in all communications with customers, whether in the purchase process or otherwise. As such, if Ofcom wishes to issue guidance that providers should seek to use “consistent” language in all communications with customers throughout the sales process, it should be clear that this is not guidance that this aligned to the General Conditions, but is instead Ofcom’s view on best practice.

Ofcom’s is not able to direct where information should be made available under GC C2, and cannot require information to be made available in the sales journey

General Condition C2 sets out requirements for providers to publish certain information in respect of communications services or bundles they provide under standard terms and conditions. Among other things, GC2.3 specifies that the published information must include “*a description of the services offered, including the main characteristics of each service provided*”.

Ofcom uses condition GC C2 to support its proposal that information on the underlying technology should be available at point of sale on a provider’s website. This goes beyond the scope of what is required in GC C2.

C2.3 requires that a description of the services offered be published; it does not require this description to be used in the sales journey or in any other specific location. It is therefore not possible for Ofcom to issue guidance under C2.3 which indicates that providers must present information in a certain way in its sales journey. A provider would be able to comply with the required set out in GC C2 by publishing the specified information on its website clear, comprehensive and machine-readable manner, as required under condition C2.16.

We consider that to the extent that Ofcom considers that a description of the underlying technology is required under General Condition C2, the information already published by Vodafone as outlined above and available here

⁷ The Consultation, paragraph 3.32

⁸ The Consultation, paragraph 3.34

⁹ The Guidance, paragraph A2.2

[\(Full Fibre Broadband Deals - FTTP | Vodafone\)](#) adequately meets such a requirement.

Should Ofcom choose to proceed it should revise its guidance and extend the implementation window

Vodafone considers that Ofcom should withdraw the Guidance. However, should it proceed with some version of its proposal, it should do so in a way which:

1. reduces the scope of the Guidance so that it is positioned as best practice, and not a requirement of the General Conditions;
2. reflects the minimal value that customers attribute to technical descriptions and focusses on fundamentally important distinctions in technology; and
3. affords providers more time to properly implement the proposals.

Reduce the scope of guidance to ensure it is “best practice” rather than tied to the General Conditions

As outlined above, we consider that the majority of Ofcom’s proposals are not supported by the General Condition which is cited. As such, to the extent that Ofcom wishes to proscribe the use of specific terminology and its use in certain areas of the sales journey, it must do so only in the context of best-practice guidance. Any suggestion that the use of specified terminology in the sales journey as a requirement of the General Conditions is incorrect.

Revise guidance to focus on services that do not use no fibre at all

We note that Ofcom has outlined a concern that the term “fibre” can be used to refer to a variety of underlying technologies, including a variety of older technologies such as those that use copper and cable.

The use of the term “fibre” to describe FTTC and “full fibre” to reflect FTTP is not fundamentally a problem, particularly in light of the relatively lack of importance that customers ascribe to their underlying technology. Both FTTP and FTTC use fibre to deliver connectivity, so the use of the term “fibre” in both is not misleading. Furthermore, the use of the term “fibre” to in the naming conventions of fibre and full fibre does not mislead the customer about the future viability of their product: both FTTP and FTTC (via SOGEA) will continue to provide high-speed connectivity to customers for years to come.

The same is not true for the use of the term “fibre” to describe services that use solely copper or cable. Where a provider utilises only cable or fibre to deliver connectivity to the customer, it would be reasonable for Ofcom to issue industry best-practice guidance that the term “fibre” should not be used to describe these services.

We would therefore propose that to the extent that Ofcom wishes to specify terminology in any guidance, the use of “full fibre” to describe FTTP and “fibre” to describe FTTC is adequate and in line with the needs of customers. We would also support the prohibition of the use of the term “fibre” to describe the provision of services which do not utilise fibre at all.

Ofcom should extend the implementation window.

Ofcom currently expects implementation in 12 weeks from the Guidance being published. This implementation window is far too short and does not reflect the complexity of updating content across a large and complex estate of products and technology. As outlined above, implementing Ofcom’s proposals is not simply a case of revising

limited portions of text in specific locations. Vodafone and others would have to revise terminology across every area where the term “fibre” is used in a plan name. This is a wide-ranging and complicated change.

Ofcom should therefore extend the implementation period to at least 36 weeks, in order to allow more time to ensure that any required change is rolled out in a way that is manageable for broadband providers.

Vodafone UK

3 May 2023