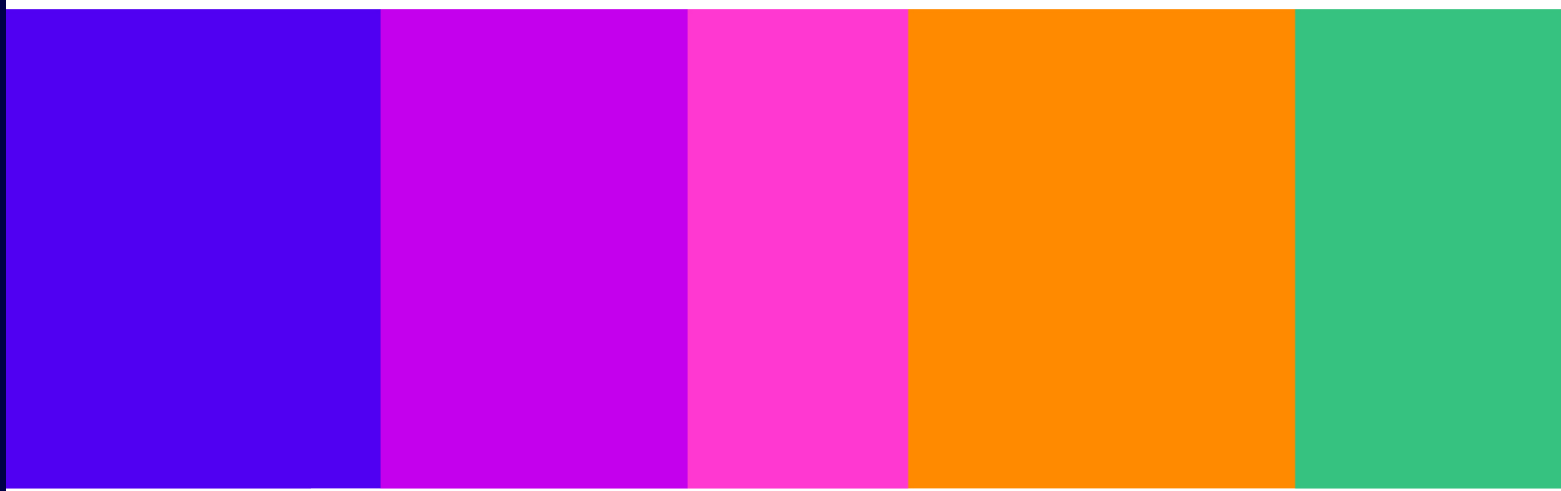


# Pricing trends for communications services in the UK

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**Research report**

Published 12 December 2024



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# Overview

This report looks at trends in UK residential fixed broadband, landline, mobile phone, and pay-TV service prices. It covers the tariffs at which bundled and standalone services are offered, what customers pay for these services, and levels of affordability and customer debt.

While inflation has fallen from the peak levels experienced in late 2022 and early 2023, millions of UK households continue to experience cost-of-living pressures. Ofcom is working to help customers navigate the market with confidence, get the best deals and be treated fairly by providers, and to ensure that vulnerable customers are sufficiently protected. As part of this work, in January 2025 we will introduce new rules that require providers to set out the price of the service throughout the contract, clearly and definitively and in pounds and pence, when customers sign up to a new deal.<sup>1</sup>

We have found that the prices of most of the services we look at in the report have remained flat, or have fallen year on year in real terms, and there are still good deals to be had for those who shop around. A wide range of choice is available to people looking to buy communications services, and customers who are out-of-contract can usually pay less by switching provider or re-contracting with their current one.

Most of the analysis in this report is based on tariff data, i.e. the prices offered to new customers on providers' websites, although we do include some analysis of customer spend data that has been collected from communications providers. New customer prices are sometimes referred to as 'front-book' prices (as opposed to the 'back-book' prices that are charged to existing customers).

Most of the pricing information in this report has been adjusted for inflation using the [Office for National Statistics \(ONS\)](#) Consumer Prices Index (CPI) figures. By using adjusted ('real-terms') prices, the figures are presented in a way that eliminates the impact of inflation. However, in times of high inflation (as the UK has experienced over recent years) this can disguise price increases that are large in terms of pounds and pence. For this reason, we have included real and unadjusted ('nominal') prices in some of the charts in this report. The [interactive dashboard](#) which is published alongside this report includes the ability to toggle between real-terms and nominal prices.

## What we have found – in brief

### General:

- **Falling inflation resulted in lower annual price rises than last year for in-contract customers.** Most of the UK's largest telecoms providers apply annual price rises in their contracts, linked to inflation, plus an additional percentage (typically 3.9%). Falling inflation resulted in smaller increases in 2024 than in 2023. In January 2025, new rules will come into effect that require providers to set out price rises clearly in pounds and pence and prohibit inflation-linked or percentage-based price rise terms in new contracts. This means that people will know when they sign up for a service what they will pay during the minimum contractual period.
- **Some providers have already announced the price increases that they will implement from 2025,** and have started to sign customers up to deals which are subject to fixed annual in-contract price rises. In 2025 these will increase monthly prices by up to £1.80 per month for mobile services and up to £3.50 for fixed broadband.

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<sup>1</sup> Ofcom, [inflation-linked in-contract price rise terms – proposals for new rules and guidance](#).

- **Most average fixed broadband and landline dual-play bundle prices have fallen.** In contrast to 2023, most new customer prices for dual-play fixed broadband bundles have been flat, or have fallen in real terms in 2024. Ultrafast list and promoted prices have fallen most, down by 9% and 8% in real terms year on year, while superfast list and promoted prices dropped by 7% and 3% respectively.
- **Average prices for fixed broadband, landline and TV triple-play bundles have mostly increased year on year.** Superfast list and promoted prices increased by 1% and 4% respectively in real terms; for ultrafast bundles, the average list price was up 3% while the average new-customer-promoted price fell by 3%. Despite these increases, triple-play fixed broadband, landline, and pay-TV bundles have fallen considerably since September 2019, ranging from 25% for superfast promoted prices to 48% for ultrafast promoted prices.

#### **Bundles and broadband:**

- **Bundling services continues to offer savings for people who take fixed broadband.** Analysis of the prices of ‘baskets’ of communications services shows that those baskets with a fixed broadband connection and landline service were between 24% and 45% cheaper when purchased as part of a bundle, rather than on a standalone basis.
- **Customers who are out-of-contract typically pay more than those who are in contract.** The promoted prices available to new customers and those re-contracting are lower than the ‘list’ prices that out of contract customers are likely to pay. Data collected from operators shows that 36% of dual-play fixed broadband and landline customers and 32% of triple-play fixed broadband, landline and pay-TV customers were out of contract at the end of June 2024, and their bills were 18% and 16% higher respectively than customers who were in contract.
- **More people are benefiting from the savings and protections offered by social tariffs.** Based on Ofcom research, we estimate that around 1.9 million UK households found it difficult to afford their fixed broadband service in October 2024. Take-up of fixed and mobile social tariffs, which offer lower-priced services to those on qualifying benefits, grew by 125,000 (33%) to 506,000 in the nine months to June 2024. However, awareness and take-up remain a challenge: nearly seven in ten (69%) of eligible households were unaware of social tariffs in October 2024,<sup>2</sup> and while take-up is improving, it remains low as a proportion of eligible households (10%).
- **Standalone fixed broadband offers savings for people who do not need a landline service.** The average list price for standalone fixed broadband was 12% cheaper than the average list price of dual-play fixed broadband and landline packages, while the average promoted price for standalone fixed broadband was 14% cheaper than when bundled with a landline.
- **UK broadband prices compare well internationally.** The UK had the joint-lowest fixed broadband prices (with Italy) among the six countries included in our comparisons in 2024, and was cheaper than France, Germany, Spain, and the US. However, while the price of lower-bandwidth UK broadband services compared well internationally, UK prices for ultrafast broadband products (with an advertised speed of 300 Mbit/s or higher) were among the most expensive.

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<sup>2</sup> In the previous report, lack of awareness was at 55% among eligible households. This was based on an omnibus which had several differences, such as the methodology, question wording and question positioning, to the Communications Affordability Tracker. We have been collecting awareness of social tariffs on the tracker since April 2023 and have not seen any significant changes in awareness levels among those eligible for a social tariff. More details of the methodology can be found in Annex 1.

- **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 with promoted prices starting at £26 per month in October 2024, compared to £39 per month for the cheapest similar service taken from a larger provider.
- **Average monthly spend is down for standalone and quad-play products, but up for dual- and triple-play bundles.** In real terms, average monthly spend on standalone fixed broadband fell by 5%, year on year, while the decrease for quad-play bundles was larger, at 19%. Real-terms spend on dual- and triple-play bundles both increased by 8% over the same period.

#### Landline:

- **Standalone landline prices increased significantly in the year to July 2024.** Analysis of the new customer prices of four standalone landline connections, with varying usage levels, indicates an average price increase of 15% year on year. Few providers still offer standalone landlines, and a key driver of the increases was the withdrawal of some of BT's call bundles.

#### Mobile:

- **Mobile prices have fallen in real terms.** The average price of a basket of mobile services reflecting average use in 2024 was 5% lower in real terms than one based on average use and prices in 2023. Overall, the basket price in 2024 was 23% lower than the price of a basket of mobile services based on prices and use in 2019 in real terms, and 5% lower in nominal terms, despite average data use having almost trebled over this period. Of the six countries we compared, the UK had the second-cheapest standalone mobile prices (higher than France but lower than Germany, Italy, Spain, and the US).
- **Prices for SIM-only mobile services have fallen since September 2023.** The average monthly promoted prices for SIM-only tariffs fell year on year in real terms for all the data allowance groups that we looked at, ranging from a 1% drop for services with 1 GB or less of inclusive data and those with >100 GB, to an 11% fall for tariffs offering between 1 GB and 10 GB of data.
- **Tariffs that include airtime and a handset typically cost more than buying a handset and SIM-only contract separately.** Pay-monthly mobile tariffs that include airtime and a handset (either under separate contracts or a single combined contract) accounted for 35% of all mobile subscriptions in June 2024. Our analysis shows that, on average, it was about 25% cheaper to buy a SIM-only plan and use it with a separately acquired handset, and across the mobile connections that we looked at, there was a £200 average saving over a typical 24-month contract. Many mobile providers only offer separate device and service mobile contracts and have stopped offering combined handset and airtime contracts.
- **Pre-pay users pay a premium for 5G mobile services.** Most pre-pay services are hybrid services which provide inclusive calls, texts and data that expire after a month. The availability of cheap hybrid tariffs resulted in pre-pay being cheaper for the two 'baskets' with the lowest data-use connections included in our analysis, while pay-monthly was cheaper for the four higher-use profiles. For three of these higher-use connections, this was because the baskets required 5G connectivity, which (unlike with pay-monthly contracts) commands a price premium on pre-pay.

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

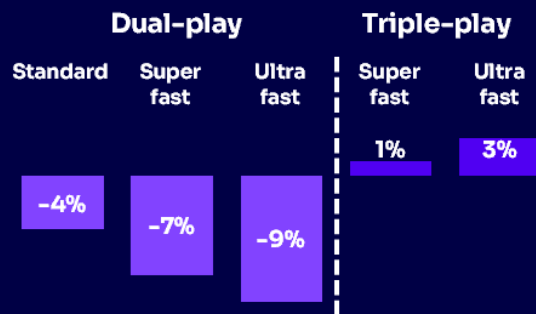
- **Ad-supported tiers are now widespread within the SVoD market.** However, some ad-free SVoD services have been subject to above-inflation price increases. Apple TV+ and Netflix (for its Premium and now discontinued Basic plan), were the only major UK SVoD services to increase their prices in the year to September 2024. However, Disney+ introduced an above-inflation price increase for both its ad-free plans in October 2024.

# Key metrics

## Broadband services (inflation-adjusted)

### Dual- and triple-play bundles

Change in average list price: year to Sept 2024



### Standalone fixed broadband

Standalone fixed broadband average savings compared to taking fixed broadband with a landline service in September 2024: **12%** on list price, **14%** on promoted price.

### Number of households taking standalone broadband (end June of each year)



**66%** of households with a landline service included with their broadband did not make an outgoing call in Q2 2024.

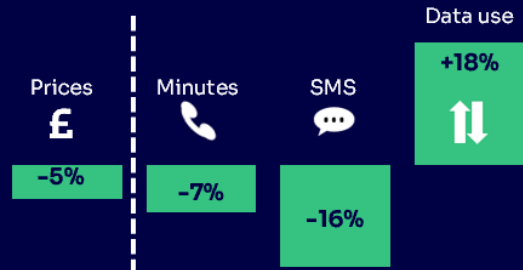
### Price differentials (inflation-adjusted)

The gap between average promoted and list prices has continued to narrow.

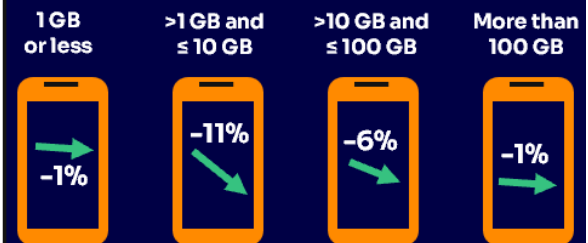
	September 2023	September 2024
Broadband & landline	£8 per month	£7 per month
Broadband, landline & pay-TV	£19 per month	£17 per month

## Mobile services (inflation-adjusted)

Change in average mobile use and prices from 2023 to 2024



Average prices available to new customers for SIM-only pay-monthly mobile services from 2023 to 2024:



### Households with home broadband affordability issues

**8%** of households reported having issues affording their home broadband service in October 2024, in line with October 2023.



### Social tariffs

The number of households taking a fixed social tariff increased to **506k** in June 2024, **↑** from **380k** in September 2023.

### Disconnections for non-payment

**1.2%** of mobile customers were disconnected for non-payment in H1 2024 (**↓ 0.1pp** YoY). **1.0%** of fixed telecoms customers were disconnected for non-payment in H1 2024, **unchanged** YoY.

# Changes in communications prices

## Above-inflation rises for many existing customers

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Some UK customers experienced significant and unpredictable communications price increases in 2022 and 2023, in many (but not all) cases due to providers having introduced inflation-linked price rise terms into customer contracts. In our statement on [prohibiting inflation-linked price rises](#), we estimated that about six in ten UK fixed broadband and mobile customers were on contracts that were subject to inflation-linked price rise terms in April 2024.

Customers with these terms in their contracts do not have certainty about what they will pay over their minimum contractual period, as price increases are determined by future Consumer Prices Index (CPI) or Retail Prices Index (RPI) values, which are not known at the time of entering into a contract.

Since 2020, most of the UK's largest telecoms and pay-TV providers have introduced inflation-linked price rise terms with an additional fixed percentage. Price rises resulting from inflation-linked price variation terms were first applied to affected customers in March/April 2021.

In January 2024, the Office for National Statistics (ONS) announced inflation rates for the 12 months to December 2023, when CPI was +4.0%. In February 2024, the ONS released CPI and RPI inflation figures for the year to January 2024, which were +4.0% and +4.9% respectively. These inflation measures, plus each provider's chosen 'x%' uplift, were used to calculate the 2024 annual price increases for many landline, fixed broadband and mobile services, as detailed below. As a result, some customers experienced price increases of up to 8.8% in 2024.

Some tariffs are not affected; for instance, there is no penalty if a customer moves from a standard tariff to the same provider's fixed broadband social tariff mid-way through their contract.

In our statement on prohibiting inflation-linked price rises, we amended our rules to require providers, wherever they include price rises in their contracts, to set these out clearly in pounds and pence before a customer signs up. Providers must also set out when any changes to the monthly price will occur. The changes prohibit providers from including inflation-linked price rise terms, or other percentage-based price rise terms, in new contracts. Any in-contract price rises that providers apply during their minimum commitment period must be set out in pounds and pence at the point of sale.

These changes come into force in January 2025. However, some providers have already introduced new pricing structures: Virgin Media has announced that it will apply an annual price increase of £3.50 per month to its broadband prices, 50p more than the £3 per month broadband price increases announced by BT, EE, Plusnet, TalkTalk and Vodafone, and the major providers that have announced their annual mobile price increases have set them from £1.00-£1.80 per month. Sky is the only major provider not to specify an annual price rise in its contracts. In 2024, Sky raised prices for its customers by about 6.7% for broadband and TV, and 3% for mobile.

The price increases announced indicate that many customers will face above-inflation price increases, and that where providers are implementing flat-rate price increases, customers on the lowest-priced tariffs will face the highest price increases in percentage terms. Before signing up to a



new contract, customers should consider the in-contract prices, and those who are out of contract, or who get a price increase that was not stated when they signed up for their contract, should be able to achieve a lower price by signing up to a new contract with their current provider (or a different one).

The table below shows the annual price rises applied to some of the UK's largest telecoms providers' customers in 2024, along with the details of annual pounds and pence price increases that are being introduced into new customer contracts, where they have been announced.

**Figure 1: In-contract monthly price rise terms for selected providers: October 2024**

Provider	Service	Price rise details	2024 increase	Announcements of monthly price rises to be introduced from 2025
<b>Providers with annual price increases built into their contracts</b>				
<b>BT, EE</b>	Broadband, landline, mobile, TV	CPI published in Jan + 3.9%	7.9%	£3 (broadband) £1.50 (mobile) £2 (TV)
<b>iD Mobile</b>	Mobile	CPI published in Feb + 3.9%	7.9%	-
<b>KCOM</b>	Broadband and landline	£2 for in-contract broadband services, £5 for out-of-contract	£2 - £5 per month	-
<b>O2 and Virgin Mobile</b>	Mobile (airtime only) <sup>3</sup>	RPI published in Feb + 3.9%	8.8%	£1.80 (O2 mobile)
<b>Plusnet</b>	Broadband, landline	CPI published in Jan + 3.9%	7.9%	£3 (broadband)
<b>Shell Energy<sup>4</sup></b>	Broadband, landline	CPI published in Jan + up to 3.0%	6.0%	n/a
<b>TalkTalk</b>	Broadband, landline	CPI published in Jan + 3.7%	7.7%%	£3 (broadband)
<b>Tesco Mobile</b>	Mobile	CPI published in Jan + 3.9% (no increase for Clubcard holders)	7.9% (no increase for Clubcard holders)	-
<b>Three</b>	Mobile, broadband <sup>5</sup>	CPI published in Jan + 3.9%	7.9%	£1 - £1.50, (mobile) Up to £2 (broadband)
<b>Virgin Media</b>	Broadband, landline, TV	RPI published in Feb + 3.9%	8.8% (on average)	£3.50 (broadband)

<sup>3</sup> 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.

<sup>4</sup> Excludes fixed broadband and landline users who signed up on or after 9 January 2023.

<sup>5</sup> Applies to customers who joined or upgraded their phone, SIM-only, mobile broadband or home broadband plan on or after 1 November 2022.

Provider	Service	Price rise details	2024 increase	Announcements of monthly price rises to be introduced from 2025
Vodafone	Mobile, broadband <sup>6</sup>	CPI published in Jan + 3.9%	7.9%	£1 (mobile) £3 (broadband)

Provider	Service	Price rise details	2024 increase	Announcements of monthly price rises to be introduced from 2025
<b>Providers with annual price increases built into their contracts</b>				
Sky	Broadband, TV	Prices may change	6.7% (on average)	-
	Mobile	Out-of-contract mobile customers only (prices fixed for in-contract customers)	3% (on average), (no increase for in-contract customers)	-

Source: Ofcom / provider websites / media reports.

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

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<sup>6</sup> 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.

# Pricing of bundled and fixed broadband services

## It is cheaper to buy bundled services, in most cases

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Ofcom research shows that most UK households take bundled communications services (i.e. buy tariffs offering multiple services under one contract, such as a landline service with a fixed broadband connection). One way in which we can determine whether a bundled service is the best choice for a household is by comparing the price of bundled services versus that of purchasing each service separately from multiple providers on a standalone basis.

We analyse bundle prices using four ‘typical’ households taking different service combinations (‘baskets’) across landline, mobile, fixed broadband, and pay-TV, which are designed to represent a range of consumer needs. We then use a model provided by pricing specialist, TechInsights, which determines the lowest cost of fulfilling each household’s usage requirements using combinations of the bundled and/or standalone tariffs offered by the providers whose tariffs are included in the model (excluding social tariffs). The lowest-cost option for each provider is then used to calculate a new customer ‘average’ price, which is weighted based on the providers’ market shares.<sup>7</sup> More details of the methodology can be found in Annex 1.

Our analysis shows that bundled services continue to be cheaper for households requiring fixed broadband than purchasing the same services on a standalone basis from multiple providers, with savings of between 24% and 45% (£31 to £67 per month).

In contrast, standalone services continued to be cheaper for the basket of services designed to represent the needs of a ‘low-use couple with basic needs’ household which takes only a landline and mobile phones (and not fixed broadband) with savings of 22% (£12 per month). Landline and mobile phone services are not usually bundled together without other services, and none of the providers included in our analysis offer such a bundle. As a result, all bundled options for this household include a fixed broadband service that the household does not require, and this means that they cannot take advantage of lower-cost options that are available to customers taking a standalone landline service.

The total average price of fulfilling our four households’ requirements in 2024 using standalone services has increased by 4% in real terms since 2023, compared to a drop of 3% using bundled services. In nominal terms, prices increased by 6% for standalone services and fell by less than 1% for bundles.

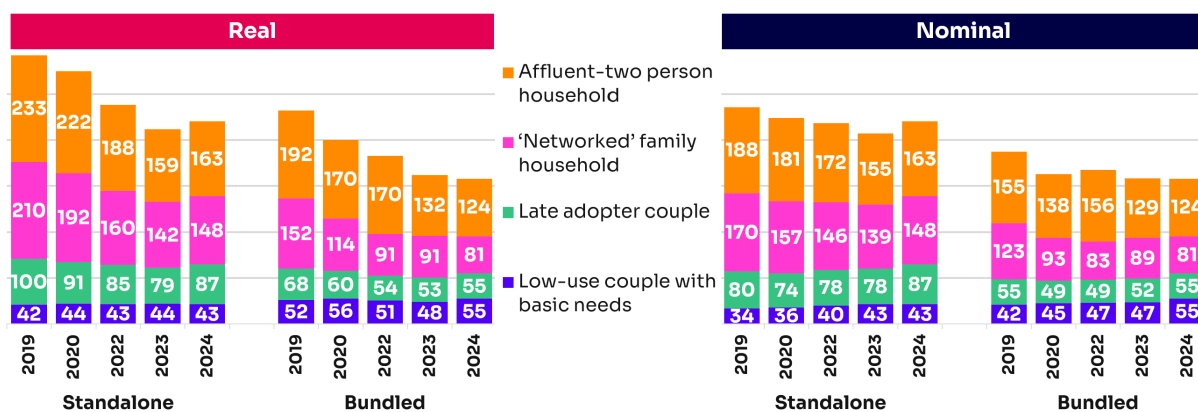
The standalone prices increased for all households except the ‘low-use couple with basic needs’, the average price of which fell in real terms by 1% in 2024. The standalone price for the ‘late adopter couple’ household had the biggest real-terms increase, at 9%, followed by the ‘networked family’ household at 4%.

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<sup>7</sup> 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, to ensure fair representation. Further details of the methodology can be found in Annex 1.

In contrast, the bundled real-terms price for the ‘low-use couple with basic needs’ and ‘late adopter couple’ households increased by 15% and 4% respectively while ‘networked family’ and ‘affluent two-person’ households had reductions of 11% and 6% respectively.

**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 GBP; analysis is based on weighted average tariffs for primary providers; 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 ‘networked family household’ require 5G mobile services from 2020 onwards; real-terms figures are adjusted for CPI (July 2024 prices).

## Most fixed broadband and landline bundle prices fell year on year

Communications providers frequently offer discounted prices to attract new customers and encourage out-of-contract existing customers to enter a new contract, rather than switch. These offers usually take the form of a discounted ‘promoted’ price which is lower than the service’s standard ‘list’ price.

Promotional discounts usually last for a specified period and once the promotional period has ended, consumers typically start 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.

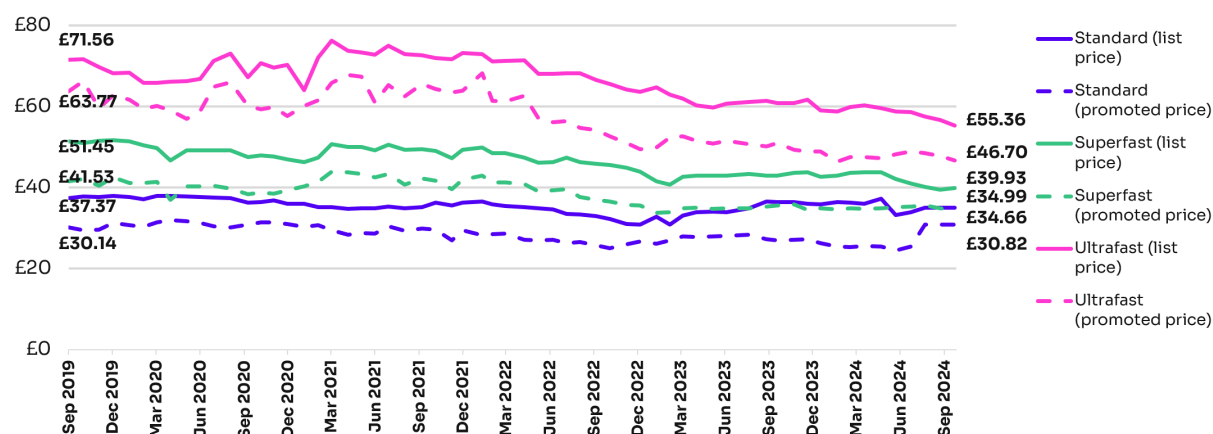
Our analysis shows that average new customer promoted and list prices for bundled standard (less than 30 Mbit/s), superfast (30-299 Mbit/s) and ultrafast (300 Mbit/s or more) fixed broadband products fell year on year in real terms, except for the average promoted price for standard dual-play fixed broadband and landline bundles.

Average list prices for new customers purchasing dual-play landline and standard fixed broadband bundles fell by 4% in real terms in the year to September 2024, while average promoted prices for the same bundles increased by 14% over the same period (due to Shell Energy’s low-cost services being withdrawn in July 2024, the impact of which was increased by the fact that there are only a limited number of standard dual-play products on offer to new customers). The average list and promoted prices for dual-play superfast bundles decreased by 7% and 3% in real terms year on year respectively, while the respective decreases for ultrafast bundles were 9% and 8%.

The average list and promoted prices of all dual-play bundle types fell in the five years to September 2024, except the average promoted price of standard broadband bundles, which increased by 2% in real terms. Over the same period, average list and promoted prices for dual-play superfast and ultrafast landline and fixed broadband bundles fell in real terms, as did the average list price for standard broadband bundles (which fell by 6%). Ultrafast average list and promoted prices were down by 23% and 27% respectively over five years, while superfast average list prices and promoted prices fell by 22% and 17% respectively during the same period.

When existing customer price increases came into effect in March/April 2024, the average list and promoted prices of superfast and ultrafast dual-play bundles were unchanged, or fell slightly, over the same period, and the average list and promoted prices of both superfast and ultrafast dual-play bundles declined between April and September 2024. Conversely, there were real-term increases in the average list and promoted prices for standard dual-play bundles, with the increase sustained until September 2024 for the average promoted price of standard dual-play bundles.

**Figure 3: Average monthly real-terms prices for residential dual-play landline and fixed broadband bundles: September 2019 to September 2024 (£/month)**



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

Notes: There are variations across providers, which are concealed when using average pricing; chart shows monthly average of list and promoted available tariffs for new customers from BT, Community Fibre (from February 2022), EE, Hyperoptic (from February 2022), NOW, KCOM, Plusnet (up to April 2024), Post Office (up to March 2021), Shell (up to July 2024), Sky, TalkTalk, Virgin Media, Vodafone and Zen; where available, promotions include the promoted price and any 'gifts' offered; 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 2024 prices).

## Savings can be made by switching or re-contracting, despite narrowing dual-play price differentials

The price paid for the same fixed broadband product can vary between customers. In the communications sector, this is usually due to differences between list and promoted prices, and this variation in price for the same product is known as a 'price differential'.

Examining 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, search for deals, and obtain lower prices by changing provider or re-contracting with their current provider.

For dual-play bundles, the average price differential narrowed by 20% (from £8.45 to £6.73 per month) in the year to September 2024. Our analysis of tariffs from 14 of the UK's largest broadband

providers (as collected by Pure Pricing) shows that the average monthly price differential for standard, superfast, and ultrafast broadband dual-play bundles narrowed in real terms in the year to September 2024. For standard broadband dual-play bundles, the decrease was £5.20 (56%), while for superfast and ultrafast dual-play bundles the year-on-year falls were £2.11 (29%) and £1.24 (12%) respectively. This indicates that, despite falling price differentials, for all types of dual-play bundle many consumers can still save money by re-contracting with their current provider or switching provider.

**Figure 4: Average dual-play residential landline and fixed broadband bundle pricing and price differentials, in real terms: September 2024**

Broadband	Promoted prices		List		Price differential	
	£/month	1-year change	£/month	1-year change	£/month	1-year change
<b>Standard</b>	£30.82	£3.80 (14%)	£34.99	-£1.39 (-4%)	£4.17	-£5.20 (-56%)
<b>Superfast</b>	£34.66	-£0.95 (-3%)	£39.93	-£3.05 (-7%)	£5.27	-£2.11 (-29%)
<b>Ultrafast</b>	£46.70	-£4.27 (-8%)	£55.36	-£5.50 (-9%)	£8.66	-£1.24 (-12%)

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 ≥300Mbit/s; figures are adjusted for CPI (September 2024 prices).

## The cheapest providers' superfast dual-play bundle prices were about a third lower than the average price

Price competition is a characteristic of a well-functioning market and benefits consumers. As in previous years, we have identified the lowest-priced providers in the superfast dual-play fixed broadband bundle market, out of those providers which are included in Pure Pricing's Monthly Broadband Pricing Tracker reports.

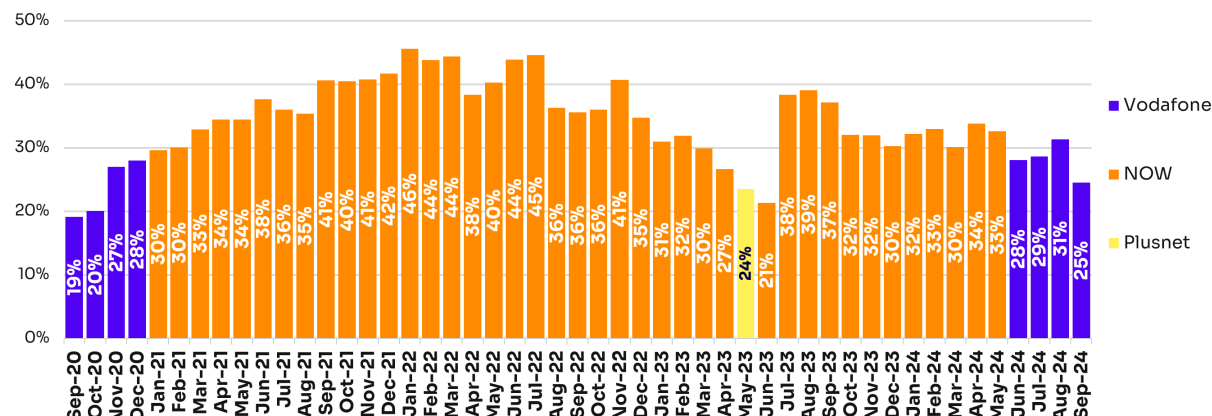
We do so by calculating an average price across all superfast dual-play services in Pure Pricing's Monthly Broadband Pricing Tracker reports, and an average price for each provider that offers these services. The providers with the lowest average prices, and the percentage saving between their average price and the average price across all similar services, are represented in the chart below.

It should be noted that the mix of broadband services that each provider offers as part of a dual-play bundle will impact the average price (i.e. those with a higher proportion of lower-speed superfast dual-play bundles are likely to have a lower average price for these services) and Pure Pricing's tariff data does not include some smaller providers, which may offer lower prices than those shown.

Our analysis shows that NOW offered the lowest average price for superfast fixed broadband and landline bundled services for most of the period from September 2020 to September 2024. However, from June to September 2024, Vodafone was the lowest-priced provider for dual-play superfast fixed broadband, having also offered the lowest price from September 2020 to December 2020. In the first three quarters of 2024, the cheapest providers' prices were, on average, 31% lower than the average price of all included bundles. This was unchanged compared to the nine months to September 2023, but lower than the 41% average saving in the first three quarters of 2022.<sup>8</sup>

<sup>8</sup> These averages are unweighted; all contract lengths are included.

**Figure 5: Lowest-priced dual-play superfast fixed broadband bundle provider: September 2020 to September 2024 (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 (up to April 2024), Post Office (up to March 2021), Shell Energy (up to July 2024), Sky, TalkTalk, Virgin Media, Vodafone and Zen Internet; other providers may offer lower prices.

## Average triple-play bundle prices have risen year on year

To inform this report, we have collected data from fixed broadband providers on their customer bases. This data indicates that at the end of Q2 2024, 28% of the bundles purchased by households were triple-play fixed broadband, landline, and pay-TV bundles.

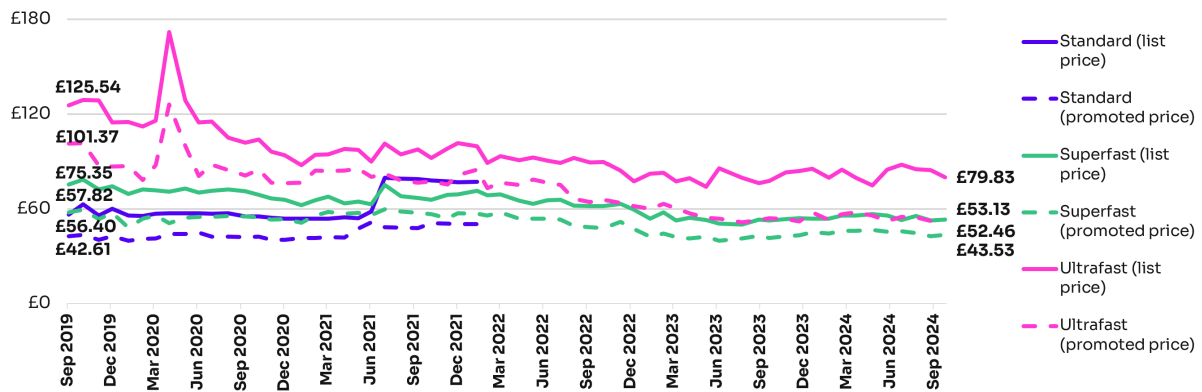
Analysis of Pure Pricing data shows that, except for the promoted prices of services with ultrafast broadband, average list and promoted prices for triple-play bundles increased in both real and nominal terms in the year to September 2024. During this period, average superfast list and promoted prices increased by 1% and 4% respectively in real terms (3% and 6% respectively in nominal terms), while average ultrafast list prices were up by 3% in real terms and 4% in nominal terms. Average ultrafast promoted prices, however, decreased by 3% in real terms and 1% in nominal terms.

In the five years to September 2024, average list and promoted prices for both superfast and ultrafast triple-play bundles decreased considerably in both real and nominal terms. In real terms, average superfast list and promoted prices fell by 29% and 25% respectively, while average ultrafast list and promoted prices decreased by 36% and 48% respectively.

Our analysis shows that the price differential (i.e. the gap between promoted prices paid by new customers and list prices typically paid by out-of-contract customers) for superfast triple-play services narrowed year on year, but for ultrafast triple-play services, the average price differential widened. The average monthly price differential for a triple-play bundle with superfast broadband was £9.60 in September 2024, £1.31 (12%) lower than a year previously. Conversely, the average price differential for a triple-play bundle with ultrafast broadband was £27.37, £3.65 (15%) higher than in September 2023.



**Figure 6: Average monthly real-terms prices for residential triple-play landline, fixed broadband, and pay-TV bundles: September 2019 to September 2024 (£/month)**



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; chart 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 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 2024 prices).

## Standalone fixed broadband continues to be a cheaper alternative for consumers who do not need a landline

The proportion of people in the UK who have access to standalone broadband services has continued to increase, as gigabit-capable full-fibre networks are rolled out and fixed broadband providers offer standalone fibre-to-the-cabinet (FTTC) services using Openreach's network.<sup>9</sup>

Before these services became available, most broadband services were bundled with a landline, which consumers had to take, whether or not they wanted it. The way in which broadband and phone bundles are presented to potential customers is evolving, with some providers positioning broadband as the primary product and a phone service being an optional 'add-on', along with other services such as cyber security and enhanced Wi-Fi.

Data collected from the UK's largest fixed broadband providers show that standalone fixed broadband take-up continues to grow, and by the end of June 2024 about 5.8 million UK homes took a standalone fixed broadband service. Separate data collected for this report shows that 66% of households with a landline service included with their fixed broadband service did not make an outgoing call in the three months to June 2024, up from 62% a year previously.

We have compared the price of fixed broadband and landline bundles with those of standalone fixed broadband services to identify the savings available by purchasing standalone broadband rather than a dual-play fixed broadband and landline bundle.

Our analysis of Pure Pricing data again indicates that consumers who do not want a landline voice service can save money by purchasing a standalone fixed broadband service rather than one that is

<sup>9</sup> 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.



bundled with a landline. In September 2024, average monthly list and promoted prices for standalone fixed broadband services were 12% and 14% cheaper respectively than the average list and promoted prices for fixed broadband bundled with a landline.

We have also identified 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, shown in the table below.

All 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 £5.57 per month, with Community Fibre (whose landline service includes unlimited calls to UK landlines and mobiles) offering the largest savings to those purchasing standalone broadband services, at £10 per month.

**Figure 7: Differences between selected residential standalone fixed broadband and dual-play landline and fixed broadband bundle prices, for providers which offer both: September 2024**

	Advertised download speed (Mbit/s)						
	30 - 49	50 - 64	65 - 99	100 - 199	200 - 499	500 - 899	900 -1,200
<b>BT</b>	-£5.00	-£5.00	-£5.00	-£5.00	-	-	-£5.00
<b>Community Fibre</b>	-	-	-	-£10.00	-	-£10.00	-£10.00
<b>EE</b>	-£5.00	-£5.00	-£5.00	-£5.00	-£5.00	-£5.00	-£5.00
<b>Hyperoptic</b>	-	-£2.00	-	-£2.00	-	-£2.00	-£2.00
<b>Virgin Media</b>	-	-£8.00	-	-£5.99	-£8.00	-	-
<b>Zen</b>	-£6.00	-	-£6.00	-£6.00	-£6.00	-£6.00	-£6.00

Source: Ofcom / Pure Pricing's UK Monthly Broadband Pricing Tracker September 2024.

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 service to its standalone fixed broadband products.

## Full-fibre services are being discounted heavily to stimulate take-up

Analysis of broadband prices shows that the average promoted price of standalone full-fibre fixed broadband services (which often offer ultrafast speeds) has fallen at a faster rate than the average list price of these connections and the average list and promoted prices of standalone (superfast) fibre-to-the-cabinet (FTTC) services.

Pure Pricing tariff data shows that while there were similar percentage falls in the list price of FTTC and full-fibre standalone broadband packages, and the promoted price of standalone FTTC services, in the three years to September 2024 (23% and 24%), the fall in the average promoted price of standalone full fibre services was much higher, at 41%.

In September 2024, the average list price of an FTTC standalone package was £8.37 (18%) lower than a full-fibre package (compared with £11.67, or 19%, lower in September 2021), while the average FTTC standalone promoted price was £3.93, 11% cheaper than the average promoted price of a standalone full-fibre service (compared to £18.67, or 30%, lower in September 2021). The faster decline in promoted full-fibre prices resulted in their average price being lower than the list price for

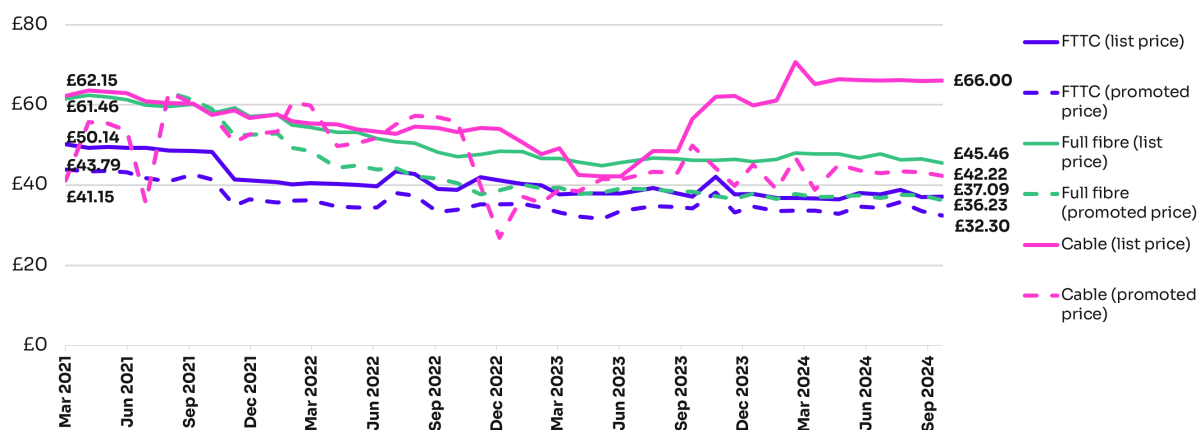
FTTC services for most of the two years to September 2024, meaning that many out-of-contract FTTC users could upgrade to a full fibre service and pay the same, or less.

Higher prices for full-fibre broadband can be partly explained by these connections offering faster connectivity. While all the 15 standalone FTTC broadband services listed in Pure Pricing’s September 2024 Broadband Monthly Tracker were superfast products offering advertised download speeds of <100 Mbit/s, less than a quarter (22%) of the 58 standalone full-fibre services fell into this speed category, with most standalone full-fibre services (57%) being ultrafast products with an advertised speed ≥300 Mbit/s.

The average list and promoted price of standalone cable (DOCSIS) fixed broadband services tended to be higher than those of both FTTC and full-fibre services over the period we looked at, except for the average promoted price of standalone cable services (which was cheaper than the average list price of standalone full-fibre services in more than three-quarters of months across the period), partly due to differing mixes of connection speed across services.

The promoted prices shown are the average monthly cost across the minimum contractual period (MCP), including promotions and any connection/set-up fees, whereas the list price does not include connection/set-up fees. In instances where the value of any promotional discount is lower than the connection fee, the promoted price is higher than the list price.

**Figure 8 Average monthly real-terms prices for standalone fixed broadband services, by technology: March 2021 to September 2024 (£/month)**



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

Note: Virgin Media offers services over both cable and full fibre and its tariffs are included in both; Sky does not specify a technology for some of its services and will provide connectivity using either FTTC or full fibre, according to availability (at the same price). In this analysis, Sky services that can be provided over FTTC (including G.fast) and full fibre are included in the FTTC figures only; excludes services with a one-month minimum contractual period; adjusted for CPI (September 2024 prices).

## Some evidence of increasing prices for higher-bandwidth standalone fixed broadband services

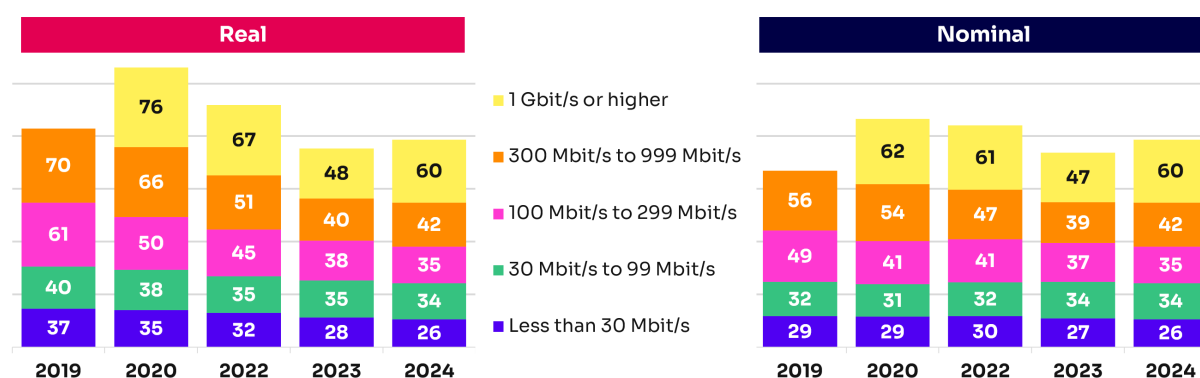
Using TechInsights’ pricing model, we have analysed the weighted average monthly price of standalone fixed broadband (excluding set-up costs) for five broadband connections ranging from a standard broadband connection requiring an advertised download speed of less than 30 Mbit/s to a gigabit product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

Our analysis shows that there was a 4% real-terms rise in the total price of the five connection types included in our analysis in 2024, the first year-on-year increase since 2020 when gigabit broadband services were first included in the analysis.

This overall increase was driven by a 25% real-terms increase in the average price of connections with an advertised speed of 1Gbit/s or more (up £11.80 per month) and a 6% increase for ultrafast connections offering 300-999 Mbit/s advertised speeds (up £2.38 per month). In contrast, the average price of the three lowest-speed connection types continued to fall, down by between 2% and 9% (£0.79 to £3.35 per month).

There are relatively few providers that offer standalone ultrafast and gigabit broadband products in TechInsights’ model, and our analysis indicates that the increase in the average price of higher-speed standalone broadband products in 2024 was due to the promotional discount offered by one of these providers, which was much lower than those offered in 2023.

**Figure 9: 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 2024 prices).

## Ultrafast broadband can be cheaper from smaller providers

Ofcom’s [Connected Nations 2024 report](#) shows that 83% of all residential UK homes were passed by a network offering gigabit-capable broadband connection, over either cable or full-fibre networks, by July 2024, and full-fibre broadband networks were available to 69% of residential homes.

Ultrafast broadband services offered by the UK’s independent full-fibre network providers are frequently cheaper than those offered by established fixed broadband providers, and operators such as Community Fibre, Gigaclear, Hyperoptic, toob and Zzoomm 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. In some circumstances, customers may be able to claim vouchers worth up to £4,500 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 10: Selected full-fibre broadband service pricing: October 2024

	30/50 Mbit/s <sup>1</sup>	100/150 Mbit/s <sup>1</sup>	300/350 Mbit/s <sup>1</sup>	900-1,000 Mbit/s <sup>1</sup>	Set-up fees	Contract (months)
	(Promoted price) list price					
<b>B4RN</b>	-	-	-	£33.00	£60.00 over a year	12
<b>Brsk</b>	-	(£19.00) £25.00	-	(£30.00) £40.00	Free	24
<b>BT</b>	(£27.99) £35.99	£34.99	(£34.99) £40.99	£54.99	Free	24 (12 for 900 Mbit/s)
<b>Community Fibre</b>	-	£21.00	-	£26.00	Free	24
<b>County Broadband</b>	-	(£35.99) £42.99	(£39.99) £50.99	(£54.99) £84.99	Free	24
<b>Gigaclear</b>	-	-	£19.00	£49.00	Free	18
<b>G.Network</b>	-	£22.00	£30.00	£48.00	£29.00	24
<b>Hyperoptic</b>	(Free for 2 months) £28.00	(Free for 2 months) £29.00	-	(Free for 2 months) £40.00	£19.00	24
<b>Jurassic Fibre</b>	-	£28.00	-	£42.00	Free	24
<b>KCOM</b>	-	(£29.99) £52.99	-	(£39.99) £69.99	£24.99	24
<b>Lightning Fibre</b>	-	£24.00	-	£39.00	£48.00 (free for 1 Gbit/s)	24
<b>Swish Fibre</b>	-	£28.00	-	£42.00	Free	18
<b>TalkTalk</b>	-	£28.00	-	£45.00	£4.95 (free for 900 Mbit/s)	18
<b>toob</b>	-	-	-	£29.00	Free	18
<b>Trooli</b>	-	(£15.00 for 3 months) £30.00	-	(£23.00 for 9 months) £46.00	£120.00	24
<b>Truespeed</b>	-	£25.00	£29.00	£39.00	Free	12
<b>Virgin Media</b>	-	£25.00	£27.99	£39.00	Free	18
<b>Vodafone</b>	-	(£28.00) £39.00	-	(£46.00) £58.00	Free	24
<b>WightFibre</b>	-	£29.95	£31.95	£41.95	Free	1
<b>Zzoomm</b>	-	(£19.95) £29.95	-	(£29.95) £39.95	Free	12

Source: Ofcom / provider websites.

Notes: Prices as of October 2024 and include VAT; providers offer one of these broadband speeds; Virgin Media

also uses DOCSIS-based infrastructure; KCOM, Vodafone and WightFibre's tariffs include a landline service; other contract lengths may also be offered.

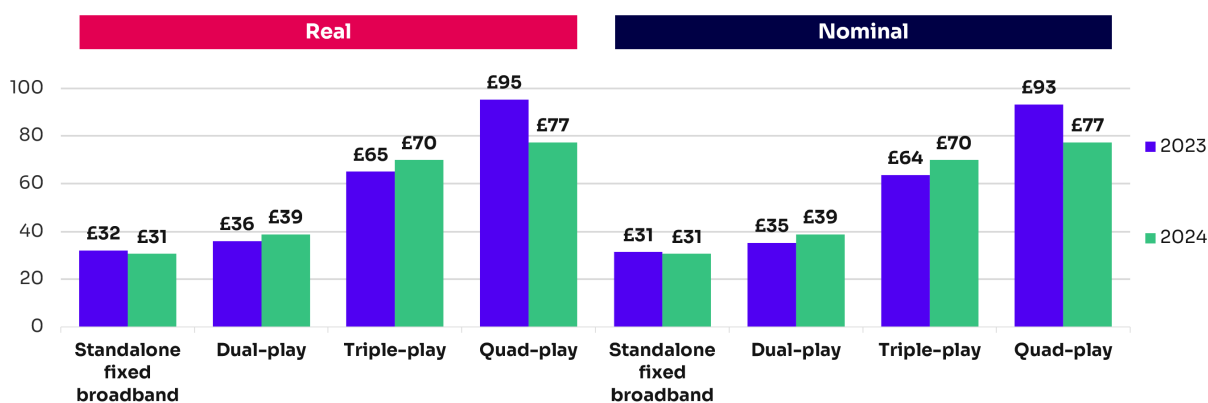
## Mixed picture in average spend for standalone and bundled fixed broadband

In addition to analysing tariff data, we collect data from operators which shows how much money customers spend on their service/s.

Our analysis shows that the average monthly spend on standalone fixed broadband and quad-play fixed broadband, landline TV and mobile bundles fell in both real and nominal terms in the year to Q2 2024, while the average monthly spend on dual- and triple-play bundles increased in both real and nominal terms over this period.

The average monthly spend on standalone fixed broadband services was down by 5% year on year in real terms and 2% in nominal terms. For quad-play bundles, spend was down 19% in real terms (17% in nominal terms) year on year, while for both dual- and triple-play bundles, average monthly spend increased by 8% in real terms and 10% in nominal terms. This may be due to people moving to higher speed services which are typically more expensive.

**Figure 11: Average monthly spend for standalone and bundled fixed broadband customers, by type of service: Q2 2023 and Q2 2024 (£/month)**



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 2024 prices).

## The proportion of customers who are out of contract has increased for several bundle types

Our analysis of customer average spend data collected for this report shows that in-contract fixed broadband customers tend to spend less on their services than out-of-contract customers. Many in-contract customers pay 'promotional' prices, often for the entirety of their minimum contractual period (MCP), whereas out-of-contract customers are more likely to be paying (higher) list prices.

The highest proportional in-contract savings in Q2 2024 were for standalone fixed broadband, where customers who were in their contract period were on average spending 27% less than those who were out of contract, while savings for in-contract dual-, triple- and quad-play bundle customers were lower at 18%, 16% and 18% respectively. This lower average spend for in-contract customers

suggests that there are considerable savings available to those who engage in the market, switching provider or re-contracting with their existing provider at the end of their minimum contractual term.

Average monthly spend in Q2 2024 was higher than a year previously for in-contract and out-of-contract standalone landline and dual-play fixed broadband and landline customers, and in-contract triple-play fixed broadband, landline, and pay-TV customers. The largest real-term percentage increases were among standalone landline customers, at 42% (£7 per month) for in-contract customers and 17% (£3 per month) for out-of-contract customers. Conversely, average spend fell for out-of-contract triple-play bundle customers and in-contract and out-of-contract standalone fixed broadband and quad-play (fixed broadband, landline, pay-TV, and mobile phone) customers, with the largest percentage falls in real-term spend being among quad-play users, at around 20% for both in-contract and out-of-contract customers.

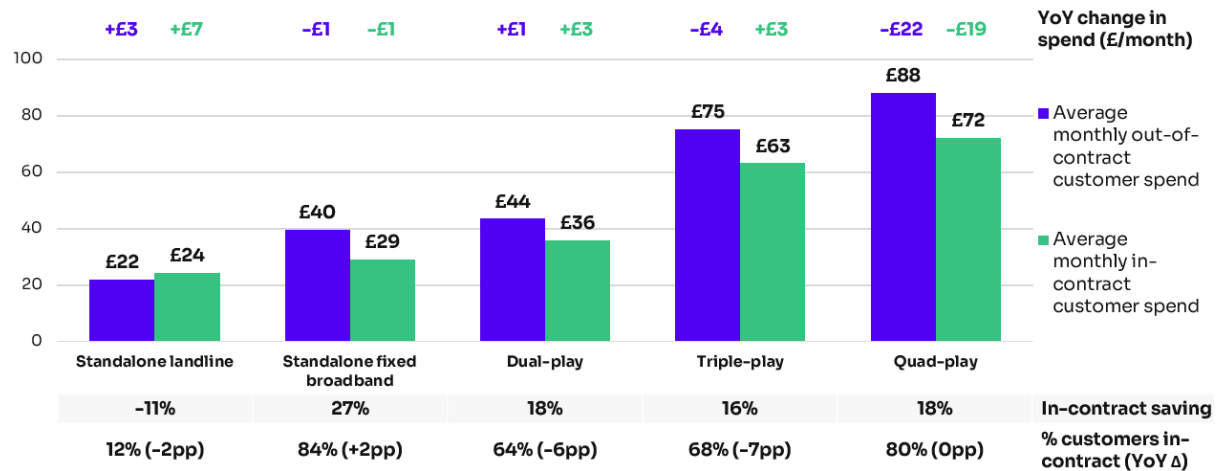
Analysis of operator data collected for this report indicates that a substantial number of customers are out-of-contract, with the proportion of customers out-of-contract for certain bundle types having increased year on year. Eighty-eight per cent of standalone landline customers were out-of-contract at the end of June 2024, up from 86% in 2023,<sup>10</sup> for standalone broadband services, 16% were out-of-contract, down from 18% in 2023. For bundled services, 36% of dual-play fixed broadband and landline customers were out of contract, up 6 percentage points (pp) year on year, while 32% of triple-play fixed broadband, landline and pay-TV customers were out of contract (up from 25% year on year), and 20% of quad-play (fixed broadband, landline TV and mobile) bundle customers were out of contract (up from 19% in 2023).

Analysis of the same data also shows that average customer tenure – the length of time a customer has been with their provider – across all (in-contract and out-of-contract) customers has increased for several service types. The average tenure for standalone landline customers at the end of June 2024 was 13 years (up from ten years in 2023), although the average tenure for standalone fixed broadband was unchanged at three years. For bundled services, the average tenure of dual-play fixed broadband and landline customers was seven years (up from six years in 2023), while the average tenure for triple-play fixed broadband, landline and pay-TV bundle customers was up by one year to ten years. Conversely, the average tenure of quad-play customers was down by one year to ten years.

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<sup>10</sup> It is not surprising that a high proportion of standalone landline customers are out of contract, as the lack of promotional offers for these services means that there is little benefit to them in re-contracting.

**Figure 12: Average in-contract and out-of-contract customer spend for standalone landline, and standalone and bundled fixed broadband customers, by type of service: Q2 2024 (£/month)**



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; year-on-year spend comparisons are presented in real terms.

# Pricing of mobile services

## The price of a basket of mobile services based on average use fell in real terms in 2024

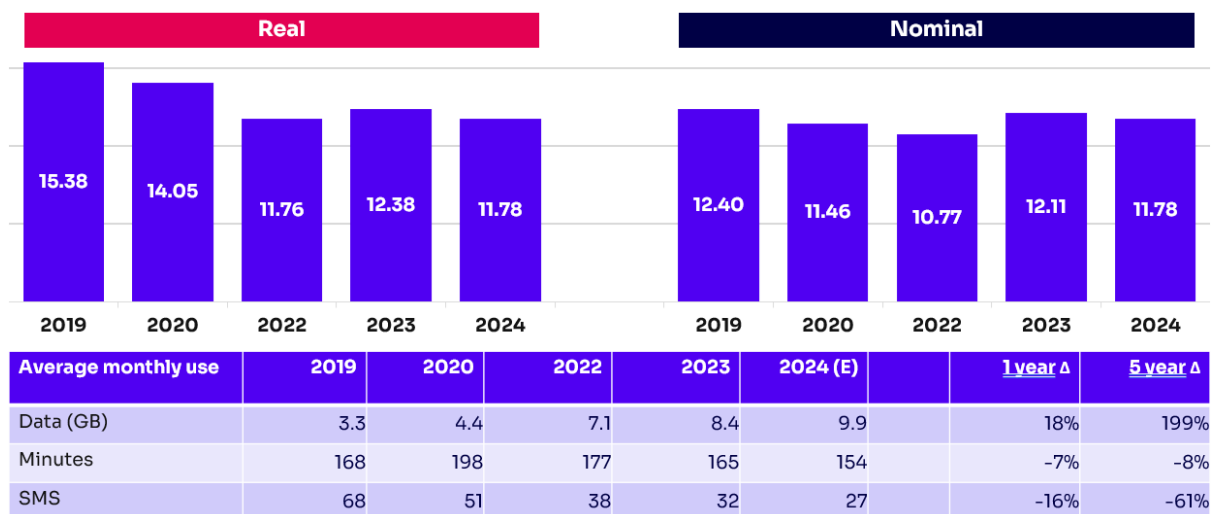
One way in which we monitor mobile phone service prices is by creating a basket of mobile services which is based on average voice, SMS, and data use, calculated using operator data provided to Ofcom as part of its regular programme of information gathering.

While with most basket-based pricing analysis the basket of services does not change over time, in the analysis below the basket changes from year to year to reflect changing use (with average data use continuing to rise, and average call and SMS use per user declining as customers switch to over-the-top messaging apps such as WhatsApp, Facebook Messenger, Telegram and Signal). We then use TechInsights' pricing model to identify the lowest-priced service that meets the requirements of the basket for customers taking out new contracts from each of the providers whose tariffs it includes in each year (excluding the handset cost). An average new customer price for each year 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 £11.78 in 2024. This was a £0.60 (5%) fall in real terms compared to the price of the basket of mobile services based on prices and average use in 2023, and a £0.33 (3%) year-on-year fall in nominal terms. These declines follow the real-term and nominal increases which were recorded in 2023, before which real-term and nominal prices for the baskets used in this analysis had been falling.

Overall, the price of the basket in 2024 was 23% lower than the price of a basket of mobile services based on prices and use in 2019 in real terms, and 5% lower in nominal terms, despite average data use having almost trebled over this period.

**Figure 13: 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; 2024 usage figures are estimated based on H1 2024 operator data; real-terms figures are adjusted for CPI (July 2024 prices).

## Average prices increased for three of our six mobile connections in 2024

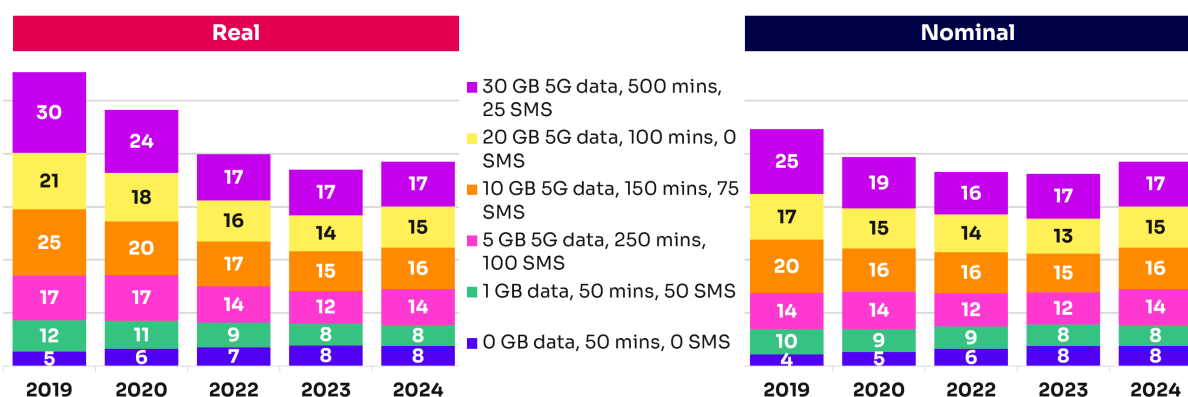
We also use TechInsights’ model to understand how prices are changing for different types of mobile users.

As in previous reports, we have used six mobile user profiles (‘connections’) with a range of mobile usage requirements, and for each one, identified the cheapest price to fulfil its requirements using the tariffs on offer from each operator that is included in TechInsights’ model. We then create a weighted average price for each connection from the cheapest tariffs available from each provider, weighted by their market share.<sup>11</sup>

Our analysis shows that real-terms prices increased for three of our connections in 2024, and the total price of all six connections increased by 4% in 2024 (having fallen by 7% in 2023). The connections where prices fell in real terms were the two with the lowest usage (down 3% and 5%), and the connection with the highest data requirement (down 2%). Among the other three connections, real-term prices increased by an average of £1.31 per month (10%).

In nominal terms, the total price of our six connections increased by 6% in 2024, following a 1% fall in 2023, with the weighted average price of the two lowest-use connections falling, the price of the highest-use connection unchanged, and the price of the three other connections increasing year on year.

**Figure 14: 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 5 GB data, 250 mins, 100 SMS basket, 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 2024 prices).

<sup>11</sup> 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.

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

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Data collected from the UK's largest mobile operators for this report shows that 44% of UK residential pay-monthly mobile phone users had acquired their handset and airtime together from their mobile provider at the end of June 2024, either using separate handset and airtime (split) contracts or a single (combined) contract covering both.

Acquiring a mobile handset along with mobile airtime can be an appealing option as it enables users to spread the cost of the phone (which can be many hundreds of pounds) across the minimum contractual period, or 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 contract tariffs), shows that the average monthly price of all six of our mobile connections was lower when buying the handset outright and using it with a SIM-only plan than it was when obtaining the handset from a mobile provider along with an airtime contract.<sup>12</sup>

Across all six of the mobile connections used in our analysis, the average saving was £8.55 per month (26%) when purchasing a SIM-free phone separately and using it with a SIM-only deal, or over £200 over the duration of a typical 24-month contract. (It should be noted that 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 tends to be cheaper to buy a handset outright and use it with a SIM-only deal than to buy it with a pay-monthly airtime contract, the one-off payment for a handset is unaffordable for many people. However, manufacturers and resellers sometimes sell phones with a 0% APR to those who can pass the required credit checks, and this may be a lower-cost option than taking out a combined contract.

Separately, we also looked at the price premium when obtaining a handset from a mobile provider by comparing the cost of acquiring a 128 GB Apple iPhone 16 with an airtime contract with the cost of purchasing the phone separately and 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 call, texts, and data with uncapped speeds.

Our analysis shows that with all four MNOs it was more expensive to acquire the handset along with airtime than to buy it separately and use it with the same provider's equivalent SIM-only service (again, this analysis does not consider any additional benefits offered by some services).

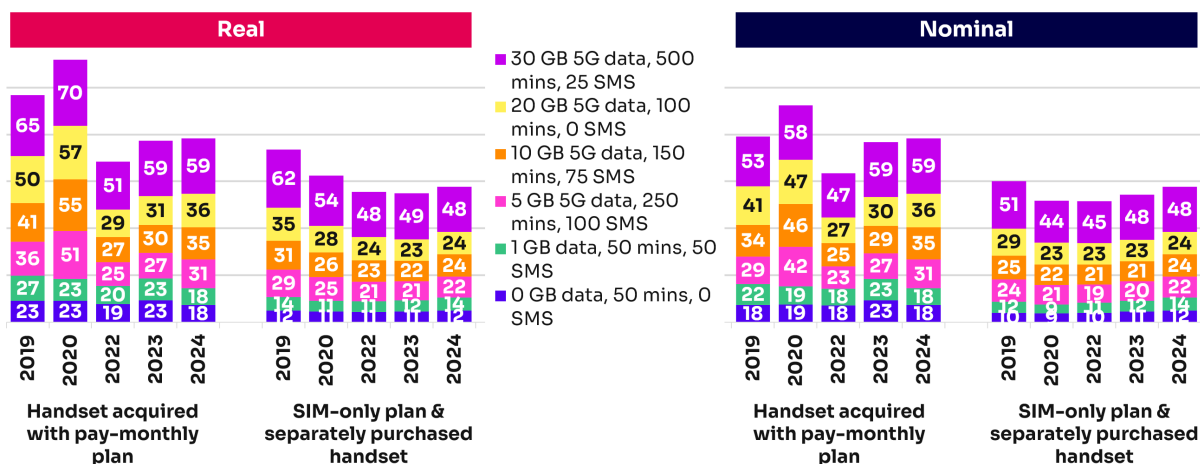
We found that the premium when acquiring the phone from a mobile provider, rather than buying a handset outright, ranged from £6 to £11 per month. This was equivalent to paying an APR (annual percentage rate) of between 17% and 30% for their handset 'loan' when SIM-only promotional offers were included, and between 17% and 25% when they were not.<sup>13</sup>

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<sup>12</sup> The handsets included were based on typical handsets associated with the user profile of each basket, with basic featurephones for the low-use baskets and smartphones for the higher-use baskets. Details of how these prices are calculated are set out in Annex 1.

<sup>13</sup> 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

**Figure 15: 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, Lyca Mobile, Sky Mobile, Talkmobile, Tesco Mobile, Three, VMO2 (incl. O2 and Virgin Mobile), and Vodafone; data relates to July in each year except 2020, when it relates to October; the 5 GB data, 250 mins, 100 SMS basket, 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 2024 prices).

## New customer pay-monthly SIM-only prices fall year on year

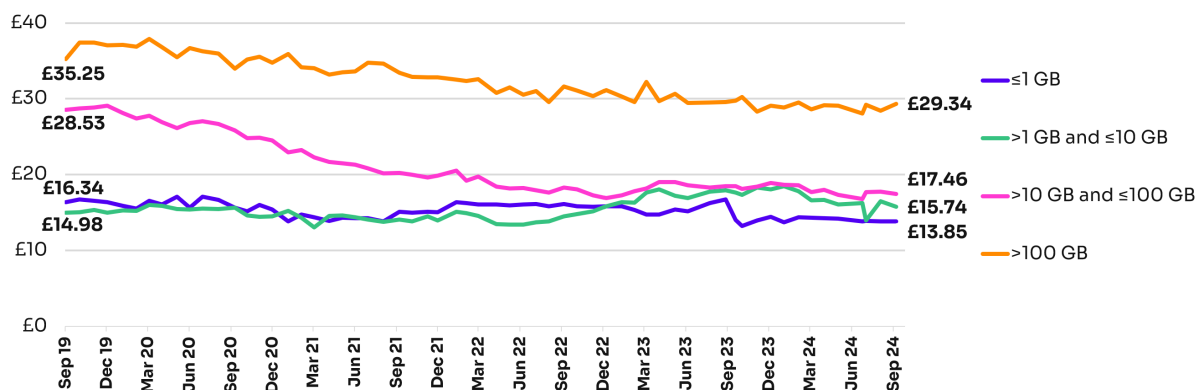
The most frequently used type of mobile service at the end of Q2 2024 were SIM-only subscriptions, (where the user buys their airtime from a mobile provider and uses it with a separately acquired handset), which accounted for 44% of total mobile subscriptions (up from 38% in 2023) and 56% of pay-monthly mobile subscriptions (up from 52% in 2023). As people now tend to keep their mobile handset for longer, many customers have been switching to a SIM-only contract at the end of a combined airtime and handset contract, retaining the same handset but reducing their monthly spend.

The average prices available to new customers for SIM-only pay-monthly mobile services declined year on year in real terms for the data tiers included in our analysis, ranging from 1% falls for tariffs offering ≤1 GB of data (of which very few remain) and those with >100 GB of data, to 11% for tariffs offering >1 GB and ≤10 GB. The average price for tariffs offering >10 GB and ≤100 GB tariffs fell by 6% year on year.

In the five years to September 2024, average prices for SIM-only pay-monthly mobile services across all the categories included in our analysis have fallen in real terms, except for services offering >1 GB and ≤10 GB of inclusive data, for which average prices increased by 5%. Notably, the average price of services with >10 GB and ≤100 GB of inclusive data fell by 39% (£11.07 per month) across this five-year period.

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.

**Figure 16: Average pay-monthly SIM-only promoted mobile prices in real terms: September 2019 to September 2024 (£/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, Lyca Mobile, O2, Plusnet (up to March 2023), Sky, Tesco, Three, Virgin Mobile (until August 2023) and Vodafone; the average monthly prices shown include price promotions where offered; adjusted for CPI (September 2024 prices); the sharp decrease in July 2024 for tariffs offering >1 GB and ≤10 GB was due to one provider significantly reducing the number of tariffs offered within this data range for July 2024 only.

## The lowest SIM-only mobile prices continue to be available from smaller mobile providers

As with our analysis of lowest-priced superfast fixed broadband dual-play bundle providers, we have undertaken similar analysis, using Pure Pricing's Monthly Mobile Pricing Tracker reports, to identify the lowest-priced providers offering pre-pay and pay-monthly SIM-only mobile phone products with inclusive monthly data of >10 GB and ≤100 GB. It should be noted that Pure Pricing's tariff data does not include some smaller providers, which may offer lower prices.

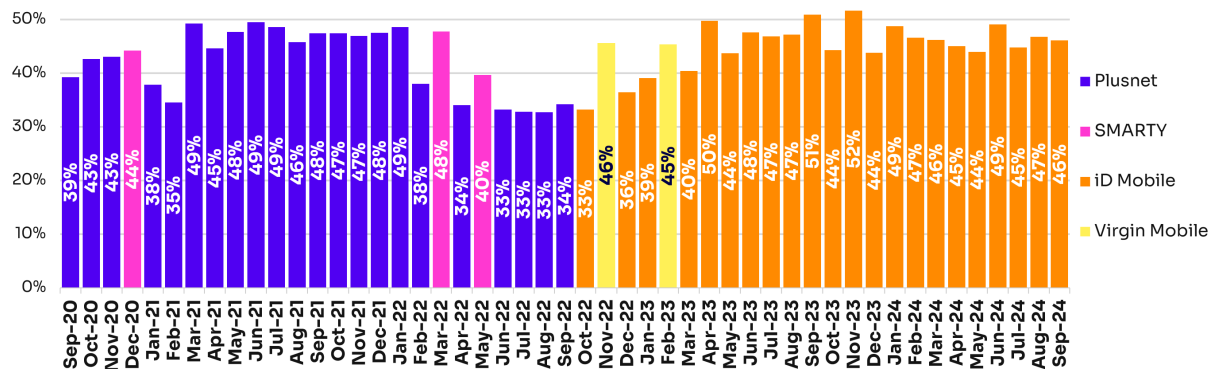
From October 2022 to September 2024, iD Mobile offered the lowest average price for these services in all but two months (when Virgin Mobile, which no longer offers mobile services, was the lowest-priced provider).<sup>14</sup> In the first three quarters of 2024, the prices offered by the lowest-priced providers were, on average, 46% lower than the average price across all similar SIM-only mobile services, unchanged from the first three quarters of 2023 and up from the 38% average in the first three quarters of 2022.<sup>15</sup>

Plusnet, which was the lowest-price provider for these services in all but three of the months between September 2020 and September 2022, closed its mobile service in June 2024.

<sup>14</sup> Virgin Mobile no longer offers mobile services to new customers, and all customers were migrated to O2 plans by the second half end of 2023. 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.

<sup>15</sup> These averages are unweighted; all contract lengths are included.

**Figure 17: Lowest-priced pay-monthly SIM-only mobile with >10GB and ≤100GB monthly data allowance: September 2020 to September 2024 (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, Lyca Mobile, O2, Plusnet (up to March 2023), Sky, Tesco, Three, Virgin Mobile (until August 2023) and Vodafone; other providers may offer lower prices.

## The average price per GB has fallen year on year

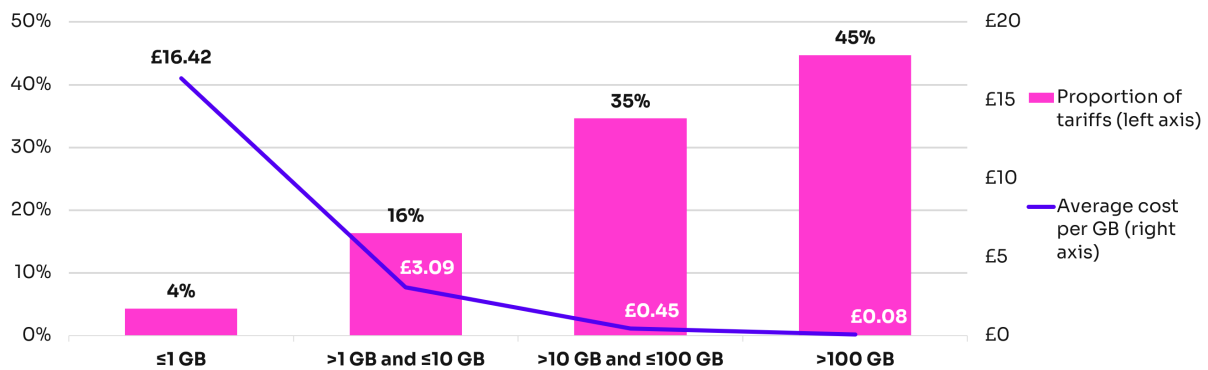
The average cost per GB of inclusive data decreased by one pence year on year in real terms (8%) to £0.12 across all the pay-monthly SIM-only tariffs included in our analysis.

It is important to note that the price per GB figures shown here are calculated based on the inclusive data allowance in the tariff purchased, which is typically much more than customers use. Therefore, the price per GB of data consumed will, in most cases, be higher than the figures indicated here.

Nonetheless, there remained a significant variation in the cost per GB: the average cost per GB for tariffs with >100 GB of inclusive data was £0.08/GB (down 5% in real terms from 2023), while for tariffs with 1 GB or less of inclusive data (of which very few remain), the average cost per GB was £16.42 (a 12% year-on-year increase). For tariffs with > 1GB and ≤10 GB of inclusive data, the cost per GB fell by 21% year on year to £3.09, while for tariffs with >10 GB and ≤100 GB of inclusive data, it fell by 6% year on year to £0.45.

In September 2024, 45% of the SIM-only pay monthly tariffs included in Pure Pricing's UK Monthly Mobile Pricing report offered over 100 GB of inclusive data (unchanged from September 2023). Over the same period, the proportion of tariffs with >10 GB and ≤100 GB of inclusive data increased by 6pp to 35%, the proportion with ≤1 GB of data increased by 2pp and the proportion with >1GB and ≤10 GB of data fell by 7pp.

**Figure 18: Distribution of SIM-only pay-monthly tariffs, by data allowance and average data cost/GB: September 2024 (£)**



Source: Ofcom / Pure Pricing's UK Monthly Mobile Pricing report September 2024.

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

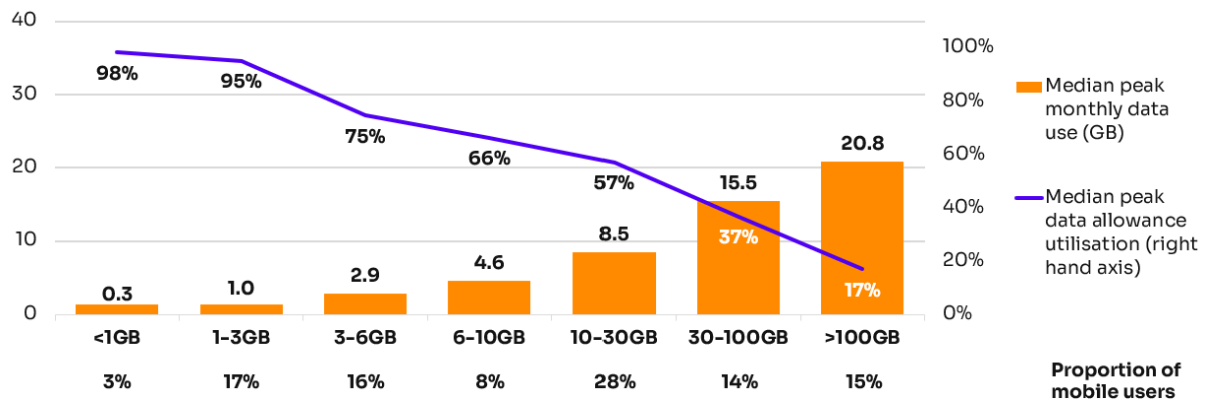
## Wide variation in peak data allowance utilisation among mobile customers

We use customer-level data collected for Ofcom's [Monitoring Consumer Outcomes in the Mobile Sector research report](#) to calculate median monthly data use and data use as a proportion of the monthly data allowance (i.e. data allowance utilisation). In addition, we use the data to calculate the median peak monthly data use and the median peak utilisation in the year to June 2023, split by data allowance band. It should be noted that this analysis excludes customers without an inclusive data allowance and those with unlimited data.

This analysis shows that median peak monthly data use during this period was higher among customers with a larger inclusive data allowance, while peak data allowance utilisation was lower. Over the year analysed, peak monthly median data used ranged from 0.3 GB for customers with a data allowance of <1 GB per month to just under 21 GB per month for those with a data allowance of 100 GB per month or more.

Conversely, over the same period, median peak data allowance utilisation ranged from 98% for customers with a monthly inclusive data allowance of less than 1 GB to 17% for those with a data allowance of 100 GB per month or more.

**Figure 19: Median peak monthly data use (GB) and median peak monthly data allowance utilisation, by data allowance band: year to June 2023**



Source: Ofcom / provider data.

Notes: Based on data provided by BT (inc. EE, Plusnet), iD Mobile, Sky Mobile, Tesco Mobile, Three (inc. SMARTY), O2 (inc. Virgin Mobile), giffgaff and Vodafone (inc. VOXI, Talkmobile); includes hybrid pre-pay customers; excludes customers with less than three bills, those taking a mobile service with an unlimited inclusive data allowance and those without a data allowance; the proportion of mobile users does not add up to 100% due to rounding.

## Pay-monthly tariffs were cheapest for our higher-use connections...

Of the 100 pre-pay tariffs shown in Pure Pricing’s September 2024 Monthly Mobile Pricing report, just three were traditional pre-pay tariffs, the remaining 97 being hybrid pre-pay tariffs.

Like pay-monthly tariffs, hybrid pre-pay tariffs provide customers with an inclusive allowance of calls, texts, and data which usually expire after a month. With hybrid pre-pay tariffs, any call, text, or data use outside the inclusive allowance is deducted from a pre-paid credit balance, as is the case with traditional pre-pay services, rather than the customer being billed retrospectively, as happens with pay-monthly mobile services.

Hybrid tariffs have the benefits of having no minimum contractual period (giving the user extra flexibility) and not being subject to annual in-contract price rises.

We have analysed the weighted average<sup>16</sup> monthly pre-pay and pay-monthly mobile prices of our six mobile connections using TechInsights’ pricing model. This shows that while the average pre-pay prices of the two lowest-use profiles were around £3 per month (24% and 28%) lower than the average pay-monthly prices in 2024, the four connections with the highest data usage were between 8% and 23% more expensive (an average of £3 per month) when bought using a pre-pay tariff.

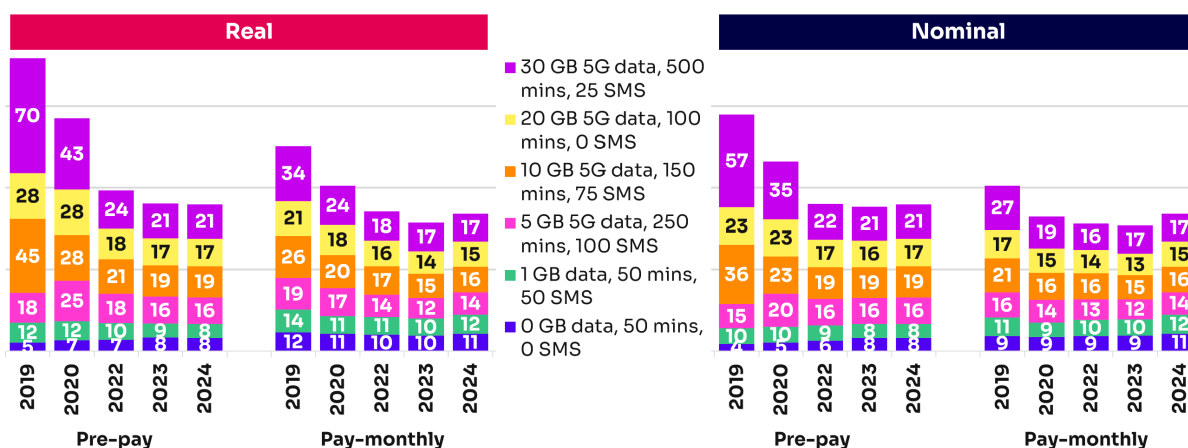
In real terms, there were year-on-year increases in the weighted average pay-monthly prices of all our six connections, except the one with the highest data requirement, with these increases ranging from 4% to 14%. (The weighted average pay-monthly price of the basket with the highest data requirement fell by 2% in real terms over this period). The weighted average pre-pay prices of the two lowest-use connections also fell by 2% in real terms, year on year, while the average pre-pay prices of all the other four connections were unchanged.

<sup>16</sup> Weighted by providers’ shares of total mobile subscriptions.



In nominal terms, the pay-monthly and pre-pay prices of all six connections increased year on year, apart from the pre-pay prices of the two lowest-use connections and the pay-monthly price of the highest-use connection, all of which were unchanged year on year.

**Figure 20: Weighted average monthly pre-pay and pay-monthly mobile price, excluding handset cost (£/month)**



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 5 GB data, 250 mins, 100 SMS basket, 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 2024 prices).

## ...in most cases, this was only because 5G commands a price premium on pre-pay

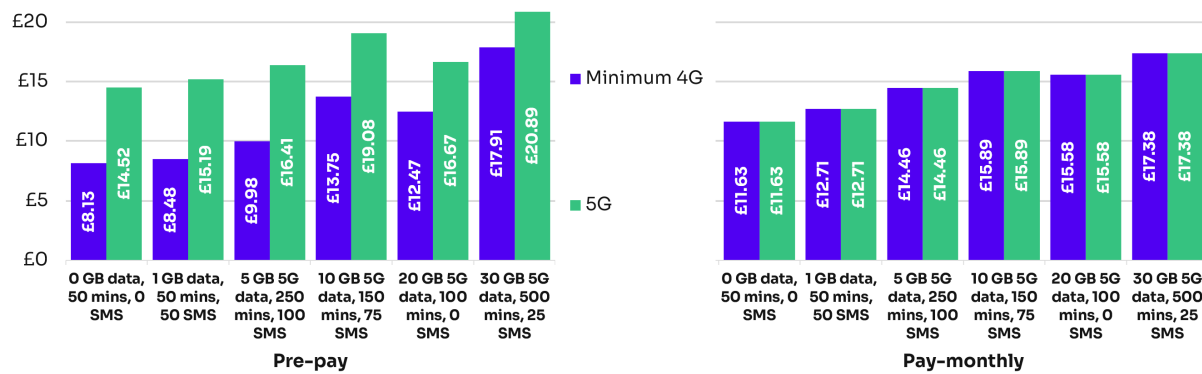
Our higher-use connections were more expensive when using pre-pay tariffs partly because they require 5G mobile connectivity.

A comparison of the price of fulfilling our six mobile connections with tariffs offering 5G connectivity and those offering a minimum of 4G shows that while there remained a price premium for 5G on pre-pay services in 2024, there was no such premium for pay-monthly services (as was the case in 2023). The pre-pay 5G price premium ranged from £2.98 to £6.71 per month across our six connections, averaging £5.34 per month – a slight increase compared to 2023.

Without any requirement for 5G connectivity, pre-pay offered the lowest average prices for all six connections except the highest-use one, which remained 53p per month (3%) cheaper using pay-monthly tariffs.



**Figure 21: Comparison of 4G minimum and 5G SIM-only mobile pricing: July 2024 (£/month)**



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 5 GB data, 250 mins, 100 SMS basket, 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 2024 prices).

## Over a third of pay-monthly customers are out of contract...

Our analysis of data collected for this report indicates that 37% of all pay-monthly mobile phone customers were out of contract at the end of June 2024, an increase of 3pp from a year previously.

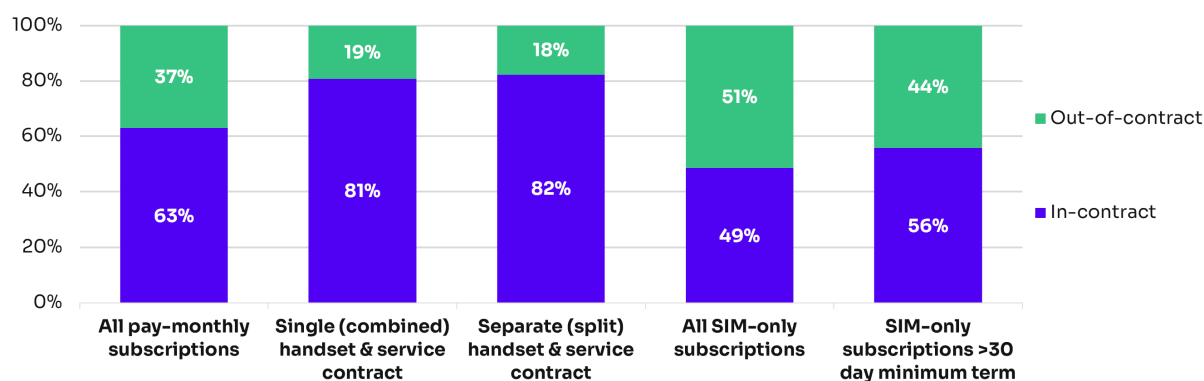
Customers who acquired their mobile handset with their airtime contract were less likely than average to be out of contract; 19% of people on these contracts were outside their minimum contractual period, up 1pp year on year. Among these customers, the proportion who were out of contract was similar, regardless of whether the handset and airtime were provided under a single or separate (split) contracts.<sup>17</sup>

Among the mobile providers that supplied data to us for this report, the number of out-of-contract pay-monthly customers with a combined handset and service contract fell by 42,000 (2%) to 2.2 million in the year to June 2024. Many mobile companies reduce the bills of out-of-contract bundled airtime and handset customers, such as by applying a percentage discount to their monthly bill or moving them onto an equivalent SIM-only deal. However, despite this, a substantial proportion of these customers will be able to save money by either re-contracting with their current provider or switching provider.

Across all pay-monthly SIM-only mobile customers, over half (51%) were out of contract, up 1pp year on year. However, it should be noted that many SIM-only customers use a mobile service with a 30-day minimum contractual period, and in our analysis, these customers are classed as being out of contract and they can switch provider easily at any time. Among SIM-only customers with a minimum contractual period greater than 30 days, 44% of subscriptions were out of contract, unchanged year on year.

<sup>17</sup> In this analysis split contract customers are classed as being in-contract or out-of-contract based on the status of their airtime contract (not the device contract).

**Figure 22: Proportion of pay-monthly mobile customers, by contract type and status: Q2 2024**



Source: Ofcom / provider data.

Notes: Based on data provided by BT (inc. EE), iD Mobile, Sky Mobile, SMARTY, TalkTalk, Tesco Mobile, Three, O2 and Vodafone.

## Split airtime and device contracts are enabling people to spread the cost of their phone over a longer period

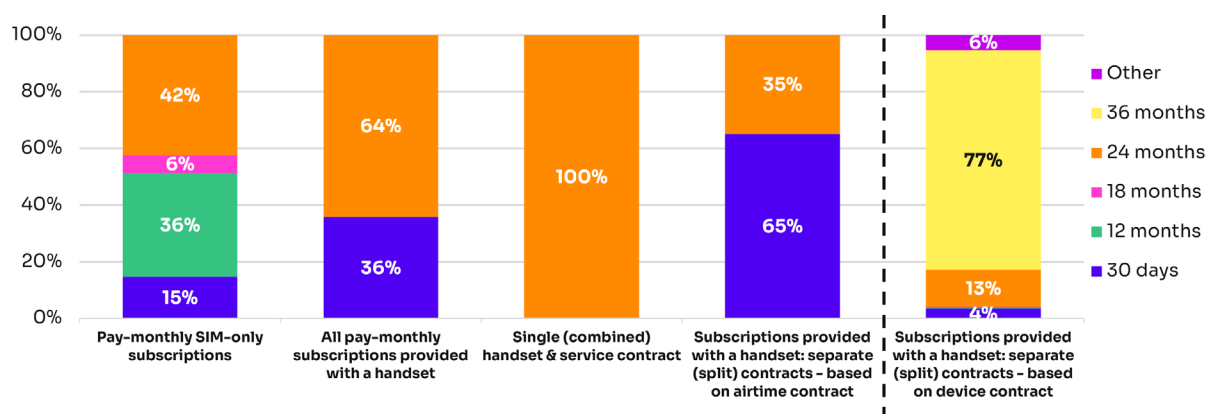
Analysis of the customer-level data collected for Ofcom’s [Monitoring Consumer Outcomes in the Mobile Sector research report](#) looked at the minimum contractual period of customers with different types of pay-monthly mobile contract. This analysis, which is based on subscriptions at the end of June 2024, shows that 42% of SIM-only pay-monthly users had a minimum contractual period (MCP) of 24 months, with a further 36% having a 12-month MCP, 15% with a 30-day MCP, and 6% having an MCP of 18 months.

Across all pay-monthly mobile subscriptions provided with a handset, just under two-thirds (64%) of airtime contracts had a 24-month airtime contract MCP (the maximum allowed for a telecoms service), with the remaining 36% having a 30-day MCP. The prevalence of 30-day MCPs is largely due to the popularity of split (separate) airtime and handset contracts that provide a 30-day rolling airtime contract and a device contract with a longer MCP. The remaining 35% of split airtime contracts, and almost all single (combined) airtime and device contracts had a 24-month MCP.

A different picture emerged when looking at the MCPs of split contract device contracts. These are not subject to the same 24-month maximum terms as airtime contracts, enabling customers to spread the cost of their device over a longer period, and lower their monthly bill.

We found that most people taking a split contract were doing this; 77% of those who took split airtime and device contracts had a device contract with a 36-month MCP. A further 13% of split contract mobile customers had a 24-month device MCP with 6% having an ‘other’ device MCP. These ‘other’ device MCPs occur because some mobile providers give their customers the flexibility to vary the length of their device MCP (and in many cases the upfront device cost they pay) to achieve a desired monthly price for their mobile service.

**Figure 23: Proportion of residential pay-monthly mobile phone customers, by minimum contractual period**



Source: Ofcom / provider data.

Notes: Based on data provided by BT (inc. EE), iD Mobile, Sky Mobile, SMARTY, TalkTalk, Tesco Mobile, Three, O2 and Vodafone.

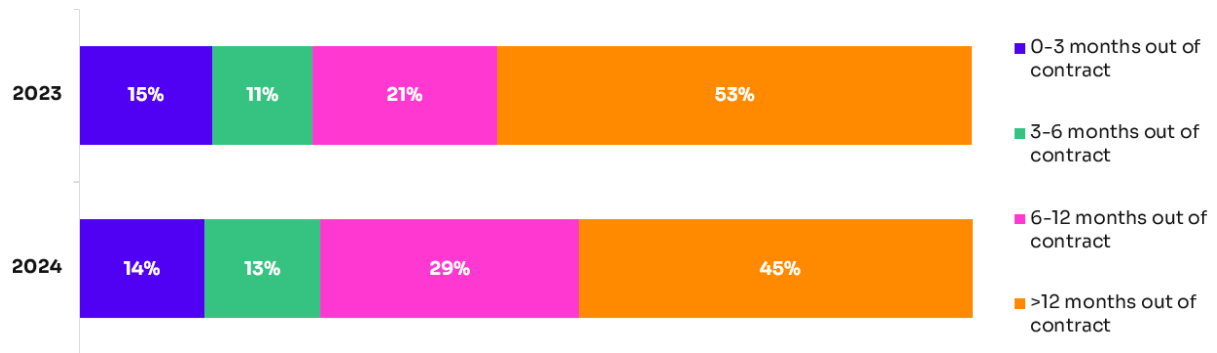
## The proportion of out-of-contract pay-monthly mobile users whose contract ended over a year has fallen

Using the same customer-level data, we can look at how long out-of-contract pay-monthly mobile customers have been out of contract. This analysis uses the airtime contract-end date to assign a customer's contractual status, apart from when the airtime contract's MCP is less than 12 months, in which case the device contract is used. This is to take account of split airtime and device customers in which the airtime has a 30-day rolling contract.

The analysis shows that out-of-contract customers had been out of contract for shorter periods in 2024 than in 2023. The proportion of out-of-contract pay-monthly mobile users who had been out of contract for 12 months or more fell by 8pp to 45% in the year to June 2024. Over the same period, there was a corresponding 8pp increase in the proportion who had been out of contract for between six and 12 months. The proportions who had been out of contract for less than three months, and from three to six months in July 2024, were 14% (down 1pp year on year) and 13% (up 2pp) respectively.

The median time that out-of-contract pay-monthly mobile users had been out of contract fell from 398 days to 339 days in the year to June 2024, suggesting that more UK mobile users are engaging with the market to get a good deal, although the same data shows that the proportion of customers who were out of contract was unchanged year on year, at 37%.

**Figure 24: Out-of-contract pay-monthly mobile customers, by average length of time out of contract: 2023 and 2024**



Source: Ofcom / provider data.

Notes: Based on data provided by BT (inc. EE), iD Mobile, Sky Mobile, SMARTY, TalkTalk, Tesco Mobile, Three, O2 and Vodafone; analysis uses the airtime contract to assign contractual status, except for where the airtime MCP is less than 12 months, in which case the device contract length was used.

## Out-of-bundle mobile call charges increased in 2024...

Most calls from UK mobile phones are made from the inclusive call allowances that are provided with pay-monthly and hybrid pre-pay tariffs.

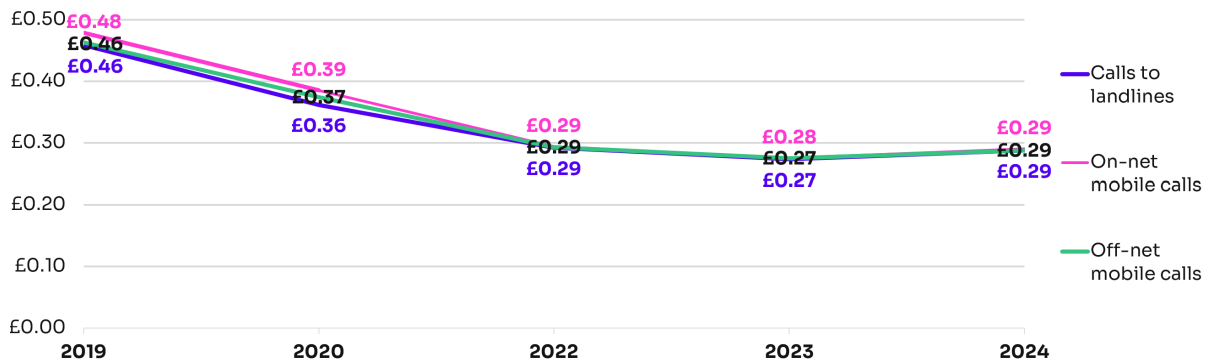
Calls outside inclusive allowances (including those made by traditional pre-pay customers) are charged at 'out-of-bundle' rates, and our analysis suggests that pre-pay and pay-monthly out-of-bundle prices for mobile calls to UK landlines and mobiles (including both on-net and off-net mobile calls) all increased by 5% in real terms to £0.29 per minute in the year to July 2024.

Despite these increases, the average out-of-bundle prices were in line with those recorded in 2022 and were over a third lower than they had been five years previously, in 2019. In nominal terms, average out-of-bundle call charges increased by 7%-8% in 2024.

TechInsights' analysis of mobile tariffs shows that just under 90% of new mobile pay-monthly and pre-pay tariffs included unlimited calls to UK landlines and mobiles in July 2024. This means that most new mobile users will not incur out-of-bundle call charges for UK landline and mobile calls.

Customers who do not benefit from a tariff offering unlimited UK landline and mobile minutes, and who make other types of calls that are excluded from their call allowances, or who exceed their monthly data/ SMS allowances, can protect themselves from unexpectedly high bills by setting a spending cap: all mobile providers must give new customers, and customers who extend or renew their contract, the option to set such a cap.

**Figure 25: 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, Lyca Mobile, Sky Mobile, Tesco Mobile, Three, VMO2 (incl. O2, and Virgin Mobile until 2023) 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 2024 prices).

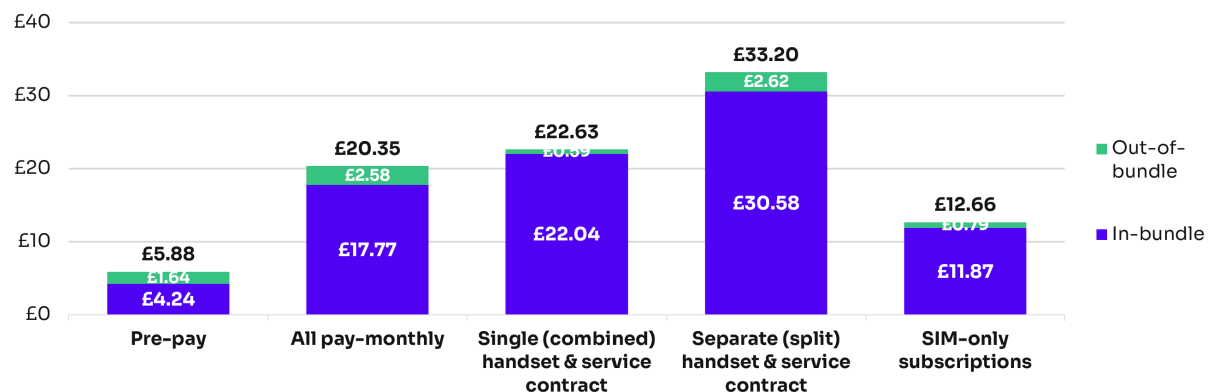
## ...but out-of-bundle mobile spend remains low

Data collected from the UK’s largest mobile providers for this report suggest that inclusive allowances cater for most customer requirements, with out-of-bundle spend accounting for a relatively small share of total mobile spend in Q2 2024, averaging £2.46 per month (14% of total spend) across all subscription types, a 6pp year-on-year increase.

Average out-of-bundle spend for pre-pay mobiles was £1.64 per month in Q2 2024, accounting for 28% of average monthly spend, a year-on-year fall of 6pp, which is probably because a higher proportion of these connections are hybrid pre-pay tariffs which include an inclusive data, call, and SMS allowance. Out-of-bundle spend across all pay-monthly subscriptions averaged £2.58 per month, or 13% of total spend.

Across all subscription types, out-of-bundle spend increased by £1.03 (71%) in real terms year on year. The increase in out-of-bundle spend may be related to more UK customers having to pay for mobile roaming in the EU, although many mobile providers offer fixed-price mobile roaming add-ons.

**Figure 26: Average monthly in-bundle and out-of-bundle spend, by subscription type: Q2 2024**



Source: Ofcom / provider data.

Notes: Based on data provided by BT (inc. EE), iD Mobile, Sky Mobile, SMARTY, TalkTalk, Tesco Mobile, Three, O2 and Vodafone.

## Some UK mobile users are subject to EU roaming charges

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When the UK was part of the EU, UK mobile customers were able to use their devices in other EU countries without incurring additional charges under the EU's 'roam like at home' rules (subject to 'fair use' policies). However, since the UK left the EU, some UK mobile providers have re-introduced EU roaming charges for their customers, although several, including giffgaff, iD Mobile, O2, and Tesco Mobile, have not.

For those providers that have reintroduced EU roaming charges, these usually apply to only some users, and customers taking higher-tier tariffs are often still able to roam in the EU without any additional charge. Conversely, customers who do not use their phones in the EU can save money by buying a cheaper tariff that does not include EU roaming.

EU roaming charges frequently take the form of add-ons that enable the user to use their monthly allowance while in the EU, albeit usually with a fair use policy. These add-ons can last from a day up to a month, and a summary of the roaming charges for some of the UK's largest mobile providers' customers can be found below. Alternatively, customers who want to use their devices when abroad can purchase a SIM/eSIM local to their international destination to avoid their home provider's roaming charges.

Ofcom introduced new rules on 1 October 2024 requiring mobile providers to notify their customers when they start roaming (both in the EU and the rest of the world) and provide clear, free to access information so users can make informed decisions about whether, and how, to use their mobile phone abroad. This includes ensuring that customers understand any roaming charges and can set/amend a spend cap to limit their spend.

The new rules also require providers to alert customers if they are inadvertently roaming (e.g. customers in Northern Ireland inadvertently roaming in the Republic of Ireland) and have measures in place to enable customers to reduce or limit their spend on roaming while in the UK (e.g. treating mobile use in Ireland the same as in the UK).

Figure 27: Major providers' new contract EU roaming charges: September/October 2024

Provider	Charge to unlock allowance for use in the EU
<a href="#">EE</a>	<p><b>Pay-monthly:</b> £2.47/day. Roam Abroad Pass £25/month. (50GB per billing month fair usage).</p> <p><b>Pre-pay:</b> £2.50 for 24hrs, £10/week.</p>
<a href="#">o2</a>	No charge for <b>Pay-monthly</b> and <b>pre-pay</b> plans. (25GB per month fair use).
<a href="#">Vodafone</a>	<p><b>Pay-monthly:</b> £2.42/day. European Roaming Pass £12 for 8 days or £17 for 15 days. (25GB per month fair use).</p> <p><b>Pre-pay:</b> Roam Extras 8-day passes – £4 for 200 SMS, £5 for 100 mins, £9 for 3GB data, £12 for 3GB, 100 mins &amp; 200 SMS.</p>
<a href="#">Three</a>	<p><b>Pay-monthly:</b> Go Roam Passes: £2/day, £5 for 3 days, £12/week, £24 for 14 days. (12GB/month fair usage).</p> <p><b>Pre-pay:</b> No charge but the amount of roaming data available is dependent on the tariff purchased.</p>
<a href="#">Sky</a>	<b>Pay-monthly:</b> Roaming Passport Plus £2/day.
<a href="#">Tesco Mobile</a>	No charge for <b>Pay-monthly</b> and <b>pre-pay</b> plans until 2026.
<a href="#">giffgaff</a>	<p><b>Pay-monthly:</b> No charge. (5GB per month fair usage).</p> <p><b>Pre-pay:</b> UK rates.</p>

Source: Ofcom / Pure Pricing's Monthly Broadband Pricing Tracker report, September 2024 / provider websites.

## The deployment of 5G standalone services may result in greater differentiation in mobile services

Ofcom's [October 2023 Net Neutrality Review](#) concluded that internet service providers, including mobile operators, could offer premium quality retail offers that are differentiated by quality of service.

Fixed broadband services and some mobile tariffs are already tiered based on the maximum available throughput speed, but we may also see the emergence of services tiered according to other aspects that can determine the user experience, such as latency, jitter, and packet loss, to better meet the wide range of user needs.

Network slicing on 5G networks allows mobile providers to cater to different quality of service characteristics, although 5G standalone, which is currently being deployed in the UK, is required to enable them to offer services with specific quality-of-service requirements.

# Pricing of landline services

## Significant increases in standalone landline prices

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While most people purchase their landline service as part of a bundle, typically including a fixed broadband service, data collected for this report from the UK's largest fixed landline providers indicates that in 2024 5% of landline customers continued to purchase landline services on a standalone basis.

This proportion is unchanged since 2023, despite the number of people purchasing a standalone landline service falling by 12% year on year to approximately 870,000. This is due to a similar percentage fall in the number of residential landlines, as people switch to standalone broadband services and bundles that do not include a landline.

BT offers a special 'voice-only' standalone landline tariff, Home Phone Saver, which cannot be used with a separately purchased fixed broadband service, even a BT service, and applies a discount of over £16 per month to the line rental cost for customers taking BT's standard voice-only service who do not have a broadband connection. Since April 2018, the prices BT customers pay for 'voice-only' standalone landline services have been protected by voluntary commitments. These commitments, which were [updated in 2021 and are in place until March 2026](#), mean that among other measures, BT will continue to apply a price cap of CPI+0% for voice-only products and a safeguard cap of CPI+2.5% on the price of line rental, until March 2026.

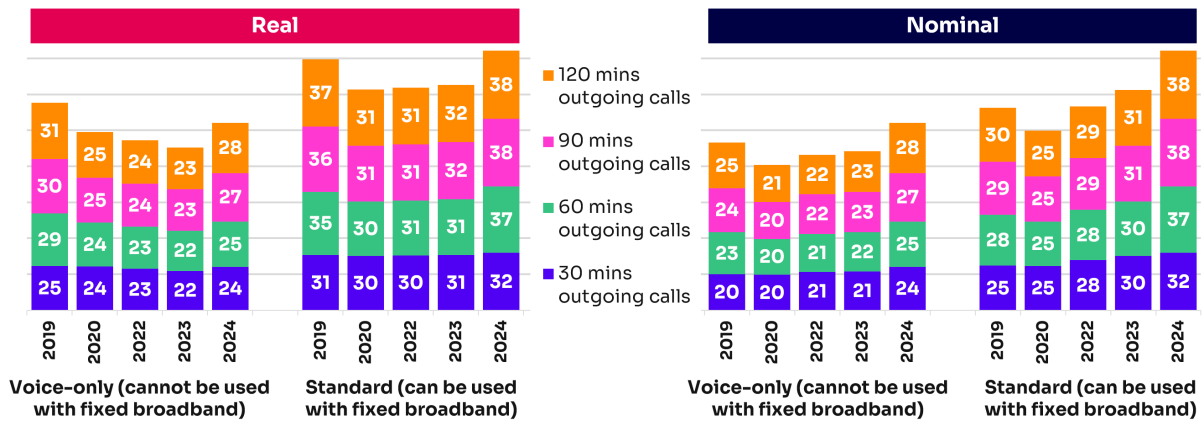
Based on analysis of the standalone landline prices offered by the UK's leading residential telecoms providers, using TechInsights' pricing model, we found that across the four landline connections we looked at, 'voice-only' standalone landline services were on average about £10 per month cheaper than services that were used with a fixed broadband service.

The total price of our four 'baskets' of standalone landline connections increased by 15% in real terms between 2023 and 2024 when they used services with fixed broadband, as did the total price when using services that cannot be used with fixed broadband. In nominal terms, the total price of our four connections increased by 18% year on year, for both standalone landline service types.

The increases in the cost of standalone landline services that can be used with a fixed broadband service were driven by changes to BT's call bundles. In 2024, BT no longer offered call bundles providing 500 or 700 minutes of calls to landlines and mobiles, and new customers could only purchase a landline with pay-as-you-go calls (i.e. no call allowance) or unlimited calls. As a result, the more expensive unlimited calls package was the cheapest option for most of our connections.



**Figure 28: Average monthly price of standalone landline services for different use profiles (£/month)**



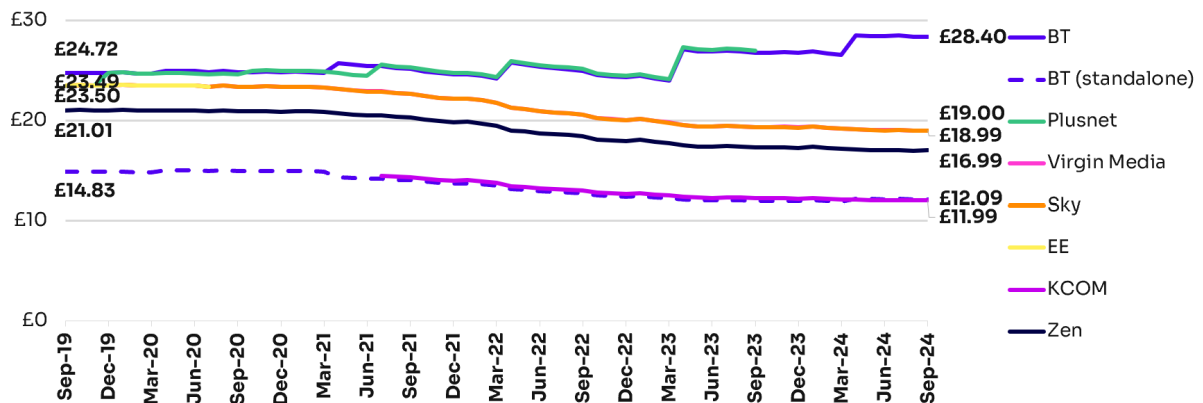
Source: Ofcom / TechInsights.

Notes: All figures are rounded to the nearest GBP; 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 75% to UK landlines and 25% to UK mobiles; 60% during daytime, 25% in the evening and 15% at weekends; BT and Virgin Media are included for all years, 2019 and 2020 also includes Post Office, and 2022 and 2023 include Shell Energy; 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 2024 prices).

## Average line rental prices fell in real terms...

Of the providers which specify 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 £1.28 (6%) to £19.07 in real terms in the year to September 2024, and was £3.18 per month (14%) lower in real terms than five years previously.<sup>18</sup>

**Figure 29: Residential line rental prices in real terms: September 2019 to September 2024 (£ per month)**



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

Notes: Excludes line rental saver pre-payment tariffs (where offered); includes promotions; Virgin Media is not

<sup>18</sup> These averages include services offered by Post Office and Shell Energy, who have both now left the telecommunications market.

visible on the chart because its pricing is similar to Sky's i.e. the September 2024 Virgin Media's line rental charge is £19.00; adjusted for CPI (September 2024 prices).

## ...but the picture is mixed for calls and call packages

Operator data shows that the number of households taking a landline call package fell in the year to June 2024, while the proportion of landline customers taking an inclusive call package also decreased by 7pp to 66%.

There was a £0.09 (2%) real-terms year-on-year increase in the average monthly price of an evening and weekend call bundle in the year to September 2024, while over the same period, the average price of an anytime call bundle increased by £0.70 per month (6%) to £11.55. Over a five-year period, the average price for evening and weekend call bundles fell by 7% in real terms, while that of anytime call package increased by 22% in real terms.

This analysis excludes BT's landline call packages offering a set number of inclusive calls, the withdrawal of which was the main driver of the significant increase in the average price of our four mobile connections noted previously.

When customers do not have calls bundled with their landline service, or make calls outside their inclusive bundled allowance, they can be charged a per-minute rate as well as a fixed-call set-up rate. Analysis of Pure Pricing data shows that the per-minute call charge rate for outgoing residential landline calls to UK landlines and to mobile phones both decreased by less than one pence per minute year on year, to £0.20 and £0.21 respectively. The average fixed call set-up fee also decreased in the year to September 2024, by three pence (19%) to £0.14 in real terms.

**Figure 30: Average landline call package prices in real terms (£/month)**

	2019	2020	2021	2022	2023	2024		YoY change
Evening and weekend calls	5.39	5.74	5.42	5.12	4.91	5.00		+2%
Anytime calls	9.46	11.62	11.69	10.47	10.85	11.55		+6%

Source: Ofcom / Pure Pricing's Monthly Broadband Pricing Tracker reports, data as of September each year.

Notes: Evening and weekend call package figures are the average of prices offered by BT (2018 and 2019 only), NOW, Plusnet (up to April 2024), Post Office (up to March 2021), Shell Energy (up to July 2024), 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 (up to June 2024), Plusnet, Post Office (up to March 2021), Shell Energy (up to July 2024), Sky, TalkTalk, Virgin, Vodafone, and Zen (from 2021); adjusted for CPI (September 2024 prices).

## Many providers charge monthly fees to block numbers and reject anonymous calls on landline services

Many landline providers use technical measures to automatically block known nuisance and scam numbers from reaching a landline customer. Additionally, Ofcom has signed a [Memorandum of Understanding](#) with a number of communication providers and industry associations which sets out how Ofcom, communication providers, and industry associations will work together to reduce the impact of unlawful nuisance and scam calls on consumers.

While there are [a number of actions individual consumers can take](#) if they receive unwanted calls, some consumers may also seek to block or reject potential nuisance calls by purchasing additional features offered by their landline provider.

Providers offer a range of additional features available for a monthly charge, including anonymous call rejection – where calls that withhold their number are automatically rejected – and number blocking. Our research has found that many providers charge landline customers to block unwanted callers and automatically reject withheld numbers; there is significant variation between these prices.

**Figure 31: Selected landline call feature add-ons: November 2024**

	Anonymous call rejection	Number blocking
<b>BT</b>	£8.09 per month	£6.86 per month
<b>EE</b>	£7.03 per month	£7.03 per month (capped at ten numbers)
<b>NOW</b>	£1 per month	£1 per month
<b>Plusnet</b>	£4 per month	Included as standard
<b>Sky</b>	£4 per month	£3.35 per month (capped at ten numbers)
<b>TalkTalk</b>	£3 per month	Free (capped at 100 numbers)
<b>Virgin Media</b>	£2.70 per month	£2.25 per month
<b>Vodafone</b>	£2.50 per month	n/a

Source: Ofcom / provider websites, as of November 2024.

Notes: BT offers the 'Call Protect' feature as standard to landline customers, which allows customers to assign certain numbers to a list which automatically directs these numbers to voicemail; EE offers anonymous call rejection and number blocking (capped at ten numbers), among other features, as part of a single bundle priced at £7.03 per month (individual features are not advertised for purchase separately); Virgin Media separately offers anonymous call rejection and number blocking along with one other feature in a bundle priced at £3 per month; Vodafone's anonymous call rejection feature shown in the table, priced at £2.50 per month, also comes with two other features in a bundle; Vodafone's anonymous call rejection feature cannot be purchased on full-fibre broadband packages; many landline providers automatically block certain known nuisance or scam calls, as well as offer other call features, as standard.

# Pricing of pay-TV and SVoD services

## Traditional pay TV and SVoD

**Traditional pay-TV services** are subscription-based offerings that provide paid access – usually via long-term contracts – to content packages of linear TV channels and often video-on-demand programming/services as well. Services are typically offered over satellite, cable, or IP networks. UK providers include Sky, Virgin Media, and EE TV.

**Subscription video-on-demand (SVoD) services** offer paid streaming access – usually on a rolling monthly contract basis – to a library of on-demand programming, and in some cases also linear streams, including some live events. SVoD services are typically delivered over-the-top (OTT) using the open internet and the user’s broadband connection. Popular services include Netflix, Amazon Prime Video, and Disney+.

## There has been a year-on-year increase in average prices for the TV element of triple-play bundles

Consumers who want to access TV channels and TV content beyond free-to-air can pay to subscribe to a pay-TV service. Multichannel TV providers such as Sky, Virgin Media, BT, and EE provide access to pay-TV content using a variety of technologies. Thirty-eight per cent of UK households had a pay-TV service in Q3 2024, down from 40% a year earlier.<sup>19</sup>

Our analysis of operator data collected for this report suggests that about three-quarters (76%) of all pay-TV customers purchased pay TV as part of a bundle at the end of Q2 2024, and about half (51%) of pay-TV customers bought it as part of a triple-play bundle along with landline and fixed broadband services.

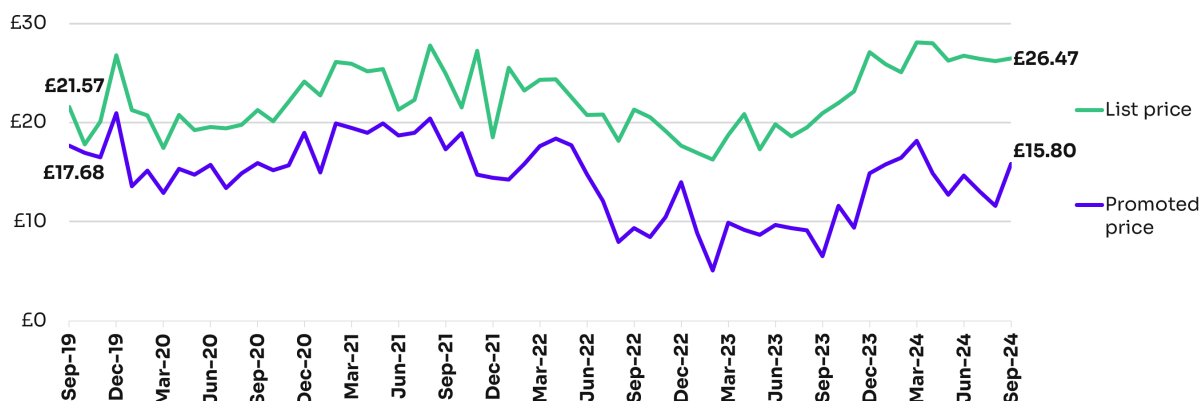
To better understand pay-TV prices, we have estimated the cost of buying pay TV as part of a triple-play bundle by subtracting the average price of a dual-play landline and fixed broadband bundle from the price of a provider’s similar triple-play landline, fixed broadband, and pay-TV bundle. In doing so, we have ensured that these bundles include a broadband connection with the same advertised 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 are therefore only indicative.

The estimated monthly list price of pay TV when purchased as part of a bundle increased by £5.52 (26%) to £26.47 in real terms in the year to September 2024, while the price for new customers taking promotional offers rose by £9.30 per month (143%) to £15.80 over the same period. These increases reflect the trends in bundle prices observed previously in this report, where we found that

<sup>19</sup> Barb Establishment Survey Q3 2024. These figures exclude NOW, which is categorised as an SVoD service.

while dual-play bundle prices had fallen year on year, there were some notable increases in triple-play bundle prices.

**Figure 32: Average price of pay TV purchased as part of a triple-play bundle, in real terms: September 2019 to September 2024 (£/month)**



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, EE, Sky, TalkTalk, and Virgin Media; adjusted for CPI (September 2024 prices).

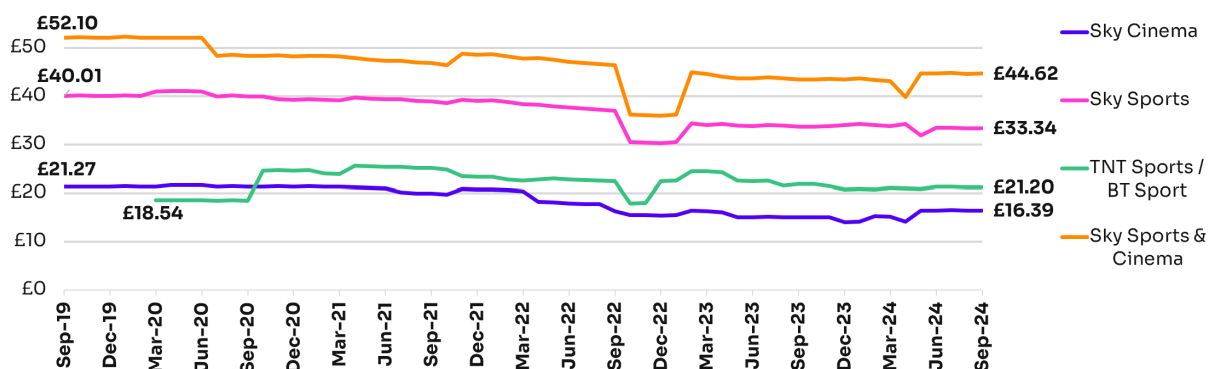
## Premium pay TV add-on prices decreased in real terms over the past year

To understand the price of premium pay-TV content, we have analysed the tariffs offered by BT/EE, NOW, Sky, TalkTalk, and Virgin Media, and calculated the average cost of adding the premium content add-ons to these providers' basic pay-TV services.

The average monthly price of Sky Sports and TNT Sports content both fell in real terms in the year to September 2024, by 1% and 3% respectively. However, the average monthly price for Sky Cinema and Sky Sports & Sky Cinema together increased, with the average monthly prices for these add-ons increasing year on year by 9% and 3% in real terms respectively.

In October 2022, and in April and May 2024, there were notable falls in the average monthly price of pay-TV premium add-ons: in both cases, this was due to one pay-TV service offering large promotional discounts to customers taking its premium content add-ons.

**Figure 33: Average price of pay-TV premium add-ons in real terms: September 2019 to September 2024 (£/month)**



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 Flex from Virgin Media from November 2021); TNT Sports replaced BT Sport in July 2023; there were 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 2024 prices).

## Many SVoD services now offer cheaper ad-supported options

Sixty-nine per cent of UK households used a subscription video-on-demand (SVoD) service (such as Netflix, Disney+ or Amazon Prime Video) in Q3 2024, up slightly from 67% in Q3 2023, while the average number of SVoD subscriptions per SVoD home remained stable in the year to Q3 2024, at just over two per household. Netflix continued to be the most popular SVoD service, with 59% of UK households using it, followed by Amazon Prime Video (46%) and Disney+ (26%).<sup>20</sup>

As the take-up of SVoD services has plateaued, SVoD providers have sought to reduce the number of people cancelling their subscriptions, and to find new ways of targeting customers yet to subscribe. As a result, most major SVoD providers have launched ad-supported subscription plans, offered at a lower monthly cost than their established ad-free tiers. Netflix launched its ad-supported plan in November 2022, Disney+ in November 2023, and Amazon Prime Video became ad-supported as standard in 2024 (for TV and film content, having already shown adverts alongside live sports content) with ad-free streaming available for an additional £2.99 per month. Paramount+ also plans to launch an ad-supported plan in the UK in the second half of 2024, while Apple TV+ has not yet introduced an ad-supported tier or announced any plan to do so.

Some SVoD providers, most notably Netflix, also have introduced measures to ensure that subscriptions can only be used by individuals in the same household. Different households subscribing to Netflix services can no longer share the same plan: instead, a household with Netflix's Standard and Premium plans can add one and two extra households respectively, priced at £4.99 per extra member per month, or users in a different household can set up their own subscription.

<sup>20</sup> Barb Establishment Survey Q3 2024. Figures include those using the services with or without a paid subscription.

**Figure 34: Selected video-on-demand pricing in UK: October 2024**

Provider	Pricing	Ad-supported plan
<b>Amazon Prime Video</b> 30-day free trial	£8.99pm / £95pa (inc. express shipping on some items bought on Amazon.co.uk & other benefits); £2.99pm extra for ad-free streaming.	Prime Video became ad-supported as standard in Feb 2024; Content can be streamed ad-free at an additional cost of £2.99pm.
<b>Apple TV+</b> Week free trial	£8.99pm	-
<b>Channel 4+</b> Week free trial	Ad-free on-demand content (Channel 4+) can be streamed for £3.99pm / £39.99pa.	On-demand content can be streamed for free with ads; Ads are featured during any streaming of live content.
<b>Discovery+</b>	<b>Basic:</b> £3.99 pm <b>Standard:</b> £6.99pm. <b>Premium</b> (inc. TNT Sports): £30.99pm.	All plans feature a small number of ads when on-demand content is streamed.
<b>Disney+</b>	<b>Standard with ads:</b> £4.99pm. <b>Standard:</b> £8.99pm / £89.90pa. <b>Premium:</b> £12.99pm / £120.90 pa.	Ad-supported tier, Standard with ads, launched in Nov 2023, priced at £4.99pm.
<b>ITVX Premium</b> Week free trial	Ad-free on-demand content and some content only available to ITVX Premium subscribers can be streamed for £5.99pm / £59.99pa.	On-demand content can be streamed for free with ads (some content is only available with an ITX Premium subscription); Ads are featured during any streaming of live content.
<b>Netflix</b>	<b>Standard with ads:</b> £4.99pm <b>Standard:</b> £10.99pm <b>Premium:</b> £17.99pm	Ad-supported tier launched in Nov 2022, priced at £4.99pm.
<b>NOW</b>	<b>Entertainment:</b> £9.99pm <b>Cinema:</b> £9.99pm <b>Sports:</b> £34.99pm.	On-demand content is ad-free when <b>Boost</b> (£6pm) or <b>Ultra Boost</b> (£9pm) are purchased; All live content streamed is ad-supported.
<b>Paramount+</b> Week free trial	£6.99pm / £69.90pa.	Ad-supported tier expected to launch in the UK by the end of 2024.
<b>YouTube Premium</b> Month free trial	£12.99pm.	-

Source: Pure Pricing's Monthly Broadband Pricing Tracker reports; provider websites.

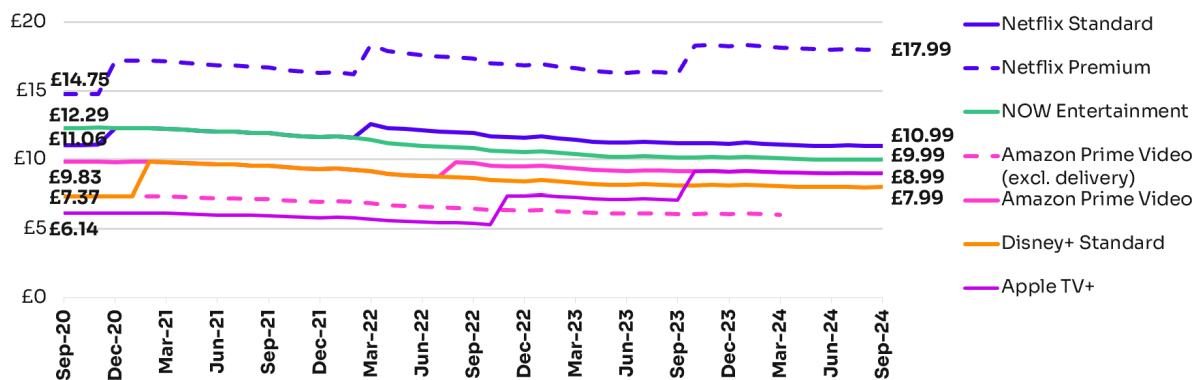
Note: Free trials are subject to eligibility requirements; there may be additional promotional discounts that are not listed above.

## Many SVoD services have recently increased prices

Analysis of the monthly prices of the selected UK SVoD services below shows that the only price increases in the year to September 2024 were for Apple TV+ and Netflix Premium, which increased by £2 per month to £8.99 and £17.99 per month respectively. For the other SVoD services included in our analysis, prices fell in real terms year on year (and were unchanged in nominal terms).

However, there were price increases for some SVoD services in Q4 2024: Disney+ increased the price of its Standard and Premium plans by £1 and £2 per month respectively.

**Figure 35: 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 (£14.99 per day); Disney+ also offers Standard with ads (£4.99) and Premium (£12.99); from April 2024, Amazon is no longer promoting Amazon Prime Video excluding delivery services; adjusted for CPI (September 2024 prices).



# International comparisons

## The UK was ranked third out of six countries for residential communications service pricing in 2024

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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 section of the report provides a summary of our findings regarding:

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

We compare prices using two metrics based on the best price offered by the largest providers in each country for low, medium, and high users of the service/bundles above:

- lowest available price, which is the best price offered from the providers in a country; and
- average price, which is calculated using the best price from all the providers in a country, weighted by their market share.

Across all the standalone services, bundles and price metrics included in our analysis, the UK was ranked third overall among our six comparator countries in 2024 after Italy and France. The UK was ranked third for both 'average' and 'lowest available' prices across all metrics and services in 2024.

The UK's overall rank was unchanged from 2023. 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 joint-cheapest overall standalone broadband prices (with Italy),<sup>21</sup> the second-cheapest overall standalone mobile phone prices, the third-cheapest overall standalone landline prices, was ranked third (out of four) for overall triple-play bundle prices and fifth for overall dual-play bundles.

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<sup>21</sup> 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.

**Figure 36: International comparison of overall, lowest available and weighted average standalone and bundled household usage prices: 2024 (ranked; 1 is cheapest)**

		GBR	FRA	DEU	ITA	ESP	USA
All metrics and services	Overall rank	3	2	4	1	5	6
	Weighted average price rank	3	1	4	2	5	6
	Lowest available price rank	3	2	5	1	4	6
Standalone landline	Overall rank	3	5	6	1	2	4
	Weighted average price rank	2	5=	5=	1	3	4
	Lowest available price rank	4	5	6	2	1	3
Fixed broadband	Overall rank	1=	3	4	1=	5	6
	Weighted average price rank	1	2	4	3	5	6
	Lowest available price rank	2	3=	3=	1	5	6
Standalone mobile phone	Overall rank	2	1	3	4	5	6
	Weighted average price rank	2	1	3	4	5	6
	Lowest available price rank	2	1	3	4	5	6
Dual-play bundles	Overall rank	5	2	4	1	3	6
	Weighted average price rank	5	2=	4	1	2=	6
	Lowest available price rank	5	2	4	1	3	6
Triple-play bundles	Overall rank	3	1	2	n/a	n/a	4
	Weighted average price rank	3	1=	1=	n/a	n/a	4
	Lowest available price rank	2	1	3	n/a	n/a	4

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; Spain had no triple-play fixed broadband, landline and pay-TV bundle offers and Italy had no offers for triple-play bundles with premium films; we are therefore unable to rank these countries for triple-play bundles. Data relates to August/September 2024.

## Bundled services

- The UK ranked fifth overall, and in terms of both weighted average and lowest available prices, across the dual-play fixed broadband and landline bundles included in our analysis. These ranks were unchanged from 2023.
- For the two usage categories for triple-play bundles included in the analysis, the UK was placed third (out of four) overall, ranking second for lowest available prices and third for weighted average prices.

## Fixed broadband services

- The UK ranked joint-first (with Italy) overall for fixed broadband prices in 2024, up from third in 2023.
- The UK came first across our three fixed broadband connections for weighted average prices and second for lowest available prices. Compared to 2023, the UK's rank was up three places for lowest available prices and up two places for weighted average prices.
- UK ultrafast broadband prices compared less well than those for standard and superfast broadband services: the UK ranked first for standard broadband services, joint first (with Germany) for superfast services,<sup>22</sup> and fourth for ultrafast services.

## Landline services

- When factoring in both weighted average and lowest available prices, the UK had the third lowest overall standalone landline prices among the six countries included in our analysis in 2024, up from fourth place in 2024.

<sup>22</sup> The superfast rank is out of five as there were no suitable superfast broadband services in Spain in 2024.

- The UK ranked second 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. These ranks were unchanged since 2023.

## **Mobile phone services**

- The UK had the second lowest standalone mobile prices across the three mobile connections used in our analysis in 2024, when factoring in both weighted average and lowest available prices.
- France had the lowest standalone mobile prices in 2024, as was the case in 2023.
- The UK was ranked second for both lowest available and weighted average standalone mobile prices in 2024. In 2023 it was second for weighted average prices and joint first (with France) for lowest available prices.

# Cost of living

## Affordability of communications services

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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 urges all providers to offer and promote social tariffs. Many providers have responded positively to our calls, with around 85% of fixed broadband homes now able to access a social tariff (if they are on qualifying benefits) without switching provider or incurring an early termination charge.

Our [Communications Affordability Tracker](#) monitors consumers’ attitudes and behaviours regarding the affordability of communications services and has been running since June 2020.

To understand the financial impact that the cost of communication services has on households, we asked consumers if they had taken any affordability actions.<sup>23</sup> These actions include: making changes to a communications service (e.g. switched package or tariff); reducing spend elsewhere (such as on food or clothes),<sup>24</sup> cancelling a service, making changes to a payment method<sup>25</sup> or missing a payment. In October 2024, a quarter (25%) of households had undertaken affordability actions, equating to approximately 5.7 million ( $\pm 600,000$ ) UK households,<sup>26</sup> a decrease since October 2023 (30%).

Our research shows that 8% of households with fixed broadband<sup>27</sup> found it difficult to afford their service in October 2024, equating to around 1.9 million ( $\pm 500,000$ ) UK households. This is consistent with October 2023. Among fixed broadband households, 5% said they had made changes to their fixed broadband service, 2% had made changes to their payment method and <1% had cancelled their fixed broadband service. The households that are more likely to experience fixed broadband affordability issues include those with a household member with an impacting/limiting condition (14%) and those in receipt of benefits (13%).

Six per cent of households with a mobile phone found it difficult to afford their service, which equates to about 1.6 million ( $\pm 400,000$ ) homes, a decrease compared to October 2023 (9%). Among households with a mobile phone, 3% had made changes to their data, 1% had made changes to their

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<sup>23</sup> A household can experience multiple issues with the same service, or the same issue with multiple services.

<sup>24</sup> These were the examples given to participants, but responses were not restricted to these. Participants could have reduced spend on other items, not just food and/or clothes.

<sup>25</sup> 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.

<sup>26</sup> For an explanation of population estimates, see the methodology in Annex 1.

<sup>27</sup> The base of this calculation is households who own or previously owned (i.e. cancelled in the last month) a fixed broadband service.

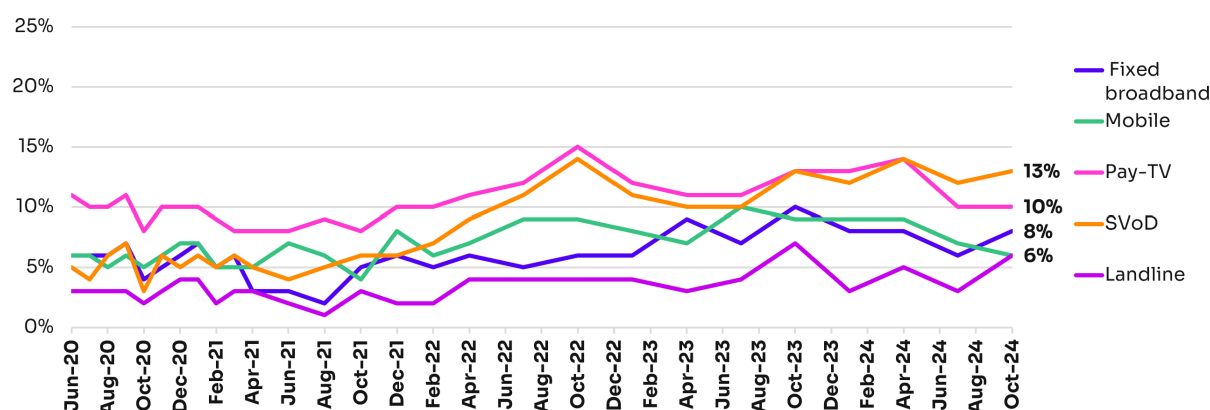
minutes, 2% had changed their payment method, 2% had missed a payment and 1% had cancelled their service.

Five per cent of households are ‘mobile internet only’ households; they can do not have a home fixed broadband connection and can access the internet only via a mobile data connection (e.g. using a smartphone or a dongle/USB device).<sup>28</sup> Our research found that 4% of these households had taken affordability actions with their mobile service in October 2024, a decrease compared to October 2023 (13%). Of these households, 1% had made changes to their payment method and 3% had missed a payment for their service.

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 (5% and 9% respectively). Our research also found that 61% of households that had cancelled their SVoD service in the past month retained access to another SVoD service.<sup>29</sup>

In October 2024, 6% of households said they had a landline affordability issue. Of those with a landline service, 2% had made changes to their service, 3% had cancelled their service and 1% had made changes to their payment method.

**Figure 37: Experience of communications affordability issues, by service: June 2020 to October 2024**



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 set out in the [Treating vulnerable customers fairly guide](#).

This section summarises our analysis of overall levels of debt and disconnection in the fixed and mobile telecoms sectors. The analysis uses monthly data from July 2023 to June 2024, which was requested from providers that collectively accounted for over 93% of the residential fixed telecoms market and 98% of residential mobile customers in Q3 2023. Where relevant, we also refer to the

<sup>28</sup> Data based on [Ofcom’s Technology Tracker 2024](#).

<sup>29</sup> This is indicative only as low base (n=57).

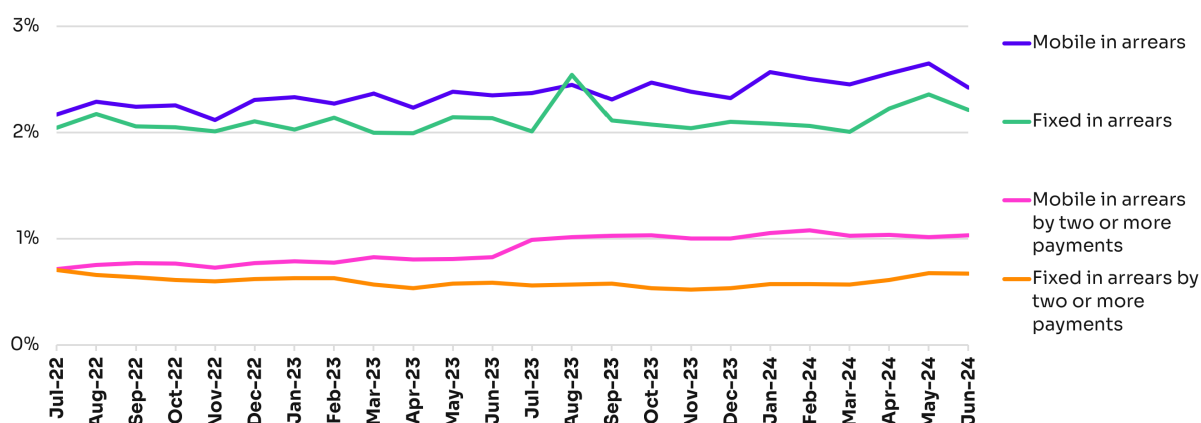
June 2022 to June 2023 data, using the data on arrears and disconnections published in the [2023 Pricing trends for communications services report](#), which covered over 90% of the fixed market and over 85% of mobile telecoms customers.

## The proportion of customers in arrears remained broadly stable...

The data shows that the proportion of customers in arrears has remained broadly stable over the past two years. For the most recent period (between July 2023 and June 2024), the analysis shows that between 2.0% and 2.5% of fixed telecoms customers, and between 2.3% and 2.6% of mobile contracts, were in arrears by at least one payment at the end of each month.

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 over the past two years, less than 1% of fixed telecoms customers were in arrears by more than two payments. There was a small increase in the proportion of mobile contracts in arrears by two or more payments, from less than 1% in the 12 months to June 2023, to about 1% in the most recent period (between July 2023 and June 2024).

**Figure 38: Proportion of customers in arrears and in arrears by two or more payments, fixed and mobile: July 2022 to June 2024 (%)**



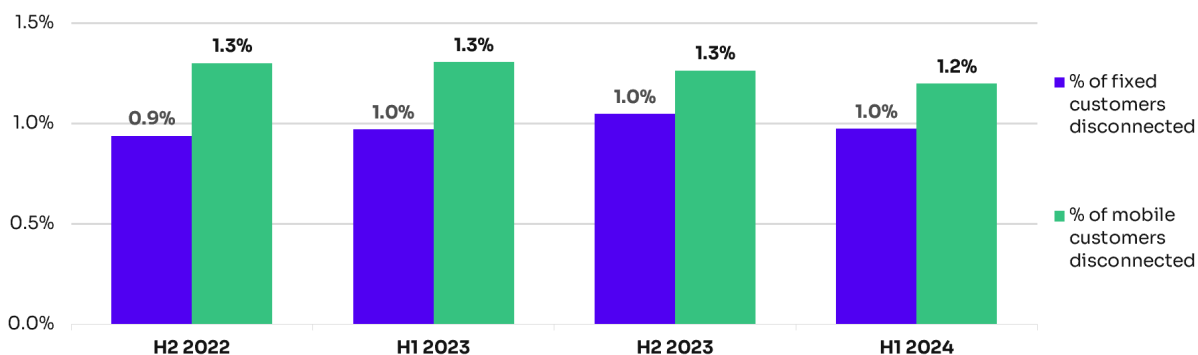
Source: Ofcom / operator data.

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

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

The proportions of fixed customers and mobile contracts that were disconnected for non-payment have remained broadly stable over the past two years. Disconnections of fixed customers remained at around 1% during both the second half of 2023 and the first half of 2024. For mobile contracts, the proportion disconnected dropped slightly; from 1.3% in the second half of 2023 to 1.2% in the first half of 2024.

**Figure 39: Proportion of customers disconnected for non-payment, fixed and mobile: H2 2022 to H1 2024**



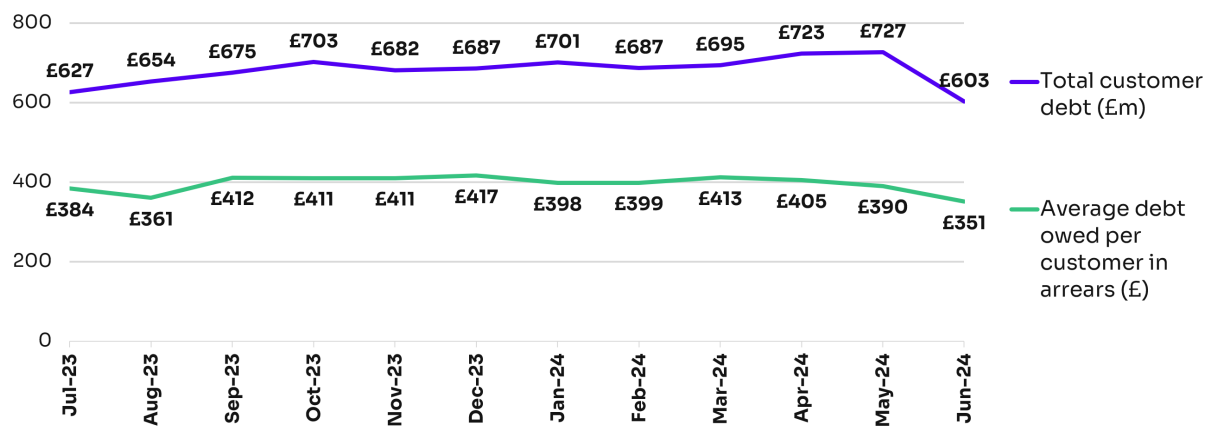
Source: Ofcom / operator data.

Note: For mobile we refer to the proportion of contracts, rather than customers, and figures have been rounded to one decimal place.

## The average debt of customers in arrears has been broadly stable

Total customer debt increased from £627m in July 2023 to £727m in May 2024 (its highest level for the reporting period), before subsequently falling in June 2024 to about £603m.<sup>30</sup> Over the reporting period, the average amount owed by customers in arrears was overall broadly stable, ranging between £351 (in June 2024) and £417 (in December 2023).

**Figure 40: Total customer debt and average debt owed per customer in arrears, fixed and mobile: July 2023 to June 2024 (£m)**



Source: Ofcom / operator data.

Notes: For mobile we refer to the average debt per contract, rather than average debt per customer; the material decrease in total customer debt June 2024 is caused by at least one provider undertaking changes in

<sup>30</sup> For total customer debt and average customer debt, we do not compare with the data from the previous reporting period set out in the 2023 Pricing Trends report. This is because total customer debt is reported in absolute levels, and as our current analysis captures a larger share of the market, we cannot directly compare it with the evolution of total customer debt in the previous reporting period. Moreover, we have been informed, by at least one provider, of changes in their systems, or technical issues in relation to writing off customer debt as bad debt, and these changes have inadvertently impacted monthly debt levels over the current reporting period. As a result, comparisons of total customer debt and average debt owed per customer in arrears with the previous reporting period could be misleading.

their systems, or correcting for technical issues faced earlier in the year, in relation to writing off customer debt as bad debt.

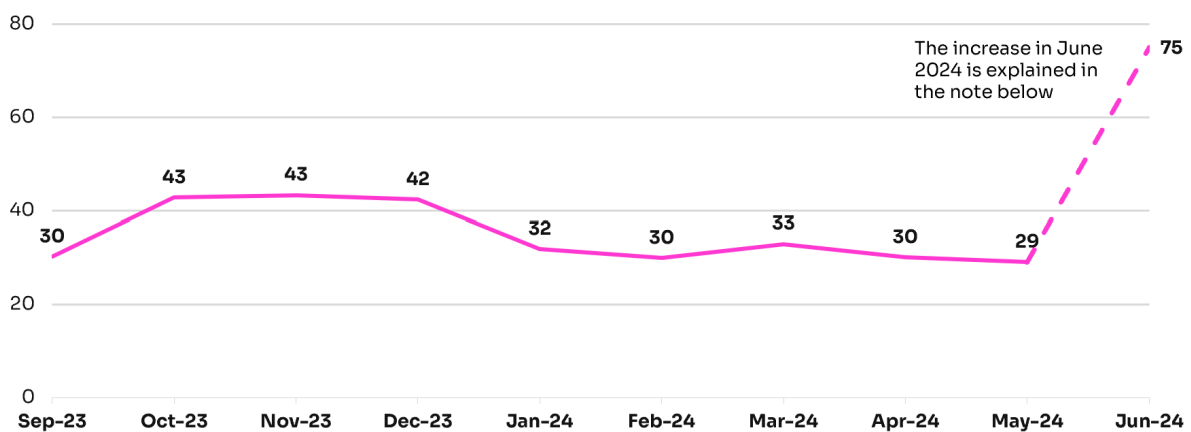
## The total amount of ‘bad debt’ was broadly stable for most of the period

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 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 7% of total residential fixed and mobile customer debt was written off by providers over the 12 months to June 2024. The three-month moving average for bad debt rose to around £43m between October and December 2023 but then dropped back to £32m in January 2024. It remained between £29m and £33m until May 2024 before jumping to £75m in June 2024 (the last month of the reporting period). However, this increase was primarily driven by at least one provider making changes to their systems, or experiencing technical issues in relation to writing off customer debt as bad debt. We therefore consider that the June increase does not reflect developments in the market overall.

**Figure 41: Total customer debt written off as bad debt: September 2023 to June 2024 (three-month moving average, £m)**



Source: Ofcom / operator data.

Note: The June 2024 increase in the three-month average figure for bad debt written off is caused by at least one provider making changes to its systems, or correcting for technical issues faced earlier in the year in relation to writing off customer debt as bad debt. These technical issues will have inadvertently affected the levels of bad debt over the reporting period.



# Support for vulnerable consumers and those on low incomes

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## 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 increased, from three in 2020 to more than 30 in December 2024.

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. Social tariffs could provide consumers with savings of over £220 per year on their fixed broadband bills.<sup>31</sup> 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, or off, a provider's social tariff with no early termination charges, and minimal set-up costs.

## Availability of social tariffs

Since our December 2023 Pricing Trends report, additional fixed broadband social tariffs have come onto the market, increasing availability and choice for consumers. Fibrus launched a new social tariff, 'Full Fibre Essential', and toob launched its 'toob essentials' plan. Virgin Media O2 recently launched a new mobile social tariff, the 'O2 Essential Plan', and Connect Fibre reduced the price of its 150 Mbit/s package from £25 to £20.

Some social tariffs have been withdrawn from the market. Vodafone removed its £12 'Essentials 1' package but continues to offer its £20 'Essentials 2' package. Shell Energy was taken over by TalkTalk and as TalkTalk does not offer social tariffs, Shell Energy's social tariffs are no longer available to new customers. However, we understand that all Shell customers on social tariffs, who migrated to TalkTalk, may remain on the tariff until the end of their contract. 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, but all four MNOs now offer a social tariff: EE, Three (SMARTY) and Vodafone (VOXI) currently offer social tariffs, and as noted above, VMO2 recently began offering its 'Essential Plan'.

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<sup>31</sup> We have calculated yearly savings based on information received on the available social tariff rates for standalone fixed broadband social tariffs and the fees of the comparable commercial tariffs offered by these CPS. More specifically: i) We have calculated the average monthly spend on a standalone social tariff as the weighted average of the available standalone fixed broadband social tariff rates, using as weights the number of each CP's standalone fixed broadband social tariff subscribers; ii) We have calculated the average monthly spend on a comparable commercial tariff as the weighted average of the comparable commercial rates offered by the same provider, using as weights the number of each CP's standalone fixed broadband social tariff subscribers; iii) We have calculated the monthly savings as the difference between ii) and i); iv) We have multiplied iii) by 12 to obtain the yearly savings, which amount to £224. Note that savings are even greater for social tariff combinations with add-ons (e.g., fixed broadband and mobile).

## Take-up of social tariffs

Take-up of social tariffs has continued to grow substantially. By June 2024 it had reached nearly 506,000 customers, an increase of over 125,000 (33%) since September 2023 (when take-up was 380,000).<sup>32</sup> As shown below, BT had the largest share of fixed broadband customers taking a social tariff in June 2024 (63%), followed by Sky (18%), Virgin Media (7%), Vodafone (5%), Shell Energy (4%) and KCOM (1%). These proportions are partly a reflection of the length of time over which different social tariff products have been available.<sup>33</sup> 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.

Although take-up of social tariffs has grown, it remains low as a proportion of all eligible customers. As 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.<sup>34</sup> The latest data from the Department for Work and Pensions (DWP) shows an increase of households claiming Universal Credit to 5.3 million, suggesting that 9.6% of eligible households were on a social tariff in June 2024. For comparison, in our 2023 Pricing Trends report we noted that 4.6 million households were on Universal Credit (using the latest data at the time), suggesting that 8.3% of eligible households were on social tariffs in September 2023.

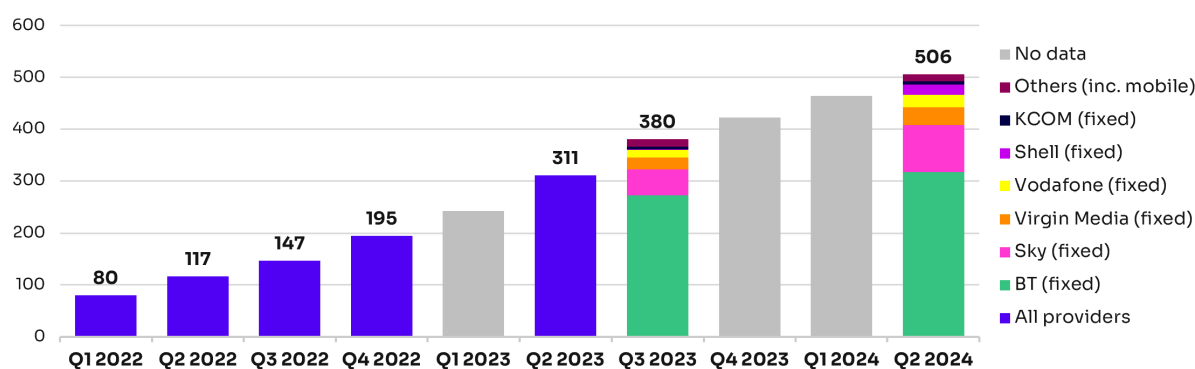
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<sup>32</sup> Note that the data we report for June 2024 does not include data from smaller providers that were counted towards the previously published take-up numbers. As a result the increase in take-up is larger.

<sup>33</sup> 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-19 pandemic and launched its fixed broadband social tariff in October 2022. Shell Energy launched its social tariffs in the summer of 2023.

<sup>34</sup> 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.

**Figure 42: Take-up of social tariffs: Q1 2022 to Q2 2024 (000s)**



Source: Ofcom/provider data.

Notes: We did not collect monthly take-up figures in Q1 2023, Q4 2023 and Q1 2024.

## Raising awareness of social tariffs

In October 2024, our research<sup>35</sup> found that 69% of UK adults with a fixed broadband service, and eligible for a social tariff,<sup>36 37</sup> had not heard of the cheaper social tariff fixed broadband services they could access. This was broadly consistent with the October 2023 wave of the Communications Affordability Tracker research, which showed that 64% of those eligible were not aware that these tariffs were available to them.

We asked those eligible for social tariffs, who were aware of them, where they had first heard of them. Social media (22%), television (15%) and friends and family (14%), were the top ways in which people had found out about social tariffs.

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.

<sup>35</sup> Ofcom's Communication Affordability Tracker, October 2024.

<sup>36</sup> 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).

<sup>37</sup> In the previous report, lack of awareness was at 55% among eligible households. This was based on an omnibus which had several differences to the Communications Affordability Tracker, such as the methodology, question wording and question positioning. We have been collecting awareness of social tariffs on the tracker since April 2023 and have not seen any significant changes in awareness levels among those eligible for a social tariff. More details of the methodology can be found in Annex 1.

# Terminology used in this report

- **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 fixed broadband, and landline.
- **Hybrid pre-pay:** Hybrid pre-pay 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 customers 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 (MCP):** 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 generally 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-monthly:** A post-pay (pay-monthly) tariff is a tariff in which 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/promotional 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 fixed broadband, landline, pay TV and mobile.
- **Real term/s:** 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 a physical SIM card or eSIM and an inclusive allowance of mobile data, minutes, and texts, but no 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 (SVoD):** On-demand / streaming services that are available only on a paid-subscription basis. Examples include Netflix, Amazon Prime Video and Disney+.
- **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 products).
- **Triple-play:** Three services delivered by a single communications provider, most commonly fixed broadband, landline 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 does not count towards a customer's overall data allowance.

# AI 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

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Ofcom requested data from the leading providers of residential fixed and mobile services in the UK using our formal powers. The data was obtained 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 (incl. SMARTY), 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 2024. The data was collected for the following services:

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

## Tariff information

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### Pure Pricing

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

The prices listed in Pure Pricing’s Monthly Mobile and Broadband Pricing reports are those offered to new customers by providers. These new customer prices are sometimes referred to as ‘front-book’ prices and are different 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.

The most recent Pure Pricing Monthly Broadband and Mobile reports used in this report (which cover the period from September 2022 to September 2024) included tariff information relating to the following providers:

Fixed telecoms providers		Mobile telecoms providers	
BT	Shell Energy	BT	Sky Mobile
Community Fibre	Sky	EE	SMARTY
EE	TalkTalk	giffgaff	Tesco Mobile
Gigaclear	Virgin Media	iD Mobile	Three
Hyperoptic	Vodafone	Lebara	Virgin Mobile
KCOM	Zen	Lyca Mobile	Vodafone
NOW		O2	VOXI
Plusnet		Plusnet	

Analysis of earlier periods includes additional providers who have subsequently exited the market.

## 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 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 the 'networked family household' required 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 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 2020 was collected in October of that year. For all other years, including 2024, data was collected in July. For each year, the data covered 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 2024. These were reviewed at the start of the 2024 study and have been updated. These household types are designed to be collectively broadly representative of the overall population.



**Figure A1: 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			
Late adopter couple	90	50	50	1 GB	≥30 Mbit/s	100 GB	Free-to-air
		50	50	1 GB			
'Networked' family household	60	250	100	5 GB (5G)	≥100 Mbit/s	1,000 GB	Basic pay TV with HD/4K & DVR, plus OTT service/ SVoD subscription
		250	100	5 GB (5G)			
		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 / TechInsights

## 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 A2: Landline usage profiles**

	Affluent two-person household	'Networked' family household	Late adopter couple	Low-use couple with basic needs
<b>Outbound call mins</b>	30	60	90	120
<b>Type of calls</b>	75% UK landline and 25% to UK mobiles			
<b>Time of day</b>	60% daytime, 25% evening and 15% weekend			

Source Ofcom / TechInsights.

## 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 A3: Mobile usage profiles**

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

Source Ofcom / TechInsights.

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 A4: Mobile usage profiles: handsets**

	2019	2020	2022	2023	2024
Mobile user profile 1	Alcatel 1016G	Alcatel 10.66G	Nokia 105	Nokia 105	Nokia 106
Mobile user profile 2	Alcatel 1016G	Alcatel 10.66G	Nokia 105	Nokia 105	Nokia 106
Mobile user profile 3	Samsung Galaxy A6	Samsung Galaxy A21s	Samsung Galaxy A22 128 GB	Samsung Galaxy A23 5G 128 GB	Samsung Galaxy A35 5G 128 GB
Mobile user profile 4	Samsung Galaxy A6	Samsung Galaxy A21s	Samsung Galaxy A22 5G 128 GB	Samsung Galaxy A23 5G 128 GB	Samsung Galaxy A35 5G 128 GB
Mobile user profile 5	Samsung Galaxy A6	Samsung Galaxy A21s	Samsung Galaxy A22 5G 128 GB	Samsung Galaxy A23 5G 128 GB	Samsung Galaxy A35 5G 128 GB
Mobile user profile 6	Samsung Galaxy S10	Samsung Galaxy S20	Samsung Galaxy S22 5G 128 GB	Samsung Galaxy S23 5G 128 GB	Samsung Galaxy S24 5G 256 GB

Source Ofcom / TechInsights.

## 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 A5: Household profiles for bundled services**

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

## 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 2024. The bundled tariff data was collected in July and August 2024, and the standalone service tariffs in either August or September 2024 (depending on the service). The purchasing power parity-adjusted (PPP) exchange rates used to convert prices into GBP were for September 2024 and were taken from the OANDA web service (using exchange rates as of 1 September 2024) 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 A6: Baskets used in international price benchmarking analysis**

	Low use connection	Medium use connection	High use connection
<b>Landline services</b>	20 outgoing calls	60 outgoing calls	140 outgoing calls
<b>Fixed broadband services</b>	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
<b>Mobile phone services</b>	30 outgoing calls, no data	300 outgoing calls, 5 GB data	100 outgoing calls, 20 GB data
<b>Dual-play fixed broadband and landline bundles</b>	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
<b>Triple-play fixed broadband, landline and pay-TV bundles</b>	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 considered, 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

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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 conducted between the 2nd and 8th October 2024 among 1,089 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 2024 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

In the previous report, lack of awareness was at 55% among eligible households. This was based on an omnibus which had several differences such as the methodology, question wording and question positioning to the Communications affordability tracker. We have been collecting awareness of social tariffs on the tracker since April 2023 and have not seen any significant changes in awareness levels among those eligible for a social tariff.

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+. <sup>38</sup> The research measured the awareness of broadband social tariffs and how people heard about them. The fieldwork for the data referenced in the 2023 report took place on the 4th and 5th October 2023.

Since April 2023, awareness of broadband social tariffs has been measured on the Communications Affordability Tracker. The Communications Affordability Tracker is now our main source of data on this topic.

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<sup>38</sup> [Awareness of social tariffs, October 2023 data tables](#).