

Communications Consumer Panel and ACOD's response to the Department for Science, Innovation and Technology on Digital Connectivity: Consultation on reviewing the broadband Universal Service Obligation

About us

The Communications Consumer Panel, established by the Communications Act 2003, is a group of independent experts with direct sectoral experience. We ensure the voice of UK consumers, citizens and micro-businesses is represented in communications policy development.

The Panel's job is to ensure that the sector works for consumers, citizens and micro businesses - and in particular, people who may be in a more vulnerable position in society. We commission research, provide advice and encourage Ofcom, governments, industry and others to look at issues through the eyes of consumers, citizens and micro businesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of micro-businesses, which have many of the same problems as individual consumers.

Four members of the Panel also represent the interests of consumers in England, Northern Ireland, Scotland and Wales, respectively. They consult with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel's consideration of issues.

Following the alignment of ACOD (the Advisory Committee for Older and Disabled people) with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Our response

We welcome the opportunity to contribute to the Department for Science, Innovation and Technology's (DSIT) review of the broadband USO, having watched closely its development and impact on consumers, citizens and micro-businesses, since contributing to the 2016 consultation by the then Department for Culture, Media and Sport (DCMS).

In response to the 2016 consultation, we recognised the effort and investment that had been put into improving broadband coverage and speeds by providers, Government and Ofcom to date. While we applauded that effort, we also highlighted that there were still large gaps in availability of a usable broadband service. Unfortunately, gaps remain in 2023, which continue to cause detriment to large numbers of citizens, consumers and micro-businesses, often disproportionately so for those living and working in remote and rural locations across the UK. We therefore agree that a broadband USO is still and will still be, required to ensure a legal right to request a decent broadband service.

Digital connectivity is now essential to daily life in the UK and the introduction and implementation of the USO recognised the vital nature of the relationship between the citizen, consumer or micro-business owner and the service provided. Our view has always been that there must be a USO and that it must be future-proofed. Market forces on their own had been unable to deliver satisfactory outcomes for consumers, citizens and micro-businesses and sadly that remains the case today. We thus agree that the broadband USO should remain a policy separate from commercial delivery and other government-funded interventions.

Rather than accepting wholly any of the three options provided in 2016, we argued that speeds should increase incrementally in line with consumer demand and beyond that, citizen need - so, we strongly supported regular reviewing of the USO, in line with the fast pace of technological advances and the move to 'Digital by Default' in public services. We believe that overall, the broadband USO has been a positive intervention, but there is still more work to be done.

We continue to strongly support and encourage collaboration towards digital inclusion, so that citizens who are less able to afford connectivity, who live in areas of poor connectivity, or who have low digital confidence or skills are not marginalised in society. The benefits must be available to all, particularly those who can really benefit, and not just those who are most easily served. For Digital by Default to be a reality, Access by Default must be so too, across the whole of the UK and taking into account the needs and requirements of consumers less likely to have been designed for by industry, governments and others, in previous years. We support the principles of Universal Design, the Social Model of Disability and co-designing services with users, to get to the heart of what the UK really needs.

The essential elements of a universal service should include factors of access, affordability and availability alongside quality of service, transparent information, redress and consumer representation. In tandem with the USO review, we would recommend strongly the development of mechanisms for delivering the above.

We would caution against the use of a wholly demand-led approach based on current usage. It is still almost impossible to predict accurately demand across the UK where some individuals have had their usage constrained by current speed provision and others have yet to go online to any great extent - or even at all.

Providers should therefore be incentivised to encourage and support take-up and to communicate clearly with all consumers about the support they offer to customers with additional needs. We believe the Government's aim should be that individuals are not just included, but are able and are encouraged to engage and participate fully; and that UK businesses are able to compete with overseas companies where those countries guarantee specified broadband speeds.

Recent research by Ofcom and others, collated by the Good Things Foundation as part of their Digital Nation project¹, highlights the benefits not just to consumers and citizens, but also to businesses, of the UK Government investing in digital inclusion - with every pound invested, there is £9.48 return on investment. We believe the Government should consider digital inclusion worth the investment and should also promote incentives to the universal service provider and others to highlight how their business could benefit from digital inclusion.

We are pleased that the USO is tech-neutral and welcome initiatives such as the supply of satellite connectivity to those who would benefit from it. However, as this consultation acknowledges, it is vital that the USO itself and any schemes supporting delivery of it are widely publicised and that ongoing costs are addressed for those who might encounter difficulty paying for the service. For this commitment to deliver on the intended outcome it is essential that there is no gap between available technical solutions and the consumer experience.

¹ [Digital Nation 2023 Sources - Good Things Foundation](#)

The USO focuses on broadband speeds being delivered, however we believe that the USO should guarantee citizens, consumers and micro-businesses speeds that are consistent and relevant to the tasks required by consumers and micro-businesses and a robust level of reliability, to ensure a good quality experience and not just intermittent, averaged speeds. A USO should deliver a legal safety net which encourages - and does not suppress - take-up of such services.

While a broadband USO remains vitally important - on its own we still believe it will not solve all availability and digital inclusion problems. We would urge DSIT to consider working with stakeholders to set out and deliver a Minimum Digital Living Standard². This would build towards reducing social isolation; to helping people run a business or work from home; and to providing access to education, entertainment and public services, including medical services. Citizens who are unable or unwilling to keep pace in terms of digital skills and confidence are at risk of missing opportunities and in some circumstances being excluded and put at risk of harm. Devices used to connect to the internet are ever-evolving, with previous versions no longer supported by the manufacturer, leaving those with low digital skills and confidence and affordability challenges less able to benefit from connectivity. We believe that it is vital to look at the entire 'basket of goods' that a citizen or consumer needs to be able to afford to obtain digital connectivity, some of which is beyond Ofcom's regulatory remit. We await the outcome of the study and believe DSIT should consider its findings when considering where to set a new broadband speed and affordability threshold.

A broadband USO that was underpinned by something like a Minimum Digital Living Standard would help to bridge the digital divide, enable cross-sector collaboration through a shared understanding of what is necessary and would help to hold to account those who failed to deliver. We believe this could help to 'level up' consumers, citizens and micro-businesses across the UK to ensure availability, access and affordability of digital connectivity. We would also refer DSIT teams to our response to their consultation on how to improve broadband in very hard to reach areas.

Voluntary initiatives such as the Shared Rural Network cannot be relied upon to deliver to all consumers across the UK and in the interim, consumers may be double-paying to ensure connectivity, or missing out if they cannot afford to connect.

² <https://mdls.org.uk/> (our contact: simeon.yates@liverpool.ac.uk)

Our rural research, 'A struggle for fairness' which we have shared widely and is published on our website (linked below) reveals that there are still citizens, consumers and micro-businesses who are struggling to get connected, with the cost of connection to their remote or rural location too high and delivery inconsistent. Even in two sides of the same village, connectivity is not always delivered in a way that appears logical and communication with Openreach is not possible. Some of these consumers - also impacted by poor mobile connectivity - remain reliant on landlines and many are building workarounds into their daily life, such as working at unsociable hours, or, as referred to above, overpaying to ensure coverage.

The decline of many other services which hit hardest in remote regions - post offices, banks, bus services, village schools, medical and other services demonstrates how vital digital connectivity has become and a government-led solution to ensuring broadband services are effective wherever you live can make a tangible difference to rural sustainability.

While the price cap mechanism in place protects the majority of consumers in easier-to-reach locations, rural consumers are still losing out and paying more. Our video highlights the experiences of rural consumers and micro-businesses, including the story of one consumer who was quoted more than he paid for his house to obtain a 10Mbps connection: ['A Struggle for Fairness' \(CCP, Futuresight, 2023\)](#)³

We also heard from participants in this research who had varying degrees of success in communicating with providers about getting connected. We also know anecdotally and from our stakeholders that being unable to speak to a contact at Openreach can increase the difficulty in getting connected. We would recommend that communication around getting connected through the broadband USO is made easier and monitored so that consumers, citizens and micro-businesses have someone to talk to, to find out how they can obtain connectivity, what the process is and how to make a complaint, if necessary.

Affordability - social tariffs

Our research into consumers' awareness and take-up of social tariffs, soon to be published, demonstrates that social tariffs can be a solution (while we recognise not the only solution) to improving the affordability of broadband, with the average social tariff cost currently at around £12 per month. We are in close contact with Ofcom's Affordability team to keep track of the current social tariff costs and take-up by those who qualify.

³ <https://www.communicationsconsumerpanel.org.uk/research-and-reports/the-struggle-for-fairness-the-communications-issues-facing-people-living-in-rural-areas-2023>

The Government's 2016 USO calculations for an 'Affordable Price' USO were based on the assumption that prices in the UK - excluding line rental - averaged £15.05 and that only 3 per cent of the UK could not afford this (estimated at 0.65% of the average gross household salary at that time).

However, we have heard from our consumer stakeholders across the UK that social tariffs may be better suited to keeping consumers connected who may otherwise risk disconnection or debt, than to encourage citizens considering using some of their scarce monthly budget to become new broadband consumers. For many, £12 a month is still unaffordable.

Of the respondents in Ofcom's Adults' Media Use and Attitudes Report 2023 who were asked why they don't expect to be online in the next 12 months, 20 % said "it costs too much", compared to 15% in 2016.

The cost of living crisis must also be taken into consideration when considering citizen, consumer and micro-business needs. Citizens Advice research in 2023 has revealed that one million consumers have lost access to broadband 'as the cost of living bites'. This is an impactful loss; according to the Centre for Social Justice in 2023, without internet access people can pay up to 25% more for essential goods and services.

This impact is also reflected in citizens' wages and salaries, with manual workers who have high or very high levels of digital engagement earning around £5k more each year than those who are less digitally engaged, according to the Lloyds UK Consumer Digital Index Report 2022.

Summary

In summary, we believe that the affordability and speeds delivered by the Universal Service Obligation should be in line with the findings of the Minimum Digital Living Standard project highlighted earlier in this response, so that affordability and decent connectivity can be grounded in everyday UK citizens' needs.

As we have also referred to earlier in this response, we believe that the USO should take account of citizens' additional needs and this would include ensuring affordability for people who have additional accessibility requirements, such as people who rely on video relay to use British Sign Language or speech-to-text as a standard method of communication instead of speaking on the phone.

We view guaranteed reliability of service as key, otherwise promised speeds may remain just a promise and not a guarantee of decent broadband. The consultation asks about expected availability of a government-funded rollout within 12 months. This is a long timeframe, particularly if consumers are not kept informed. As we have advised in this response, we believe that customer service and communication about timescales and what is going to happen when is vitally important and is not working currently. We also believe the process for proving eligibility could be made simpler and the onus should not always be on the consumer or citizen to prove eligibility.

Connected to the above point, we believe that applicants should be informed where a government-funded build is taking place in their local area, using communications channels that do not rely on digital connectivity, not just when it is potentially specific to their premises - as we have heard from our rural research participants, some seemingly illogical decisions have been made and enabling applicants to have visibility of future plans in their local area may enable them to intervene and influence the situation positively, achieving cost and energy efficiencies and enabling them to be connected to decent digital connectivity sooner.

We also agree that applicants should be informed of future commercial build intentions, using communications channels that do not rely on digital connectivity, particularly to enable take-up by those who are not currently using the internet.

Finally, we agree that it should be made easier for USO applicants to leave current contracts where they cannot access a USO eligible connection and are able to access a broadband USO connection. As highlighted earlier in this response, many consumers may be overpaying to cover their digital connectivity, when they do not need to. If they are not receiving a reliable connection, then their provider is not delivering and is receiving payment for a service that they are not delivering. We question whether this amounts to unjustified enrichment, which would not be permitted in the financial services sector. Industry should manage the consequences of this change, not the consumer. As explained above, some efficiencies may be obtained by communicating more effectively with citizens, consumers and micro-businesses/applicants.