

A blueprint for continuing success in the UK's telecoms market

Telecoms Access Review 2026



September 2024

openreach

Foreword

The UK's fixed telecoms sector is a success story.

As an industry, we're bucking the trend of underinvestment and disappointing outcomes in many regulated sectors – with an unprecedented wave of competitive private sector investment.

Millions of UK homes and businesses can now access ultrafast, ultra-reliable, full fibre broadband services, and these new networks are being extended at a world leading pace. This investment will help drive UK economic growth and support government objectives.

Meanwhile broadband prices have fallen in real terms¹ and average speeds are increasing as a fiercely competitive market delivers compelling choices and quality to customers throughout the country.

This digital revolution is a growth engine for our economy. And it's been achieved thanks to a stable public policy and regulatory environment that's given encouragement and long-term certainty to investors – as well as a level-playing field for fair competition.

The UK's fixed telecoms sector is a success story – and Openreach sits at the heart of it.

Ofcom's Wholesale Fixed Telecoms Market Review (WFTMR), which took effect on 1 April 2021, delivered a five-year package of rules that the regulator said would endure for at least ten, assuming the outcomes were as expected. It also made clear that "full fibre must be a fair bet" for investors over the longer term². This was crucial, given the risk and long paybacks involved in big infrastructure investments.

Fast-forward to today and more than 150 companies are now using our ducts and poles to build competing networks and we've made full fibre available to more than 15 million premises nationwide off our own back. We're reaching a further one million properties every three months, and we're on track with our ambition to reach 25 million by the end of 2026. In fact, Ofcom expects 96 per cent of the UK could have access to full fibre by 2027, compared with just two per cent in 2016³.

In a nutshell: the WFTMR isn't just working, it's working better than expected for the UK.

But the job's not done yet. And investors are yet to see if their big bets will pay off.

¹ [Ofcom Pricing Trends report, 2023](#)

² [Dame Melanie Dawes speech to FTTH Council Europe, 3 December 2020](#)

³ [Connected Nations Deployment 2024](#)



So, what next?

Ofcom's Telecoms Access Review (TAR) will now reassess and re-set the rules for another five years (from 1 April 2026).

Investment in full fibre needs to continue for the rest of the decade as the build extends to the more challenging and costly parts of the UK and the industry connects customers to the new networks. And for our part, we're confident that we can reach 30 million premises by the end of 2030, assuming the right regulatory and investment environment exists.

In that context, it's vital that Ofcom protects the certainty and stability the WFTMR delivered.

As a country, and now more than ever, we need to promote and maintain incentives to invest to help super charge UK economic growth. That includes the opportunity to realise the kind of returns that make massive infrastructure investments viable.

It is ultimately UK consumers who will benefit from this investment and increased competition, so Ofcom should reject self-interested calls from some parts of the industry to restrict how Openreach competes. Because it's clear that would lead to higher prices, weaker competition and a dilution of choice for consumers and businesses. In fact growing

competition presents the opportunity to roll back regulation in many areas.

Given the thriving competition that's evident today, we believe Ofcom should seek opportunities to complete the framework by addressing the challenges of moving to a full fibre world. For example, by supporting a drive for efficiency and enabling Openreach to retire legacy buildings and services where modern alternatives exist. Quality of Service (QoS) standards must also evolve to reflect the positive shift from copper to fibre.

Ofcom and Government should also require Virgin Media O2 (VMO2) and others to open up their duct and pole networks on the same transparent terms including price as Openreach's duct and poles product.

A bright, full fibre future is in sight, where vibrant wholesale and retail markets offer brilliant value and choice. This will drive upgrades and benefits for all – with the strongest outcomes allowing fair competition to play out, on the merits, between all network providers.

Clive Selley,
CEO Openreach
September 2024



How did this start?

In 2017, Ofcom's Digital Communications Review led to the creation of a more independent Openreach and set a new strategic objective for regulation to encourage "large-scale deployment of fibre networks...driving widespread availability of competing ultrafast broadband services".

This was followed by the Government's Fixed Telecoms Infrastructure Review in 2018, which stressed the importance of long-term stability in public policy and regulation to support network investments. It also identified greater competition between network builders as the best way to achieve

good outcomes, with public funding where competition wasn't viable.

A Statement of Strategic Priorities for Telecoms, published in 2019, reiterated these principles and set the landscape for Ofcom to develop its regulatory policy.



This approach was then captured in the WFTMR with the new regulatory regime embedding several key themes:

1

More certainty for investors

By moving to a longer, five-year, review cycle and setting expectations that the new regime would endure for at least a decade and that regulation would be consistent with 'fair bet' principles* over the longer-term.

2

Access to Openreach ducts and poles

By making sure competitors could access our national network of poles and underground ducts on terms that would enable them to build full fibre networks more efficiently.

3

Safeguards in Openreach pricing

By establishing safeguard caps on prices for our legacy copper-based and business connectivity services, to provide stability in the anchor market prices at levels which Ofcom believed could allow efficient entrants to make a fair return on their investments.

4

Controls on Openreach's commercial activity

By introducing new rules, over and above competition law, to monitor and regulate our commercial activity, addressing concerns that targeted geographic discounts or loyalty-inducing offers could unfairly impede competition.

5

Support for the transition from copper to fibre

By adapting rules to enable legacy, copper-based, services to be retired as full fibre availability and usage grew, whilst leaving some of the later thresholds open.

*The fair bet principle requires giving investors the opportunity to earn returns equal to the cost of capital in expected terms over the investment lifetime: where there are significant downside risks, the fair bet requires the regulator to ensure investors have the opportunity to earn returns in excess of the cost of capital (commensurate with downside risk) over the investment's lifetime.

What did everyone expect?

As a package, the new rules were expected to deliver three positive outcomes:



1. More competition, investment and customer benefits

By driving efficient investment decisions from us and our competitors, **increased competition** in the market would lead to **wider availability, more choice, keen prices, and higher quality broadband** services for customers.



2. Investment throughout the UK, including rural areas

Ofcom expected these dynamics to be strongest in urban areas (Area 2 postcode sectors⁴) and, whilst we felt competition was viable across a much wider area, we committed to build full fibre to **3.2 million premises in the UK's hardest to reach areas** (Area 3) by March 2026, leading to a **more balanced availability** of full fibre during the first five years of the framework.



3. Affordable and reliable services during the period of change

By keeping protections on our prices for legacy services, and on our Quality-of-Service standards, to make sure customers could still access **affordable** and **reliable** broadband throughout a period of unprecedented network transformation.

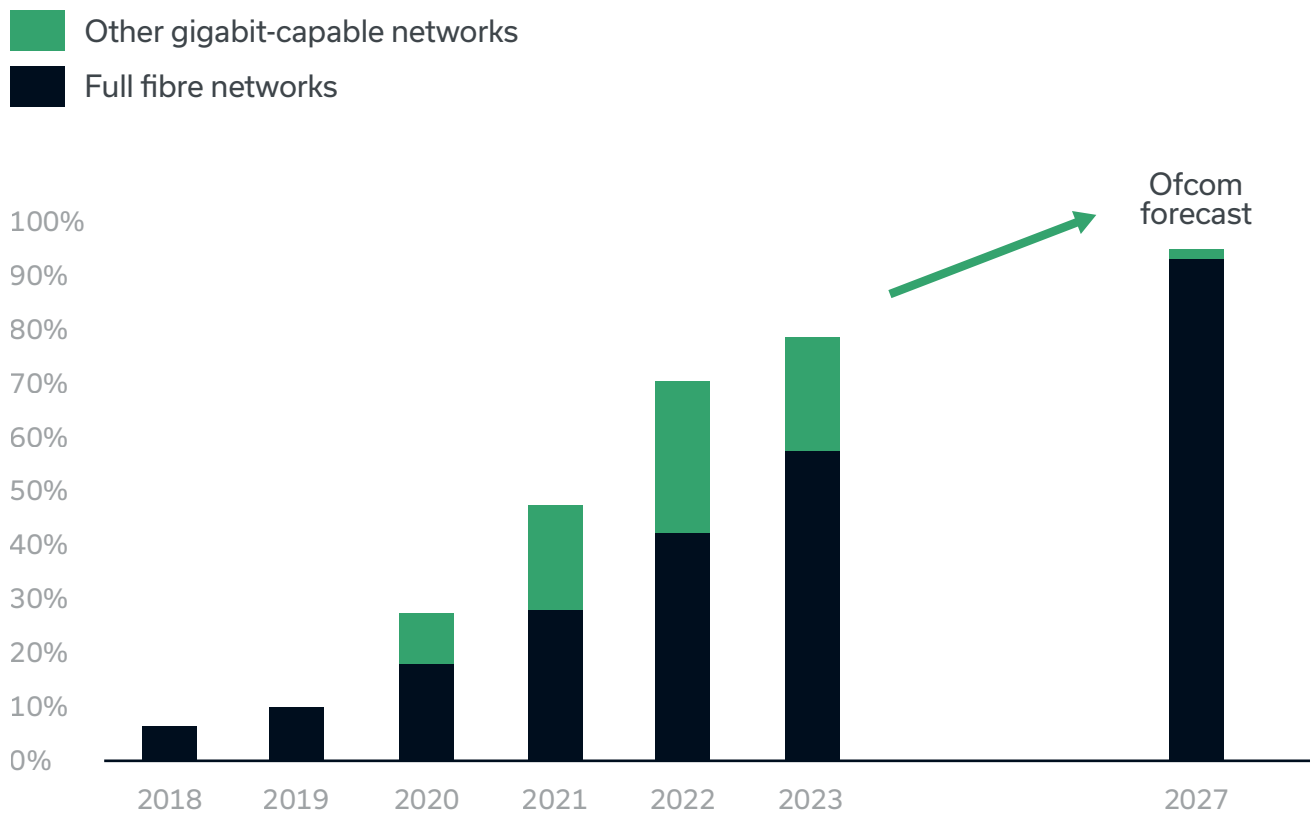
⁴[Ofcom designated each UK postcode sector \(c3k premises in each\) as falling within Area 2 or Area 3 based on potential levels of competition in the period to 2026.](#)

So how's it playing out?

If anything, the WFTMR has delivered much more than expected

Since March 2021, the availability of gigabit-capable connections to UK consumers and businesses has exploded, and there are strong ambitions to extend this further by 2027.

Availability of gigabit-capable services in the UK



This has been driven by huge investment from Openreach and its competitors

Our full fibre network now passes more than **15 million** premises. We've hit a peak build rate of **one million** premises a quarter and we're on track to hit our ambition of **25 million** premises by the end of 2026. We've also connected more than **5 million customers** to our platform so far.

As part of our build, we've already met our commitment to reach **3.2 million** in the harder to reach final third of the country under our own steam, and we now expect to reach more than **6 million** in this area by 2026.

Virgin Media O2 (VMO2) has extended its gigabit-capable network to **17 million homes** and continues to upgrade its DOCSIS technology to full fibre, whilst extending its footprint by a further **5 to 7 million** premises through the nexfibre joint venture.

Alternative network providers (alt-nets) claimed to have collectively passed almost **13 million** UK premises by the end of 2023 and expect to reach almost **17 million** by the end of 2024.

There's a significant overlap between the new networks, which means there's increased wholesale and retail choice for customers.

Our estimates suggest that, by 2026, **74 per cent of UK premises** will be able to order a **gigabit-capable** broadband service supplied by someone other than Openreach; and **18 per cent of premises** will only be able to order gigabit-capable services from alternative networks.

By 2026, **more than half** of the six million premises we'll have built to in **Area 3** (where Ofcom believed we'd be the only supplier) will have been **overbuilt** by other networks⁵.

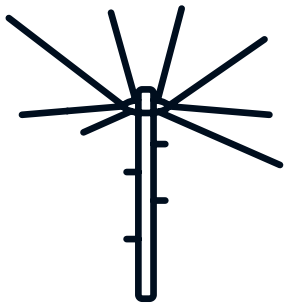
⁵ [This supports the submission we made in the WFTMR that it is not possible to define accurately what premises fall into Area 2 or Area 3 and shows that Ofcom was right to apply \(most\) remedies uniformly across both Areas.](#)

And it demonstrates the importance of regulatory certainty and stability to turbo charging private sector investment.

Anchor price regulation is creating enough space for commercial investments and protecting consumers from the risk of excessive pricing.

End customers and their service providers can choose to stay on legacy connections - with the twin protections of price stability and Quality of Service standards - or they can choose to upgrade to superior, future-proof services from the many competing networks.

It's also apparent that we have delivered strongly against our obligations, commitments, and expectations under the regime, in particular by:



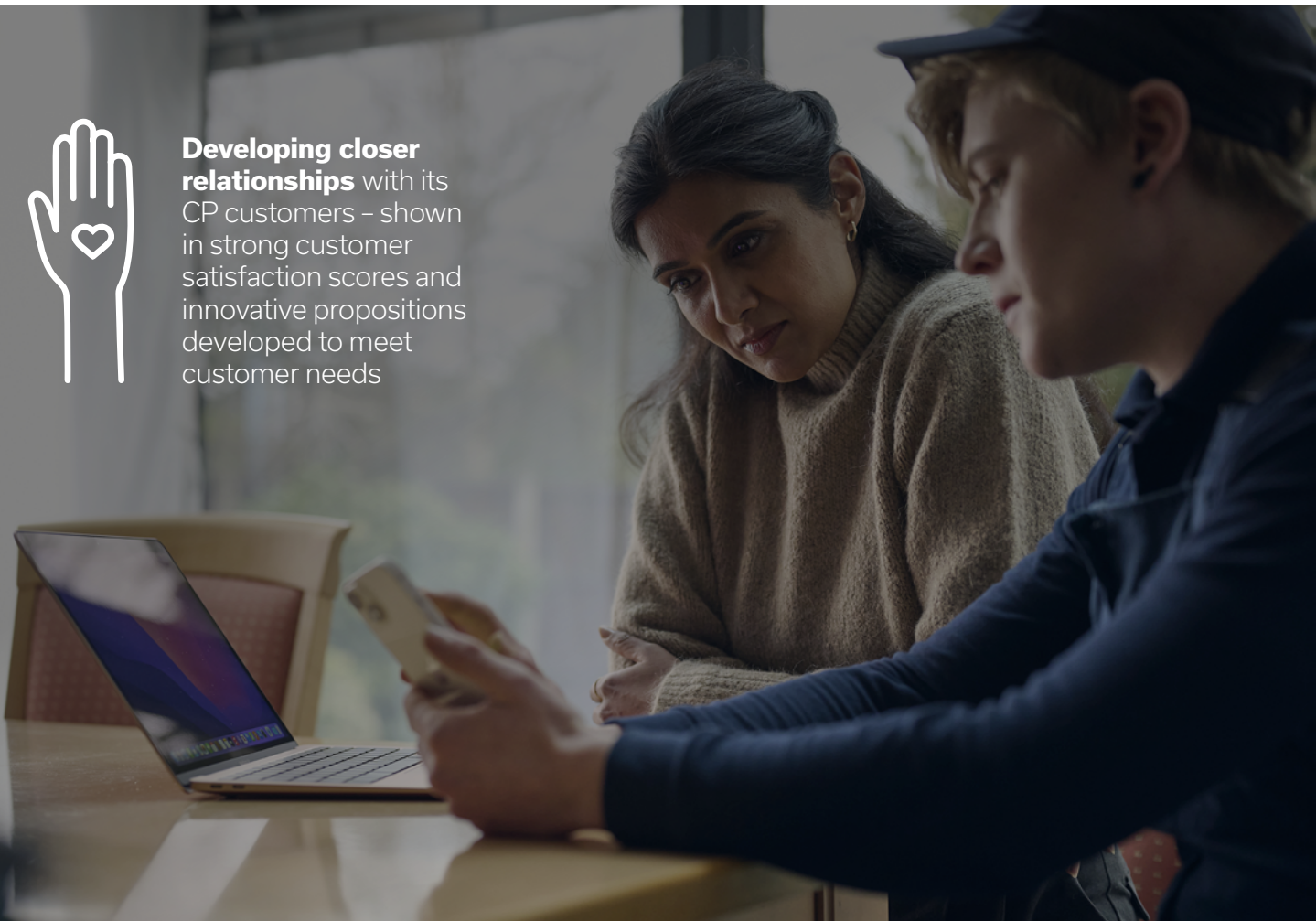
Supplying passive infrastructure services (duct and pole access) to more than 150 providers, across all parts of the UK, supporting competing network build in Area 2 and 3



Continuing to compete fairly on the merits, as confirmed by Ofcom's assessment of our 'Equinox' pricing offers introduced since 2021



Developing closer relationships with its CP customers - shown in strong customer satisfaction scores and innovative propositions developed to meet customer needs





Looking beyond 2026

With stability and certainty, investment won't stop in 2026

Inevitably the pace of build will slow down, given the high level of overall coverage and overbuild expected by 2026. But investors will still extend their footprints and compete, both **commercially** and through **public funding**.

They'll also invest in two other ways:

Firstly, through consolidation, which is considered inevitable by many industry commentators and players across a heavily fragmented sector⁶. Some investors are already seeing opportunities to expand their reach with acquisitions, and others are looking to exit the market and realise value from their investments.

Secondly, through a focus on connecting customers to drive long-term revenues and ultimately returns. Companies still need to invest heavily to connect customers as the orders come in, so it doesn't just stop when the build stops.



Competitive dynamics will continue to strengthen with wide and growing availability of competing full fibre networks, the expected consolidation of alt-nets and related changes in retail and wholesale strategies of competitor networks, and ever-increasing end-customer demand and willingness to pay for full fibre network capabilities.

Retail providers will work with network providers to build compelling propositions and packages that drive greater adoption, improve customer satisfaction and retention, and expand long-term opportunities to increase customer value.

This will all propel the UK to move closer to near-universal availability of fibre broadband networks.

⁶See for example, numerous public comments from [nexfibre](#) and [CFH](#).

Our ambitions for 2026 and beyond

As we've laid out in our full submission, we believe the TAR should build on the success of the WFTMR by:

- ✓ **Maintaining certainty and stability on price regulation** for at least the rest of the decade - as was envisaged back in 2021 - continuing to only set direct charge controls on legacy services, with caps kept flat in real terms, and with the same regulation applied across the country

- ✓ **Sustaining an approach that allows us to compete fairly** and introduce offers that support full fibre adoption

- ✓ **Reducing regulation where entry has occurred**, and competition is effective

- ✓ **Supporting exchange exit and other efforts to improve long-term efficiency**

- ✓ **Evolving Quality of Service standards** to reflect the changing mix of services used by customers

We believe Ofcom should reject calls to put more constraints on our ability to compete

These calls aren't justified, given the evidence of vibrant competition in our sector. They'd inevitably lead to consumers and businesses facing higher prices and weaker competition.

Ofcom also shouldn't be expected to 'pick winners', or to engineer market outcomes

in ways that effectively transfer risks from investors to consumers. The rules already enable Ofcom to monitor and police market behaviour, and to make sure competition is fair, so the best outcome for the UK will come from maintaining that level playing field and allowing competition to play out.



Our vision for the future

With the **right regulatory framework**, our ambition will be to:

- ✓ Provide a **world-class service** to all customers
- ✓ Support further alt-net build and investments to **connect customers efficiently** by continuing to provide access to our ducts and poles on fair terms
- ✓ Extend our full fibre network **beyond 25 million**, through additional commercial and public funded deployment, to reach **30 million premises by 2030**
- ✓ **Invest significantly** in connecting end-customers to the full fibre network, in partnership with our CP customers
- ✓ **Work closely with industry** to make sure the specific needs of vulnerable customers and services supporting **Critical National Infrastructure** continue to be supported as we retire legacy services
- ✓ Transform the long-term **efficiency and sustainability** of our network through well managed activity to close exchanges and retire and recover redundant legacy assets
- ✓ **Compete fairly** in providing network access services across all parts of the UK with uniform national prices where this remains commercially viable

How UK Government policy can also support better broadband and growth

To ensure continuous improvements and support better broadband, we aim to work with Government to remove the roadblocks to full fibre roll-out and to support our sustainability goals:

Flexi-permitting to make broadband roll-out more efficient

Openreach alone currently applies for **300,000** permits a year to councils across the country to deliver our digital upgrades on a street-by-street basis, and this is set to double as we build to **25 million homes** and **businesses**.

More flexi-permitting is supported across the industry and offers a solution that can improve efficiency by around a quarter, reduce permit processing by up to **90 per cent** in local authorities and limit the carbon footprint of construction. This model could subsequently be used to support the

roll-out of on-street electric charging solutions, for example.

This essential reform would help to reduce costs and would allow local authorities to divert savings into other pressing areas, while also allowing digital infrastructure builders to build further and faster than under the current regime.

We need the government to enact this change so we can incorporate flexi-permitting into our plans.

Grant automatic upgrade rights

Our 2024 data highlights that we are currently unable to reach **hundreds of thousands** of flats across the UK. These homes are at risk of missing out on faster, more reliable broadband due to access barriers. These homes, located in multi-dwelling units (i.e. flats or sub-divided houses), face a potential **digital divide** unless automatic upgrade rights are established.

Currently, we can use existing access rights to maintain the copper network in these buildings

but not to upgrade to **full fibre** technology. To address this issue, we're advocating for legislative amendments to allow the use of these access rights for full fibre upgrades, particularly for those living in blocks with 10 units or less. This change would foster economic growth and ensure that tenants are not left behind, even if landlords are difficult to contact.

Whilst we're sharing our network, the same can't be said for others

Since 2011, our national network of poles and ducts has been open for other network providers to access so they can build their own broadband networks. It's a real success story.

More than 150 companies have signed up and **nearly 900,000 customers** have been connected as a result. In fact, the alt-nets now use around a third* of our duct and pole estate in total, which not only means more upgrades and choice, but crucially, means less disruption from roadworks and a proliferation of unnecessary street furniture.

The feedback we get from alt-nets for this service is also extremely good. Our NPS (net promoter) score is **+25.9** and we're delighted with the way it's working.

But whilst we're sharing our network, the same can't be said for others. The UK's Access to Infrastructure (ATI) Regulations are supposed to encourage this kind of infrastructure sharing from other companies, but they're completely ineffective.

Often the costs and terms on offer are prohibitive, which means roadworks and poles continue to appear where they might well be avoided. The Government can easily solve this – at no expense to taxpayers – with simple updates to the **ATI regulations** which require others to publish clear and transparent ratecards that allow access to their infrastructure on the same terms and at the same price as our ducts and poles product.

Accelerating the roll-out of zero emission vehicles

We've committed to **decarbonising** our **29,000** strong van fleet by 2030 and now need to see leadership from government to develop a national charging infrastructure and boost supplies of UK-made vehicles.

We're already playing our part, installing charge points in our engineers' homes and at key strategic locations, but need a UK-wide network of **interoperable** and **well-maintained** charging points within easy reach for all drivers, across all communities. We also need electric van grants maintained, given this market is less mature and costs are increasing.

We want to champion UK business and back calls for further support that allows van manufacturers to refit their plants to deliver electric vehicles.



* Includes actual and planned usage.



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