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Dear MNO Director of Regulation,

[Business messaging services and Ofcom's wholesale voice markets review 2026-31](#)

Business messaging – or application-to-person (A2P) – services have grown significantly over the last few years. They are used by businesses – large and small – and public organisations, as an important form of communication with consumers and citizens. At present, business messaging in the UK mainly occurs via SMS over mobile networks (rather than via ‘over-the-top’ (OTT) services such as WhatsApp). Key use cases include one-time passcodes used to login to online banking, medical appointment reminders and parcel delivery notifications.

As this market continues to develop, we recognise its increasing utility in the everyday lives of people who receive these messages. As valuable communication services, we expect business senders to have access to a competitive retail market for business messaging services. The wholesale services provided by mobile network operators to terminate messages on their networks are a key input to the retail services offered by SMS aggregators to business and public sector senders of messages. Concerns have been raised with us about the effect of wholesale price increases - including the effect of stability of wholesale pricing on innovation in the retail market - and the lack of effective competition at the wholesale level that might otherwise constrain prices.

In light of these concerns and the importance of these services, we intend to monitor the market for wholesale SMS termination and its impact on the retail business messaging market. Should market developments suggest a case for regulatory intervention, we may include this market within our wholesale voice markets review 2026-31, which we are due to start in 2024.¹ This will allow us to determine whether any regulatory interventions may be required to promote effective competition.

I am also writing to the other mobile network operators and publishing this letter to inform other market participants and interested parties.

Yours sincerely,



Brian Potterill

¹ We would be prepared to start a separate market review of SMS termination earlier than the voice review should we consider that more swift intervention may be required.