



# Qualitative research: Consumer engagement in fixed broadband

Executive Summary

Published 25<sup>th</sup> September 2019



## Contents

1 Background and objectives .....	3
1.1 Background.....	3
1.2 Research Objectives.....	3
2 Research approach and sample structure.....	3
3 Executive Summary.....	5
3.1 Context and impact of vulnerable characteristics .....	5
3.2 Summary of attitudes by respondent type .....	5
3.2.1 Physical health: hearing & visual impairment .....	5
3.2.2 English as a second language .....	6
3.2.3 DE larger households with children .....	6
3.2.4 Low confidence engaging with broadband .....	7
3.2.5 Learning difficulties .....	7
3.2.6 Older (65+).....	7
3.2.7 Mental health problems.....	7
3.2.8 Proxy decision makers.....	8
3.2.9 Non-vulnerable.....	8
3.3 Collective switch proposal.....	9
3.4 Behavioural biases that impact on the broadband journey.....	9
3.5 Barriers faced at different times of the journey .....	10
3.5.1 Engage (i.e. decide whether to consider options) .....	10
3.5.2 Assess (i.e. decisions around what to assess, what routes to use, what methods of communications to use).....	11
3.5.3 Act (i.e. the decision point on what to do – stick and do nothing, switch or re-contract).....	11
3.6 Conclusions .....	12
Appendix A – Methodology .....	13
Appendix B – stimulus material used.....	16

# 1 Background and objectives

## 1.1 Background

Differential pricing is commonplace across many markets and takes many forms. On the one hand this offers the engaged (and confident) consumer the opportunity to shop around and get a better deal by being a 'savvy' shopper. But for some people, differential pricing can contribute to confusion and practices that disadvantage them – possibly meaning they don't get the best deal or even disengage completely.

Pricing of broadband has the potential to be confusing:

- Prices for the same package can be different for new customers versus re-contracted versus out of contract customers;
- Customers can be paying more for slower broadband than they could if they switched or re-contracted to a faster service, which may be the same price or cheaper.

It is known from recent research on end of contract notifications (ECN) and annual best tariff notifications (ABTN)<sup>1</sup> that some respondents do find broadband confusing and that this can lead to inertia. Also, this can be exacerbated amongst more vulnerable respondents; e.g. those with lower levels of literacy or numeracy.

## 1.2 Research Objectives

The main objective set for the research was to better understand the following:

- Difficulties/barriers (including behavioural biases) to accessing, assessing and acting (switching or re-contracting) on information to get the best deals: do vulnerable consumers face different or larger barriers than other consumers?
- Difficulties/barriers (including behavioural biases) to re-contracting and/or negotiating with an existing provider: do vulnerable consumers face different or larger barriers than other consumers?
- Understanding the impact the planned annual best tariff notifications (ABTN) may have on reducing these barriers; identify any remaining barriers/difficulties and any further support required.

# 2 Research approach and sample structure<sup>2</sup>

## 2.1 Sample

A qualitative approach was undertaken among 45 respondents, all of whom were either solely or jointly responsible for broadband (either for themselves or others) and were recruited to be 'out of contract'.

There were three broad research audiences;

---

<sup>1</sup>From February 2020 broadband providers must notify their customers when their minimum contract period is coming to an end. These customers will receive a notification between 10 and 40 days before the end of their contract. The notification will include the date the contract ends, service provided and price; any changes to the service and price at the end of this period; and information on notice period to terminate the contract. It will also tell customers what the best tariff from their current provider is, as well as prices available to other customers, such as new customers. Those who remain out-of-contract will be given best tariff information by their provider annually. These annual notifications will include information about their current contract, as well as the best tariffs for the services they buy. See previous ECN research for more information: [https://www.ofcom.org.uk/\\_data/assets/pdf\\_file/0020/117074/Qualitative-end-of-contract-notification-research-July-2018.pdf](https://www.ofcom.org.uk/_data/assets/pdf_file/0020/117074/Qualitative-end-of-contract-notification-research-July-2018.pdf)

<sup>2</sup> Full details of the sample and methodology can be found in Appendix A

- *Potentially vulnerable* (31 respondents) (i.e. all stated low confidence with at least one aspect of engaging<sup>3</sup> and were either; aged 65+, had a physical impairment, learning disability, mental health problem, lived in a large DE household with three or more children, English was their second language or none of the above but cited 'very low confidence' with aspects of engaging in the broadband market);
- *Non-vulnerable* (8 respondents) (no 'vulnerable' characteristics as described above); and
- *Proxy decision makers* (6 respondents) (formal or informal)<sup>4</sup>.

Respondent Type	Total Included in Research	Breakdown of interviews completed
Potentially vulnerable	31	5 x 65+, 5 x DE Large HH, 3 x Hearing Impairment, 3 x Visual Impairment, 4 x Learning Difficulty, 3 x English as 2 <sup>nd</sup> Language, 3 x Low Confidence, 5 x Mental Health Problem
Non-vulnerable	8	Mix of age, gender and socio-economic group
Proxy Decision Maker	6	3 x *Formal, 3 x **Informal
<b>TOTAL</b>	<b>45</b>	

\* A minimum of 1 person they are proxy decision maker for, to be out of contract (to their best estimate)

\*\* Person they are proxy decision maker for to be out of contract (to their best estimate)

## 2.2 Approach

The research took place between 26<sup>th</sup> June and 19<sup>th</sup> August 2019 and the methodology used varied slightly across the three research audiences.

All respondents, except those with a mental health problem and the proxy decision makers, undertook a three-stage process comprising;

- an initial interview/briefing call (to provide context, the mock ABTN was read out<sup>5</sup> and respondents were briefed on the task);
- a task to 'find the best deal for their household' (prompted with other pieces of information i.e. a Broadband Guide<sup>6</sup> and a Collective Switch letter<sup>7</sup>); and
- a 60-minute in-home depth interview to review their experiences.

Proxy decision makers also followed a three-stage approach, but the task was to consider the ABTN, and any subsequent information in the context of the person they make decisions for.

<sup>3</sup> The aspects considered were; comparing broadband costs, speaking to broadband providers about new deals and understanding the language and terminology used by broadband providers.

<sup>4</sup> Formal proxy decision maker: The respondent was registered as the official carer to the person and/or had a professional responsibility. Informal proxy decision maker informally made decisions for someone.

<sup>5</sup> See Appendix B. Respondents were provided with a mock up of an ABTN to reflect their experiences from February 2020 when out of contract customers will begin to receive these.

<sup>6</sup> See Appendix B. Some respondents were sent a further piece of information during the task and all respondents were invited to provide their views on this during the follow up interview.

<sup>7</sup> See Appendix B. A collective switch is when a group of consumers negotiate a deal (or a deal is negotiated on their behalf) with an essential service provider. Usually, when consumers choose to switch via this method, this is handled by the third party. The 'collective' element of the exercise is likely to mean that consumers get a better deal as a group than they could individually.

Those with a mental health problem undertook an in-home interview only, with no pre-task or briefing call. This approach was designed to place less potential stress on respondents already coping with a mental health problem.

## 3 Executive Summary

These findings should be viewed in the context of the sample recruited i.e. for the most part (except the non-vulnerable and proxy decision maker samples) these are the experiences and views of respondents recruited as potentially vulnerable in relation to engaging in fixed line broadband services. The findings provide an indicative view of the challenges these respondents may face when engaging and do not reflect the views and experiences of all broadband customers.

### 3.1 Context and impact of vulnerable characteristics

**Broadband was confusing for many respondents, which impacted their propensity to engage.** This extended to non-vulnerable respondents, our sample of proxy decision makers and those recruited as lacking in confidence engaging. Confusion existed around the different broadband technologies, speeds and deals available and as such, re-contacting<sup>8</sup> and/or switching broadband provider was viewed by some as more complex than switching utilities such as energy.

**Reliance on broadband was variable across the sample - heavy reliance reduced any appeal of switching.** The spectrum of reliance ranged from 'nice to have but not crucial' (most likely to be older age groups) through to those that 'would not be able to manage without it' (mostly DE larger households, with children). Where broadband is considered an essential part of their life, and particularly in combination with low confidence around broadband and the switching process, respondents described the prospect of switching as 'intimidating'.

**There was very little history of switching services generally amongst vulnerable respondents.** Broadband switching was perceived as more difficult than switching 'simpler' services (e.g. energy), particularly among older respondents, those with very low confidence, mental health problems, and some respondents with learning difficulties. They didn't perceive switching as something that 'their age group' for example, did.

**Our sample of 'vulnerable' respondents were on a continuum in terms of the impact their condition has on their engagement with broadband.** Those with similar conditions could sit at different parts of this continuum depending on the severity of their condition; whether it is combined with other vulnerabilities; the support network they have around them; and other external factors such as financial pressures, numeracy and literacy levels.

### 3.2 Summary of attitudes by respondent type

Overall, vulnerable respondents appeared to face larger barriers than non-vulnerable respondents in terms of accessing, assessing and acting on information, re-contracting and negotiating with existing providers and switching providers.

#### 3.2.1 Physical health: hearing & visual impairment

**Having a visual or hearing impairment didn't necessarily make the respondent more vulnerable than a non-vulnerable respondent.** This was especially true among respondents who had lived with the impairment from birth - as they were more likely to have coping strategies and/or support structures in place. Those with an

---

<sup>8</sup> Re-contracting is defined as the process by which a consumer takes out a new subscription with their broadband provider, rather than staying out of contract.

impairment that was later onset (for some combined with anxiety and / or lower confidence), struggled a bit more to engage<sup>9</sup> with broadband.

**Respondents with hearing impairment tended to be reluctant to call providers** – limiting their communication options when trying to negotiate a better deal, for example. These respondents would opt to deal with providers online, using webchat as needed.

Respondents with **visual impairments tended to have workarounds** to aid communication including software allowing larger font & accessible versions of documents, e.g. large print. These respondents reported that it can take longer to access visual information, e.g. websites/letter but that it is usually possible for them to do so. They were comfortable calling providers as this tended to be their usual method of communicating with them.

For these respondents the ABTN acted as a useful reminder that they were out of contract and of the potential benefits of switching/re-contracting. The Broadband Guide was welcomed as enhancing their knowledge of broadband. Both were considered useful in prompting them to consider their broadband options.

### 3.2.2 English as a second language

**Respondents were quite fluent speaking English but struggled more with written communication.** They were unfamiliar with broadband terminology and struggled to understand what the various words meant (fibre, megabits, etc). This created difficulties engaging as they tended to find websites hard to understand or weren't confident speaking to providers on the phone.

Some struggled to understand the ABTN, finding the language and technical terms difficult to understand. They found the Broadband Guide easier to understand, given its more visual nature, and stated that it provided useful explanations of terminology. Some of these respondents tended to rely on family members who were more fluent in English for support. But, the decision on whether they would seek support with the ABTN would likely be based on an assessment of the value in doing so. They were conscious of their reliance on family members and the potential burden that placed on them; they 'rationed' their requests for support to the issues that felt most important and getting a better deal on broadband may only make it to the top of the list at times when little else was happening or if the cost savings were considered substantial enough.

### 3.2.3 DE larger households with children

**The major barrier along the broadband journey for these respondents was time and/or headspace.**

These respondents reported that getting through the essential daily activities/chores (e.g. shopping, cooking, laundry, school runs, etc) took most of the time and energy available. They also tended to be heavily reliant on the internet which led to a reluctance to consider switching - driven by fear of potentially losing the service, if only temporarily, and/or the risk of ending up with a poorer service if they switched. These respondents felt that any lapse in service would cause significant stress and upset in their household, which was something they wanted to avoid.

These respondents appeared to find it more difficult to understand detailed information and they lacked knowledge/understanding/confidence in broadband; as such they were daunted by the prospect of engaging with broadband. While they said the ABTN and Broadband Guide were useful in principle, they were 'just another thing' to be attended to and as such likely to be ignored.

---

<sup>9</sup> Engagement is defined as the point a consumer takes an active interest in the broadband service they receive, e.g. they would explore issues such as competitor products, current provider alternative deals, their own requirements, and so on. It does not necessarily lead to a change of service.

### 3.2.4 Low confidence engaging with broadband

**Those with low confidence around broadband said they felt daunted, doubting their ability to navigate the options and make the right choice.** They didn't feel they understood broadband and so lacked confidence in their ability to look into different options and make the right decision. They were concerned about switching provider, primarily uncertain of how to switch but also (like the DE larger households) fearful of ending up with a poorer service and / or tied into a bad deal. The attitude of many of these respondents to searching for a new deal was that it would be difficult, both in terms of their perceived ability to effectively compare different offers and not knowing how to go about it.

These respondents felt the ABTN and especially the Broadband Guide helped them to feel more confident and open to engaging. But some also cited a need for information/reassurance about the process of switching.

### 3.2.5 Learning difficulties

**We observed varying impacts of learning difficulties on respondents depending on the type and extent of the learning difficulty.** Generally, ability to engage tended to be lower for these respondents than some of the other vulnerable groups. Commonly they said they struggled with what they perceived to be more complex tasks such as making household decisions including understanding and assessing their broadband options or learning to use new equipment.

These respondents often struggled to understand the ABTN – it was seen as fairly text heavy with complex language. Some felt they might show the ABTN to a relative and get their help to understand it. Others felt they would ignore it. The Broadband Guide was more positively received, they considered the more visual nature to be more accessible.

### 3.2.6 Older (65+)

**These respondents had varying levels of physical health and activity.** At the lower end of the scale respondents reported a narrowing of interests, that they were no longer trying to keep up with the 'modern world' and that they left things for others to deal with. Others who were more active generally reported that broadband was of very little importance to them; indeed some only had broadband as it was important to visiting grandchildren. So, for these respondents, broadband was relatively unimportant to them personally. They either claimed they are not reliant on it and / or that they are not concerned about having the 'best package or deal' (in terms of speed or cost). This did not mean that they were unconcerned about cost, but rather that they believed they were paying a relatively low amount so had little impetus to change – and some also thought, therefore, that it was unlikely that any cost savings they could make would be large enough to justify the effort required.

These respondents were largely uninterested in both the ABTN and the Broadband Guide; they simply were not motivated to engage. Some lacked technical knowledge which they said inhibited them from attempting to negotiate or talk to providers about alternative deals. Those with younger family members around tended to defer broadband questions to them and some respondents said that they were likely to share the ABTN with them.

### 3.2.7 Mental health problems

**Respondents reported that these can be highly debilitating and impact all areas of life.** For example, on some days a mental health problem could be overwhelming and leave them with a sense that they just need to get through the essentials. Any non-essentials (broadband decisions would fall into this category) would be left for another day. Commonly among these respondents the thought of engaging with broadband, even on a good day, was said to result in anxiety and avoidance because it was not an area were confident in - it felt complex and difficult to engage with.

Depending on the mental health problem, difficulties could be experienced across all stages of the broadband journey. This included motivation to engage with a potentially difficult and low priority task and / or head space and emotional energy to assess broadband options and make a decision. The ABTN was felt to be quite complex and difficult to understand but a simplified version might encourage some to consider their options. . Similarly, the Broadband Guide felt like a lot of information to take in and a simplified version may have more impact.

Some of these respondents said they were likely to share any 'official' documents with a proxy decision member or family/member, so the ABTN may be shared if it wasn't mistaken for marketing communications from their provider.

### 3.2.8 Proxy decision makers

Attitudes and behaviours varied depending on the role and relationship to the person they were making decisions for:

**Formal proxy decision makers (PDMs):** The approach taken to engaging with broadband varied among respondents. Some took more of a lead in decision making while others were more reactive, depending on the competence of person being cared for. Tripartite decision making was observed between the person being cared for, the family and the carer. But the final decision is usually made by the person being cared for and / or their family. These proxy decision makers in our sample tended to feel that, assuming they saw the ABTN, they would be confident and likely to take action on behalf of the person being cared for. Whether they would see it or not would depend upon several factors including whether opening post fell into their remit, whether the person they cared for felt inclined to show them and whether they happened to be the person who opened that particular piece of post (it might be a family member or another carer).

**Informal proxy decision makers (caring for elderly relatives):** In our sample this tended to be family members (sons or daughters) supporting as required and managing bills/utilities as part of this. As with the formal PDMs they felt confident that they could and would take action upon seeing the ABTN (which these respondents said they would be likely to see as part of their role in managing bills/utilities) and depending on the competence / inclination of their elderly relative, would involve them in the process.

**Informal proxy decision makers (parents caring for disabled offspring):** These respondents noted characteristics about themselves that meant they too could be deemed 'vulnerable' e.g. mental health problems such as anxiety and stress. Others were financially stretched and / or time poor, often as a consequence of having cared for a disabled child for a number of years (e.g. restricted work opportunities etc.). They tended to be highly dependent on broadband - often because they spend a lot of time in the home. Similar to the DE larger households, these respondents' challenging lives meant that switching/re-contracting broadband services was a very low priority. They said they would be likely to see the ABTN as they live in the same home as the person they care for, but their likelihood to act on this would be driven by the level of savings and other priorities at the time.

### 3.2.9 Non-vulnerable

**Overall, the non-vulnerable respondents were more confident, competent and enthusiastic about engaging with broadband** (as part of the task). Some quite relished doing so, but for others broadband was a fairly low priority. The 'real life' barriers to re-contracting/switching tended to be inertia and lack of prioritisation.

These respondents were less likely to dismiss the prospect of switching, as they were less daunted by the prospect of it going wrong and more confident they could sort it out if it did go wrong. However, we observed some respondents finding the market confusing and tricky to navigate - either because they didn't really understand broadband / speeds or found it hard to compare deals.

The ABTN and Broadband Guide reminded our non-vulnerable sample of respondents of the advantages of re-contracting/switching by illustrating the potential savings. They helped address barriers such as lack of knowledge/confidence around broadband.

### 3.3 Collective switch proposal<sup>10</sup>

A mock collective switching letter was sent to some respondents during the task, and all respondents (both vulnerable and non-vulnerable) discussed the collective switch proposal during the follow up interview. The findings below are based on the views of all respondents.

This proposition, once explained, was perceived by some vulnerable respondents to **take the ‘hassle’ out of the process by moving straight from ‘engage’ to ‘act’**, i.e. bypassing the ‘assess’ stage completely, which for many was one of the major barriers to engaging. The annual cost saving illustrated in the mock letter (£96) was impactful and motivating. The most confident and competent respondents (including carers) required least explanation of the concept, understood what was on offer and could see the benefits.

### 3.4 Behavioural biases that impact on the broadband journey

Behavioural biases affect the way consumers make decisions and can limit their ability to choose a deal that is right for their needs, or to engage at all. Everyone has biases, and most are unaware of their own biases when making decisions. This means that consumers are unlikely to have strategies or effective coping mechanisms to help overcome them.

The research identified three key areas where behavioural traits and biases seemed to impact more on vulnerable than non-vulnerable audiences. The behaviours and biases observed were strongly interlinked and overlapping; loss/regret aversion, cognitive miserliness (mental ‘bandwidth/headspace’) and status quo bias (and other biases related to these).

**Loss aversion** – (whereby people fear a loss more strongly than they value an equivalent gain) and **regret aversion** (the fear of making the wrong decision). For some, the severity of the impact of these biases tended to be driven by the value placed on reliable access to their broadband service. Some respondents were prone to fear that they would lose the tailored elements of their essential service, which were felt to be important to their usability. Others were deterred from engaging due to not wanting to make the ‘wrong’ decision about a broadband deal or provider. Larger DE households, those with very low confidence, and people with mental health problems or more severe learning difficulties in our sample were heavily impacted by loss and/or regret aversion.

The research also indicates that vulnerable respondents may be more risk averse generally compared to non-vulnerable respondents. The ‘push’ to take a risk was lacking as most were generally satisfied with their current broadband service and / or the benefits of changing were not recognised. Risk aversion was more likely to impact on those with very low confidence, mental health problems (such as anxiety and depression), and some types of learning difficulties (severe dyslexia, low numeracy / literacy) as well as older consumers.

**Mental ‘bandwidth/reduced headspace’<sup>11</sup>** – people can find it tiring to actively think about issues, both because of the mental effort involved, and/or because they are also dealing with other issues or demands on

---

<sup>10</sup> See Appendix B. A collective switch is when a group of consumers negotiate a deal (or a deal is negotiated on their behalf) with an essential service provider. Usually, when consumers choose to switch via this method, this is handled by the third party. The ‘collective’ element of the exercise is likely to mean that consumers get a better deal as a group than they could individually.

<sup>11</sup> Other related biases include; **Ego Depletion** (which can be defined as the recognition that willpower draws upon a limited pool of mental resources that can be used up), and **Principle of Least Effort** (the idea that people naturally gravitate towards the least demanding course of action, avoiding effort wherever possible).

their attention. So, people don't naturally like to spend a lot of time on things they find complicated or uninteresting. Sometimes, even if interested in a topic, people can still find it difficult to fully engage. The potentially vulnerable respondents in our sample often seemed to have less 'head space' to deal with issues in general or specifically in relation to broadband, and, when combined (for some) with a lack of interest, this could cause some not to engage at all. This was especially apparent among those respondents with mental health problems, more chaotic/challenging lifestyles and those with lower confidence/ability to interpret or understand terminology.

**Status quo bias**<sup>12</sup> relates to consumers showing a preference for the current state of affairs and any alternative (either a change of provider or a new contract for example) will be compared to what they have currently have. This comparison will be factored into an assessment of 'risk' and potentially viewed as a loss (or risk of a loss), even if materially this is not the case. Depending on the other biases/preferences observed status quo bias impacted various stages of the journey. For some it stopped them from engaging at all, others disengaged as they 'tired' on the journey (i.e. the perceived reward was not worth the effort). Status quo bias was most likely to be seen among respondents with mental health problems, learning difficulties, larger DE households and older respondents.

### 3.5 Barriers faced at different times of the journey

Many of the vulnerable respondents were reluctant to make a change to their existing service (and indeed none did). This outcome was driven by combinations of a range of factors including *low incentive* (perceptions of insufficient savings<sup>13</sup>); *a fear of the unknown* – (risk of switching to a lesser quality service or losing their broadband service completely); *perceptions of a high level of effort* required to assess the sector and make any change – (the process was considered daunting and complicated by many).

Barriers exist across all three stages of the broadband journey and can be categorised as 'functional', 'emotional' and 'behavioural'. Many of these are common to both re-contracting and switching and are summarised below.

#### 3.5.1 Engage (i.e. decide whether to consider options)

##### Functional barriers

There was low awareness across our potentially vulnerable sample of respondents that being out of contract matters i.e. that they could be paying more than necessary.

Aligned to this, was low awareness of potential benefits of re-contracting or switching, i.e. that they could potentially get a better deal (either the same for lower cost or faster speeds) from their current provider or from another provider. These respondents tended not to understand the broadband options available.

For many, broadband decisions were a low priority that competes with many other 'life issues' for attention; this can be especially true for those with more chaotic and challenging lifestyles e.g. DE larger households.

##### Emotional barriers

Respondents often lacked familiarity with the re-contracting process stating that it felt somewhat outside their 'comfort zone'. Some were satisfied with their existing broadband; it met their needs in terms of speed and 'they

---

<sup>12</sup> Other related biases include **Effort vs. Reward** (defined as the process by which the brain calculates whether it's worth expending effort in exchange for potential rewards) and **Possibility Weighting** (defined as the idea that people tend to overreact to small probability events, but underreact to large probabilities).

<sup>13</sup> Consumers' perceptions of the savings available may be lower than reality. The mock annual best tariff notification used in this study stated savings of £2/month by re-contracting, and the new customer price for the same service was £6/month cheaper than their current out of contract price.

were used to it', 'but others preferred the 'status quo' even if they weren't completely satisfied and/or sensed they might be able to get better.

Inertia also impacts engagement with broadband - respondents described knowing they should/could do something about broadband, but that they just don't get around to it.

#### **Behavioural barriers**

The behavioural biases impacting most potentially vulnerable respondents' propensity to 'engage' were:

- Status quo bias
- Loss/regret aversion
- Mental 'bandwidth'/headspace'

### **3.5.2 Assess (i.e. decisions around what to assess, what routes to use, what methods of communications to use)**

#### **Functional barriers**

Many lacked knowledge and understanding of broadband. While most thought higher speed means better broadband, many had no real idea of what speed they have or what speed they need. Technical terms were not really understood e.g. megabits and gigabits were generally understood to relate to speed, but not really beyond this; and differences between fibre, fibre optic and cable were not really understood at all, further confused by terms like faster, superfast, ultrafast with some respondents unsure how these translate into functional performance.

There was low awareness of Price Comparison Websites for broadband (although these are more widely used for other products) and low awareness of how to check what speed they currently have.

#### **Emotional barriers**

Many lacked confidence in their ability to understand the broadband options available and make the right choice for them/their household; this lack of confidence links closely to their lack of knowledge.

Some also expressed reluctance or lack of confidence talking to providers on the phone to discuss their options. They feared being pressured into signing up to a deal/package they didn't want and/or being upsold to. Some also feared being bombarded with follow up sales calls following any contact with a provider.

#### **Behavioural barriers**

The behavioural biases impacting respondents' choices on whether to make an assessment and/or which sources to use were:

- Effort vs Reward
- Mental 'bandwidth'/headspace' (reducing where more effort was required)

### **3.5.3 Act (i.e. the decision point on what to do – stick and do nothing, switch or re-contract)**

The barriers to re-contracting and switching (i.e. 'acting on a decision') were slightly different to each other.

#### **Functional barriers**

##### *Re-contracting and switching*

Lack of familiarity with the idea of and/or process of re-contracting deterred some from acting as did a lack of awareness of the switching process.

#### **Emotional barriers**

### *Re-contracting*

Many felt they shouldn't simply re-contract without looking beyond their current provider and at the wider market. As such barriers to engaging with the wider market and assessing their options (see above) also inhibited them from taking up a new deal with their existing provider i.e. a fear that it might not be the 'best deal'.

Some were reluctant to contact their provider to ask for or negotiate a new deal as they lacked confidence in the process and their ability to manage it effectively, as well as the fear of being upsold (as noted under 'Assess'), and confidence/assurance that it was the 'best deal'.

### *Switching*

Some were concerned about the *process* of switching to a new provider e.g. potentially paying for two providers at the same time if things went wrong or losing service during the switch and the impact this might have on their household. The latter was particularly evident among those with high reliance on broadband.

There was a fear of the unknown and concern that they might end up with a poorer broadband service and/or that they would be 'stuck' with this; there was low awareness of the process of withdrawing from the contract they were not happy with.

### **Behavioural barriers**

The behavioural biases impacting respondents' decision on whether to 'act' were:

- Loss aversion
- Regret aversion
- Effort vs reward
- Ego depletion

## 3.6 Conclusions

There are indications from this research that vulnerable respondents<sup>[1]</sup> appear to face larger barriers than non-vulnerable respondents in terms of engaging with broadband and accessing, assessing and acting on information. This finding also extends to vulnerable respondents' attitudes towards and likelihood to re-contract and negotiate with their own provider, and/or switch providers.

The research suggests that some vulnerable consumers may be less likely to respond to ABTNs by engaging in the market, or they may need more help doing so. For example, the provision of information about broadband, when provided alongside the ABTN, had a positive impact on confidence for some vulnerable respondents but may still not prompt engagement.

One of the largest barriers for vulnerable respondents was a lack of confidence in their ability to assess their options and know they had made the 'right decision'. There was interest among some vulnerable respondents in the collective switch proposal - aspects of this appeared to address this particular barrier, some perceived it removed this step of the process altogether.

---

<sup>[1]</sup> i.e. those with the vulnerable characteristics and reporting low confidence with aspects of engagement with broadband, as described in the methodology section

## Appendix A – Methodology

### Research Approach

A qualitative approach was undertaken across three research audiences; vulnerable respondents, non-vulnerable respondents and Proxy Decision Makers.

The research took place between 26<sup>th</sup> June and 19<sup>th</sup> August 2019 and the methodology used varied slightly across the three research audiences.

All respondents, with the exception of those with a mental health condition and the Proxy Decision Makers, undertook a three-stage process as follows:

#### *Stage 1; Initial interview (up to 30 mins by phone)*

- To collect contextual information, confirm screening criteria, read out the ABTN and explain the pre-task

#### *Stage 2; Pre-task (over a 2-week period)*

- Following the initial interview call the respondent was sent an email confirming the task and with the ABTN letter as an attachment
- The email also contained a link to the online diary
- Part way through the pre-task the respondent was emailed a further 'nudge' (i.e. Broadband Guide, Collective Switch letter or link to BB guide + helpline number)

#### *Stage 3; In-home interview (up to 1 hour)*

- To review and explore their pre-task experiences, including the impact of the nudge/s received
- To introduce further stimulus – the nudges not received during the pre-task
- To explore the Collective Switch proposition in detail

The Proxy Decision Makers undertook a truncated three stage process as follows:

#### *Stage 1; Short Briefing Call (up to 20 minutes by phone)*

- To introduce the research, walk through the ABTN explaining that this will be received by all those out of contract from next year, including anyone for whom they act as a proxy decision maker.
- Explained that as a pre-task to the follow up interview they were to think about what they would consider, and how they would go about supporting the person/people they help make decisions for in relation to Broadband.

#### *Stage 2; Short Pre-task (30 mins)*

- Following the initial interview call the respondent was sent an email confirming what we'd like them to do, with the ABTN as an attachment.
- Respondent was asked to jot down their thoughts and possible actions ahead of their interview with us.

#### *Stage 3; In-home interview (up to an hour)*

- To understand the relationship with the person they are proxy decision maker for, specifically around whether they would be likely to be shown the ABTN.
- To explore and understand the potential impact of the ABTN, primarily thinking about the person they care for, but also about the possible impact on themselves.
- To explore and understand the potential impact of the BB Guide and the Collective Switch letter, primarily thinking about the person they care for, but also about the possible impact on themselves.
- To explore the Collective Switch proposition in detail, primarily thinking about the person they care for, but also about the possible impact on themselves.

Those with a mental health problem undertook an in-home interview only, with no pre-task or briefing call.

- The simpler approach was designed to place less potential stress on respondents already coping with a mental health problem.

A slightly longer interview was undertaken (up to 75 minutes) to allow for;

- Exploration of all the topic areas covered across the initial and post interviews with the other respondents
- Exploration of all the stimulus; ABTN, Broadband Guide and Collective Switch

## **Sample Definitions**

### **Older respondents**

Aged 65+

Describe themselves as lacking confidence in at least two of these:

- Comparing broadband costs
- Speaking to broadband provider about new deals
- Understanding the language and terminology used by broadband providers

### **DE Large Household**

DE with three or more children living at home.

Describe themselves as lacking confidence in at least one of these:

- Comparing broadband costs
- Speaking to broadband provider about new deals
- Understanding the language and terminology used by broadband providers

### **Physical Health**

Hearing impairment; Poor hearing, partial hearing, or are deaf.

Visual impairment; Poor vision, colour blindness, partial sight, or are blind.

### **Low Confidence in broadband**

Describe themselves as lacking confidence in all three of these:

- Comparing broadband costs
- Speaking to broadband provider about new deals
- Understanding the language and terminology used by broadband providers

### **English as a second language**

Describe themselves finding spoken and/or written difficult to understand and agree with this statement – “*My level of English means I sometimes find it hard to understand/deal/speak with suppliers such as broadband providers*”.

Describe themselves as lacking confidence in all three of these:

- Comparing broadband costs
- Speaking to broadband provider about new deals
- Understanding the language and terminology used by broadband providers

### **Learning difficulty**

Describe themselves as having difficulties with learning, understanding, concentration, memory, communicating, cognitive loss or deterioration.

Describe themselves as lacking confidence in all three of these:

- Comparing broadband costs
- Speaking to broadband provider about new deals
- Understanding the language and terminology used by broadband providers

### **Mental Health problem**

Describe themselves as suffering from anxiety, depression, or trauma-related conditions, or other similar mental health problem.

### **Proxy Decision Makers (PDMs)**

All helped make decisions about broadband providers for someone else outside their household.

#### *Formal PDMs*

A formal arrangement where the respondent was registered as the official carer to the person and/or had a professional responsibility.

#### *Informal PDMs*

Informal arrangement

## Appendix B – stimulus material used

ABTN mock-up, talked through with participants during the initial call and sent to all participants ahead of the task

**THIS IS ONLY AN EXAMPLE LETTER: THE PRICES HERE DO NOT RELATE TO YOUR OWN BROADBAND**

---

**Your broadband and landline contract has ended**

Dear Customer

You are no longer in the minimum contract period for your broadband and landline services. You currently pay **£24** per month.

You have several options available to you. You could:

- Do nothing and keep your existing service for **£24** per month;
- Sign up to a new contract with us; or,
- Switch to a different provider.

Remember you may be able to get a better deal as a new customer with another provider. You may also get a better combined deal if you take landline, broadband and TV services together from the same provider, this could be with us or another provider.

If you want to cancel your service or switch to a different provider, you will need to let us know at least 30 days in advance. You will not pay any cancellation fees to do this. To cancel your services or discuss your options get in touch via your online account or by calling us on **(YOUR PROVIDERS WILL ADD THEIR CUSTOMER SERVICE NUMBER)**.

A summary of your service and what you pay currently is provided below. If you don't do anything, this will be the price you pay in the future.

<i>Current deal</i>	
<b>This box will contain details of the service you currently receive</b>	
- Broadband speed (av. speed)	<b>£24.00</b>
- Line rental	a month

**Thinking about signing up to a new contract? Here are some deals to consider**

Ofcom, the communications regulator, requires us to tell you about these tariffs to help you decide what to do about your services. Tariff 4 is not available to you but we are required to include it so you can see what kinds of deals new customers can get from providers. You can call us or log on to your account to see more options.

<b>1 Current deal on a new contract for another 24 months</b>	<b>2 Alternative deal based on your current usage</b>												
<table style="width: 100%;"> <tr> <td style="width: 60%;">- Broadband speed (av. speed)</td> <td style="text-align: right;"><b>What you have now:</b></td> </tr> <tr> <td>- Line rental</td> <td style="text-align: right;"><b>£22.00</b></td> </tr> <tr> <td></td> <td style="text-align: right;">a month for 24 months</td> </tr> </table>	- Broadband speed (av. speed)	<b>What you have now:</b>	- Line rental	<b>£22.00</b>		a month for 24 months	<table style="width: 100%;"> <tr> <td style="width: 60%;">- Broadband speed (faster speed)</td> <td style="text-align: right;"><b>Faster speed:</b></td> </tr> <tr> <td>- Line rental</td> <td style="text-align: right;"><b>£24.00</b></td> </tr> <tr> <td></td> <td style="text-align: right;">a month for 24 months</td> </tr> </table>	- Broadband speed (faster speed)	<b>Faster speed:</b>	- Line rental	<b>£24.00</b>		a month for 24 months
- Broadband speed (av. speed)	<b>What you have now:</b>												
- Line rental	<b>£22.00</b>												
	a month for 24 months												
- Broadband speed (faster speed)	<b>Faster speed:</b>												
- Line rental	<b>£24.00</b>												
	a month for 24 months												
<b>3 Alternative upgrade deal</b>	<b>4 Current deal for new customers (not available to you)</b>												
<table style="width: 100%;"> <tr> <td style="width: 60%;">- Broadband speed (av. speed)</td> <td style="text-align: right;"><b>Faster speed &amp; add TV:</b></td> </tr> <tr> <td>- Line rental</td> <td style="text-align: right;"><b>£30.00</b></td> </tr> <tr> <td>- TV package</td> <td style="text-align: right;">a month for 24 months</td> </tr> </table>	- Broadband speed (av. speed)	<b>Faster speed &amp; add TV:</b>	- Line rental	<b>£30.00</b>	- TV package	a month for 24 months	<table style="width: 100%;"> <tr> <td style="width: 60%;">- Broadband speed (av. speed)</td> <td style="text-align: right;"><b>New customers only:</b></td> </tr> <tr> <td>- Line rental</td> <td style="text-align: right;"><b>£18.00</b></td> </tr> <tr> <td></td> <td style="text-align: right;">a month for 24 months</td> </tr> </table>	- Broadband speed (av. speed)	<b>New customers only:</b>	- Line rental	<b>£18.00</b>		a month for 24 months
- Broadband speed (av. speed)	<b>Faster speed &amp; add TV:</b>												
- Line rental	<b>£30.00</b>												
- TV package	a month for 24 months												
- Broadband speed (av. speed)	<b>New customers only:</b>												
- Line rental	<b>£18.00</b>												
	a month for 24 months												

\* You are not eligible for this tariff as it's a deal that includes a new customer discount.

Broadband guide mock-up sent to some participants during the task

### Broadband explained

#### Which broadband service do I need?

##### The basic browsers

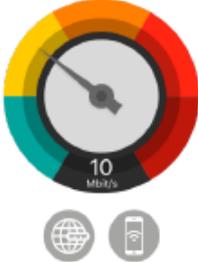
"I don't use the internet much, so all I want is a reliable service at a good price."



You use your broadband to follow the news, keep in touch with friends and family and some online shopping.

Average speed required:  
Around 10Mbit/s

Type of broadband needed:  
Any



##### The super streamers

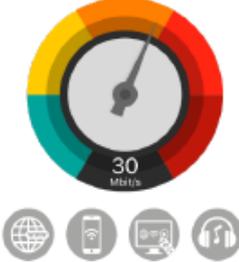
"I get frustrated when my TV streaming service buffers or the connection drops off."



You use your broadband for all the basics, as well as watching TV shows and films and listening to music.

Average speed required:  
Over 30Mbit/s

Type of broadband needed:  
Cable or fibre broadband



##### The data-hungry household

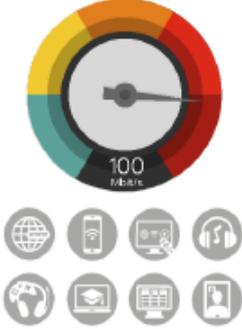
"Our broadband needs to cope with a lot of us being online at the same time – making sure we don't lose the connection."



A whole household using broadband throughout the day for things like working online, streaming, gaming, video-calling or uploading.

Average speed required:  
Over 100Mbit/s

Type of broadband needed:  
Cable or fibre broadband



1

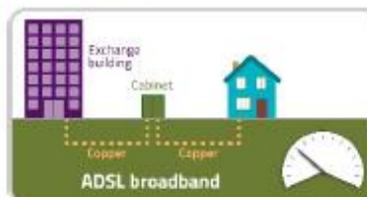
## What are the different types of broadband?

The three most common types of broadband in the UK are ADSL, cable and fibre.

### ADSL/standard broadband

ADSL, also known as standard broadband, is the slowest but most commonly available type of broadband and is delivered to your home through the copper wires of your phone line.

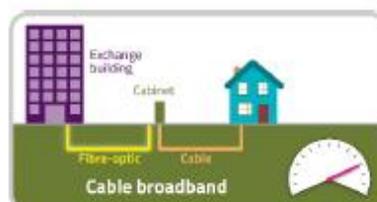
However, the speeds you get at your home will depend on how far you live from the local exchange. The further away you are, the lower your speeds are likely to be.



### Cable

Cable uses fibre optic and coaxial cables to deliver superfast and ultrafast broadband services to your home. This technology is also used to deliver phone and TV services.

Unlike with standard ADSL broadband, speeds are not affected by distance. Cable technology can deliver very fast broadband speeds, of up to 500Mbit/s.

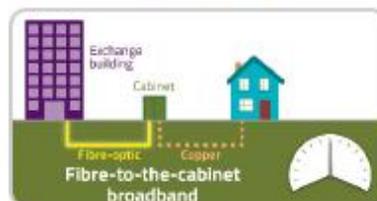


### Fibre

Fibre broadband is delivered via fibre optic cables and offers superfast and ultrafast speeds.

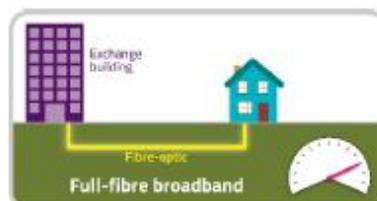
There are two types of superfast fibre broadband - 'fibre-to-the-cabinet' (FTTC) and full fibre 'fibre-to-the-premises' (FTTP).

With fibre-to-the-cabinet, fibre optic cables run from the telephone exchange to street cabinets before using standard copper telephone wires to connect to homes.



Most fibre connections in the UK are fibre-to-the-cabinet services, which can offer speeds of up to 67Mbit/s, however, the speeds you get at your home will depend on how far you live from your street cabinet (the green boxes you see on streets). The further away you are, the lower your speed is likely to be.

Fibre-to-the-premises broadband involves fibre optic cables running directly to your home from the telephone exchange, or via a street cabinet. It is faster than fibre-to-the-cabinet and performance is not affected by distance. Fibre-to-the-premises broadband services can offer speeds of up to 1Gbit/s.



If you are not sure which type of connection you have, or which you might be able to have, speak to your current broadband provider or visit the [Boost Your Broadband website](#).

## Jargon buster

Some of the language used when you're buying a broadband service can be unclear or confusing. Here, we explain what some common terms mean.



### Minimum contract period

This is the length of the contract you first sign up to. For broadband, this is often 18 months.

### Megabits

This is a unit of data. You will see broadband speeds described as 'megabits per second' (Mbit/s or Mbps). It helps tell you how fast your broadband is.

### Gigabits

Similar to megabits, each gigabit represents 1,000 megabits.

### Buffering

This is when your broadband downloads the first few seconds of a video or TV show you're watching online, so you can play it without downloading the whole thing first. If you have slower broadband, you are likely to see your connection buffering for longer or more often.

### Standard broadband

This is broadband able to provide speeds of at least 8 Mbit/s – it's available to 98% of UK properties.

### Superfast broadband

This is broadband able to provide speeds of at least 30 Mbit/s – it's available to 95% of UK properties.

### Ultrafast

This is broadband able to provide speeds of at least 300 Mbit/s – it's available to 53% of UK properties.

### Full-fibre broadband

This is the latest broadband technology. It uses fibre-optic cables all the way up to your home, not just to the cabinet on your street. It's far more reliable and faster than other types of broadband and is currently available to 7% of UK properties.

### Wifi

This technology allows you to connect your devices such as tablets, laptops and smartphones to your broadband wirelessly.

### Data

What's transferred between your device and the internet to allow you to use websites and other online services. Basic browsing online uses less data than things like playing videos.

## Collective switch mock letter sent to some participants during the task

[logo of your supplier]

<FullName>

<Address>

<PostCode>

12 July 2019

### Save £96.00 by switching your broadband and phone

Dear <FullName>

A few weeks ago, [your provider] wrote to you about switching to a cheaper broadband deal.

Ofcom, the independent communications regulator, has asked companies like [your provider] to tell their customers how to switch and save with a different deal – even if it isn't from the same company.

Ofcom has appointed us, [a price comparison company], to negotiate a cheaper deal for a group of [your provider] customers like you – people who've been on the same expensive broadband deal with [your provider] for more than 2 years.

Now we have secured an exclusive deal for you with [alternative provider]. Here's what you will save, based on your service from last year.

- Currently with [your provider] you pay **£24.00 a month or £288.00 per year**.
- If you switch to the deal we have negotiated with [alternative provider], you'd pay **£ 192.00** over the next 12 months.

That's a personal saving of **£8.00 per month, or £96.00 per year**, if you decide to switch.

#### [a price comparison company] has made it easy to switch

All you need to do is go online or call our UK call centre free on **xxx** and speak to a friendly adviser.  
(This deal isn't available by going direct to [your provider])

Simply provide your surname and postcode on our website or over the phone. We will then give you the full details of the **Unlimited Faster Fibre**, deal from [alternative provider]. If you decide to go ahead, we will take care of everything from there.



Act quickly and contact us using the details below, if you want to save **£ 96.00**. Broadband deals come and go, and this one's only available until **September 2019**.

#### How to get the deal

Visit – [price comparison website]

Call – [ price comparison website]

Mon-Fri: 9am – 8pm, Sat-Sun: 9am – 5pm

**Who is [alternative provider]?**

[alternative provider] is one of the largest broadband suppliers in the UK with over *X million* customers. They have scored a maximum 5 out of 5 stars on our [price comparison website] service rating.

**Key features:**

- Guaranteed fixed prices for 1 year. This deal will ensure your prices don't rise for a year.
- UK based customer service centre, open 8am to 8pm weekdays and 8am to 2pm on Saturdays.
- Whilst most people switch their broadband provider easily and without any problems, if something does go wrong, you will be entitled to receive £x for each day you are without service.

**Other options**

Alongside this deal, we will show you other broadband deals available on the market, so you can check how the exclusive deal stacks up. If you see something else you'd prefer, you can switch to that deal instead.

**What happens when the new deal ends?**

If you switch, [alternative provider] will get in touch with you towards the end of the first 12 months to explain your options if you stay with them. Or you can leave your details with us when you switch and we'll get in touch to help you choose a new deal.

**Your broadband information**

Here are the details of your current broadband deal:

**Current broadband provider:** [your provider]

**Broadband deal name:** Broadband and unlimited weekend calls

**Broadband speed:** 36Mbit/s

Yours sincerely

John Smith

Chief Executive – [a price comparison company]

Got any questions about this letter? Visit [website]

You can also email us at [Jigsaw/Ofcom email address] or call us on xxx.



[www.jigsaw-research.co.uk](http://www.jigsaw-research.co.uk)

**Jigsaw Research Ltd.**  
4th Floor, 1-2 Berners Street  
London W1T 3LA

Tel: +44 (0)20 7291 0810  
Fax: +44 (0)20 7291 0811  
Email: [info@jigsaw-research.co.uk](mailto:info@jigsaw-research.co.uk)

**USA Office**  
Tel: +1 352 224 5994  
Email: [jknnox@jigsaw-research.us.com](mailto:jknnox@jigsaw-research.us.com)

**Netherlands Office**  
Tel: +31 6 3029 3267  
Email: [whoogakker@jigsaw-research.nl](mailto:whoogakker@jigsaw-research.nl)

