

Affordability of Communications Services

September 2022 update



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Overview

Summary of the latest update on broadband social tariffs

Ensuring people can access affordable fixed broadband and mobile internet services remains a priority for Ofcom. This latest report on the affordability of communications services comes at a time when many UK consumers are experiencing growing financial pressures, with rising retail prices and substantial increases in household bills causing concern for many households.

These pressures are reflected in our latest [affordability research](#), which shows a continued upward trend in households reporting affordability issues. In July 2022, 29% of households said they had experienced an affordability issue with their communication services in the last month, representing the highest levels since we began our research.

Social tariffs can help ensure that fixed broadband and mobile internet services remain affordable for customers who are struggling with their bills. Availability has increased since our last report, but some major providers have not yet introduced a social tariff, despite calls to do so. The take-up of social tariffs has also increased but remains a very small proportion of all eligible customers.



136,000
households
are on a social tariff
as of August 2022

4.2 million
households are on
universal credit



3.2%
of UK households
receiving Universal Credit
are on a social tariff

APRIL 2022

69%

of benefits claimants
are unaware of social
tariffs as of April 2022

- **Three more providers have launched social tariffs since our last report in February, with nine providers now offering a social tariff.** This means that around 75% of fixed broadband customers can access one with their existing provider. As some major operators still don't offer a social tariff, the remaining quarter of all customers would need to switch to take advantage of the savings.
- **We are disappointed that some providers, including TalkTalk, Shell, EE, Plusnet, Vodafone, O2 and Three have not responded to our call to offer a social tariff.** We continue to urge all providers not offering a social tariff to do so. In the meantime, they should waive Early Termination Charges (ETCs) for customers who wish to switch to another provider's social tariff.
- **Take-up of broadband social tariffs has increased in 2022 but remains low, with just 3.2% of UK households receiving Universal Credit on a social tariff.** As of August 2022, there were 136,000 households on a social tariff compared with 55,000 in January 2022.
- **Our research on barriers to take-up found that almost 7 in 10 of eligible consumers are not aware that broadband social tariffs exist.** Our research has highlighted that the ability to switch to a social tariff easily and without fees is important to 9 in 10 consumers. However, there is a perception that a social tariff is likely to be less reliable (42%) and many of those eligible do not think or do not know that a social tariff is aimed at them (72%), even when they have broadband, are claiming government benefits and have a low household income.
- **All providers offer protections as part of their social tariff which address some of the barriers our research has highlighted.** Eligible consumers can switch to and from their provider's social tariff without ETCs, incurring zero or minimal set-up cost and most offer superfast connections that should meet the needs of consumers. Social tariffs also offer a discount on commercial tariffs and are not subject to any mid-contract price rises.
- **Providers currently offering a social tariff should do much more to promote them to eligible customers.** Social tariffs should be prominent and easy to find on provider websites, contact centre staff should be trained to identify where social tariffs may be needed by customers, and providers should use regular communications, such as end of contract notifications, to highlight social tariffs.
- **Providers should consider more targeted awareness raising for consumers who are at most risk of communications being unaffordable.** Those eligible for a social tariff are more likely to be younger, lower income families, have someone in the household with a limiting condition and either work part-time or are not working. Our segmentation analysis suggests households of working age, that are not working or are not in full-time work are those who are most likely to have affordability problems.

Our work on affordability

The affordability of communications services remains a priority for Ofcom, particularly in the context of wider cost of living pressures on households and above-inflation price rises that have been implemented by some major providers. Our work on affordability is focused on two key areas.

Monitoring the support offered by providers, in particular the availability and take-up of social tariffs

- We will continue to monitor and report on the extent to which households have difficulty paying for communications services through our regular affordability tracker research.
- We will continue to engage with providers to address the gap in the availability and awareness of social tariffs.
- We will also publish updates on social tariff take-up over the course of 2022 and into 2023 to track progress.

Addressing barriers to help increase take-up of social tariffs among eligible customers

- We will continue to work with government, consumer organisations and providers to help raise awareness of social tariffs.
- We will conduct further behavioural research into social tariffs to identify new ways to help reduce barriers to take-up.
- We will build on our demographics analysis to develop our understanding of consumers at higher risk of communications affordability issues.

Rest of this document

- **Section 1:** presents a summary of our latest affordability tracker research.
- **Section 2:** provides an update on social tariff take-up and availability.
- **Section 3:** introduces new research on barriers to broadband social tariffs.
- **Section 4:** outlines new analysis on the demographics of those eligible consumers who are at most risk of communications being unaffordable and identifies the characteristics of those groups who are more likely to benefit from a social tariff.
- **Section 5:** sets out our expectations on providers to introduce social tariffs, promote them to raise awareness and to tackle the other barriers we have identified.

Alongside this report, we are also publishing our statement on changes to the '[Treating vulnerable customers fairly guide](#)'. Among other changes to best practice recommendations for providers, the guide has been amended to explicitly reference the offering of social tariffs as a step providers should take before considering disconnection.

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Section 1: Affordability of communication services

Ofcom has a duty to carry out, publish and take account of consumer research regarding the experiences of consumers of communications services. In discharging these duties, we regularly collect and publish market intelligence and consumer research information on the affordability of communications services.

This report follows those published on the Affordability of communications services in December 2020¹, July 2021² and February 2022.³ Our regular monitoring has found that significant numbers of consumers face affordability issues with accessing internet services, including fixed broadband and mobile internet services. In light of these findings we have focused our attention on the role social tariffs can play in supporting households on means-tested benefits⁴ and urged all providers to offer and promote social tariffs.

Cost of living impact on the affordability of communications services

Concerns about the cost of living have increased significantly since our February 2022 report. Many UK consumers are experiencing growing financial pressures, with rising retail prices and substantial increases in household bills causing concern for households.

These pressures are reflected in the latest results of our Communications Affordability Tracker, which we are publishing in an [interactive form](#) alongside this report. The latest tracker results from July 2022 show that just under 3 in 10 households in the UK are struggling to afford their communications services. This is continuing the increase in household affordability issues that we have seen since April 2021 and is the highest since the research began in June 2020.

Affordability issues are also at the highest levels we've seen for all individual communications services, apart from fixed broadband (5%). Around 1 in 10 households said they struggled to pay for

¹ Ofcom, 18 December 2020, [Affordability of communications services](#) ("our December 2020 report").

² Ofcom, 22 July 2021, [Affordability of communications services](#) ("our July 2021 report").

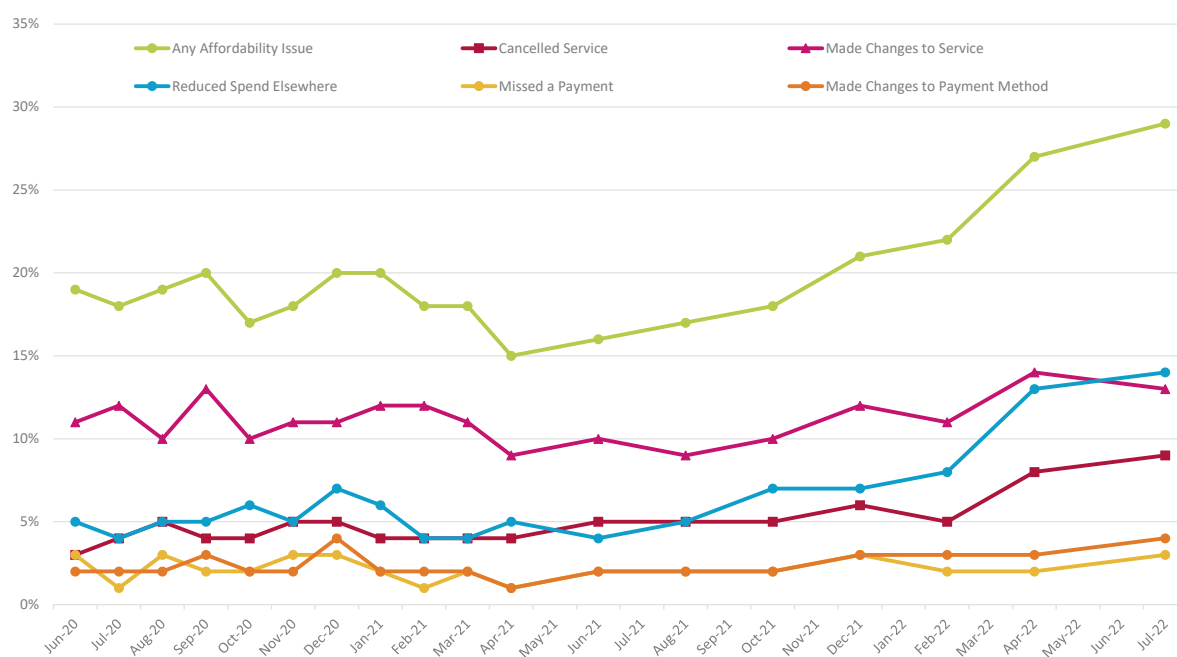
³ Ofcom, 15 February 2022, [Affordability of communications services](#) ("our February 2022 report").

⁴ Ofcom does not have the power to introduce regulated social tariffs without being directed to do by the Government. For more details on the legal framework for our work on affordability see Background section of our July 2021 report.

their pay TV⁵ (12%)⁶, on-demand⁷ (11%) or mobile services (9%). 4% of households said they experienced landline affordability issues.

In order to pay for their communications services, UK households are most likely to make adjustments to their services or spending patterns, with 14% reducing spend elsewhere (e.g. on food and clothes) and 13% making changes to a service. Just under 1 in 10 households said they had cancelled a service and 4% said they had made a change to a payment method.⁸ However, we are not seeing current affordability pressures result in an increase in the number of people missing a payment (3%).

Figure 1: Trend in experience of affordability issues



Source: Ofcom Communications Affordability Tracker. Base: UK decision makers aged 18+

As we have seen in previous reports, households in receipt of benefits, households on the lowest incomes and those with someone in the household who has a condition that impacts or limits their use of communications services⁹ are the most likely to experience affordability problems.

⁵ Defined as “a TV service with additional channels you pay to receive (e.g. Sky, BT TV, Virgin Media, EE TV, Talk Talk TV, etc.)”

⁶ For all communication service specific statistics, the base is all current or recent consumers (i.e. those that cancelled in the month prior to interview) of that communication service, rather than all decision makers.

⁷ Defined as “any on-demand and streaming TV and video services that you pay to receive (e.g. Netflix, NOW TV, or Amazon Prime Video, etc.)”

⁸ These changes included: using savings, credit card, agreeing a payment break, overdraft, taking out a loan/borrowing money, entering a repayment agreement plan and company unable to accept payment in usual way.

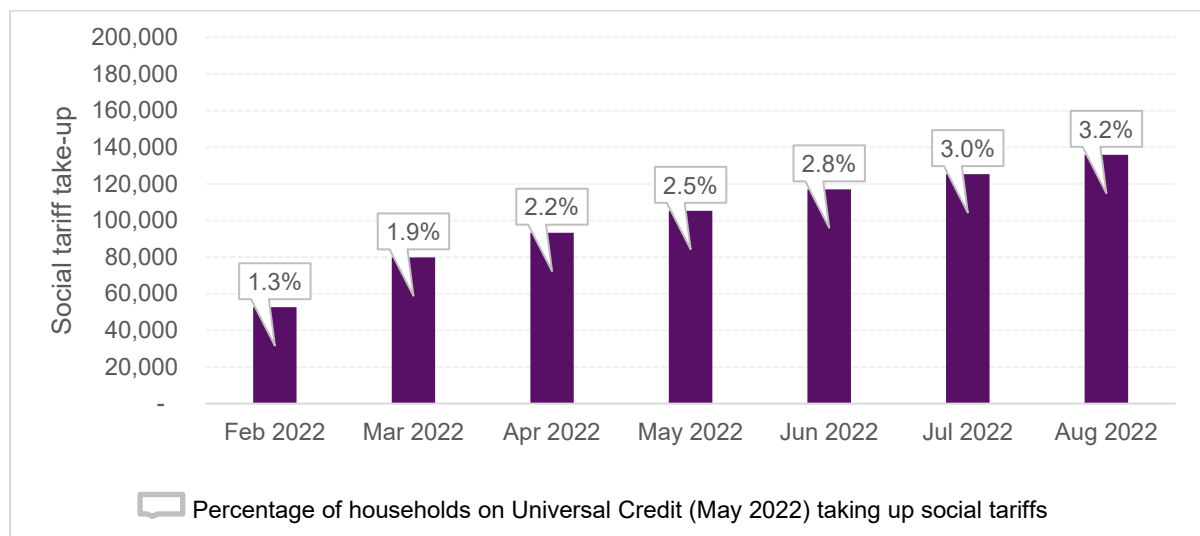
⁹ Ofcom, 15 February 2022. [Affordability of communications services](#), page 7.

Section 2: Take-up of broadband social tariffs

Take-up of broadband social tariffs has increased but remains low overall

In our February 2022 report, we reported that 55,000 households were on a social tariff. Take-up since then has more than doubled and, at the beginning of August 2022, stood at 136,000 households.¹⁰ Most of the increase is accounted for by growth in tariffs already available at the time of our February 2022 report.

Figure 2: Social tariff take-up



However, take-up remains low compared to the number of eligible consumers. While exact eligibility criteria vary between providers, all current social tariffs are available to consumers receiving Universal Credit. In May 2022, 4.2m households were receiving Universal Credit.¹¹ Current take-up

¹⁰ We include the legacy BT social tariff 'BT Basic Broadband' in the take-up figures. This product was also included in the February take-up numbers.

¹¹ This is the number of households who are in receipt of Universal Credit payments. DWP also publishes statistics on households whose Universal Credit claims are still being assessed, which we have excluded.

of 136,000 households equates to 3.2% of these households, representing a very small proportion of consumers who are eligible and may be in need of help.¹²

The availability of social tariffs has increased, with around 75% of customers able to access one with their existing provider

There are now nine providers offering social tariffs in the broadband market. This represents improved coverage in the market, with around 75% of eligible consumers able to access a social tariff provided by their existing fixed broadband supplier. This equates to over 96% geographical coverage.¹³

In our February 2022 report, we reported that six providers offered social tariffs, all in the fixed broadband market. Since then, Sky launched a social tariff for its existing customers, and a social tariff under the Now brand for new customers. Country Connect and Air Broadband also launched social tariffs.

Vodafone has relaunched its social tariff for the mobile market, 'Voxi For Now' and KCOM has reduced the price of its social tariff from £19.99 to £14.99.

We urge all providers not offering a social tariff to do so. We specifically restate our call for EE, Plusnet, Shell, TalkTalk and Vodafone in the fixed broadband market and all major mobile providers to introduce a social tariff.

Table 3: Social tariffs with price, speed and eligibility criteria

Provider and tariff	Price	Speed	Universal Credit	Pension Credit	Legacy benefits ¹⁴	Other benefits ¹⁵
Air Broadband Air Support	£20	100Mbit/s	✓	✓	✓	✓
BT Home Essentials	£15	36Mbit/s	✓	✓	✓	
BT Home Essentials 2	£20	67Mbit/s		(Guarantee Credit)		
Country Connect Social Tariff	£15	50Mbit/s	✓	✓ (Guarantee Credit)	✓	
G.Network Essential Fibre	£15	50Mbit/s	✓	✓ (Guarantee Credit)	✓	
Hyperoptic Fair Fibre 50	£15	50Mbit/s	✓	✓	✓	✓
Hyperoptic Fair Fibre 150	£25	150Mbit/s				

¹² We use recipients of Universal Credit as a proxy for eligible consumers for a social tariff, as we did previously in our February 2022 report. However, we recognise that some providers include other benefits in their eligibility criteria and therefore the actual number of eligible customers will be higher.

¹³ The 96% figure is based on superfast coverage. At decent broadband connectivity (defined as 10Mbit/s in the broadband universal service obligation), coverage would be 99%.

¹⁴ Legacy benefits include the six benefits replaced by Universal Credit (Housing Benefit, Income-related Employment and Support Allowance, Income-based Jobseeker's Allowance, Child Tax Credits, Working Tax Credits and Income Support). Please check the relevant provider's website for the legacy benefits they accept.

¹⁵ Other benefits include Personal Independence Payment and Attendance Allowance. Please check the relevant provider's website for the other benefits they accept.

Provider and tariff	Price	Speed	Universal Credit	Pension Credit	Legacy benefits ¹⁴	Other benefits ¹⁵
KCOM Full Fibre Flex	£14.99	30Mbit/s	✓ (with zero earnings) ¹⁶	✓	✓	✓
NOW Broadband Basics	£20	36Mbit/s	✓	✓		
Sky Broadband Basics	£20	36Mbit/s	✓	✓		
Virgin Media Essential Broadband	£15	15Mbit/s	✓			
Vodafone VOXI for Now	£10	n/a	✓		✓	✓

Ofcom maintains an up-to-date list of social tariffs, average speeds and prices on its website.¹⁷

A quarter of customers would have to switch provider, and may incur early termination charges, to access a social tariff

We are disappointed that EE, Plusnet, Shell, TalkTalk and Vodafone in the fixed broadband market and all major mobile providers have not responded to the call in our February 2022 report to introduce a social tariff. Customers without access to a social tariff from their existing provider who encounter affordability issues would need to switch provider in order to benefit from a social tariff.

In our latest End of Contract Notification (ECN) report¹⁸ we estimated that in September 2020 around 65% of customers were in-contract with their current broadband provider. If a customer looking to switch provider to access a social tariff is in their minimum contract period, they are likely to be subject to ETCs which will reduce the potential saving from moving to a social tariff.

In our February 2022 report, we estimated that the value of a social tariff to a customer was £144 per year, based on a social tariff of £15 per month and a commercial price of £27 per month.¹⁹ Our analysis suggests that ETCs range on average between £10 and £14 per month, meaning that for a customer with 6 months remaining on their contract, an ETC would reduce the savings from the social tariff by 40-60%.²⁰ Some customers may be unable to pay such a charge resulting in them being unable to access a social tariff altogether.

¹⁶ KCOM's Full Fibre Flex [webpage](#) refers to Universal Credit with zero earning as a Universal Credit claimant who "doesn't receive any earnings from employment or self-employment during their Universal Credit assessment period".

¹⁷ Ofcom, [Cheaper broadband and phone packages](#).

¹⁸ Ofcom, 30 November 2021, [Helping customers get better deals](#), page 5.

¹⁹ Ofcom, 15 February 2022, [Affordability of communications services](#), page 13.

²⁰ For example, if a provider not offering a social tariff applied an ETC of £10 for each month left on the contract at the point the customer leaves, and a customer with 6 months remaining on their contract was to switch to a provider which offers a social tariff, they would potentially incur a cost of around £60. This represents around 40% of the £144 savings a social tariff can offer. For longer contract periods, the impact would be more severe.

Waiving ETCs would remove this barrier to switching and help eligible consumers access the support a social tariff offers. Where providers do not offer a social tariff, we ask them to set a clear policy to waive ETCs for consumers who choose to switch to a social tariff offered by an alternative provider.



Section 3: Barriers to the take-up of social tariffs

Earlier this year Ofcom conducted qualitative research²¹ among those eligible for a broadband social tariff. This research was designed to understand the potential barriers to taking up a broadband social tariff. The research found there were five main barriers to take-up: a sense the tariffs were not ‘aimed at households like theirs’; worries that cheaper broadband will be less reliable; the need for flexibility to move in and out of a social tariff, when needed; a reluctance to give up their pay TV service to take up a social tariff; and a reluctance to change the account holder to the person eligible for a social tariff.

This section contains the key findings from further research we commissioned in April this year to quantify these barriers.²²

Almost 7 in 10 of eligible customers are not aware that broadband social tariffs exist

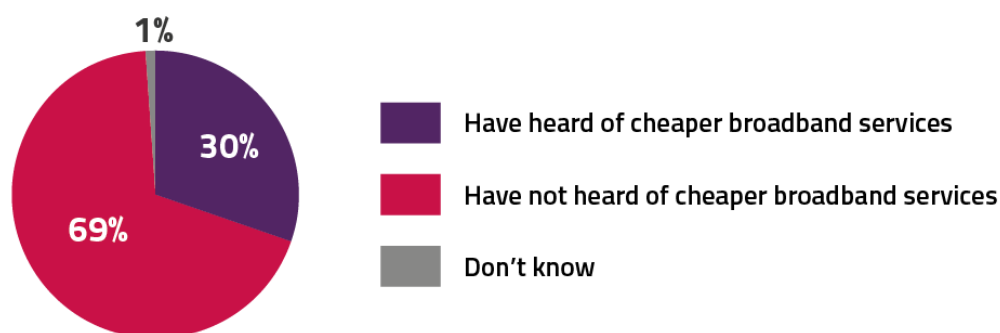
Our February 2022 report highlighted low levels of awareness of social tariffs. Although social tariff take-up has increased since then, our quantitative research conducted in April 2022 showed that there continues to be a lack of awareness of social tariffs among those who are eligible. The research found that 69% of UK adults living in eligible households had not heard of the cheaper broadband services they could access, compared to 84% of eligible households in January 2022.²³ Media coverage of our February report, our awareness raising work with partners, the launch of some new social tariffs and some promotion undertaken by providers have contributed to this welcome increase. However, awareness is still very low and is likely to act as a major barrier to greater take-up.

²¹ 20 interviews were conducted among a sample of eligible consumers with; standalone fixed broadband, fixed broadband and Pay TV and mobile internet only (those who only have mobile broadband and no fixed connection in the household). The interviews were conducted via zoom and lasted 20 minutes. Fieldwork was between January and February 2022.

²² Online omnibus research, among 2067 UK Adults aged 18+, 499 of them in households eligible for a social tariff. Fieldwork conducted between 13 and 14 April 2022. See the [Technical Annex for more information](#).

²³ It’s important to note that while the collection method (online) and sample sizes (c.2000) were the same, there were some differences in how the benefits questions were asked between the two surveys and the questionnaire structures were also different, which could affect the results.

Figure 4: Awareness of broadband social tariff among those who are eligible



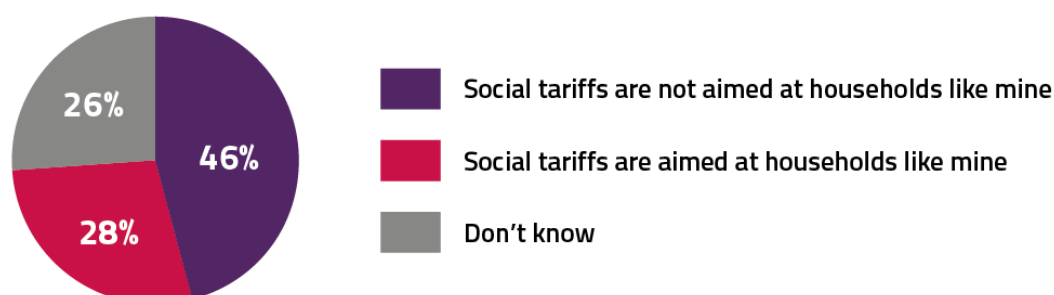
Source: Ofcom barriers to broadband social tariffs. Base: All eligible for a broadband social tariff and have fixed broadband (437)

Perceptions of social tariffs among those eligible can also be a barrier to take-up

Many of those eligible for a broadband social tariff do not think it's aimed at them

Our quantitative research found that many of those who are eligible did not think, or were unclear, that a broadband social tariff was aimed at households like theirs, even when they have broadband, are claiming government benefits and have a low household income. Just under half of eligible people agreed that broadband social tariffs “are not aimed at households like mine”, with a further quarter saying they ‘don’t know’ if they are aimed at them.

Figure 5: Proportion of eligible households who said broadband social tariffs “are not aimed at households like mine”²⁴



Source: Ofcom barriers to broadband social tariffs. Base: All eligible for a broadband social tariff and have fixed broadband (437)

²⁴ See Q20 in [Barriers to a broadband social tariff research questionnaire](#)

The specification of the majority of social tariffs currently available meets most eligible households' broadband needs

In our quantitative research, we asked those eligible for a social tariff about how they use their broadband at home to understand what speed they require, and what broadband speed they currently pay for.²⁵

We asked two questions to better understand what broadband speeds eligible households are most likely to need. Firstly, how many people in their household use broadband for specific activities, like streaming TV and films.²⁶ Secondly, we asked which of these regularly happens at the same time as other online activities, for example, one person making video calls while another is playing online games. Making video calls and streaming video content at the same time through the same connection requires a faster speed (higher bandwidth) than standard broadband can provide. We combined the answers to these two questions and found 62% of eligible households require a superfast broadband connection for their current activities.

Figure 6: Proportion of eligible households we estimate require superfast broadband



Source: Ofcom barriers to broadband social tariffs. Base: All eligible for a broadband social tariff and have fixed broadband (437). Criteria for requiring superfast broadband: if a household is making video calls and streaming video content at the same time. This can be one individual or multiple people in the household.

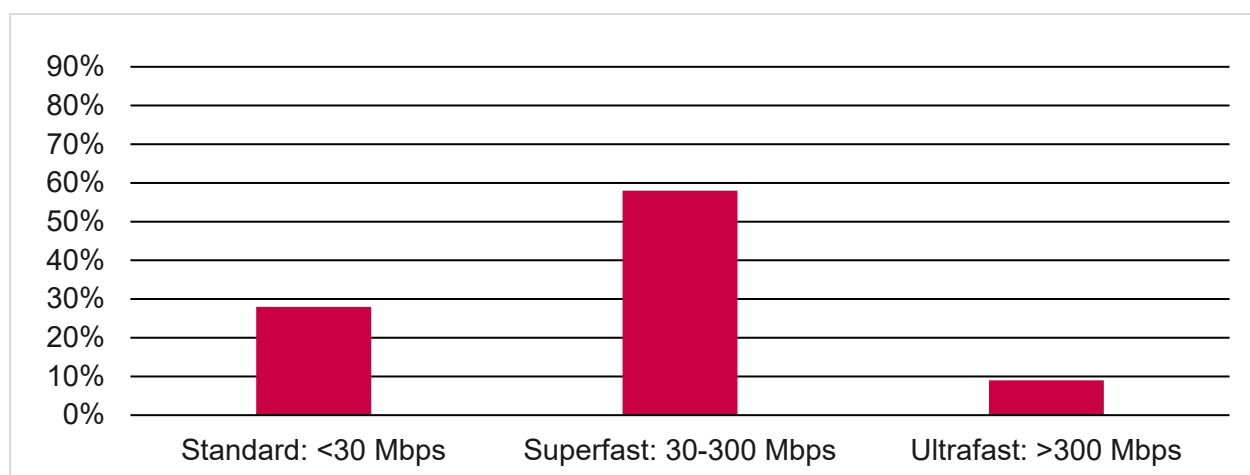
58% of eligible households told us that they currently pay for a superfast broadband service (30-300 Mbit/s), with 28% reporting that they pay for a standard broadband speed service (up to 30Mbit/s) and 9% for ultrafast broadband service (>300 Mbit/s). As most social tariffs offer superfast broadband, the results from our research point to these tariffs meeting the needs of most eligible customers.²⁷ However, we note that the speed of the Virgin Media Essential Broadband at 15Mbit/s is not superfast. Given the importance placed on speeds by consumers, we urge Virgin Media to offer a social tariff with higher speeds to eligible consumers.

²⁵ See Q12 in [Barriers to a broadband social tariff research questionnaire](#) – prompted question on which fixed broadband speed does your household have?

²⁶ See Q13 and Q14 in [Barriers to a broadband social tariff research questionnaire](#). Activities typically used: Making video calls; streaming video content, accessing information and using social media, streaming audio (music, podcasts etc.); sending emails/instant messages; online gaming; online shopping/banking and Which happen at the same time (Q14). If “making video calls” and/or “streaming video content” regularly happen at the same time we classified these households as needing a Superfast broadband connection.

²⁷ See the [list of social tariffs](#) on our website.

Figure 7: Eligible households' self-reported speeds



Source: Ofcom barriers to broadband social tariffs. Base: All eligible for a broadband social tariff and have fixed broadband (437)

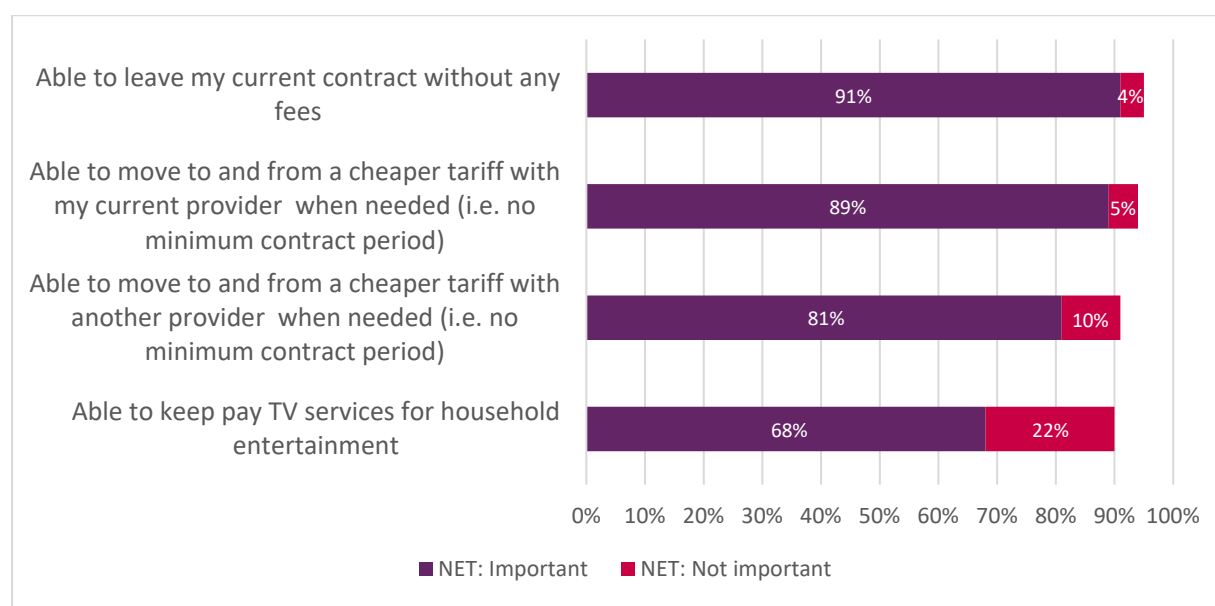
Consumers perceive the cheaper price of the social tariff will result in a worse service

Our qualitative research found that some eligible consumers were concerned that a cheaper tariff will lead to buffering and quality issues. When we explored this in our quantitative research, we found that 42% of eligible consumers agreed with the statement that 'as social tariffs are cheaper, they're less likely to be reliable' and 27% of people said they 'don't know'. From these results and those of the qualitative research, it does appear that some eligible consumers perceive the cheaper price of the social tariff will result in a worse service compared to other products and this may act as a barrier to take-up.

Switching to a social tariff easily and without fees is important to consumers

Our quantitative research found that 91% of those eligible for a broadband social tariff said that it is important that they can leave their current contract without any fees. A similar proportion of eligible consumers (89%) said it's important that they can move between contracts with their current provider when needed, and 81% said that it's important to be able to move to another provider.

Figure 8: Importance of other features as part of a social tariff



Source: Ofcom barriers to broadband social tariffs. Base: All eligible for a broadband social tariff and have fixed broadband (437)

As we explain in Section 2 of this report, we estimate that around 65% of customers are in-contract so they may have to pay fees to move onto a cheaper social tariff with another provider. These findings highlight the barrier that ETCs may play for many eligible customers.

Some consumers want greater flexibility over their service than social tariffs currently offer

The ability to retain their pay TV service is important to consumers

Our qualitative research suggested that eligible households who bundle a broadband and pay TV package would be less willing to switch to a social tariff if they could not include their pay TV package.²⁸ This was confirmed in the quantitative research (see chart above). Among those who were eligible for a broadband social tariff and who already had a pay TV service, 93% said that it is important that they can keep their pay TV for household entertainment.

This suggests that consumers purchasing a broadband and pay TV package may be discouraged from switching to a broadband social tariff, if it meant going without the pay TV element of the package. A social tariff that allows for consumers to bundle these two services would likely overcome this potential barrier.

²⁸ As part of the questionnaire, we defined pay TV as: “A TV service with additional channels you pay to receive (e.g. Sky, BT TV, Virgin Media, EE TV, TalkTalk TV, etc.)”

For some households it may not be appropriate that the broadband account holder is the person in receipt of benefits

Currently social tariffs require the account holder to be the person receiving government benefits, but this was cited as a concern by some eligible households. While our research found that over four in five agreed they would be happy for the broadband account holder to be the person who receives the eligible benefits, we did find that 6% did not agree with this and a further 12% replied they did not know whether they agreed or not.

It is likely that for most eligible households this is not an issue, but in some households, there are good reasons why the person in receipt of benefits should not or cannot be the broadband account holder; for example, they may have a condition that makes decision making and managing the payment of broadband bills very difficult. As it currently stands, these households will not be able to access a social tariff.



Section 4: Analysis of eligible consumers

For households to be eligible to receive a broadband social tariff, they will need to be in receipt of certain benefits. The criteria vary from provider to provider, but we understand this group is diverse and has varying degrees of affordability issues.

We have undertaken analysis looking at the demographics of those eligible for a social tariff to identify households who are more likely to experience problems paying for their communications services and would therefore benefit most from a social tariff. To give us a sufficiently robust data set of those currently eligible²⁹ and who have affordability problems, we combined the last four waves of the *Communications affordability tracker* (December 2021, February, April and July 2022).³⁰ Alongside this, we ran some additional segmentation analysis to understand if there was a range of combined characteristics that these households shared that could be used to target support to them.

Households that are eligible were twice as likely to have a broadband affordability issue

One in three of those eligible for a broadband social tariff said they had a communications affordability issue³¹ (compared to 22% of those not eligible) and were significantly more likely to experience each of the affordability issues captured on the communications affordability tracker³² when compared to those not eligible for a social tariff.

Those eligible for a broadband social tariff were twice as likely to say they reduced spend elsewhere (e.g. on food and clothes) to afford their communications services in the last month (18% vs. 9%), and or cancelled a service (12% vs. 6%), as households who are not currently eligible for a broadband social tariff. When looking just at fixed broadband affordability, 10% of those eligible said they had a broadband affordability issue in last month compared to 5% of those who are not eligible for a social tariff.

²⁹ For this piece of analysis we used a wide definition for eligibility as there is some variation by provider. Eligibility included all types of benefits captured on the communications affordability tracker, apart from Pensions Credit (no Guaranteed Credit) and Carer's Allowance.





³⁰ This gave a sample of 800 respondents eligible for a broadband social tariff.

³¹ An affordability issue could be related to broadband, mobile, landline, pay TV and or On-demand services. Respondents could have experienced one issue related to one service or multiple issues with different services. We ask providers about affordability issues experienced in the previous month.




³² The five affordability issues captured on the communications affordability tracker are: Made changes to a service to afford it, reduced spend elsewhere (e.g. on food/clothes), changed payment method, missed a payment and cancelled a service.

Those eligible are more likely to be younger, lower income families, have someone in the household with a limiting condition and either work part-time or are not working

When compared to those households that are not eligible for a social tariff, our demographics analysis found that those eligible were more likely to:

	be younger (aged between 18 to 24 years old)
	be from the DE socio-economic group (46% vs 18%)
	have children (36% vs. 27%) than non-eligible households.
	have someone in the household with a condition ³³ that limits or impacts on their use of communications services (30% vs. 8% non-eligible)

In terms of their employment status, our analysis also found eligible consumers are less likely to be working full time (20% vs. 45% non-eligible) but more likely to be:

	working part-time (14% vs. 9%);
	not working and not looking for work (51% vs. 34%); or
	not working but looking for work (8% vs. 2%)

Eligible households were more likely to be a single adult household (37% vs. 23%) than non-eligible households.

Households of working age, that are unemployed or work part-time, are most likely to have affordability problems

To further understand the affordability issues of those eligible for a broadband social tariff, we ran a segmentation³⁴ of eligible households to help identify those with a risk of communications being unaffordable. The analysis identified four distinct groups, two of which were more likely to benefit from a social tariff.

Below is a description of the characteristics of each group, based on the demographic and affordability variables used to create them.

³³ The conditions included but were not limited to; hearing, eyesight, mobility, mental abilities or mental health.

³⁴ The segmentation analysis was run on the same four waves (December 2021, February, April and July 2022) of the Communications affordability tracker. See [Technical annex](#) for more detail on the segmentation.

Figure 9: Description of segments of households eligible for a broadband social tariff

Group	Eligible households	Any communication s affordability issues	Broadband affordability issues ³⁵	Description – from variables used to create the segments
Group 1	36%	3%	0%	Lower income, older, not working (many retired), 1 or 2 adults in household, no children in household
Group 2	24%	22%	2%	Middle to upper incomes, young or middle aged, working, half with children in household but more people in larger households, AB to C2 socio-economic groups
Group 3	27%	50%	15%	Lower income, younger, with children and in larger households, half working, more likely part-time, predominantly from DE socio-economic group
Group 4	14%	100%	39%	Lower income, mostly younger to middle age, no children and in smaller households. Half have someone in the household with a limiting condition. Most not working, from DE socio-economic group

Groups 1 and 2 were identified as being eligible for a social tariff but were not identified as having significant affordability issues either with their broadband service or with communications services overall. Groups 3 and 4, which make up just over two in five of eligible households, had greater affordability problems and would therefore be more likely to benefit from a broadband social tariff.

Those in group 3 were younger, lower income families, who work part-time. Those in group 4 are also lower income groups, but either aren't currently working or, if they are working, have someone in the household who has a condition³⁶ that impacts or limits their use of communication services.

Further analysis found that those in groups 3 and 4 were no different to groups 1 and 2 in terms of the types of benefits received. This suggests that targeting the promotion of social tariffs at recipients of a particular benefit would be of limited value. Targeting awareness towards people of working age who are currently unemployed (characteristics prevalent in both groups 3 and 4) would be a more effective way of reaching those who have a greater need for a social tariff.

³⁵ The base for this column is those in each group that own or recently owned (cancelled in the last month) fixed broadband.

³⁶ The conditions included but were not limited to: hearing, eyesight, mobility, mental abilities or mental health.

Not every household struggling with communications affordability issues is currently eligible for a broadband social tariff

While our analysis shows that the current eligibility criteria (set at its widest) capture a large proportion of those struggling with affordability issues, there are some households who are not currently able to access this support. Our analysis shows that 5% of households on the lowest incomes (earning less than £15,599 per year) would not currently qualify for a broadband social tariff and 7% of those not currently eligible for the tariff said they are not confident they will be able to pay for their communications services without making further changes in the next three months.

While social tariffs may not be accessible for these groups, in line with our updated Treating vulnerable customers fairly guide³⁷, we would still expect providers to make sure they are treating customers that are struggling to pay their bills fairly and are delivering good outcomes for them. The guide sets out a range of good practice and support measures that providers should adopt for customers who are struggling to pay or in debt.

We recognise that some providers already offer alternative types of support to struggling consumers. As an example, the National Data Bank, set up by the Good Things Foundation and supported by a number of mobile operators, give free SIM cards to people in need of help. We know a number of providers are offering alternate forms of support for consumers and we encourage them to continue to be proactive in this space.

³⁷ Ofcom, 29 September 2022. [*Treating vulnerable customers fairly: a guide for phone, broadband and pay-TV providers*](#)



Section 5: Tackling the barriers to take-up

Social tariffs offer the protections for consumers which address some of the barriers our research highlighted

- ✓ **Commercially discounted price:** the price should be below that of comparable commercial products, with current social tariff prices ranging from £10 – £20.
- ✓ **Price stability:** there should be no mid-contract price rises, with the price of the social tariff remaining consistent throughout the length of the contract.
- ✓ **Minimal set-up costs:** while there may be circumstances when switching to a social tariff will require some set-up costs, these should be kept to a minimum.
- ✓ **Targeted at low-income households:** tariffs are aimed at customers on means-tested benefits, with Universal Credit included in all providers' eligibility criteria. Additional eligible benefits vary by provider.
- ✓ **No Early Termination Charges to move onto the social tariff:** existing eligible customers should be able to move onto a provider's social tariff at any time free of charge if they choose.
- ✓ **No Early Termination Charges to exit the social tariff:** if customers choose to exit the social tariff before the end of the contracted period, they should incur no charge.
- ✓ **Market competitive speed:** the speed provided should be adequate for the needs of consumers.

These protections are common to all social tariffs and differentiate them from commercial tariffs. They address the following barriers we identified in our research:

1. Many of those eligible for a broadband social tariff do not think it's aimed at them

Social tariffs are available to consumers on a broad range of means-tested benefits with Universal Credit being the common benefit across all providers' social tariffs currently available. We expect eligibility checking to become much easier for all providers as a result of a service that has been

launched by the Department of Work and Pensions.³⁸ It has developed an API which providers can use to verify that customers are in receipt of a relevant benefit and therefore eligible for a social tariff.³⁹ This will enable providers to improve sign-up processes and we will monitor how the use of the API by providers impacts take-up of social tariffs.

2. Most eligible households need superfast broadband

The availability of social tariffs with broadband speeds adequate to meet the needs of consumers should reassure eligible customers about the quality of services offered on social tariffs. Our research found that 62% of eligible households require superfast broadband, and all providers except Virgin Media offer a superfast broadband social tariff.

3. Switching to a social tariff easily and without fees is important to consumers

Eligible consumers can move onto the provider's social tariff without incurring an ETC if they are still in contract. Most providers do not charge a set-up fee, or these are kept at a minimal level where they are applied.

In addition, all CPs have informed us they currently have no plans to increase the price of social tariffs. We expect social tariffs to continue to offer a discounted price against commercial tariffs. Consumers will also be able to move off a social tariff if their circumstance changes without incurring a penalty.

Consumers should also be able to access the social tariff for as long as they need it.

However, providers need to do much more to help consumers access and benefit from a social tariff

Availability of social tariffs: all providers should offer a social tariff

While we have seen new social tariffs become available over the last six months, wider availability of social tariffs will help to ensure all eligible customers have the same access to support. We continue to urge providers who are not offering a social tariff to do so, in particular, EE, Plusnet, Shell, TalkTalk and Vodafone and all major mobile providers.

Where providers continue not to offer a social tariff, they should waive ETCs as a matter of policy to enable customers to gain the full financial benefit of switching to the social tariff of another provider.

Awareness of social tariffs: providers should do more to promote social tariffs in a targeted way and raise awareness

Most of the social tariffs currently available are now established products and we would expect awareness of them to be higher, especially among eligible consumers, where awareness remains low. There has been more media coverage of social tariffs since our February 2022 report, and this is likely to have helped to increase take-up. Given the current economic situation and the financial

³⁸ [Cheaper broadband for struggling families: 14 August 2022 - GOV.UK.](#)

³⁹ The API will verify five benefits – Universal Credit, Pension Credit, Income Support, Income-based JSA and Income-based ESA.

pressures on customers, providers should recognise the importance of raising awareness of social tariffs from the perspective of social responsibility, fairness to customers and reducing digital exclusion. A targeted social media campaign by a provider, for example, could have a significant impact on raising customer awareness.

Providers' websites are a key element of promotion, and we expect providers to make social tariffs easy for customers to find and understand. We have reviewed providers' websites and sign-up processes to understand how it could be easier for consumers to take up a social tariff. This includes making the process quick, simple and including information on contract terms up-front.

We found that many providers failed to provide clear navigation to their social tariff page. At a minimum we would expect providers offering a social tariff to take the following steps:

- Ensure that the social tariff is prominent on the website, for example, by including the social tariff in their list of broadband options and placing the social tariff webpage one click away from the home page.
- Make it easy to find in their site search, as well as on third-party websites and through Google searches.
- Signpost social tariffs from all webpages where customers may be looking for help, for example customer FAQs and help pages, and pages aimed at vulnerable customers and those having trouble paying bills.
- Ensure that the terms and conditions are clearly outlined, as consumers are often concerned about hidden charges. This includes explaining what happens at the end of the tariff.

In addition to having clear webpages and navigation, customer service teams should be fully briefed on and prompted to suggest social tariffs to customers who are struggling with their bill or are financially vulnerable. Providers should use existing communications, such as end of contract notifications, to highlight social tariffs.

Our updated Treating vulnerable customers fairly guide⁴⁰ includes social tariffs as an area where providers could work with consumer bodies and charities to help raise awareness. Providers could also work with local authorities and housing associations, or any other groups that can help extend the awareness of social tariffs.

We recognise that not all customers who are eligible for a social tariff have the same level of affordability concerns. The demographic analysis set out in Section 4 identifies characteristics present for those who would benefit most from support. This may help providers to target their promotional activities around social tariffs and be more effective as a result.

Other barriers to take-up: Providers should provide clarity and flexibility where possible to consumers eligible for a social tariff

While awareness raising is vital, there are other barriers to social tariff take up which providers can start to address. For example, providers should give clarity on the benefits of social tariffs and

⁴⁰ Ofcom, 29 September 2022. [*Treating vulnerable customers fairly guide: a guide for phone, broadband and pay-TV providers*](#).

emphasise the protections which differentiate them from commercial tariffs, for example that social tariffs are not subject to mid-contract price rises.

Our quantitative barriers research also highlighted areas where more flexibility in social tariffs may be needed. For example, it found that over two-thirds of those eligible for a broadband social tariff said it's important that they can keep their pay TV for household entertainment which is currently not allowed by many social tariffs. For some eligible consumers, the need for the broadband account holder to be the benefits recipient is a significant barrier. Providers should consider taking a flexible approach on these issues where possible to help consumers access support they may need.