



Communications and Digital Committee

Corrected oral evidence: Digital exclusion and the cost of living

Tuesday 7 March 2023

2.30 pm

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Members present: Baroness Stowell of Beeston (The Chair); Baroness Featherstone; Lord Foster of Bath; Baroness Fraser of Craigmaddie; Lord Griffiths of Burry Port; Lord Hall of Birkenhead; Baroness Harding of Winscombe; Baroness Healy of Primrose Hill; Lord Kamall; The Lord Bishop of Leeds; Lord Lipsey; Baroness Wheatcroft.

Evidence Session No. 3

Heard in Public

Questions 37 - 42

Witnesses

I: Paul Morris, Head of Government Affairs, Vodafone; Helen Burrows, Content and Services Policy Director, BT Group; Helen Wylde, Chief Executive Officer, Wildanet; Tim Stranack, co-founder, Community Fibre and Chair, Independent Network Cooperative Association (INCA).

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Paul Morris, Helen Burrows, Helen Wylde and Tim Stranack.

Q37 The Chair: The Communications and Digital Committee is continuing its inquiry into digital exclusion, particularly in the context of cost of living pressures.

In a moment, I will invite the witnesses to introduce themselves. Before I do so, I should say for the benefit of everybody in the room, as I always do, that we are currently live on the internet. A recording of this hearing will be made and will be available subsequently on the website, along with a written transcript.

We have before us various different broadband providers and we are very keen to understand in particular their views about social tariffs, but also what is going on in the market more generally. We will also come to that with the second panel that we have today.

I invite each of you to introduce yourself and the organisation that you represent and perhaps to specify whether you are a wholesale provider, a wholesale and retail provider or maybe just a retail provider so that we are quite clear about the mix in front of us.

Paul Morris: I am head of government affairs at Vodafone. We provide mobile and broadband to our business and consumer customers. We have our own mobile network, but by and large we use Openreach for our broadband network, although we do have some fixed assets.

Helen Burrows: I am the content and services policy director for BT Group. We are both a wholesale and retail provider. Openreach is a wholly owned subsidiary of BT but is very much a separate company. We operate the consumer brands BT, EE and Plusnet, all of which sell broadband, but EE primarily also sells mobile.

Helen Wylde: I am the CEO of Wildanet, an alternative network provider based in Cornwall and Devon. We provide gigabit-capable fibre and fixed wireless access to rural communities in those areas.

At this moment we are a retail provider but, as we have won two of the Project Gigabit F20 awards, we will become a wholesale provider later this year as part of the requirements of those wins.

Tim Stranack: I am one of the founders of a company called Community Fibre. We started primarily as a retail operator but we are now moving into wholesale, focused on building fibre networks in London.

I am also chair of INCA, the Independent Networks Cooperative Association, representing the alternative network community via that trade body.

Q38 Lord Foster of Bath: As the Chair said, we are particularly interested in your views on social tariffs, not least because a number of previous witnesses have suggested them as one of the parts of the solution to digital exclusion. Social tariffs for mobile data and broadband from

broadband providers would be a good part of the solution.

What are your views on social tariffs, and how do you think they can fit into solving the digital exclusion thing? Perhaps I may start with Helen. We will not hold it against you that you used to work for Ed Vaizey, a former colleague on this committee.

Helen Burrows: Our view on social tariffs is that they are necessary but not sufficient to solve digital exclusion. That is why we have done more than any other operator to offer them. We were the first operator to have a social tariff, starting in 2009 with a voice-only service. That became a broadband offered social tariff in 2015.

In 2021 we relaunched that as a fibre social tariff and did a lot of work with DWP. We funded our own build with the department so that we could accurately verify those who were eligible. That took about a year. We were able to launch that about a year ahead of most of the rest of the industry.

We believe in them as a part of the solution, but digital exclusion is not just about affordability; it is about access. Is the network there? The industry is doing very well and we are closing in on the answer to that being yes for the vast majority of households.

It is about affordability, but it is also about whether an individual can afford a device and have the skills and will to use it. The biggest groups that are digitally excluded and currently not online tend to be the ones who lack skills and will, and that is more a primary driver than price. It is part of the answer.

There is another group for whom price is the first barrier, but we have run some pilots that suggest it is not the only one. We have run some small-scale pilots of fully funded broadband for those groups. We found that, even with that offer of it being completely funded, uptake was difficult to achieve.

We researched it further and found that for almost all those households there are other factors, perhaps around skills, language and a variety of other issues. These groups need support with all these issues to enable them to be digitally included, as well as questions around price.

Lord Foster of Bath: Given everything you have just said, which is incredibly helpful—if you sent us written information in more detail on what you have just said it would be really helpful—even with the explanation you have given, with take-up across the board at just over 3% of eligible people, does there not have to be more to it than the issues you have raised?

Helen Burrows: Broadband in total is now at 90% of households. If you are looking at digital exclusion on the basis of whether individuals and households are able to participate online, great progress has been made by the industry. From very few households having broadband 20 years ago when it was just being introduced, it has now climbed all the way to being around 10% who do not have that full connection at home.

With social tariffs, there are two different things going on at the moment. One is that the incomes of a very low income group are too low to afford any of the social tariffs currently available. They do not have enough income to meet their day-to-day housing needs and food and energy bills, so as much as many of that group understand the importance of connectivity, it is non-essential and they just cannot afford it. There is an issue there for that group.

For the other groups that are not online, cost is not the driver, so a social tariff is not the reason that would bring them online. The groups that social tariffs are supporting are the other ones that typically are connected currently but perhaps are struggling with affordability. There, we see our social tariff performing well. It is currently about 10% of our new customers. When we look at the data—I checked it for this—most of them are existing broadband customers who are moving to our social tariff because it is more affordable; it is not bringing many new households on to broadband.

Paul Morris: Similar to BT, we first launched a mobile social tariff, which we call VOXI For Now, during Covid. A lot of our experiences were learned during that. We were the first to launch a mobile one. More recently, we launched a broadband social tariff and we are combining the two. We offer that combined service for around 72p a day.

I agree with Helen that there are multiple reasons why people are digitally excluded. In your inquiry you have already heard from people about this, but it is not just about affordability or connectivity. We flag a few. Clearly, affordability is one; accessibility is the other, which you will hear about from the altnets and others.

As for access to devices, it could be laptops, depending on what you are trying to do; smartphones are another. There are also digital skills, but sometimes that can lead to other educational challenges: literacy, numeracy and other things.

The reality is that there are multiple reasons why, and I think the question is: how do you get to the point of understanding what that is? I hope your inquiry will delve into this. We have a bit of work to do there and this cannot be done just by the industry. We need to accept that this is absolutely essential for our population and we need to treat it as such, but that cannot be done just by the industry. We cannot do this on our own. We know that people have difficulties with affordability and other issues only when they tell us. We are not experts on this; we do not know until they tell us. We try to help when they do tell us, but we do not know until they do. These are important things to look at.

I agree that there is an issue about how we help people who will not be helped by social tariffs. We have been running a programme called everyone.connected, which is looking to work with the third sector and charities to help 4 million people out of digital exclusion. We have hit about 1 million.

We partner with the Trussell Trust to offer free SIMs at food banks. We are working with Good Things on its databank and a number of other programmes. At the moment, we are working with 1,000 charities.

There are different ways of doing these things, but it is an approach with many partners that include government, the industry and the third sector to try to see what we can do to solve this problem. It has to be treated as really important, as we treat other social issues.

Tim Stranack: I agree with what the others have said, but let me try to put some evidence around it for you.

I commend the Lloyds Bank digital index, which you may already have looked at and which does a lot of detailed research into this space. It found that last year 99% of the people it asked are now online—up from 95% in 2021. Consistent with what has already been said, it found that only a third of people said cost was an issue for them. Some 86% of those who were offline said it was their choice; they had no interest in being online. The lack of interest and low digital skills are far bigger barriers to digital inclusion.

Community Fibre has one of the lowest social tariffs available at £12.50 per month. We find that quite a lot of people look at our web page, which advertises that £12.50, but then see that our commercial tariffs, which are £17, £18 or £20, give them so much more and are probably so much less than they are currently paying their existing provider, so they choose that over the social tariff.

We have no barriers to our social tariff. People do not have to be on benefits in order to access it, but they tend to choose the faster tariffs. It is the competition in the market that is driving creativity, innovation and lower tariffs.

I caution that mandating a tariff from government or the regulator might have the unintended consequences of removing some of that creativity and innovation that we are currently seeing from the competition. We saw what happened with mandated tariffs in the energy industry and some of the unintended consequences. I do not think we want to repeat that in the telecoms industry.

Lord Foster of Bath: On the issue of not mandating it, leading to competition and so on, is there any evidence in the market that what you have done has led others to follow suit and find interesting ways of doing it?

Tim Stranack: I think so. The Ofcom page listing the social tariffs available has grown significantly over the past year with a number of providers providing social tariffs. That is just a consequence. They see what their competition is doing and they realise that they have to join in and provide their own social tariff.

As I say, it is not just the social tariffs. As people have a look and take an interest in them, they realise that the competition is delivering much lower prices for them and that if they switch operator they can get a much better deal than they currently have.

Helen Wylde: We are an altnet that provides rural communities, predominantly in Cornwall and Devon. The reason we put in a social tariff is that our research showed that Cornwall is about five times more likely to have universal credit than the average in the country. On that basis, we were set up by our founders with the clear indication of profit and purpose, the purpose being digital inclusion.

In Cornwall in particular, we can see that without the benefit of the social tariff it is not necessarily affordable for people to take what is effectively the fourth utility. We know from research carried out for us by a company called Curia last year that every time you exclude somebody it costs about £222 per household per year just on the initial benefits you lose out on, but it is also social, economic in terms of shopping, inclusion in terms of medical requirements, et cetera. Those really rural areas are really struggling. We believe that the social tariff is part of the solution as a door opener because it removes the lowest barrier—people who are most in need are frightened of having the conversation about affordability.

Everyone is right. There are other issues, but when you are on the doorstep talking to potential customers you find that the range of capability across the community is variable. It is not necessarily by wealth, age group and education. For whatever reason, there is very little pattern to this. You can go to a farm and find somebody who absolutely wants to put in their milk quota but does not know how to do it. They need a social tariff because the income from their farm is only £17,000 a year. You put that in and you show them how to do it. You can go to a pensioner and find they are using absolutely everything really well, but they also need a social tariff to do it.

There is a real need for some in-depth research about adoption rates, because as an industry we are working towards social tariffs in the way most utilities are, but adoption is potentially about education and understanding where you are in that cycle and what you need this to do.

What we have also done in Cornwall, which has worked very well for us, is social digital hubs. When we build out in a rural area we do a free hub at the back of a church, church hall or charity. We give them broadband free of charge for life. We find that those are an important part of the solution around social tariffs and things, because then you get the community discussing how people might get their prescriptions online, how they log on and whether they need to worry about security.

We found from working with the local council and other groups that that allows us to try to get rid of some of those issues, which are about digital confidence, and makes adoption of those tariffs come much more naturally, because you see the benefit but you also overcome your fears.

I think we have a really big challenge in rural Britain to get the uptake of digital skills in those areas and the uptake generally of what the technology does, which is what we are focusing on in that piece. The social tariff piece is a really important confidence booster for people in those areas to be able to do those things and start to move towards being part of the digital community and not excluded.

Baroness Healy of Primrose Hill: All your evidence so far has been exceptionally interesting. This committee is very keen to find out the pros and cons of social tariffs. I hear what you say. It is only a part of the solution, but, surely, as they do exist and people on benefits are not claiming them—it is only 3.2%—would it not be a good idea for the companies to try to do better in advertising them? I understand that if you go on to BT's website you cannot find out about the social tariff very easily. Do you not think that at least that is a socially responsible thing that your companies should be doing?

Helen Burrows: Sure. Our teams put their resource behind marketing the social tariff to the groups that need it in a way that follows the patterns of actual customer behaviour. It is findable on the website. There is a choice for us about whether we put it under general broadband products or another section that is about help and support.

To a certain extent, we have to make a choice. We have picked one, but you can always argue that it could be the other one. Most customers find our social tariff through search engine optimisation. Our numbers since we launched it have been growing very rapidly—doubling in the past year—and the fact that it is 10% of our new customers tells us that the customers for whom it is right are finding it easily and as they need to. Typical customer behaviour tends to be to google for something like social tariff or BT social tariff, and we have ensured that when you search for that you find our product.

The uptake numbers that we see suggest to us that we are reaching those customers in the right way. We do not do broader advertising because customers get very annoyed at being told about a product that they then find out they are not eligible for. As much as you can put in information saying, "This is for these groups", someone who is reading that advert will not necessarily clock that. They will get so far into the order journey and realise they cannot have it, and they do not like that. We try very hard not to annoy our customers. For all our products we try to get our messaging in front of the groups for whom it is most relevant.

Baroness Healy of Primrose Hill: Do you use the API tool that the DWP has brought in so that people do not have to prove they are on benefits and you as a company, with the customer's permission, can check that they are eligible? I thought it was a good idea.

Helen Burrows: We funded the development of our own with the DWP a year ahead of that. It works slightly differently. At some point in the future—I was talking to DWP about this not that long ago—we will probably migrate to the newer system it has built, but it is quite complex.

It involves work for the DWP and work on our own systems. The data point required is different in the system we currently use and the newer one.

We use a live verification in the order journey, so you do it once at the time—there is no waiting. It is online, so you do not have to submit a form to us.

One of the reasons we are being mindful about how we move to the new system is that at the moment, once you have done that, you do not have to act to be reverified; we do that automatically for you every year. There is something for us to figure out about migrating to the new system because we will have to go back to existing customers and ask them for a different bit of data.

Baroness Healy of Primrose Hill: Tim, I found it interesting to hear you say that, although people would go on to the social tariff, the commercial tariff would allow them to do more. Have you found that that depends on the family group, for instance, or is it just an individual choice?

Tim Stranack: We have not researched it in as much detail as that, but that seems to be the drift of what is happening.

I want to pick up on the DWP API. The reason we decided not to put any restrictions around our social tariff and make it available to everybody was in part the complexity of the DWP API and the work involved in trying to integrate with that. One of the problems with the DWP API is that you can use it only once a customer has contacted you. Therefore, it does not reach out to people and make them aware that social tariffs are available.

This is one of the things that Community Fibre has struggled with in London. We work with local authorities, housing associations and charities to try to identify households. We know that somewhere between 1% and 5% of households are offline. We try to work with them to identify which households that is, and it is extremely difficult. Typically, through a combination of perhaps those bodies not having the data or concerns around them sharing the data with the GDPR, they cannot provide us with a list of people who are currently offline and might need our help. If we had that, we could far more effectively target our help to those particular households.

The Chair: That is quite an interesting nugget of information in the context of a whole range of things.

Lord Kamall: I want to talk about eligibility for the social tariff. Can I be a bit cheeky and ask Paul and Helen? Why do you not offer your equivalent to the social tariff? Is it because you fear cannibalisation of your existing customers?

Paul Morris: Sorry?

Lord Kamall: Why do you not offer your social tariff to everyone rather than just people who are on benefits?

Paul Morris: The strategy we have been trying to follow is to focus help on those who need it the most, because obviously we need to balance it out. That is why we have gone for people on benefits.

On the previous question, I agree with the DWP point. We all started before the DWP system was put in place, so we are all working on what we have already, looking at it and trying to make sure that everything works well.

It is quite a complex conversation. There are multiple reasons why somebody is not online. As we said, it could be a number of things. Then I look at who can best have that conversation. We can do part of it. If someone self-identifies we can talk to them through our customer services, our retail and other places. It is on the banner of our website, so hopefully you can at least find it when you go there. It is there; I checked today. We have our resources.

When people engage with this system, whether it is DWP or the benefit system, is there a way of bringing digital into that conversation? That could be quite important. It is not just social tariffs then; it is what other help there might be. Other help might be needed, but the truth of it is that without that conversation throughout, even during Covid when the Government ran their own programme, take-up was quite low. That is the reality of it. We need to try a different way. We are doing our best, but we need to try a different way if we are to get to the bottom of the problem, what help should be provided and what people need now.

The Chair: Ms Burrows, do you want to say anything different from what Mr Morris said? In the interests of time, I ask you not to repeat everything he said.

Helen Burrows: That is fine.

The Chair: Do you take a similar position? Okay, that's fine.

I will move on and try to make sure that those of my colleagues who have supplementaries are mindful of that too.

Q39 Lord Hall of Birkenhead: If we can move on to mid-contract price rises and your justification for them, BT Group and Vodafone both landed on 14.4%, which is very precise.

I have read from Ofcom that there is a lack of knowledge among consumers about whether they would have price rises within contracts and, among those who did know, quite what the justification for them is. This is part of the review that Ofcom is going to do. What are your views on mid-contract price rises? Given the cost of living crisis, are the very meaty figures you are talking about right?

Paul Morris: We obviously take any decision to raise prices very seriously, particularly at the moment.

To balance out how our decision-making works, we are facing inflationary price rises across logistics, energy, employee costs and transport costs. We have our own price rises. We then have regulatory price rises. We have spectrum rises, which are also inflationary, and we have been required to introduce a whole load of new telecom security requirements—which we support—plus the Government have made decisions on which network providers we can use to build our network, all of which cost quite a lot of money.

Bear in mind that the most important thing we are trying to do, as well as support our customers, is maintain and build out this critical national digital infrastructure. The maintenance of that costs millions, and that is

before we get to ambitions around 5G and new technology. We have to balance how we continue to run this critical national infrastructure with how we raise prices.

We try to give people the best deal we can and communicate that they will also face inflation price rises as part of the deal they are signing up to. We tell our customers that when they sign up, and they get that in a number of ways. We are working with Ofcom in the inquiries it has started, as you know, so we will work with them through that, but I am very confident that we are providing that information to our customers.

It is a balance, but we need to remember that we are trying to maintain and build this critical national infrastructure, which we all depended on particularly during Covid, but which we all depend on all the time.

Lord Hall of Birkenhead: If I am a Vodafone customer, can you give me some idea of what proportion of my 14.4% increase—by the way, if I want to exit I pay a fairly hefty charge—goes on infrastructure?

Paul Morris: I cannot give you the proportion. Most of it is the inflationary rise, which is over 10%, and 3.9% is the actual rise. We invest multiple millions in our network. I really could not answer that.

Lord Hall of Birkenhead: The investment is somewhere between 3.9% and the inflationary rise, if you see what I mean.

Paul Morris: At the moment the industry is struggling to make a return on cost of capital, which means we struggle to borrow enough to invest. If you look at any of the commentary around the industry at the moment, you see that that is where we are. That is the challenge we have and that is where we are in the market. A balance needs to be struck between that and being able to build this out and maintain a network on which everyone relies. That is the balance we have to strike.

Lord Hall of Birkenhead: Ms Burrows, I put the same question to you, but can you also help us with another thing? We know that at least 3.2% of people are rightly getting a social tariff, and an awful lot of people are not. You can dispute that figure. What is your view on what as a company you should be doing, given these very high price rises, to help people who clearly cannot afford it and will want to opt out, if they can, of the high prices that you put in their way? I refer to people who are not on the social tariff.

Helen Burrows: Perhaps I will start with that and then provide a little more of the context of the journey that the industry has gone on.

As you say, the price rise is substantial this year. Mindful of that, we thought long and hard about the right thing to do. As Paul has set out, as an industry we face costs that are rising significantly, far more quickly than the headline rate of inflation, and we are making a once-in-a-generation investment in infrastructure. We will spend £5 billion on investment this year. At the end of this year we expect to borrow £1 billion to fund that in part.

We felt it was necessary, but before we made our decision we researched how affordable it was for customers. For our customers, the average

increase is about £1 per week. The research shows that telecoms make up a fairly low share of household spend and that it has been falling over the past five years. The UK industry offers great value in international comparisons. Average prices in the UK are 40% lower than they are in the US, and that is before you start looking at social tariffs.

On top of that, our customers are using more and more data each year. In the past few years we have seen a 50% increase in data usage each year. There are not that many services you can buy where you can use double the amount every year and not expect to pay at least a bit more.

Nevertheless, there is a group of customers who need support, and that goes beyond the group on social tariffs. We decided to go ahead with our price rise and then target our support on those who need it most. We supported and protected from price rises 10% of our customer base: 3 million customers. As a proportion, that is more than those who are currently reporting to Ofcom as having problems with affordability, which is about 6% of the market.

Lord Hall of Birkenhead: How do you identify those people, or have they identified themselves to you?

Helen Burrows: Some of them have. It is a challenge with data because we do not necessarily know for sure, but we can tell from our market research and the products they choose to take. The groups we have supported are everyone on social tariffs; we still have some on the voice-only product and we have some on broadband. All their prices are frozen.

We have a group of customers who are still on voice-only landlines. From our research, we know that they tend to be older and lower income, so they are also price protected; some are frozen and some have a smaller increase. Some 2 million mobile customers are on pay-as-you-go, which is the one that is hardest to know about. We found that through the pandemic. It is very difficult to identify within your mobile customer base who are the low-income customers. There are some very low-income households that are mobile only and pay-as-you-go because they like and need the flexibility of paying when they need to, but there are other households that take pay-as-you-go because it is perhaps a second occasional phone and they do not need the support.

Nevertheless, as that tends to be where those customers are, we have frozen our pay-as-you-go data charges too. There are 2 million of them. When you add up those groups, it is 300,000 on social tariffs, 700,000 voice-only landline and 2 million mobile customers, making 3 million. It is about 10% of our customer base.

Lord Hall of Birkenhead: Helen and Tim, is there anything you want to add to what has been said?

Helen Wylde: We took the decision on the basis of our customer base, bearing in mind that on the whole we are serving a poor rural community in Devon and Cornwall, to freeze our prices for two years. We did that because we have a social purpose as well as profit at our heart, but we have made good use of the government BDUK voucher scheme, which

has allowed us to utilise that to manage our costs on our build. That scheme has been one of the most important investments made in the infrastructure. It has allowed smaller players, such as the alnets, to come in and do those very remote parts, which are quite different from dealing with the massive rollout plans elsewhere, and serve those communities. We have repurposed that to be able to hold that price. We think that is right for the community we serve.

Tim Stranack: Let me add some evidence to that. In round figures, in London it probably costs us around £500 per property to upgrade it to the new fibre-optic network. I suspect that in Cornwall that would cost many thousands of pounds per property. The key here is that the huge investment of £30 billion being made in the broadband infrastructure of the UK at the moment has to be paid back at some point. What you will see is that in some cases those that are not implementing mid-contract price rises might have increased price rises at the end of the contract—sometimes known as loyalty penalties—and they have higher early termination charges, which you mentioned earlier, so at some point that money gets recouped. I think the controversial point is just how it gets recouped.

Helen Burrows: We have also made sure that any of our broadband customers who are eligible for our social tariff and who want and need to move can do so, and there are no penalties for that.

Q40 Baroness Fraser of Cragmaddie: You might have pre-empted my question because I want to turn to early-termination fees. What I have not quite understood is whether you think social tariffs are fit for purpose. Our evidence to date has shown that there is very low take-up of social tariffs. Paul and Helen have said it is very difficult to identify who may or may not be eligible. You said that exit fees are waived for people who identify themselves as being eligible for a lower tariff. Paul, should early-exit fees not be waived for all customers who are moving on to a social tariff? If any of you have comments about whether you think social tariffs are fit for purpose, I would be interested to hear them.

Paul Morris: I think it is the same answer as I gave before. There is a balance to be struck. As Helen identified, in terms of the total customer base the cost of data has gone down in the past five years and people are using more.

There is a balance. Clearly, prices have gone in a certain direction. As a country we are the most competitive bar one of our major competitors in the prices we offer. That is the landscape in which we operate, in an environment where we are continually asked to invest in our network, which is proving more difficult as we go along.

What can we do? We can focus the support we can give on people who need it most, and those we have identified are people in receipt of benefits. If they identify as existing customers, we will look at that and transfer them over.

Baroness Fraser of Cragmaddie: Waiving the exit fees?

Paul Morris: Exactly. Generally speaking, we have a specialist team as well as making sure that our customer service team is ready to engage. Sometimes, there might be an issue. We look at it on a case-by-case basis, but in principle we would transfer them to a social tariff.

Baroness Fraser of Cragmaddie: Tim, do you think people are not choosing to take a social tariff because the data requirements of social tariffs are not fit for purpose?

Tim Stranack: My view is no. They see that they can get faster speeds, possibly from alternative networks, for less than they are currently paying their existing supplier. The social tariffs become a non-option for them because they can save money and get a faster speed on one of the commercial tariffs we offer.

Context is all important. We are in a very dynamic, competitive market at the moment, and that is what will drive the best value and the best deal for consumers. A couple of recent decisions by Ofcom—and, indeed, some by BDUK, such as the Equinox 2 consultation—mean that that competition is maybe being questioned at the moment. I urge the committee to ask the Government to recommit to infrastructure competition in the market because that is what will deliver the best value to all customers, including those who are less well off.

The Chair: We may come back to that theme a bit later.

Baroness Harding of Winscombe: Given my background, it will not come as a huge surprise where I am going to go.

I want to talk about wholesale pricing and its impact. Tim, it is a nice follow-on from your point about wholesale competition. The written evidence submitted by BT was very striking: "Openreach pricing is regulated by Ofcom to support network roll-out and upgrade. Lower Openreach prices would only reduce the funding available for network build". My question is: how are you squaring the circle of investing in higher speeds and not widening the digital exclusion gap? Perhaps we can start with Helen and the Openreach perspective. How does Openreach play a role in digital inclusion if its whole approach to pricing is about network build?

Helen Burrows: Openreach does have a scheme for households new to broadband via social tariffs where it waives some of the set-up charges of getting that new household connected. It is taken through the CP.

Baroness Harding of Winscombe: The CP?

Helen Burrows: The retail provider of broadband needs to apply for that via Openreach.

The idea has been floated before that one solution is to look at Openreach pricing for social tariffs, but a few things need to be kept in mind. One is that for most of the households that are not currently online and taking broadband, price is not the thing that will motivate them to do something different and take it. Most of the households eligible for social tariffs at the moment already have broadband. The

question then is: why are they not moving to it, and what if they did? If you made the price cheaper, would they move?

We did some market research before we launched our social tariff and found that, if you set the price too low, customers believe that it probably would not be good enough, no matter the facts of the service. In the customer's mind there is a strong association between price and quality, so if you offer them something at too low a price, not all of them will read the facts of the quality and speed of the service and see it as a great deal. They will doubt it and say, "I don't know". That clearly came out of the research. There is a question there about whether driving prices lower will move those who are currently eligible and typically already have broadband.

There is also a consequence of that in the envelope available for investment. As I said, we are spending £5 billion a year on average at the moment, but our current revenues do not cover that. We are borrowing. If you move to a world where there is a larger number of social tariffs and Openreach perhaps is taking a lower charge for them, you reduce the amount of money available.

There is then a trade-off and a choice between that being perhaps a policy priority and accepting that fibre build will go a bit slower. The alternative for policymakers is to fund that shortfall. If you look at other markets, you see that France has great outcomes, but it has put more than double the amount of public money into the telecoms industry and network investment in the past decade. There is not enough money coming into the industry to support the current obligations, so if the aim is to move a bigger group of customers on to lower tariffs there are trade-offs and hard choices associated with that.

Baroness Harding of Winscombe: That is very different from the evidence that the committee heard last week. You have said that a third of people who could have access to this social tariff are not, because of price. Are you really saying that they would not take it if the price was much lower because they would not trust BT, Vodafone, TalkTalk or Sky? I am struggling to believe that people for whom £2 or £3 a week really makes a difference to how they live their lives would not trust your broadband product if it was much cheaper.

Helen Burrows: The evidence I have seen on the very low-income group is that discounts of a few pounds are not enough to help. The DWP showed me data indicating that their current income is not sufficient to meet their basic needs and they cannot afford anything. We have run some trials of fully funded broadband for those groups and struggled to get uptake above 30%. Cost is an issue for them. For that group, there is a need for a serious look at funding because income is so low. They are in poverty in general, not just unable to afford connectivity. But also, that is not the only issue going on for that group.

Paul Morris: Clearly, Openreach should be providing a wholesale social tariff that the rest of industry can use. That is what we have been asking it to do, and it needs to do that. If it does not want to do that, maybe someone should suggest that it does because that then supports the rest

of us providing social broadband tariffs. We are all paying Openreach for a service.

This is the debate that we had during the legal separation debate. We are paying for that service, but BT and Openreach are the same company, effectively, with a legal separation none the less.

The company—Openreach—that provides the broadband service should be making its contribution, as should other people in the ecosystem, but particularly for connectivity it should be making a contribution and providing us with a wholesale social tariff.

Baroness Harding of Winscombe: If I may, Chair, I have a final question—I wonder whether Helen Wylde and Tim will comment. Helen, it sounds as if you are providing it in Cornwall. Your social hubs sounded amazing. That sounds like a form of wholesale social tariff.

Helen Wylde: I do not know whether we could put it into that bucket. The way we looked at it was to try to deal, bluntly, with the need that we could see in the community. We will be putting a wholesale tariff out later in the year, but that is in part because as an altnet I do not want to do TV and quad band. If we want to remain in the market in the south-west, we need to open up our network for rural customers who may want more than I can offer them.

From that perspective, that is why we believe that there should be room for wholesale tariffs in the altnet market alongside a very different set of requirements for the larger operators—we need to follow that line in order to provide those services.

They are two slightly different things. They came out of a different place. That is why we also say that you have to have wholesale alongside retail to give lots of choice.

Tim Stranack: You have to be a little careful what you wish for here, because just lower wholesale prices is a very active debate in the industry at the moment. We are in a position where BT Group is reducing its wholesale prices across the board to the likes of TalkTalk, Vodafone and BT retail while increasing retail prices—Baroness Harding will be familiar with margin squeeze—and there is a big fear from the altnet community at the moment that the prices that BT is charging for wholesale are being pushed so low to ensure that it keeps those large customers, the TalkTalks and the Vodafores of the world, below the price that can be sustainable by altnets.

Baroness Harding of Winscombe: I take that point very seriously in the broad market, but what would be your view on a wholesale social tariff?

Tim Stranack: We do exactly the same as Helen in London. We provide 500 community centres across London with absolutely free broadband. That means that even if someone does not have a fast connection at home, they always have somewhere local to go to get a gigabit broadband connection, because there is one in their community centre. We have done that since we started—I think a lot of altnets do that—and

that is all part of our social mission to try to address the digital exclusion in the country.

Rather than focusing so much just on the social tariffs, let us be creative and innovative—let the competition drive that creativity and innovation—and you will see much better solutions coming into the market.

The Chair: We are going to come on to altnets in a moment, and I am sure you will be able to provide some more information in answer to questions. Lord Young has a brief supplementary question.

Lord Young of Norwood Green: Helen, you identified a significant number of people who do not have landlines. I am interested in that. A large number of households, especially those with younger people, do not bother with landlines any longer, and some of them are bound to be at the bottom end of the income scale. How do you deal with that?

Helen Burrows: A group of mobile-only households got a lot of attention through the pandemic. It is very difficult to identify them in our customer base at the moment. It was raised during the pandemic but then has not really been picked up. It is perhaps an ongoing question for the Government about the datasets that they have and how they can better join them up to help telco and other industries better identify the households that are most in need.

Lord Young of Norwood Green: At the moment, you do not know.

Helen Burrows: We have a programme that enables customers to tell us, and that is a fairly straightforward identification process of letting us know that. We really looked after that group through the pandemic, but it is relatively small compared with the numbers the market research suggests. At the minute, the only way we know is if our customers tell us.

Q41 **Baroness Featherstone:** Before I read my brief, I had not heard of altnets. Now I have, you sound wonderful. You are inspirational with your hubs and your social conscience.

What role do altnet providers play in improving digital inclusion? You seem to have found the areas that no one else wanted, in a way. What are the major barriers that you experience in doing what you want to do?

Helen Wylde: The altnet community is between 100 and 200 strong at any given time, and Tim can probably comment more from the INCA perspective.

Wildanet was set up by entrepreneurs who saw a need in a specific geographical area, and you will find us at the margins where the builds are difficult. We go down cliffs, we go down holes, we go to farms, we go to islands—all the places that are really tough for anyone trying to deliver scale.

Our focus has been entirely on south-west England, in Cornwall and Devon. As a principle at this time we do not overbuild. We go to farms and rural areas, and we fill in the gaps. The reason we can do that as an

altnet is that we utilise the government schemes made available to us. There are two main ones that we utilise.

The first one is the voucher scheme. Working with the consumer on the doorstep—or the business on the doorstep if we get a grant from local authorities—that allows us to put that particular piece in and do the work, and it can be quite lengthy. If you are going down a farm drive, it can take you a couple of days to get all the way down.

The second one is the Project Gigabit F20 bids, the type As and type Bs, which have allowed us to focus on specific areas in the county that are quite a long way behind. In our case, it is the west of Cornwall and mid-Cornwall, which are very remote, quite tricky, granite-ridden, rural communities.

We were set up to fill in all the gaps. We work with our colleagues at the bigger networks. Where public infrastructure access is available, we will absolutely utilise that, because why would you dig the countryside up if someone is already there? We utilise that within the boundaries that have been set up around regulation and legislation. Where we have to dig, we dig. We have our own crews. Where we have to put up poles, we put up our poles. That is what the altnets do.

You will find us dotted across the country doing those types of purpose, whether it is working in inner cities, working in rural areas or working on the margins of society with those types in place. What you find doing that role is that not only do you pick up the people who have been left behind physically, because there is no infrastructure, but you tend to find that there is a synergy with those who are less wealthy, at the edges and the margins of society and in some way digitally excluded.

The other thing that means as an altnet is that you cannot rush the job. We quite often find that our engineers have to do a little more than just install. Quite often, there is a conversation. How does it work? What do I do? How do I make this work? Our customer services calls reflect that as well. We find that we are doing quite a lot of coaching: "How do you use this technology? What do I need to do if I need to upgrade?"

You have to take that on the chin, on the basis that you have taken the BDUK money on the voucher. Rather than look at it as an efficiency, look at it as a requirement socially. That gives you a very loyal customer base who look after you, and you look after them. We fill in the gaps, and that is what we are all about in terms of infrastructure provision and what we do.

Tim Stranack: As Helen says, there are probably 100 members of INCA that are building fibre networks in different parts of the country. That is what we define as the altnets.

Another example is B4RN in the north. It engages its communities in villages throughout the north of England to help build the network. If the farmer is there and he has his digger, it will ask the farmer to help build the network to get rural villages connected. I encourage your Lordships to get in touch with INCA if you want to come and see one of the altnets

building in a particular area that you are interested in. We can arrange for that visit.

The altnet community is driving a huge amount of innovation and creativity in this industry, which has previously been quite a staid industry. It is now driving quite a lot of innovation. If you think back over time about what attracted people to the internet, we had the innovation of Google that made it easier to use, and we had the innovation of the iPhone that made it even easier to use—three buttons on a phone—and it attracted a lot more people on to the internet.

One of the things your Lordships might want to consider is what that next technological innovation is. We talk a lot about digital skills, but what if people did not need digital skills to get on to the internet? The voice assistants—Alexa and things such as that—start to make the internet and your internet connection quite transparent. What are the next technological movements that are going to make it so transparent that people do not need digital skills to explore their interests and to find out the information they need? Perhaps that is one of the things the committee would like to consider.

Baroness Featherstone: You did not really answer what the barriers were apart from the geography.

Helen Wylde: The barriers are interesting. These models require quite complex funding. Without the government funding schemes, smaller companies such as ours would not be in place. You normally need innovative private equity or debt or a very rich founder to support you. The cost of infrastructure, when you hear from the scale of the larger ones, gets very big very quickly. Managing your money in an efficient and effective way to be able to provide those services is absolutely vital. That is the first barrier.

The second is skills in the areas that we work in. We have our own training academy. We put people through it to become engineers in the south-west. Some 93% of those who work for us come from Devon or Cornwall. We have to reskill those rural areas to do this type of digital innovation and move things forward, and that in itself is a lot of work. The apprentice schemes help us achieve that, and we work with local colleges and schools to bring people in to do it. That is the second barrier.

The third is probably regulation and legislation. On occasions, it is quite hard as a small operation to have a conversation with Ofcom, particularly in the regulation space, about what needs to be done to keep the playing field flat and fair.

It is a broad church that provides the infrastructure. What we all do is very different, and they are not really comparable. I can understand why Ofcom struggles, but on occasion a bit more imagination and a bit more forward thinking and helping us plan for the future would not go amiss, as Tim tried to explain. We can see a way out of this but we need a voice at the table, and quite often getting that voice at the table through regulation and legislation is quite difficult.

Baroness Featherstone: Hopefully, they will read or watch this and hear what you have to say.

Tim Stranack: Our investors' confidence comes from the Government's policy of encouraging infrastructure competition. If we start to see that government commitment wane through, as I said earlier, some of the decisions that the regulator, Ofcom, or BDUK are making, investors will start to lose confidence, and that £20 billion that the altnet community has raised will start to fritter away. I urge the committee to ensure that the Government recommit on their policy of infrastructure competition.

The Lord Bishop of Leeds: I have a couple of questions. I have just been in Devon over the weekend with no mobile signal or wi-fi, so I had hundreds of emails when I got back. What you have described is that when there is a deficiency, people come to you. Do you actively go to areas that you realise have no provision and therefore suggest and propose infrastructure?

Helen Wylde: Absolutely. You have to do that because, although there is some pent-up demand, you have to also create the demand. There is very good infrastructure information. As I said, you can avoid overbuilding. The way in which we operate is that we have a conversation with local authorities, parish councils and local community groups, we work out what the need is, and on that basis we put forward a proposal about how that area might be undertaken.

You can also do a quick fix. You can use fixed wireless access. You can put up some masts and give them coverage while you are doing that piece of work. That is an area that, honestly, we should do more with. That allows you then to do the build, which takes longer because you need to go through HAUC, traffic management and everything else with the local authorities, which takes a bit of time. Effectively, we absolutely do that.

We also make sure that we engage with the community through charitable activity, the local chamber of commerce, the South West Business Council and people such as that. When we find areas where there is a business in need, there is normally a community in need around it. We can put those on to our list to try to fulfil those requirements. In Devon, we are the only people going to the 14 areas that we are currently working on.

Tim Stranack: Likewise, surprisingly, in London, Community Fibre started by focusing on social housing—25% of housing in London is social housing—because we felt that it was an underserved community for broadband speed. Perhaps unsurprisingly, we have now found that providing very good service into social housing means that we can move into the private housing surrounding it, which now realises that a lot of the social housing next door has much better broadband than they have, so we have expanded the business that way.

The Lord Bishop of Leeds: You have spoken about the role of government. Several of you have spoken about competition and said that innovation is driven by competition. I am waiting to hear about co-

operation when the altnet and the major providers clearly have a synergy, or at least a common interest. Can you comment on the role of co-operation in relation to competition and what the different providers can learn from each other?

Helen Wylde: I will go first. Within INCA, on a lot of the projects we are working on we work with other altnets, because if you are in Hull and we are in Cornwall, quite frankly, we are not competing. There is some really great innovation work happening there and across the border in Dorset. Dorset is quite a forward-thinking county council. We are shadowing what it is doing with Wessex because we can see the benefits it could bring to Cornwall.

There is a level of co-operation within the altnet community, but it is so different from what is done at the other end of the marketplace and how that might operate and the demands on the types of businesses. It is a very different world.

Paul Morris: We are a challenger in broadband. We launched a few years ago, but we are still growing that business. We are very proud of that business. We try to challenge on price. We then use others' infrastructure, but by and large that is CityFibre and Openreach because we need a certain scale. We have looked at working with the INCA guys, and we had quite a lot of conversations with them. It is a certain scale for us; that is the challenge. We look to use other providers where we can deliver our broadband, and then we go out and sell it. That is how it works—hopefully for a good price with a good service.

Helen Burrows: In incentivising build, government and Ofcom have put competition at the heart of their policy and regulatory framework. That is why we see a very fast pace of build. That then results in overbuild in some urban areas, where it is highly competitive. That is something that policymakers sought to bring about to drive innovation, price competitiveness and choice. It depends where you are in the market.

Ofcom has designed a carefully thought-out policy thinking about the different areas. Openreach is building in more rural locations too. It is building in 6.2 million locations. We are across a range of the areas of the UK that need to be invested in. In area 3, as the more rural locations are called, there will not be overbuild because the market just cannot support it.

The Lord Bishop of Leeds: Do you see the altnet providers as a benefit or competition?

Helen Burrows: They are both. They are competitive, and that is a benefit for the market and for consumers.

Baroness Harding of Winscombe: What is your comment on what was reported in the *FT* on 2 February, with your chief executive saying that BT's broadband network had turned into an "unstoppable machine" that would ultimately end in tears for many of its fibre competitors? That does not sound like a functioning, competitive market.

Helen Burrows: I think he was talking about the competition that we feel, and that competition is intense. We participate in the market competitively. Ofcom keeps a close eye on what both we and others do within the framework that it has set.

Tim Stranack: I just ask that government and the regulator keep their feet to the fire to ensure that competition continues.

Q42 **The Chair:** Baroness Wheatcroft was going to take the lead on the role of the Government and Ofcom. She has had to go down to the Chamber, but she will be back.

In the context specifically of digital exclusion, as opposed to more broadly, can you give us—Mr Morris touched on this a little earlier—your view on the role of the Government and Ofcom in intervening in the market to address digital exclusion? Is there anything that they are not doing that you think they should be doing? That may include requirements of you that they are not yet currently asking for or requirements of each other. We have already had a bit of that, and we welcome it here.

Paul Morris: First and foremost, the Government probably need to return to looking at a joined-up strategy that is going to be more than one department. We notice that it impacts more than one department, and that in itself can sometimes be a challenge. I know that some of you have direct experience of that. It is not a criticism of government; it is just the way large organisations sometimes work.

I would start with data. I really think we need to have clear answers on what people need and what their challenges are. We have made some progress, and we have all mentioned some today. We need a clearer view on the numbers and on what people actually need—devices and other things—as well as connectivity.

We should look at things such as VAT because we as mobile and broadband companies pay higher VAT than water and energy companies.

We have mentioned wholesale costs. I think that there should be a wholesale social tariff for broadband.

I think, playing to some of the comments that Helen made, that for those who cannot afford it perhaps we need some kind of funding, and that should be across connectivity and devices. It could be laptops. Remember that laptops were provided during lockdown, but we seem to have stopped that. I do not think we have fewer problems with kids being digitally excluded at school because they do not necessarily have connectivity. My son does lots of things online. All the homework is now online. They are on apps that tell us what to do. It works well if you are connected to it but, if you are not, I can see that being a real problem.

Finally, there needs to be awareness. You challenged us rightly on how we try to get take-up of social tariffs, but there is also the question here, as I mentioned before, of how we have a sophisticated conversation with those who need it most. I would like to think that through maybe DWP you could have a conversation that involved bringing in lots of things,

including all the social tariffs and good programmes the industry is offering, but maybe also a voucher of support and possibly some educational skills. You can see how that conversation could go. If we are saying that digital is a key component of everyone's lives, it should be a key component of that conversation with help.

I am pretty proud that we are doing a reasonably good job. I note that other sectors are being challenged on social tariffs. We introduced them without being challenged and without being asked to do it. We did it on the learnings from Covid and decided that we needed to carry it on.

There are lots of things where government, industry and charities—the third sector—can come together and make a difference, but that needs to be brought together.

Helen Burrows: At BT, we absolutely believe in the power of connectivity to transform people's lives, so we want to participate in successful evidence-based programmes that help bring that to the groups that do not currently have it.

Over the last five to 10 years, network investment and upgrade has been at the top of the Government's agenda, and it has remained there. There are well thought-out, carefully structured policies to ensure fast, competitive build through most of the market, and then carefully structured subsidies for the market where commercial investment is not going to reach them. We need a similar level of policy focus and commitment to address the issue of uptake, and it has not had that so far.

It has been around in the policy debate for several years, but before the pandemic it was not really on anyone's priority list, and it still is not in that same co-ordinated, joined-up, thought-through way. We think that sense of policy focus and priority, probably for the next decade, is what is required. We think that needs to include funding for the very lowest-income households. There are various models for the rest.

I observe that the model that has been created to incentivise investment is finely balanced. Changes can be made. That will involve choices and trade-offs. That is the point that we want to flag. The industry, as Paul said, offers relatively low returns on investment currently, so changes to the existing model have consequences that need to be thought through before something is brought in.

Nevertheless, we think that a carefully thought-through programme can have an impact. It has the power to draw particularly older people on to the digital world as more of our public services digitise.

We think that, in the medium term, government needs to start looking more closely at the future of TV and of broadcast. It is still more than 10 years away, but at some point a change is coming. Looked at on its own, it looks perhaps like a challenge and a problem, but if you look at it through this lens it is potentially an opportunity to renew the role of PSBs at the heart of UK public life and to have a catalyst to bring the groups who are currently reluctant to IP-connected homes, perhaps with

a different type of device from a computer—perhaps a voice device or an upgraded TV.

There is potentially something transformative there but, to pull that off post 2030, policymakers need to start looking at the interdependencies now. It is not going to happen on its own. It needs thought-through engagement early enough that we could put something in place that works for all the stakeholders.

Helen Wylde: The positive thing is that the government schemes that BDUK is providing do work. They have been very transformational. Quite frankly, I would like BDUK to carry on doing those, and I would like it to have more resources to do them.

The second thing is that we need to have a conversation about spectrum so that we can release some of the spectrum in more imaginative and innovative ways to serve rural areas and the shoreline around the UK, and that would lead to product development as well. It means we can get into things such as robotics in farming. It means we can do stuff with offshore much more efficiently, but we need to have that debate now because it takes time to plan the spectrum. Putting it all in one big pot will not give you the right answer. You need to have a free market to come up with some new, exciting solutions, and some of those may be exportable and positive on GVA.

The third piece is the colliding of two worlds, which is getting the infrastructure out there and building digital confidence. As an altnet, my best opportunity to deal with digital confidence and digital skills is the moment I have them on the doorstep. Bringing those two things together, and having a conversation about upskilling and looking at the programmes we can provide and extending the rollout of broadband to include how we might deal with some of those issues, might get us to a position where we start to catch up on places such as South Korea, which is miles and miles ahead of us in this thought pattern, and start to help us make sure that we have a good, digitally included society for the future.

Tim Stranack: I have three brief points that will not surprise you.

The Government should continue to protect the market from significant market power. They need to encourage that infrastructure competition to flourish. I think that £30 billion of investment is probably the largest UK investment other than High Speed 2 in the UK at the moment, so they need to encourage that investment to be put into the ground, but otherwise they probably need to keep out of the way and minimise the regulatory burden on the industry so that it can efficiently put that £30 billion into the ground.

Lord Young of Norwood Green: When I look at the offers of BT or Vodafone, I still find it a journey of exploration to locate the social tariffs. I cannot help feeling that you need to be a bit more explicit. Do you think you are doing enough? Should the Government be saying to you, "No, you've got to be even more explicit", so that people are completely aware of where they can find a social tariff, and it is not hidden behind

other words such as “home essentials”? You had a different phrase for it.

The Chair: In the interests of time, because we have now run over considerably, perhaps I can be specific on two issues. If somebody types in a Google search “cheap tariffs” rather than “social tariff”—as in cheap broadband; basic language that ordinary people would use—do any of your tariffs pop up? Are they up there in the search field?

If the Government were to remove VAT on social tariffs, would you pass that saving on to your customers? Thinking about digital exclusion, the cost of living situation and any measures that the Government might take right now or ask of you in improving awareness and people’s accessibility to these tariffs, what would your response be?

Helen Burrows: Our marketing team is very confident in the work it has done to make sure that the groups who need it can find our social tariff. We deliberately do not call it a “social tariff”, because that is a policymaker’s term and not how customers tend to think about it.

I will check and confirm in our written response whether it comes up under terms such as “cheap tariff”. I am pretty confident that they have thought all that through. We have 85% of the current market, and 10% of our new joining customers are taking that tariff, so we are pretty confident that customers who are looking can find it easily.

The Chair: And VAT?

Helen Burrows: Yes, we would pass it on if the Government did that. I do not think the evidence shows that that will move the dial, because for the group on very low incomes it is not enough of a change.

The Chair: Would everybody else pass on VAT if it was removed?

Paul Morris: It probably should be looked at across the board rather than just social tariffs, because it would be very difficult to introduce. We are also talking about stimulus to the industry that we could then pass on for the focus. That is the general point.

The Chair: I think you were just googling whether cheap tariffs appear on your page.

Paul Morris: It is on our front page. We are trying to use all the channels we can. We are using social media as well. We are hopeful that people can find it if they wish to.

Is there more to be done? I think there is, but I do not think we can just do that alone. As I said, it is more about how we have a joined-up conversation and try to make it into a conversation in which we can play a part. If you go into our retail store or you ring us up, hopefully they will tell a customer about it. It is on our online channels.

Lord Young of Norwood Green: Regardless of whether they have a mobile or a landline.

Paul Morris: Sorry?

Lord Young of Norwood Green: Would that apply if they were a mobile-only household?

Paul Morris: We offer social tariffs on both. It would depend on what the conversation was. Yes, very much so on mobile.

Helen Burrows: Last year, the LSE put forward an idea on VAT, and its suggestion was that broadband attracts 20% VAT that utilities do not. It suggested that, rather than a cut, the Government saw that as a pot of money that they would use to address digital exclusion, and we think that would be a more impactful way of thinking about it.

The Chair: To use that saving as a way of funding some other kind of support.

Tim Stranack: Finally, to pick up on the point made, we advertise our social tariff on the home page, but I will reiterate the point I made earlier: if we could work with government to identify the individual households that are in need and we had proper data on that, it would have a far bigger impact.

The Chair: I am going to draw this to a close. We have gone on much longer than you were expecting, but it has been very helpful. One of my takeaways from the larger providers is that perhaps you do not see social tariffs as the answer because you would expect support with the cost of living and for people facing poverty to come directly from government.

For people who are perhaps moving in and out of economic pressures—the challenges that people are facing in the current economic situation may be temporary—we must ensure that there is awareness of social tariffs, even though they may want them only temporarily to get over a challenging period. That is why awareness of the tariffs is so important, and in that respect we look to those of you who are the main suppliers and who have a lot of customers already.

As I say, the issue is not necessarily about attracting people who are digitally excluded, but that under pressure they know there are other options available to them, which clearly is really important. Thank you very much for your time and your evidence today. I am very grateful to you all.