Which?

Britainthinks
—— Insight & Strategy ——

Consumer engagement with broadband

Contents

1. Executive summary

1.1 Background to the research

As the leading consumer champion, Which? exists to tackle all aspects of consumer detriment. Which? identified that there is significant potential for consumer detriment in the broadband market, due to a lack of engagement. In particular, consumers may be missing opportunities for getting a better service. This could also affect the successful roll-out of full fibre.

Which? wanted to build an understanding of the barriers that consumers face in engaging with this market, in order to inform potential solutions. The research was focused specifically on obtaining a deeper, behavioural understanding of broadband customers, whilst also considering the unique characteristics of the broadband market distinct from other telecoms markets and similar essential services.

Which? worked in partnership with independent research agency BritainThinks to conduct qualitative research with consumers, to understand the barriers to engagement with the broadband market. The research consisted of:

- An online community with 120 participants living across the UK, conducted from 27 March to 23 April 2019. The participant sample was designed to be reflective of a range of demographics and experiences. The majority of participants were recruited to be demonstrating low engagement in the market, with a control group of more engaged consumers.

- Follow-up depth interviews were conducted face-to-face or via telephone with 36 participants between 22 May and 17 June 2019.

In order to develop a holistic and nuanced understanding of consumer behaviour in the broadband market, the COM-B framework was used throughout the research process.[1] This framework was used to understand the factors driving consumer behaviour and how these interact and lead to disengaged behaviour. As part of this, the research explored how consumer perceptions of market characteristics and behavioural factors influence engagement.

1.2 Consumers' perceptions of the broadband market

Defining engagement

Engagement with the broadband market has been defined in this research as a consumer taking some form of action to ensure that they are on a broadband package that best suits their needs.

There are many ways of engaging with broadband beyond switching to a new provider. For example, a consumer could re-contract with their existing provider, or renegotiate key elements of their current package (i.e. price, speed).

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1   The COM-B model is a framework that views human behaviour as emerging from an interaction of the 'capability' to perform a certain behaviour, and the 'opportunity' and 'motivation' to carry it out. Within this model, 'capability', 'opportunity' and 'motivation' all need to be present for behavioural change to occur. For further information, see: Susan Michie, Maartje M van Stralen and Robert West, 'The Behaviour Change Wheel: a new method for characterising and designing behaviour change interventions', 2011. Accessed on 3/9/2019 via https://implementationscience.biomedcentral.com/articles/10.1186/1748-5908-6-42

Research participants were more likely to report engaging with mobile phone services, energy and car insurance. It is seen as riskier to engage with broadband compared to these markets, while the perceived benefits of doing so are less clear. This attitude to risk is exacerbated by a perception that broadband itself is technical, the service can be variable, and that the market is complex and at times opaque.

Amongst research participants outside the control group, engagement in the broadband market was rarely proactive.[2] Rather, engagement when it did occur was reactive and in response to a specific prompt. Of these prompts, the majority were felt to be a negative 'push' away from their current service, rather than a positive 'pull' towards a new service. In particular, the 'shock' of an unacceptable increase in price was the most common 'push' to engage amongst the sample. By contrast, a faster speed connection, for instance through a superfast broadband package, was not identified as a strong 'pull' to engage.

There appears to be few compelling incentives for consumers to engage in the broadband market. For example, with only very few exceptions, superfast broadband does not seem to be a strong driver of engagement among those who are yet to upgrade their speeds. This is because there can be uncertainty over what higher speeds can deliver in practice, the difference in terms of reliability, and how much it costs.

1.3 Barriers to engagement with the broadband market

The research has identified that there are a wide range of barriers to engagement with the broadband market. Of these barriers, very few exist in isolation. Rather, they interact with one another in a number of ways, presenting a complex picture of what underlies behaviours.

Six barriers have emerged as being the most important, particularly among consumers with low levels of existing engagement with the broadband market. These are:

1. Low levels of confidence or ability to assess broadband needs and identify a suitable package: there is a common perception that broadband is a technical topic that is challenging to understand, impacting willingness to explore the market. This can manifest itself in consumers as 'not knowing where to start' when researching alternatives and a fear of making the 'wrong choice'.

- This barrier can have a heightened impact on *vulnerable consumers*, particularly those with mental health problems. These consumers can find both the prospect and experience of calling providers and navigating the more complex aspects of the broadband market particularly stressful.

2. Lack of knowledge about how pricing works in this market: there is low awareness of the need for consumers to review and renegotiate their package when their contract ends in order to save money. Ofcom recently published its own research which found customers could save around £100 per year on average by signing up to a new deal.[3] There is evidence that some consumers see introductory offers as one-time only opportunities to get discounts and do not think more can be negotiated. Equally, there is low awareness that the best discounts might not be advertised and that consumers have to contact providers to obtain them. A lack of effective communications in the market exacerbate these gaps in knowledge, leading to an absence of prompts to consider how pricing in the market works.

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2   In contrast, participants in our control group of more engaged consumers did proactively engage in the market.

3   Ofcom found that those who sign a contract with a new provider typically pay £9-£10 per month less compared to the same provider's out of contract customers. Those who re-contract with their existing provider typically pay £8-£9 per month less than if they were out of contract. Ofcom, 'Helping consumers get better deals: A review of pricing practices in fixed broadband', September 2019. Accessed on 26/9/2019 via https://www.ofcom.org.uk/__data/assets/pdf_file/0018/168003/broadband-price-differentials.pdf

3. Lack of effective communications about current and alternative packages: consumers can be unwilling to leave the familiarity of their existing broadband provider. An absence of relevant or tailored communications from current providers about alternative deals for existing customers means consumers can lack awareness that such deals exist. Others are put off by the prospect of having to negotiate or 'haggle' with their providers to access alternatives.

4. Belief that the current service is 'fine': most research participants tended to feel largely satisfied with their broadband package. For some, this belief matched their experience. However others, despite saying their broadband was fine, were either facing problems with the service or paying relatively high prices. This belief leads to a lack of perceived need to either save money or seek out a higher quality service and can turn into complacency or inertia, undermining potential future engagement. This is in contrast to our control group of more habitual engagers, who once engaged with the market recognised that they can gain from sustained engagement, even though their current service is seemingly 'fine'.

5. Belief that changing provider may lead to worse service: motivation to engage can be affected by the belief that a new broadband provider is not guaranteed to be as reliable as a current provider. Many consumers find it difficult to judge how well a new provider will function at their address until they have had the new service installed.

6. Belief that engagement may lead to unexpected costs: whilst many participants felt that engagement should lead to a good value package in *principle,* they were uncertain about whether this would be the case in *practice.* There was concern about additional fees and charges being included in a new package. The presence of bundling can also make broadband pricing seem complex. As a result, consumers do not trust their ability to navigate this or trust the market to be transparent about costs.

- This can have a heightened impact on *consumers with triple play bundles*, who may feel reliant on their current provider for what they perceive to be specific discounts.

There are a number of behavioural factors within these barriers, for example status quo bias, negativity bias and risk aversion. Our findings suggest that risk aversion may have more of an effect in the broadband market than some other markets. It manifests itself in reducing, or placing boundaries on, engagement, for example consumers limiting themselves to engaging only with their existing broadband provider rather than other providers if they want to change to their package.

1.4 Exploring potential solutions

By applying the COM-B framework and identifying six key barriers to engagement in the broadband market, and behavioural biases where applicable within these, it is clear that to increase engagement effectively, there needs to be a combination of remedies that address the different barriers. We explored some possible remedies using the six barriers as assessment criteria to determine the likelihood of these being effective.

A number of potential solutions were presented in the research covering interventions that are already being implemented, have been announced, or are being explored for the broadband market, as well as ideas from other sectors. Of these solutions, three are of particular note:

1. End-of-contract notifications (ECNs):[4] these have the potential to remind consumers about the nature of pricing in the market, giving consumers a starting point for engaging with their provider or switching to another. It may also act as a useful prompt for consumers to evaluate if their current

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4   Ofcom published its decision on end-of-contract and out-of-contract notifications while our research was ongoing, on 15 May 2019.

package is 'fine'. Information about both price increases and alternative packages was received positively by participants. Once ECNs are implemented in February 2020, it is important that there is ongoing monitoring and *ex post* evaluation to understand how successful the intervention is at delivering its aims.

2. Data portability: In the form that we tested this concept, we found that data portability could enable consumers to more easily research packages and compare options that are relevant to them based on their current usage. However, our research uncovered instances of consumers being on packages which may be unsuitable for them and at times adjusting their usage behaviour in response. Therefore data portability must be designed in a way that considers consumers' needs and preferences as well as taking account of their current package and usage.

3. Notification about cheaper tariffs in the market for those on rolling contracts: Information about cheaper tariffs available in the market was very well received and there is evidence that it may help address lack of knowledge about how pricing works in the broadband market and could prompt an evaluation by consumers of whether their current package really is 'fine'. There was concern by some participants around the communication feeling like junk mail and about contract information being shared by providers.

In addition, we explored:

- **Line checks**, **the Broadband Speed Voluntary Code of Practice** and **cooling-off periods** to help address the barrier of the risk of getting a worse service. Whilst these were good in theory, their ability to mitigate the belief was undermined by consumers' lack of trust in the market, specifically that providers would make it difficult for consumers to use these tools effectively.

- **Customer reviews by postcode** to address the barrier of the risk of getting a worse service. Whilst these were considered useful, there were some concerns about how reliable they would be and that even localised reviews wouldn't account for other factors beyond postcode location that affect broadband service.

- **Tools which help consumers to understand what type of broadband or what speed they need.** These were found to be useful in providing a benchmark from which to compare packages and narrow down options. However these tools appear most likely to be used by those who are already motivated to engage.

Individual consumers often face more than one barrier to engaging with the broadband market and different consumers face different barriers, as well as different combinations of barriers. This means that there is no single solution that would drive greater engagement in isolation. Rather, it is a combination of solutions that will be needed to drive engagement in the broadband market and thus limit the potential for consumer detriment. In particular, more consideration needs to be given to solutions that could address motivation barriers. Specifically, overcoming risk aversion and raising consumer expectations, such that they proactively consider if their service truly is 'fine' or if there is something more suitable for them, will be important.

If you would like more information on the research, or to discuss it, please contact *broadbandengagement@which.co.uk*

2. Introduction

2.1 Background to the research

Consumers have access to a wide range of broadband providers and an ever-expanding range of packages within the broadband market. To take full advantage of the choice available to them, consumers need to engage with the market. They can do this by, for example, looking at what other offers are available to them, switching provider or re-contracting with their existing provider.

Available figures suggest the number of consumers engaging in the market regularly is low. While switching provider is only one aspect of engagement,[5] switching statistics are indicative of low consumer engagement. Ofcom's annual switching tracker found that in 2018, only 12% of broadband customers had switched provider in the last year (distinct from customers who have switched their deal but not their provider) and its latest research found that there are around 8.8 million out of contract broadband customers in the UK.[6, 7] Furthermore, Ofcom data shows that only 45% of UK premises have taken up superfast broadband.[8]

Previous research has identified that satisfaction in the communications market is fairly high, and that common barriers that prevent consumers from switching broadband providers include:[9]

- The perception that benefits are low and/or costs are high
- Difficulties understanding information
- Barriers to and problems with the switching process
- Factors leading to lower levels of capability or capacity amongst some groups
- The presence of behavioural biases
- A perceived lack of differentiation.

If consumers are not engaging effectively with the broadband market, they could end up overpaying for their current service and/or end up with a package that does not meet their households' broadband needs or uses outdated technology. Ofcom recently published its own research which found customers could save around £100 per year on average by signing up to a new deal.[10] Its research also highlighted that many customers with slower, entirely copper based broadband, pay more than superfast broadband customers.

In this context, the barriers that consumers currently face when engaging in the broadband market is of particular interest given the future vision for the sector. Infrastructure providers

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5   It is also likely to underestimate engagement levels given it does not capture customers re-contracting with their existing provider.

6   Ofcom, 'Switching Tracker 2018: Data Tables', 2018. Accessed on 3/9/2019 via: https://www.ofcom.org.uk/__data/assets/pdf_file/0024/107178/Switching-Tracker-2018-Data-tables.pdf

7   Ofcom, 'Helping consumers get better deals: A review of pricing practices in fixed broadband', September 2019. Accessed on 26/9/2019 via https://www.ofcom.org.uk/__data/assets/pdf_file/0018/168003/broadband-price-differentials.pdf

8   Ofcom, 'Connected Nations 2018: Main Report, 2018. Superfast broadband is understood here as delivering speeds of 30Mbps and above, based on Ofcom's definition. The Government defines superfast as speeds of 24Mbps and above – level of coverage at this speed now exceeds 95%.

9   Ofcom, 'Choosing The Best Broadband, Mobile and Landline Provider: Comparing Service Quality', 2019. Accessed on 3/9/2019 via: https://www.ofcom.org.uk/__data/assets/pdf_file/0022/145525/comparing-service-quality-2018.pdf

10   Ofcom found that those who sign a contract with a new provider typically pay £9-£10 per month less compared to that provider's out of contract customers. Those who re-contract with their existing provider typically pay £8-£9 per month less than if they were out of contract. Ofcom, 'Helping consumers get better deals: A review of pricing practices in fixed broadband', September 2019. Accessed on 26/9/2019 via https://www.ofcom.org.uk/__data/assets/pdf_file/0018/168003/broadband-price-differentials.pdf

are rapidly rolling out full fibre broadband connections and the Government's ambition is for nationwide coverage by 2033.[11] However, a critical aspect of rolling out these connections is ensuring consumer adoption of them.[12] This will require consumers to engage in the market. Ofcom itself has said that "competition will help ensure investment in new full fibre networks".[13] Therefore, it is important to find solutions to address many of the engagement barriers that consumers face today.

As the leading consumer champion, Which? exists to tackle all aspects of consumer detriment, both now and in the future. Given that the potential for consumer detriment in the broadband market is high, Which? wanted to develop a strongly evidenced understanding of the barriers consumers face in engaging with the market and the drivers behind them. This will enable the development of policy recommendations and potential solutions to support consumers to engage.

To aid formulation of these recommendations, Which? worked in partnership with independent research agency BritainThinks to conduct qualitative research with consumers to understand the barriers to engagement with this market. In order to build on previous knowledge on this subject,[14] the research was focused specifically on obtaining a deeper, behavioural understanding of broadband customers, whilst also considering the unique characteristics of the broadband market distinct from other telecoms markets and similar essential services.

2.2 Research objectives

The project aimed to **provide insight into the factors that act as barriers to engagement with the broadband market**, including gaining an understanding of:

- The ways in which these factors interact
- The relative importance of these factors
- The extent to which these factors are universal for all consumers, and how the impact of them differs for different groups of consumers (including for vulnerable consumers)
- Whether there are factors that are more based on perception rather than reality.

In addition, this piece of research aimed to understand:

- Consumers' broadband 'journeys', needs and any detriment experienced, particularly when researching broadband deals.
- Consumers' level of knowledge about their broadband needs, their expectations about the switching process and broadband deals, and how their experience compares to these.

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11   DCMS, 'Future Telecoms Infrastructure Review', 2018. Accessed on 3/9/2019 via: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/732496/Future_Telecoms_Infrastructure_Review.pdf

12   Once fibre networks are deployed, there will be a strong commercial incentive to retire the copper network to reduce costs. Migrating all customers to full fibre will enable providers to manage demand risks and spread their costs. This will provide a more certain investment case.

13   Ofcom, 'A review of pricing practices in fixed broadband', September 2019. Accessed on 26/9/2019 via https://www.ofcom.org.uk/__data/assets/pdf_file/0018/168003/broadband-price-differentials.pdf

14   Along with research by Which? and Ofcom referenced elsewhere in the report, two reference points for this previous knowledge were: Peter Lunn, 'Telecommunications Consumers: A Behavioural Economic Analysis', 2013, and Behavioural Insights Team, 'Behavioural biases in telecommunications', 2019. Accessed on 3/9/2019 via: https://comcom.govt.nz/__data/assets/pdf_file/0026/146681/BIT-Behavioural-biases-in-telecommunications-13-May-2019.PDF

2.3 Research approach

To meet the objectives outlined above, the research methodology comprised two stages, as outlined in Figure 1 below (see Appendix for more detail).

Figure 1: Research methodology
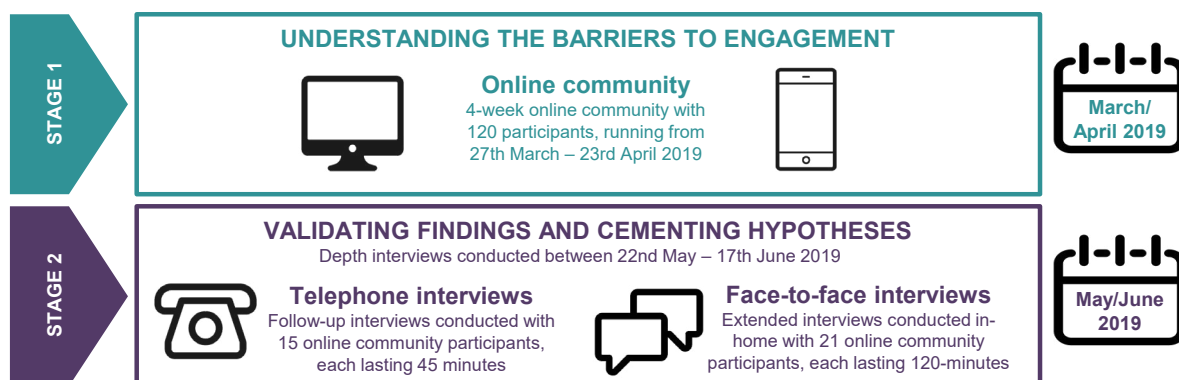
The online community provided insight into consumer perceptions of current broadband services, the wider market, and household broadband needs, as well as helping to identify factors acting as barriers to engagement. The depth interviews, with a sub-sample of participants from the community, provided further insight into these barriers. These interviews helped to develop an understanding of the relative importance and interactions between barriers, and explored the experience of broadband in comparison with other markets. Potential solutions to increasing engagement were explored in both phases of the project.

The participant sample was designed to capture a range of demographics and experiences, and to be roughly reflective of behaviours in the broadband market.[15] A key component of the sample frame was to ensure that the majority of the participants were demonstrating low engagement in the market.[16] A minority, acting as a control group, were recruited on the basis of being fairly engaged with the market, i.e. having at least switched provider in the past two years.

Participants were recruited from six locations: London; Colne (including surrounding locations in Lancashire); Nottingham; Swansea; Falkirk; and Belfast (see Figure 2).

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15   These included switching history (including participants who have switched in the past two years, participants who have actively looked into switching but have not switched in the past two years, and participants who have never actively looked into switching) and likelihood of switching (participants who consider themselves likely to switch in the next year or at the end of the contract, if later).

16   Measured by having not switched provider in the past two years.

Figure 2: Research locations

## 2.4 The COM-B behavioural framework

The **COM-B model** was instrumental to all stages of the project.[17] The model is a framework that views human behaviour as emerging from an interaction of the **'capability'** to perform a certain behaviour, and the **'opportunity'** and **'motivation'** to carry it out, this relationship is set out in Figure 3. All three need to be present to enact a new behaviour or cause a behaviour change.[18]

- 'Capability' is the psychological or physical ability to enact a certain behaviour;
- 'Opportunity' is the external physical and social environment that enables wanted behaviours or inhibits unwanted behaviours; and
- 'Motivation' is the reflective and automatic mechanisms that activate or inhibit a certain behaviour.

The COM-B model informed the research design and analysis, and also provided a framework for assessing potential remedies to increase engagement with the broadband market. In this way, it facilitated a holistic and nuanced understanding of consumer behaviour. In addition, using the COM-B model enabled the research to explore how consumers' perceptions of the market can impact their decision to engage. These perceptions can sometimes be associated with behavioural factors, such as risk aversion and status quo bias.

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17   An introduction to the COM-B model can be seen in Michie et al, 2011.

18   Michie et al, 2011. Michie states that reflective motivation is not required, but that automatic motivation is.

Figure 3: COM-B model[19]
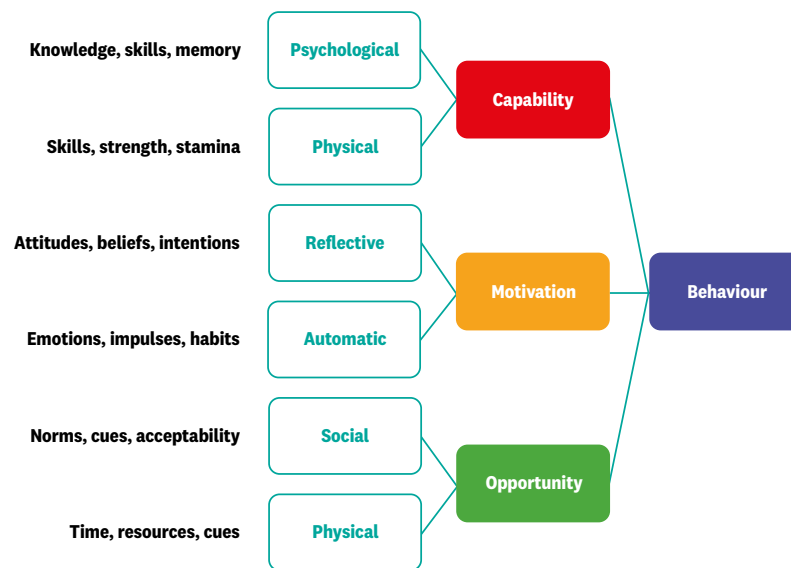
2.5 Defining engagement in the broadband market

'Engagement' with broadband

Switching is often defined as moving between providers. This is reflected in Ofcom's official switching statistics[20] as well as in how consumers appear to interpret the phrase.[21] However, we believe this is too narrow a definition of consumer engagement. Therefore, engagement with the broadband market has been defined in this research as a **consumer taking action to ensure that they are on a broadband package that best suits their needs**. This could include, but is not limited to, a consumer switching to a new provider, re-contracting with an existing provider, or renegotiating key elements of their current package (e.g. price, speed).

It's important to note the following characteristics of engaging in the broadband market in order to understand consumer behaviour.

There are many ways of engaging and these are not necessarily sequential.

Engagement in this market encapsulates a range of actions. For ease, we have grouped these into four different categories:

- Checking details of current package
- Exploring changes with current provider
- Exploring options elsewhere
- Switching package.

Consumers may do all, none or some of these actions and they may not be undertaken as a linear journey, participants tended to skip or miss steps altogether.

It is not necessarily useful to categorise consumers as being definitively engaged or disengaged. It is dependent on the presence of the correct conditions to engage (the consumer having

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19 Drawn from Michie et al, 2011.

20 Ofcom / Critical Research, 'Customer Satisfaction Tracker 2019: Summary of Research Findings', 2019. Accessed on 3/9/2019 via: https://www.ofcom.org.uk/__data/assets/pdf_file/0023/145814/customer-satisfaction-tracker-2019.pdf
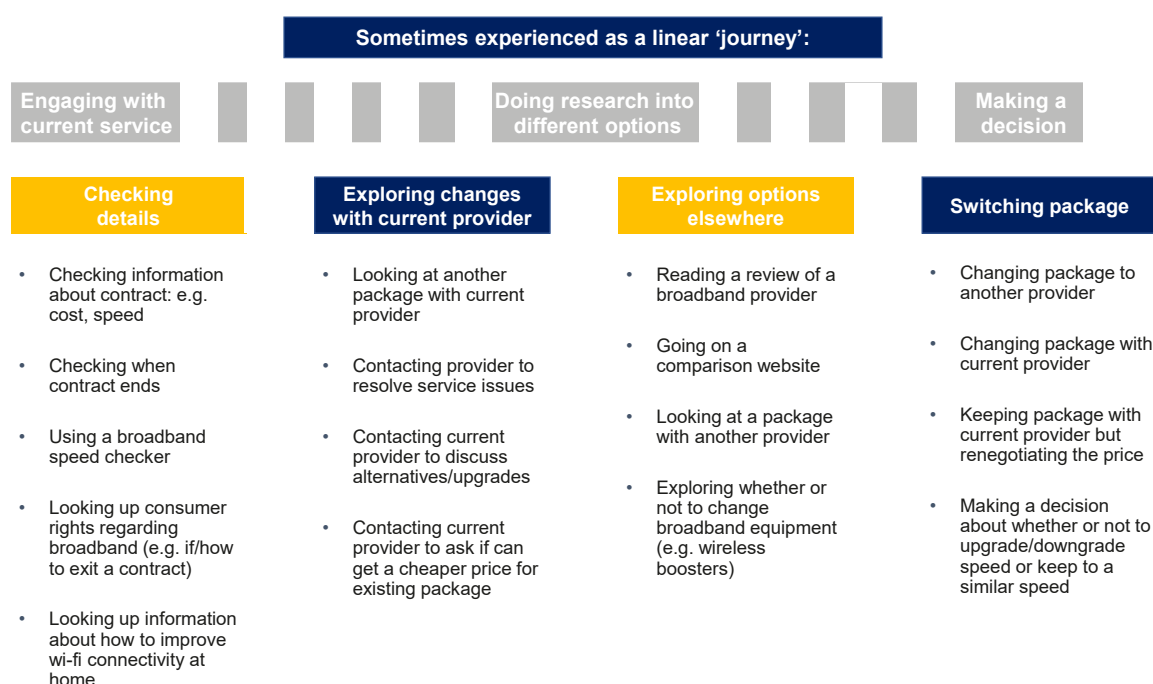
21 This research found that participants strongly associated the word 'switching' broadband with moving between providers, rather than changing their package with their current provider. This meant that some consumers did not consider the option to switch with their own provider i.e. by moving to a new deal.

capability and motivation and the opportunity) and therefore may change over time. For example, a person moving house may engage in the broadband market at the point of moving into their new house because circumstances require this but this engagement may then subside once they move.

"I said [earlier] it's not that big of an issue to change provider, but the truth is that it depends on so many things. It depends on what's going on in your life at the moment; it might feel like a huge nightmare. It's not really that bad but it does involve some commitment…there is a process you have to go through and at some points you might think 'I don't want to have to go through that'…"
(Male, 35–54, London)

Figure 4: Different categories of engagement

Sometimes experienced as a linear 'journey':

Engaging with current service	Doing research into different options	Making a decision

Checking details	**Exploring changes with current provider**	**Exploring options elsewhere**	**Switching package**
• Checking information about contract: e.g. cost, speed • Checking when contract ends • Using a broadband speed checker • Looking up consumer rights regarding broadband (e.g. if/how to exit a contract) • Looking up information about how to improve wi-fi connectivity at home	• Looking at another package with current provider • Contacting provider to resolve service issues • Contacting current provider to discuss alternatives/upgrades • Contacting current provider to ask if can get a cheaper price for existing package	• Reading a review of a broadband provider • Going on a comparison website • Looking at a package with another provider • Exploring whether or not to change broadband equipment (e.g. wireless boosters)	• Changing package to another provider • Changing package with current provider • Keeping package with current provider but renegotiating the price • Making a decision about whether or not to upgrade/downgrade speed or keep to a similar speed

This report defines the control group of the most engaged consumers in the sample as individuals who were maintaining engagement to ensure they are on a package that best meets their needs.

Engagement can be driven by different aspects of a broadband package:

Consumers may not be considering all aspects of their package when they engage. Rather, their attention can be led more by the broadband, landline, or the TV element of their package. In addition, the focus of their engagement may be driven by one or both of the following:

- **Quality** of service, for example, considering speed or reliability
- **Cost**, for example, reviewing package price.

3. How consumers see the broadband market

Key insights

- Individual switching behaviour is not consistent across markets. Some people have never switched broadband but are regularly reviewing their services in other markets.
- Consumers rarely engage with broadband in a proactive way, but instead tend to react to prompts. They are more likely to respond to a 'push' than a 'pull'.
- The most common 'push' is an unacceptable increase in price. Often these increases come as a shock, as they tend to be unexpected and are not always understood to be the result of an offer on a broadband package coming to an end.
- Faster speed (e.g. in the form of superfast broadband) is not a strong 'pull' to engage: those who upgrade speed tend to do so as a result of a major service issue. Superfast is not a 'pull' for a number of reasons, for example, because consumers tend to view it as a 'premium' service and they think it is likely to be much more expensive than their standard broadband.

3.1 Perceptions of broadband in comparison to other markets

Participants' levels of engagement were not generally consistent across essential service markets, such as energy and insurance. The majority reported having engaged in one market or another in the last few years by switching provider or package, but it was rare to have done this recently across more than one or two markets (including broadband). A minority outside the control group reported continual engagement behaviour (e.g. looking to change package at the end of each contract) in any specific market.[22]

Overall, engagement with broadband was fairly low when compared with other markets. This can be explained in part by specific associations with the broadband market that affect behaviour.

Figure 5: Summary of participants' perceptions of broadband versus other markets

	Broadband	Banking	Mobile	Energy	Car insurance
Perceived complexity of the market	High	Moderate	Moderate	Low	Moderate
Risk aversion	High	High	Moderate	Low	Low
Awareness of benefits or incentives to engagement	Low	Low	Moderate	Moderate	High

Below we explore how broadband compares to other markets on each of the criteria in Figure 5.

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22   Discussions of broadband in comparison to other markets were a focus of the depth interview fieldwork but were not explored in detail as part of the online community.

1. Belief that the broadband market is more complex and technical than other markets:

While most of the markets were felt to feature at least some complexity, broadband was seen as one of the hardest to navigate:

- The process of researching a new broadband package was seen to be complex, involving the assessment of numerous different variables (price, speed, provider, reliability, etc.).
- The language of broadband was seen to be more confusing than the language of some other markets e.g. terms like Mbps (Megabits per second) were not intuitive to most.
- Some other markets were also seen as unlikely to involve technical questions (e.g. about speed) when considering what package to choose.
- The presence of bundling was felt to make pricing difficult to understand.
- Setting up with a new provider (even after you have chosen them) was seen to be complex, e.g. participants were worried about setting up technical equipment such as a new router.

In comparison to energy, broadband is considered far more complex. In the energy market, there are relatively fewer technical questions when signing up with a new provider and more comprehensible terminology. The research process for finding a new energy provider is considered easier due to the lower number of variables that consumers need to consider.

> *"I review and change my fuel and insurances every time the contract comes up for review, because I know I can get a better deal elsewhere…Broadband has always seemed a lot more difficult to do and think it was a case of 'if it's not broken don't fix it'. Also, unlike fuel etc. which are only ' paper' changes, with broadband you physically have to change equipment such as hub etc. and reconnect everything."*
> (Male, 75+, Swansea)

Markets such as retail banking (specifically, current accounts) and mobile networks sit between broadband and energy. They are perceived as not as straightforward as energy but tending to use accepted, relatively comprehensible terminology with fewer technical questions to consider.

2. Greater risk aversion towards broadband:

> **Risk aversion**
>
> A preference for a certain outcome over an uncertain one, even if taking the uncertain route could result in an equal or better result.
>
> Ambiguity aversion, where there is a preference for known risks over unknown risks, is linked to this. The more consumers know of the domain in question the more willing they are to take the risk, presumably because they are better able to quantify it.
>
> Participants felt that engagement with the broadband market involved more 'risks' than other essential service markets. In terms of ambiguity aversion, the control group were less risk averse than the other participants, potentially because they were more experienced in terms of switching and therefore better able to quantify risks.

Engaging with broadband was felt to be a riskier decision than in other markets (with the exception of current accounts). This was due to fears that:

- new packages might include 'hidden' costs
- the new package may not necessarily provide a better service
- concerns that the switching process itself could be problematic, for example consumers having to install technical equipment themselves.

Consumers felt that switching energy provider had a lower risk of temporarily losing access to the service. Switching car insurance was similarly seen as low risk. Without equipment, such as

broadband routers to worry about, participants were fairly open to the idea of engaging with their own provider or others.

Whilst awareness of the range of providers in the broadband market was low, when prompted with information about these, participants were more trusting of newer providers in insurance and energy. There was a concern that a less well known or seemingly 'new' broadband provider didn't know as much about the service and would be less reliable.

"The lack of willingness to change is due to … a lack of confidence
as to whether the new provider will be any better."
(Male, 35–44, Nottingham)

3. Less awareness of the benefits of engagement:

Benefits of engaging in the broadband market were not particularly salient to consumers. This meant that engagement, when it did happen, was often due to a 'push' with the incentive to remove a negative (e.g. very poor service) or due to a situation such as moving house, rather than being 'pulled' by the prospect of a benefit. For example, we found that consumers were unaware of the level of savings that could be made until they were prompted in the research to explore other packages available. By comparison, they had greater pre-existing awareness of the savings to be made by engaging with energy, which was seen as a particularly high outgoing.

"Energy I switch nine times out of ten…I've probably got back
thousands of pounds through the years."
(Male, 75+, Nottingham)

Low awareness of the benefits of engagement in comparison to other markets was affected by the greater presence of prompts in other markets, for example, car insurance. The absence of rolling contracts in car insurance meant that consumers were used to the cycle of receiving renewal quotes at the end of a contract and that not engaging would risk them being moved onto a higher price with their current provider. This led to a greater perceived need to engage, as well as greater awareness of current cost.

"They [car insurance] send you a letter which triggers you to look.
They also always put the prices up, so you have to do something."
(Female, 55–74, London)

Changing mobile handset, whether due to functionality issues or personal interest, often forced consumers to make decisions about their mobile phone contract. In addition, this market was described as being more inherently interesting and as being more tangible, due to the association of the market of mobile operators with mobile handsets.

"I am never aware of when my [broadband] contract is ending,
only my mobile because I use it every day, so you know roughly how long
you have had it with an upgrade say."
(Female, 34–55, London)

4. For some, engagement with broadband feels 'new' or 'unfamiliar':

Compared with other markets, some participants were less familiar with the broadband market itself, with lower knowledge of the range of offers available from providers both in relation to speed and reliability.

Consumers felt that this market was less likely to be characterised by relationships with brands or services that had existed for the whole of their life, meaning that they were less sure of their view of each of the brands. Some participants had greater familiarity with other markets due to the fact that they had been around for longer periods of time. In the current account market, some participants noted specific relationships with a bank branch that influenced their views of engagement (e.g. a personal point of contact at a bank branch, that made them feel valued and listened to). Broadband was seen as rapidly evolving and technical, leading some to be put off thinking about changing package, and others to think about speeds as a new and changing aspect of the market, which felt harder to understand.

"When I first started getting broadband it felt like it was the Wild West…
maybe that's stuck with me, or maybe it hasn't changed."
(Male, 35–44, Nottingham)

3.2 'Push' and 'pull' in the broadband market

Engagement in the broadband market was rarely the result of proactive interest in ensuring the service was good value for money and meeting household needs. Apart from participants in the control group, most were only engaging in reactive ways, in response to a prompt. These prompts can be understood as being either a negative 'push' away from current service, or a positive 'pull' towards a new service.

Overall, there was a lack of strong prompts for participants to engage with the market. Broadband is a low saliency topic, something participants did not regularly think about in day-to-day life. It was perceived as functional and unexciting, in a similar manner to utilities like water and energy. There was a lack of association between the enjoyable or important activities that broadband enables and the actual service. As a result, prompts and incentives to engage needed to be stronger.

"For the first time [taking part in the research] I really thought about what I was…
getting at all. Because it was reliable…I really didn't give it any thought."
(Male, 65–74, London)

"…there are no problems so I will just let it roll [on] until it doesn't work for me."
(Female, 18–34, London)

> **Salience**
>
> Salience refers to how prominent or emotionally striking something is. Consumers tend to focus on higher salience subjects and items in their day-to-day lives. These are often ones with the greatest availability, rather than those which might be considered more or less important using a more objective measure.
>
> Broadband is seen as a resource in the same way as gas and electricity. When working well it is not salient to consumers as their attention is not drawn to it. Despite being extremely reliant on broadband in their day-to-day lives it was not in and of itself seen as exciting, nor was the idea of engaging with broadband packages.

The prompts to engagement that exist in the broadband market tended to be 'pushes'. Meanwhile, 'pulls' to engage were either absent or seen as weak. In a few instances, these experiences could lead participants into more continual engagement, but in many cases low engagement persisted.

3.2.1 'Pushes' to engage

There were a number of areas which had been hypothesised would 'push' consumers to engage with the market. However, other than an unacceptable price hike, these did not often prompt engagement.

1. The most common 'push' to engage was the 'shock' of an unacceptable increase in price

Price increases were often first noticed on a bank statement rather than via provider communications and when the cost of broadband had increased far more than had been expected or than felt manageable in the household budget.

Many participants had poor understanding of the time limited nature of discounts and low awareness of the monthly cost of broadband, both of which were affected by communications in the market (see chapter 4). While this was driven by forgetfulness for some participants, for others this was the result of not realising they were currently on an offer. As a result, they would be surprised when the monthly cost had risen as a result of discounts ending and smaller, inflationary increases, particularly as they often noticed this after the fact. This would lead some, though not all, to engage with the market by speaking to the provider or exploring options elsewhere. For the most part, this was only in order to try and 'contain' the increase, in a one-off interaction that may or may not be repeated in the future.

> *"I would only be prompted by money changing in our household, because we plan and I would think 'where can I get some money from, how do I make it back up?'.*
> *I think five pound a month would be enough for the switch."*
> (Female, 35–44, Colne)

2. Service issues did not usually lead to substantive engagement

Participants felt it was normal to experience some service issues, such as intermittent connectivity or slower speeds than normal, in part due to broadband being a variable resource, as explained in chapter 4. They generally avoided seeking out solutions to smaller problems at home if they were seen to be high effort and without guarantee of success. Large problems, such as loss of service or being unable to complete particularly important tasks, usually resulted in action with varied success. It was rare, however, for this to lead to a reassessment of the quality of broadband service as a whole or to make them consider a different provider.

> *"I think that having problems with your broadband is quite normal,*
> *a lot of it is that people like me don't understand it. My daughter would ring me,*
> *she wouldn't even know to turn her router on and off!"*
> (Female, 55–74, Colne)

3. The end of a broadband contract was not, by itself, a sufficient 'push' to engage

Within our sample many participants were on rolling contracts, and those in a fixed-term contract were not generally aware of its end date.[23] There were several participants who did not realise they were on a rolling contract until they were asked to look this information up as part of this research. For the participants on rolling contracts, the end of the contract itself was insufficient to prompt engagement. This is not the case for those in the control group who were aware of when their contract ended and would engage at the end to ensure they were on the best package for their household.

> *"I actually didn't know I was out of contract for months.*
> *I had not received any notification or offers."*
> (Female, 18–34, London)

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23 Ofcom's research found that there were 8.8 million out-of-contract broadband customers in the UK (41%). Ofcom, 'Helping consumers get better deals: A review of pricing practices in fixed broadband', September 2019. Accessed on 26/9/2019 via https://www.ofcom.org.uk/__ data/assets/pdf_file/0018/168003/broadband-price-differentials.pdf

4. Moving home was not necessarily treated as an opportunity for in-depth engagement in the market

A home move forced some participants to make decisions about their broadband package and therefore forced at least a minimum level of engagement in the market. In some cases, it led to them saving money by virtue of having to start a new contract at the new address, which was often accompanied by a discount.

However, it was rare for this to lead to in-depth engagement. The priority tended to be to ensure that a broadband service was in place at the new address, rather than it necessarily being a package that was particularly suited to the household's needs. As a result, some simply asked their current provider to carry the service over and did not explore alternative packages. While some described engaging with new providers at this point, the perceived low risk nature of staying with the existing provider at a time of many changes was often the preferred option.

> *"I looked at it more in depth when I did research for you lot compared to when I moved.*
> *Last time, [my husband] had a TV package but he'd been with*
> *[provider x] before, so I just went for them."*
> (Female, 55–74, Colne)

3.2.2 'Pulls' to engage

1. Social prompts – whether advertising or conversations with friends – rarely led to a positive interest in a broadband package or product

Advertising and communications were seen as lacking relevance due to a perceived focus on selling additional products and services that participants felt they did not need.[24]

Conversations with other people about broadband were rare, linked closely to the low saliency of broadband as a topic. When they did happen, conversations were noted to be generally negative, for example, focusing on poor service, or the experience of a price increase, rather than the experience of a good service or saving.

> *"I think the main difficulty would be the installation process …*
> *[you] always hear horror stories that put you off."*
> (Female, 55–74, Belfast)

2. Lower priced packages did not act as a 'pull' to engage as often as might be expected

Receiving communications about low-priced packages did prompt some participants to engage. However, when this happened it was often described as a piece of timely good luck. Participants would usually describe hearing about or noticing a cheaper package around the time they experienced an unacceptable price increase.

> *"[Provider x] put their prices up and they said it was a breach of contract so we could change.*
> *My broadband with them was so slow. Everything was freezing. So, I just thought*
> *enough is enough and I could see [provider y] at the time was slightly cheaper."*
> (Male, 18–34, Colne)

At other times, participants were affected by a number of barriers to engaging with cost (see chapter 4) including a lack of understanding about how to ensure value for money in the market. They were not thinking about the cost of broadband very often, there were mixed views as to how important it was to keep track of the monthly cost, and how large an outgoing it represented.

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24   During the online community diary, a number of participants posted images of adverts they had seen from broadband providers, but it was rare for them to take much interest in these or use them as prompts to engage.

This contrasted with consumer behaviour in the energy market, where a number of participants who weren't engaged with their broadband regularly reviewed their energy tariff because it was considered an expensive outgoing.

> *"I probably find it easier to switch gas and electricity because you are going off price and a better tariff, there is less to compare, where there isn't different types of gas and different speeds of gas and things like that. I'd find it easier to do the other ones."*
> (Female, 55–74, Colne)

When participants who showed lower levels of engagement did engage in response to a price rise, this seemed to be motivated by a need to contain the cost increases beyond what they are used to paying, or what they budget for each month. They did not tend to use it as an opportunity to review their package and consider whether it was the best value one for their household.

3. TV sometimes prompted engagement with broadband but not necessarily in an effective way

For many participants with pay TV, it was an area that had greater saliency than broadband. Some did engage with their broadband as a result of this interest in TV, for example by switching broadband contract. However, they would often do so in a way that prioritised getting a good TV deal over getting a good broadband deal.

For example, participants interested in a sport that was only available on a particular channel might engage from one year to the next in order to obtain a new TV package, which in some instances may be accompanied by a new contract on the entire bundle. However, they were not necessarily considering whether or not this was the best deal for the broadband component of the bundle. The knowledge that there were at least some savings involved were often enough to justify their decision.

> *"We watch a lot of telly. Sometimes, we have all three TVs on, but we watch things as a family around one thing. I think it's quite central, entertainment-wise. We have had [provider x] telly for two years and before that we had [provider y] and before that we had [provider x] – in and out really. It's important to life."*
> (Male, 18–34, Colne)

4. Low trust in the market, coupled with the view that there was little difference between providers, meant that knowledge about the existence of alternative providers rarely acted as a 'pull' to engage

Most participants were only familiar with 3 to 5 providers, even where they had more than this number of providers available to them in their area. Apart from those with specific, poor experiences with a provider, there were few perceived differences between brands in terms of their broadband provision. There was confusion about how to interpret cost differences between providers. Similarly to some other utilities markets, consumers had very little sense of whether more expensive providers might offer a higher quality service.

Many did not feel that providers were offering anything different from one another in terms of quality, with the exception that some were concerned that *any* provider other than their own might be lower quality at their address. This was connected to a broader lack of trust in the market.

Participants viewed providers as being poor at resolving service issues. This led some to show loyalty on the basis of a provider offering a better customer service than others, primarily driven by their own experience of providers. This was often heavily influenced by a poor experience of a particular provider in the past, before a smoother experience with a different provider since then. In other cases, participants were dissatisfied with their current provider, but preferred the relative certainty they provided compared to the unknowns of a new provider.

Even when participants were shown reviews of a range of broadband providers from Which? and Ofcom, they still felt that there would not be much difference between providers. As a result, this information in isolation appeared unlikely to prompt engagement among consumers.

There was a general rule of thumb that larger providers would probably provide a more reliable broadband service and better customer service than an unknown or newer brand. Consequently, when they came across less well-known providers on the online community, there was a general lack of willingness to try them. They were sometimes not seen as 'real' broadband providers and there was a belief that if something went wrong, it may be harder to resolve issues. However, the impact of seeing broadband being provided by recognised brands was more positive.

> *"I would try and stay with a big company… You feel they are more established,*
> *and if something goes wrong, they have the capacity to deal with it quicker.*
> *They want more and more customers, so they want to stay at the top of their game.*
> *You feel more confident staying with brands that you know.*
> *You know about them, so you just trust them."*
> (Female, 18–34, Lancashire)

5. Faster speed did not act as a 'pull' unless a major service issue was being experienced

In this research, we were particularly interested in the role of superfast broadband in the market. This was in part due to the slow uptake of superfast broadband, even though 95% of the UK has access to these connections.[25] We wanted to find out whether superfast broadband was a 'pull' for consumers to engage in the market and, if not, why.

The consideration of superfast broadband as part of this research was also critical given the Government's full fibre vision for the UK. The ambition is for nationwide coverage of full fibre by 2033. However, this rollout needs to be supported by strong consumer take-up of full fibre services to help drive investment. Therefore, we wanted to understand how strong a 'pull' faster speed really is for consumers and to provide essential insights for encouraging consumer adoption of newer broadband technologies.

Broadly speaking, participants' levels of knowledge about superfast broadband were low. We found the faster speeds were not a 'pull' to engage unless participants were experiencing service issues, for example as a result of high household usage which had led to problems such as buffering.

In addition, we found that superfast does not act as a 'pull' to engage in the way we had thought that it could. The market needs to build more effective incentives to encourage consumers to engage and benefit from the choice and competition that exist in this market.

Understanding of speed and quality
Participants' priority was often to ensure that their broadband service remained consistent. When engaging, they did not tend to make a new assessment of what speed might best suit the household's needs. Instead, most participants chose a package by purchasing a similar speed to their current package, rather than seeing different speeds as a proxy for quality of the connection.

Only participants in the control group made decisions around speed based on whether the quality of broadband felt like good value for money, including downgrading their speed if the cost was felt

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25   Ofcom, 'Connected Nations Update: Summer 2019. Accessed on 25/9/2019 via: https://www.ofcom.org.uk/__data/assets/pdf_file/0024/166650/connected-nations-update-summer-2019.pdf . Superfast broadband is understood here as delivering speeds of 30Mbps and above, based on Ofcom's definition. The Government defines superfast as speeds of 24Mbps and above - level of coverage at this speed now exceeds 95%.

to be excessive for household needs. Alongside this, participants commented that superfast was a 'premium' service and something that people don't really need or that wasn't relevant to them.

Perception of cost
As stated above, participants often questioned what superfast broadband would do for them in practice and considered it to be a premium service. As such, most believed it would cost more to upgrade their speed, guessing that it could be up to £40 per month more as they assumed that faster speeds equated to higher cost. By comparing it to the price of their current, standard package, the assumed cost felt too high to justify without a clear benefit.

When shown information about the quality and cost of superfast, a minority indicated an interest in the potentially smoother experience of superfast broadband. However, this was seen as a one-off decision, with no evidence that it would become a habit for them to review whether or not the quality of their broadband could be improved.

> *"I don't require it [and] I would be paying way more than I am now."*
> (Male, 18–34, Swansea)

As part of the online community, participants were shown information about the cost of standard and superfast broadband across a range of providers. We asked customers to provide feedback on a statement from Ofcom saying: *"customers of all the large providers who are paying a non-discounted price for standard broadband could take out a new, equivalent superfast broadband contract for the same price, or less."* Some participants were broadly positive about this, as it seemed to make superfast seem like less of a 'premium' or 'luxury' service.

However, other participants didn't believe that it was possible to get faster broadband for less money and viewed this information as a marketing statement, not necessarily having a good understanding of its impartiality. Additionally, there were worries about hidden costs or unexpected price hikes after entering a contract for superfast broadband.

However, among participants in the control group, who were already confident in their knowledge of how to deal with the broadband market, many said the information would make them more likely to consider switching to superfast for their next broadband package.

> *"I think that is good that many people can upgrade their broadband*
> *at no extra cost but what is being done so that they know this?"*
> (Female, 55–74, London)

Other key insights
  – The term 'superfast' is felt to be unclear. Some participants were unsure what speeds are defined by the term, whether this was a marketing term, and in what way it relates to other commonly heard terms such as ultrafast and fibre.
  – The language of megabits per second (Mbps) was also confusing for some.
  – What higher speeds are available to individual households and whether these are achievable in practice was not always obvious to everyone. Some were also not sure whether these speeds are guaranteed or minimum speeds and did not necessarily believe these were the speeds they would actually receive, or whether they would be reliable.

4. Key barriers to engagement

Using the COM-B framework to analyse participants' engagement with broadband revealed the following:

- There were a wide range of barriers to engagement spanning capability, opportunity and motivation (see Figure 16 in the Appendix for a full list)
- These factors interact with one another in a large number of ways. Very few exist in isolation
- Due to the complex nature of engagement, some factors only affect one stage of engagement, e.g. exploring options with a current provider. Others affect multiple aspects of engagement.

From the long list of barriers, six factors were identified as the most important barriers to engagement among participants with low engagement[26]:

1. Lower confidence and ability to assess broadband needs and identify a suitable package (Capability).
2. Lack of knowledge about how pricing works in the broadband market i.e. that you usually need to be on a fixed term contract to get the lowest prices, that not everyone is paying an advertised price for their broadband and that you need to continually review and renegotiate packages to get best value for money (Capability).
3. Lack of effective communications about current and alternative packages (Opportunity).
4. Belief that current service is 'fine' (Motivation). Many consumers held this belief when in reality they were having problems with their service or have a relatively expensive tariff.
5. Belief that changing provider may lead to worse service (Motivation).
6. Belief that engagement may lead to unexpected costs (Motivation).

We identified these as key barriers because they were very common across the research sample and seemingly had a greater impact on engagement than other factors. They were identified both through what participants told us and what we observed in their behaviour during the course of the research.

There are complex interactions between the six barriers and other contributing factors underlying these (see figure 6). In some cases, the contributing factors had an impact on more than one of the six key barriers, and some of the six key barriers also affected other key barriers' impact on engagement, thus playing a role as contributing factors.

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26   This list of barriers does not apply to the control group of more engaged participants, whose own relationship with these barriers is detailed in chapter 6.

Figure 6: Six key barriers to engagement, and contributing factors for each, among main sample of less engaged consumers (excluding the control group of routinely engaged consumers)

COM-B factor	Barrier to engagement	Contributing factor
Capability	Lower confidence and ability to assess broadband needs and identify a suitable package	Lower technical knowledge about broadband **(Capability)**
		Belief that current service is 'fine' **(Motivation)**
	Lack of knowledge about how pricing works in the broadband market (i.e. that you need to be in a contract to get the lowest prices, that not everyone is paying an advertised price for their broadband and that you often need to continually review and renegotiate packages to get best value for money)	Lack of effective communications about current and alternative packages **(Opportunity)**
		Absence of social prompts about broadband **(Opportunity)**
Opportunity	Lack of effective communications about current and alternative packages	Low understanding of opportunity to ask provider about deals for current customers **(Capability)**
		Lower knowledge, social skills and confidence for telephone engagement **(Capability)**
		Mixed social acceptability of asking providers for something **(Opportunity)**
		Belief in lack of transparency in the broadband market **(Motivation)**
Motivation	Belief that current service is 'fine'	Lack of knowledge about how pricing works in the broadband market **(Capability)**
		Lack of effective communications about current and alternative packages **(Opportunity)**
		Belief that benefits of engagement are small **(Motivation)**
		Perception of broadband as functional **(Motivation)**
		Belief engagement may lead to unexpected costs **(Motivation)**
		Belief that changing provider may lead to worse service **(Motivation)**
		Belief that it is normal for broadband quality to be variable **(Motivation)**
	Belief that changing provider may lead to worse service	Social influences of others' poor experiences **(Opportunity)**
		Belief that it's normal for broadband quality to be variable **(Motivation)**
		Negative perceptions of switching and belief in risk of service loss **(Motivation)**
	Belief that engagement may lead to unexpected costs	Confidence and ability to assess own needs and identify a package to meet them **(Capability)**
		Belief in the difficulty of researching broadband packages **(Motivation)**
		Belief in lack of transparency in the broadband market **(Motivation)**

In addition, behavioural biases have been identified within some barriers. These are highlighted in grey boxes within the appropriate sections of this chapter and a list can be found in the appendix at Section 8.6.

4.1 Capability barriers to engagement

In the COM-B model, capability is the ability to enact a certain behaviour, and consists of a mix of psychological and physical abilities.

Key insights

Two key barriers were identified in the capability category, both of which are psychological factors.

- **Lower confidence and ability to assess broadband needs and identify a suitable package.** This is a key barrier due to its impact on willingness to explore the market, effectiveness of engagement with quality of service in the market and the ability to choose the right package.
  - Reluctance to engage in the process of exploring different options often manifests itself as not knowing 'where to start' and fear of making the 'wrong choice', indicating a lack of confidence and ability to assess broadband needs. This is exacerbated by the perception that broadband speed is a technical topic that is challenging to understand.
- **Lack of knowledge about how pricing works in the market** (i.e. that you need to be in a contract to get the lowest prices, that not everyone is paying an advertised price for their broadband and that you need to continually review and renegotiate packages to get best value for money)**.** This is a key barrier as it makes engagement seem irrelevant to consumers.
  - Limited understanding of how pricing in the market works is exacerbated by the lack of effective communications in the market, as well as the perception that marketing of packages is generic and therefore irrelevant. This results in an absence of prompts to think about how cost in the market works.

4.1.1 Capability: Lower confidence and ability to assess broadband needs and identify a suitable package

A number of participants described lacking confidence in their ability to understand what broadband package was right for their and their household's needs, which made it much harder to engage effectively, if at all, with the broadband market. This was amplified by consumers having low levels of knowledge around the more technical aspects of broadband or believing that the service they were receiving was 'fine', regardless of whether or not it was fully meeting their needs.

Figure 7: Key capability barrier and contributing factors

COM-B factor	Barrier to engagement	Contributing factors
Capability	Lower confidence and ability to assess broadband needs and identify a suitable package	Lower technical knowledge about broadband **(Capability)**
		Belief that current service is 'fine' **(Motivation)**

Participants often didn't feel confident identifying the 'right' broadband package for them, often expressed in terms of not knowing where to start. Some struggled to identify which aspects of the market in particular they found to be challenging, but these tended to revolve around two elements:

1. Participants were put off by **the number of individual costs** in a broadband bundle. The number of components in a bundle could feel overwhelming, e.g. line rental, TV channels. This was exacerbated by the appearance of other products that providers offered in their marketing making it seem harder to make a decision about what a bundle should include, e.g. household 'hubs' for recording and playing back TV content.

"There are always hidden extras, like the line rental, and then adding the telly provider on top."
(Female, 55–74, Swansea)

2. The need to make decisions about broadband **type and speed** was seen as difficult. It was clear that few participants had selected their current broadband deal based on a proactive

assessment of the broadband speed which would best suit their needs. Instead, participants had selected a 'default' speed option, followed a provider suggestion, or received increased speed as a result of problems with their connection. A significant reason for this is having low levels of technical knowledge. This is explored as a contributing factor below.

For some this barrier was enough to stop any form of engagement, even if they were aware that they could benefit from engaging, as people feared **choice overload**. They perceived that there would be a large number of variables to consider when exploring different options, including speed and pricing, and that they had a low understanding of some, or all, of these.

Choice overload

Choice overload refers to the difficulty of making decisions when faced with a large number of options.

Choice overload usually manifested itself in the context of there being an excessive number of decisions to make within the selection of a single package, due to the number of individual costs within a broadband bundle, and the need to make decisions about elements such as broadband speed and call package.

For others, this could lead to less effective forms of engagement. Some engaged with one component or aspect of their package (e.g. broadband type) to be able to make a decision, rather than being comfortable that they could make an informed choice about the right package for them having weighed up a number of factors. In particular, participants were more often assessing cost than quality. While they could compare the cost of broadband with other household outgoings, few took steps to try and determine what speed would be most appropriate for them.

Participants worried that if they switched package, they might make the wrong decision. Some explained this could lead to a worse service or to a package that was more expensive than it needed to be. For others, their confidence was sufficiently low that they couldn't articulate what they were afraid of.

"I wouldn't know where to start so it would be confusing."
(Female, 45–54, Falkirk, Triple Play customer)

"You need to calculate all of these things into comparisons and it's too confusing to make a good judgement if you would be better off."
(Female, 55-74, London)

When participants were asked to spend time carrying out research into alternative packages, many found this to be easier than expected. This suggested that the barrier related more to confidence to carry out this task effectively rather than an actual ability to do so.

Whilst most found research easier than expected, some still struggled to understand whether alternative packages would meet their needs. They were unsure whether the advertised speed of an alternative package was appropriate for them and whether the listed speed was the one that they would actually receive. Others tended to conduct research without giving much consideration at all to what type of broadband might be most suitable for their household.

"How can I have confidence that [my provider's speed] will be what they say it is?"
(Male, 18–34, Nottingham)

Contributing factors

Lower technical knowledge about broadband (Capability)

A key reason why participants either demonstrated or reported low capability to assess their broadband needs was low understanding of terminology, in particular relating to broadband speed. As a result of this, participants were either put off from engaging with any technical questions completely, or engaged less effectively than they might have otherwise.

There were two key difficulties:

1. **Technical language used to describe speeds:** Some felt that the language used to describe broadband speeds lacked meaning, was intimidating, and/or overly complex, e.g. megabits per second (Mbps).[27]

2. **Understanding the difference between different types of broadband:** There was confusion about the exact differences in speed between standard, superfast, ultrafast and full fibre, and the difference in user experience from these speeds, e.g. when downloading or streaming.

When consumers felt they did want to engage with the details of their broadband package, there were a number of technical challenges they faced, often related to understanding their current broadband package as a starting point in their research:

- **Misremembering broadband package**
  - Forgetting what the household had signed up to in terms of specific speed or broader speed category (ultrafast, superfast, etc.).
  - Not understanding when/if a speed upgrade had taken place as part of a change in package.
- **Not being able to locate relevant paperwork from their provider about broadband type**
- **Locating paperwork but unable to understand which type of broadband their speed related to**
  - Being unclear as to the speed for superfast or ultrafast connections, or what the provider had guaranteed.

> *"They use different words 'ultrafast', superfast; it all means the same thing."*
> (Female, 55–64, Nottingham)

> *"For me, the words 'superfast fibre 50mb' really don't mean a great deal."*
> (Female, 25–34, Lancashire)

Belief that current service is 'fine' (Motivation)

Participants either believed their needs were being met or had adapted their needs to the current quality of their broadband. This meant that there was little or no motivation to try and engage and overcome the barrier of technical language, as this would require a lot of effort without clear benefit. This was reinforced by **status quo bias**.

This factor is explored in more detail later in section 4.3.1 of the report.

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27 For example, some consumers reported that their bills listed the fact they received 'superfast' broadband but were given no sense of what this meant in practice (i.e. speeds received).

> **Status quo bias**
>
> Status quo bias is the phenomenon whereby people tend to be drawn to their current position even when there are gains to be made from moving away from a default option. It is an emotional preference for the current state of affairs. In this research, it was sometimes linked to risk aversion and loss aversion.
>
> Many participants suggested they would prefer their broadband package to stay the same, in spite of the potential for savings or improved service.[28]

4.1.2 Capability: Lack of knowledge about how pricing works in the market

A number of participants demonstrated low levels of understanding about the ways in which pricing works in the broadband market,[29] which prevented them from engaging fully and effectively. This appeared to be more challenging if consumers were not receiving communications about current and alternative packages offered by their provider or any social prompts about broadband, including advertising or conversations with friends and family.

Figure 8: Key capability barrier and contributing factors

COM-B factor	Barrier to engagement	Contributing factors
Capability	Lack of knowledge about how pricing works in the broadband market	Lack of effective communications about current and alternative packages **(Opportunity)**
		Absence of social prompts about broadband **(Opportunity)**

Consumers had a basic understanding that a key purpose of switching was to save money. Despite this, knowledge about how the market worked in practice in terms of pricing was low and this hampered engagement.

Consequently, some were not engaging with cost at all, and others failed to take advantage of lower pricing as much as they could have. There was often a pattern whereby participants engaged in order to contain price increases when they noticed these had been unacceptable, with varying degrees of frequency and effectiveness.

This lack of knowledge manifested itself in two particularly prominent ways and was exacerbated by opportunity barriers.

1. Poor understanding of the link between a fixed-term broadband contract and introductory pricing
Some participants were not initially aware that their broadband contracts included an introductory price that increased to a standard price once the minimum contract period ended. It was only after receiving an unexpectedly high bill from their provider that this became clear. Providers were described as having increased the price by an unacceptable amount without providing effective notice, or as 'hiding' the cost of the package.

> *"Most broadband packages seem to have special prices for certain items over different periods within that contract and the first you realise is when you get the email saying your latest bill is ready to view online, and the price could have changed, and that's usually up not down."*
>
> (Male, 75+, Swansea)

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28   Other research has suggested that it takes a 'triggering' event such as 'bill-shock' in order to disrupt status quo bias in telecommunications markets. For example, see Behavioural Insights Team, 'Behavioural Biases in Telecommunications', 2019 (link included earlier in this report).

29   By this, we mean the way the market works in that you normally need to be in a contract to get the lowest prices, that not everyone is paying an advertised price for their broadband and that you usually need to continually review and renegotiate packages to get best value for money.

While in a few instances high bills were due to consumers exceeding usage limits, in most cases the reason for the change in price was likely due to the end of an introductory contract price. This suggests that regardless of how the price had been presented to them, participants had either not realised they were receiving an introductory offer or had forgotten that this was the case.

However, while receiving a high bill might lead consumers to engage reactively to try and 'contain' any further increase in price, this was unlikely to lead to consumers maintaining engagement over time and continually reviewing their broadband against what is available on the market.

Some participants described a sense that the broadband market seems to be set up in such a way that consumers who are more engaged, or more willing to 'haggle' or negotiate with their provider, seem to benefit. This was coupled with a sense that the broadband market moves quickly, with offers and packages changing frequently, which can make engaging seem all the more daunting.

Participants in the control group were most likely to be aware of the fact that the 'best' introductory prices often stop after a 6-month or 12-month period and described exploring whether any deals were available to them on a regular basis. Conversely, the majority of participants were unlikely to think of their role in the market as a particularly proactive one and were more likely to view switching as a one-off interaction, rather than one which could be repeated regularly.

2. Perception of other limitations associated with introductory pricing

The fact that low prices in the broadband market are often described as 'special' or 'introductory' offers means that by definition, they are not positioned as a 'standard' price for a product. Consequently, some felt that it is the norm to pay a 'standard' price and the idea of shopping around to find a lower price did not feel like an urgent concern. In some cases, consumers felt it was unlikely they would be able to get a better offer once the introductory period elapsed. This could differ to experiences in other markets for example with car insurance, the low presence of rolling contracts means that consumers were more likely to identify 'standard' pricing as having the potential to be bespoke or discounted.

Contributing factors

Lack of effective communications about current and alternative packages (Opportunity)

Poor knowledge about the nature of broadband pricing had been exacerbated by the lack of, and nature of, communications about broadband packages in the market. Consistent with other research in this area,[30] few who were on fixed contracts said they received a prompt to engage with the market when their contract ended.

Some participants who had seen an increase in price at the end of their contract complained spontaneously about the absence of advance notification that would have informed them of the end of their contract and of the price increase. Similarly, none on rolling contracts reported receiving any equivalent communication from a provider 'checking in' about their price and package.

This lack of communication also contributed to a wider knowledge gap about how pricing works in the market. Consumers were not receiving information about the pricing of their own broadband package, so they lacked a useful reference to better understand how broadband pricing works more generally.

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30   Ofcom say "Our research shows that more than 20 million customers have passed their initial contract period. Many of these could be paying more than they need to." See Ofcom, 'Making sure customers get fair deals: Progress update on Ofcom's work to ensure Fairness for Customers', 2019. Accessed on 3/9/2019 via: https://www.ofcom.org.uk/__data/assets/pdf_file/0020/152660/fairness-for-customers-progress-update-june-2019.pdf

Participants noted that they rarely received personalised communications from their provider beyond bills, or, more commonly, email notifications that a bill was ready to review. Marketing about alternative packages was seen as generic, often including other products and services from the supplier, such as mobile SIM cards or TV channels. As such, these had little bearing on engagement and seemed to increase perceptions of discounts in the market as being linked with the purchase of add-ons.

Absence of positive social prompts about broadband (Opportunity)
Social prompts, including advertising, talking with friends/family and seeing broadband information in media, were rarely mentioned spontaneously by participants. Around 1 in 3 participants on the online community said they didn't think they had discussed broadband with anyone during the past year. When consumers did describe engaging as a result of a social prompt, it was more likely that these prompts were reinforcing barriers, rather than enabling engagement. Participants tended to engage with the negative experiences or information they had heard or seen (**negativity bias**).

> *"[I haven't really looked [at other providers] because I spoke to other people*
> *and they didn't say they get good service."*
> (Female, 35–54, London)

Negativity bias
Even when positive and negative experiences occur with an equal intensity, the presence of negativity bias means that individuals are more likely to be affected by the negatives: they have a greater effect on most people's psychological state or processes. Social conversations about broadband that tended to have had a greater impact on participants' attitudes towards engagement were those with a negative component to them, for example, a poor experience of switching or a poor broadband service.

In addition to other areas, this bias affected understanding of pricing. Participants were more likely to recall negative conversations and news stories about pricing than hearing about a good deal. Where participants had heard about friends and family members on good deals, this led to an increased understanding of their availability.

At the end of the online community, when online participants were encouraged to discuss their experiences with each other, consumers who described feeling that they were getting value for money, or who reported negotiating with their provider to get a better package, had an impact on others' understanding of the benefits of proactive behaviour.

Capability case study
Susan

Susan lives with her husband and adult son in Falkirk. She has been with her provider for 20 years and pays £65 for a triple play bundle (superfast broadband, landline and TV). She also pays for TV from another provider. The main broadband user is her son, who games and streams music and videos. Susan and her husband rarely use the internet and do not use the TV service from her broadband provider, she is unsure if her son uses it.

Susan's main barrier to engagement is her **capability**. She describes how she **"can easily get bamboozled with technology and terminology"** and doesn't know what speed she needs for her household. Whilst she knows that she is probably overpaying, she gets very stressed thinking about engaging because of her lack of knowledge about broadband.

Her lack of confidence and low knowledge combined with her **strong risk aversion** stops any engagement with her current provider, whom she does not phone because she's "frightened of…asking about things and [then getting] the sales pitch", resulting in her **engagement leading to unexpected costs**. She says that she would get "quite worked up thinking that they were going to throw me with some kind of jargon, broadband speeds or something… so I ignore it and don't do anything about it".

In addition to Susan's lack of knowledge about broadband, she **also lacks knowledge about how pricing and bundles work in the broadband market**. She admits she is paying "quite a lot", as she pays for a TV service that she does not use from her broadband provider. However, she has never negotiated with her broadband provider and believes that she has no choice but to accept price increases: "They put it up every year and …we just pay it…I think everyone else [does]…you've got to pay it.".

To reduce costs, she would prefer to cancel her triple play bundle and move her broadband to her TV provider as it's cheaper. However, she doesn't want to switch broadband **because she believes that changing provider may lead to a worse service**. This loss aversion is socially reinforced by comments she sees on her local Facebook group about poor service from broadband providers. She is unaware that if she wants to keep her current broadband and reduce costs, she does not have to subscribe to her broadband providers' TV service.

Susan is **not confident with computers and is not an online consumer**. She says that she "very rarely Googles anything" and had "never thought" of researching what packages were available on her provider's website. She is apprehensive about researching online because she thinks the website content would be very technical.

As a household they are financially sensitive and "money is getting tighter and tighter". They have cut back in other areas but not with broadband. When Susan stops to think about it, she knows she should engage with the market to get a better value package. However a combination of **status quo bias, risk aversion, loss aversion, and her low confidence and capability** means she doesn't: "…[I] don't [want to] complicate it in case it gets broken, in case I make a mess of it and I get in a bigger hole…".

4.2 Opportunity barriers to engagement

In the COM-B model, opportunity is the external physical and social environment that enables wanted behaviours or inhibits unwanted behaviours. Opportunity barriers can be understood as being social barriers (relating to norms and acceptability of certain behaviours, or cues to act), or physical barriers (also including cues to act, but also physical resources, including time).

Key insights
- The main opportunity barrier identified was a **lack of effective communications about current and alternative packages.** Some consumers are unwilling to leave the 'comfort zone' of their own provider, therefore an absence of communications about their existing package prevents them from ensuring that they have the best package.
- There are barriers that prevent consumers from taking the opportunity to engage with their own provider to get a better deal.
  - Some consumers are not aware these alternative deals exist, or assume they are only for new customers.
  - Others are aware that some deals are only available over the phone and feel uncomfortable calling their provider to discuss these, seeing this as a confrontational, stressful experience where they may not succeed.

4.2.1 Opportunity: Lack of effective communications about current and alternative packages

The majority of participants described not receiving sufficient or effective communications from their provider about their current package or alternatives available to them and felt that this lack of a 'prompt' made it harder to engage with the market.

Figure 9: Key opportunity barrier and contributing factors

COM-B factor	Barrier to engagement	Contributing factors
Opportunity	Lack of effective communications about current and alternative packages	Low understanding of opportunity to ask provider about deals for current customers **(Capability)**
		Lower knowledge, social skills and confidence for telephone engagement **(Capability)**
		Mixed social acceptability of asking providers for something **(Opportunity)**
		Belief in lack of transparency in the broadband market **(Motivation)**

Consumers do not necessarily need to switch to another provider to get a better package for their household. They could engage with their own provider, particularly where they are out of contract but do not realise this.[31] This could be particularly important for those who do not, for whatever reason, want to switch from their current provider. However, an absence of communications about what current suppliers can offer their existing customers prevented many from considering forms of engagement with their own provider.

In instances where participants did receive communications about alternative packages, these communications were felt to be poor. For example, many felt they were generic and therefore not applicable to them and their household's broadband needs. Participants also felt that communications they received about their current broadband package were often overly focused on billing, with relevant information about their package (or potential alternative packages) difficult to locate within this. Others commented that any communications were not presented in a user-friendly way. The fact that any information that providers *do* share can be complex and hard to navigate makes it less likely that consumers will engage with the detail, rendering this information less effective.

Contributing factors
Low understanding of opportunity to ask provider about deals for current customers (Capability)
In some cases, lack of communication from providers to existing customers about possible alternative packages resulted in participants simply not knowing whether or not they could find a relevant deal with their current provider. These participants either did not know that alternative unpublished deals might be available over the phone or assumed advertised deals would lack relevance to them.

This low understanding of opportunities was also linked to low knowledge of how pricing in the market works. While some knew that it was possible to speak to a provider about less publicly advertised deals, they did not necessarily perceive this as an opportunity that was continually accessible.

> "I was tempted to have a look [at changing package with my current provider].
> It seemed a little confusing – they offered to upgrade; it wasn't clear how it worked."
> (Male, 35–54, Nottingham)

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31   This was noted by Ofcom who found that customers who engage either by switching to a new provider or re-contracting with their existing one get the best deals. Ofcom, 'Helping consumers get better deals: A review of pricing practices in fixed broadband', September 2019. Accessed on 26/9/2019 via https://www.ofcom.org.uk/__data/assets/pdf_file/0018/168003/broadband-price-differentials.pdf

Participants in the control group, however, usually felt capable of asking their current provider for information about deals available to current customers. In many cases, they had asked this at relevant junctures, for example, as they were approaching the end of their current contract.

Lower knowledge, social skills and confidence for telephone engagement (Capability)

In other cases, participants had some awareness that it was possible to access additional deals by contacting their provider. However, they were often unwilling to do so due to concerns about confidently speaking to them on the phone. Rather than seeing it as a conversation, many participants viewed speaking to their own provider about other packages as being a form of 'haggling' or 'negotiation', which felt difficult and potentially confrontational. They felt their ability to end the interaction with a better package was low and that the experience itself would be unpleasant. This potential discomfort put many off from attempting this.

When asked to describe these interactions or talk about their expectations of what they would be like, participants described the following difficulties:

- **Being persuasive:** Some participants worried they would not be able to effectively communicate the type of deal they would like nor be persuasive with the representative on the line.

- **Knowledge:** There was an assumption that a broadband provider would always have greater knowledge, and therefore power, than the customer in conversations about changing package. There was a sense that a provider could withhold possible deals from the customer if they wanted to. It was also felt that providers could take advantage of a customer's lack of knowledge of broadband speeds and make suggestions that didn't meet the customer's needs. Consumers feared that they would be 'oversold'.

  – There were also a small number of participants who described not having all the information they needed to take a decision when on the phone to a provider and needing to carry out additional research before confirming they were happy with a specific price or package offered.

- **Confidence:** Speaking to one's own provider was often described as confrontational, and as a result, a stressful experience. Some found it difficult to 'stand firm' in their request to hear about alternative deals or receive a discount.

  – Lack of confidence leads some consumers to 'back down' in order to end a telephone interaction with their provider. One participant nearly opted to take out additional products they did not need, and another accepted a price reduction which they knew was not as good as an earlier offer she had received.

  – Those in the control group were confident that if they threatened to leave their provider unless a good deal was offered, they could follow through on this if a better package was not forthcoming. This was not the case for those with lower levels of engagement. The low engagement consumers were worried that threatening to leave might ultimately result in them actually having to find a new provider.

> *"I haven't got the confidence, I don't know the terminology… I'm frightened of… asking about things and I get the sales pitch… Because I'm so naive I fall for the sales pitch and then I'm locked into something for 18 months, that I'm going to be worse off."*
> (Female, 55–74, Falkirk)

> *"I've never rung, far too nervous with those conversations… I find that very unappealing… awkward and embarrassing… What would I say if they said no? It feels awkward."*
> (Female, 18–34, Colne)

Belief in lack of transparency in the broadband market (Motivation)

Those who complained about the lack of advertised deals for existing customers felt this was an example of how the market as a whole lacked transparency.

- In particular, consumers reported that when speaking to their own provider about alternative packages, they thought that the provider would attempt to sell them other products that they might not want or need.
- They also felt that this was a risk with alternative providers, who might also use technical language in order to convince the customer to purchase something that they didn't really need.

Similarly, consumers felt that descriptions of broadband packages were complex and might obscure the inclusion of irrelevant add-on products.

> *"I find the most difficult thing actually talking to people on the phone.*
> *They just try to talk you into something you don't really want."*
> (Female, 55–74, Colne)

Mixed social acceptability of asking providers for something (Opportunity)

A few knew they could contact providers to ask about different deals and likely had the necessary skills to do so. However, they were uncomfortable with the idea of calling their provider for reasons relating to social acceptability. They saw calling up their provider to ask about a lower priced product as not the 'done thing'. Some tended to feel that without a clear reason to change package, seeking a lower priced deal was for individuals who were excessively focussed on seeking out bargains and discounts.

> *"I'm not afraid to ask the best price on some things. It depends on the situation;*
> *you don't want them to think you're a cheapskate."*
> (Female, 18–34, Colne)

Opportunity case study

James

James is a retired lecturer in his seventies who lives alone. He has been with his broadband provider since 2012, when he first took out broadband. He is a light user, mostly using his broadband to email, browse the internet, check his bank account and stream music. His package includes broadband and landline.

One of James' main barriers to engagement is that **he does not have any prompts to engage in the broadband market**, which means that he continues to be **unaware of how pricing works in the broadband market.** James said during the research for this study that "it was the first time that [he] really thought about what [he] was getting at all. Because it was reliable…[he] really didn't give it any thought and …didn't notice the price creeping up either.". Before this his broadband wasn't **salient** to him.

During the research, James realised that he is currently paying £27 for 3Mbps, compared to £11 at the start of his contract. Reflecting on the price increases, he said that he was aware that he would have been out of contract, but the price increases hadn't registered with him. He also has never checked his bills and, when he tried to for the first time, he wasn't able to download them – it just buffered. After realising the price increase James contacted his provider by email to complain.

Prior to the research James does not appear to have experienced any prompts to engage other than an advert through the door from a competitor promoting a bundle with a TV service. He enquired about this service but was told that there was not currently the correct infrastructure in his area for him to receive it.

James values the reliability of his service and would be reluctant to switch away from his provider because they offer a support service. The one incentive would be the TV service with a competitor. Any potential for engagement with his current provider is, however, inhibited by his **lack of knowledge about how pricing works in the broadband market**. He was under the impression that his provider didn't offer any other packages and, when shown alternatives online from his provider, he thought that they would only be for new customers. He also did not know that other consumers may negotiate with broadband providers to get the best value package, and felt that this was something that he didn't agree with doing. In addition, James does not like to phone companies as he "like[s] to have everything on record" in case problems occur. This is a further barrier to successful engagement.

As James **believes his current service is fine** and it offers him security in the form of service support, he has no motivation to engage further than emailing and **very much prefers to maintain the status quo. This is not consistent with how he behaves in other markets.** For last 10 years he has checked his gas and electricity annually to ensure he is on the best tariff, because it is "so expensive".

He also exhibits **risk aversion** in the broadband market and feels that there are **risks to switching broadband provider that don't occur in other markets**. For example, that changing provider may lead to worse service, whether he would have the technical ability to set the broadband up (e.g. a new router) and how much an engineer would cost. He says: "broadband seems so much more a technical exercise [if things go wrong] and I don't understand.".

4.3 Motivation barriers to engagement

In the COM-B model, motivation is understood as being made up of a range of beliefs, attitudes, impulses and habits, that enable or inhibit different behaviours. These are understood as functioning through two different mechanisms: automatic motivations, and reflective motivations.[32]

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32   See Michie et al, 2011. Reflective motivations are best characterised as considered brain processes – e.g. plans and evaluations. Automatic motivations are desires, inhibitions and impulses.

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Key insights:

- We have identified three key barriers in this category. For each barrier, participants were exhibiting these motivations in a mix of automatic and reflective ways. They were usually default, automatic positions that were reinforced by the results of more reflective activities:
  - **Belief that current service is 'fine':** many participants were satisfied with their broadband. Whilst this belief matched the experience of some, others who held the belief were experiencing problems or potentially paying relatively high prices. This factor impacts on willingness to engage with both service and cost, with both current and alternative providers. It is also affected by a range of contributing factors. The large number of contributing factors makes this a particularly hard barrier to address.
  - **Belief that changing provider may lead to worse service:** some had negative associations with the idea of moving provider and did not think that it was guaranteed their service would be as reliable as, or may even be worse than, it is currently. This had an impact on willingness to engage with alternative providers.
  - **Belief engagement may lead to unexpected costs:** for a number of reasons, consumers felt that whilst in principle engagement should lead to a good value package, this might not be the result. Broadband pricing is seen as complex due to the presence of bundling. Consumers do not trust their own ability to navigate this, or the market's ability to be transparent about costs. This had an impact on willingness to engage with the market in general.

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4.3.1 Motivation: Belief that current service is 'fine'

The majority of participants described being satisfied with their current package. However, many were in fact experiencing service issues that they had simply become accustomed to or hadn't given consideration as to whether the cost of their package was providing good value for money. Their belief that their service was fine acted as a barrier to engaging with the idea of improving cost or service, given low expectations of these.

Figure 10: Key motivation barrier and contributing factors

COM-B factor	Barrier to engagement	Contributing factors
Motivation	Belief that current service is 'fine'	Lack of knowledge about how pricing works in the broadband market **(Capability)**
		Lack of effective communications about current and alternative packages **(Opportunity)**
		Belief that benefits of engagement are small **(Motivation)**
		Perception of broadband as a functional background service, akin to water or energy **(Motivation)**
		Belief engagement may lead to unexpected costs **(Motivation)**
		Belief that changing provider may lead to worse service **(Motivation)**
		Belief that it is normal for broadband quality to be variable **(Motivation)**

The majority of participants in the research described themselves as being broadly satisfied with their broadband. When asked to give their package a 'star' rating out of five results were fairly positive (see Figure 11).

Figure 11: Star ratings of broadband packages

Around 3 in 5 gave a 4 or 5 star rating

Around 1 in 3 gave a 3 star rating

Around 1 in 10 gave a 1 or 2 star rating
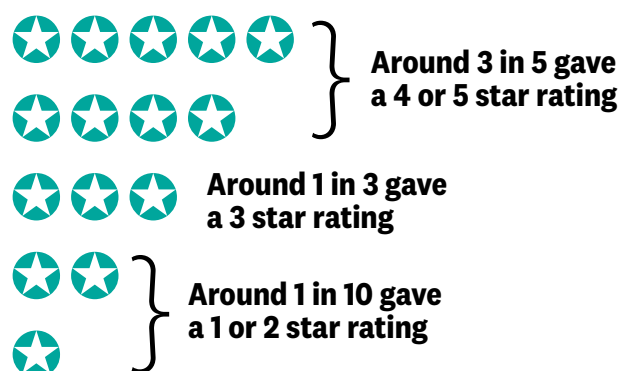
Around 3 in 5 participants on the online community also felt that they have 'about the same' experience with their broadband package as friends and family, indicating an assumption that there was little difference in the experience of other consumers. However, in many cases, participants' reported satisfaction masked relatively high tolerance for service issues.

A number of behavioural biases were identified to be associated with this factor, see box below.

Status quo bias and inertia

An emotional preference for the current state of affairs, which can lead to inertia: the tendency to 'do nothing' and leave a situation unchanged, often out of an unconscious desire to avoid a break with the traditional state that an individual is used to. In our research, this bias manifested itself as a reluctance to consider the idea of engaging if their broadband is considered to be "fine".

Present bias

This occurs when consumers discount future time and reward present time with a higher value.

In this research, when unwilling or uninterested in making a decision, participants tended to put off tasks (such as reviewing the details of a current broadband package) to the future, rather than do them in the moment.

Endowment effect

If given the choice between a good we own, and one we do not, consumers begin with a bias towards the owned good.

This had an impact on the research participants. Current packages were 'endowed' with a stronger sense of value compared to different options with another provider. For some, only packages with more significant savings were seen as worthy of consideration.

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1. Participants who believed their broadband quality was acceptable had often adjusted to the experience of poor service

Previous research by Ofcom has shown that the most common reason for not upgrading to faster broadband is due to feeling 'happy' with current speeds.[33] Despite introducing themselves as broadly satisfied, participants on the online community were in some cases experiencing issues with the reliability of their broadband service, as was clear from a diary exercise and other probing.[34] Generally, participants described day-to-day issues as 'irritations' or 'gripes', but things that they were used to. The extent of these suggested that participants had normalised their experiences of poor service and unconsciously adjusted their expectations of how well broadband should operate.

Although participants were asked to record any problems in the diary and as a result may have been more conscious than usual of issues experienced, this did not necessarily lead to a change

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33   See Ofcom, 'Choosing The Best Broadband, Mobile and Landline Provider: Comparing Service Quality', 2019.

34   Common issues included: experiencing periods of time when broadband was unexpectedly slow; having to wait longer periods of time for videos to buffer; broadband dropping out altogether.

in views as to whether or not their package was 'fine' at the end of the research. Participants were reminded of the rating they had previously given their broadband package. While some did feel more negatively about their package after learning about the broadband market through the research activities, there were other participants who said they would not change their star rating.

There were also examples of consumers adapting their own behaviour to make do with the service they receive:

- **Streaming less:** Multiple participants described used streaming subscriptions less as a result of poor service. Some would adjust their daily schedules to stream video at times of day when the service was more reliable.
- **Using an alternative broadband connection:** Numerous participants chose to use the internet away from their home when it was important that they had a reliable connection. For example, one avoided completing online transactions at home due to an unreliable connection and instead used the Wi-Fi at work for this sort of activity; another would use a local café to upload large documents.
- **Using mobile data:** A couple of participants described using their mobile data on their phone or 'hot spotting' when their Wi-Fi connection had dropped out or wasn't working in one room of their home. In these instances, some participants sought to ameliorate the service issue if they could find an alternative way to access the internet.

Those who had had particularly poor experiences with previous providers said they were comparatively happy, suggesting that their reviews were based on relatively low expectations, rather than particularly positive experiences with their current provider.

2. Participants evaluated the value for money of their broadband based on out-of-date information
Participants' satisfaction with broadband cost was often related to their satisfaction with the price at the point when they had signed up, regardless of how the price had changed since then, or related to an inaccurate memory of what their current monthly cost actually was.

Many were not paying attention to bills as a result of:

- Paying by direct debit, so not having to reflect on the cost upon payment
- Not looking closely at charges on bank statements or at their paper broadband bill
- For customers with paperless bills, the use of emails stating the bill was available online and not including the bill amount in the content of this notification email.
- The perceived effort of logging into an online account, particularly relating to forgetting log-in details and having to reset these.

Consequently, a number of participants reported being particularly shocked by an unexpectedly high bill, as a result of a price increase or the end of a discount.

When asked to report the monthly cost of their broadband, some participants were surprised that the cost was higher than they had expected, due to a change in price since they had signed up to their contract or since they had last looked at a bill on their rolling contract. Those who had telephone services included in their bundle also commented on their surprise at seeing unexpected charges relating to these on the bill. For example, some reported having a call package with 'unlimited' calls at certain times of the week despite not feeling these were actually useful.

Some felt it was harder to remember the cost of their broadband when included in a bundle with a landline, and in some cases with pay TV. They could recall the total monthly cost but needed to check further details for the specific cost of the broadband element. Heavier landline users also reported that associated charges made it harder to keep track of their monthly broadband cost.

Contributing factors

Beliefs that benefits of engagement are small (Motivation)

Participants were rarely 'pulled' into engagement with alternative broadband packages by promises of low cost and/or better service, for example faster broadband. Consequently, some reported that, while in principle it might be possible to save money, in practice the savings were likely to be limited. This perception contributed to the belief that current pricing was acceptable and diminished the need to pay close attention to it.

Furthermore, when asked to describe what level of savings would make switching package worthwhile there were substantial individual differences. Some thought a £5 per month saving would justify the decision to switch package, provided that there were no other risks to doing so, others said that they would require larger savings of £10-£15 per month.[35] The perception that there are a limited number of providers in the marketplace exacerbated the belief that cost savings are limited. It was assumed that with fewer providers available, there would be a smaller variety of providers offering cheaper deals.

However, upon conducting research into different packages, some participants discovered a greater number of providers than expected, some of which were offering higher than expected savings. Meanwhile, other participants felt more interested in the level of savings that they previously claimed to be uninterested in.

> *"There was only £2 or £3 difference in the price, so I don't think a saving of £28 to £36 is worth the effort."*
> (Female, 35–54, Belfast)

Lack of knowledge about how pricing works in the broadband market (Capability) and lack of effective communications about current and alternative packages (Opportunity)

Many had no awareness of any alternative packages that were both available to them and suitable for their needs. Many described the marketing of broadband packages as focused on selling additional services rather than well-suited deals for them. It wasn't until they were asked to research other packages that some participants discovered that savings were available on a relevant deal.

A perceived lack of attractive incentives, such as cost savings, to engage with the broadband market means customers remain with their existing package and provider. This is an example of inertia.

Similarly, a lack of notification from providers about current contract status or alternative deals also contributed to a belief that the price they were currently paying was about right. Whilst this is likely to change following new interventions from Ofcom, at the time of the research, for some it took noticing a cheaper deal available to new customers or an unacceptable increase in monthly cost to prompt a realisation that they were not on the best broadband package for their needs.[36]

Belief that changing provider may lead to worse service (Motivation) and belief engagement may lead to unexpected costs (Motivation)

Participants' risk aversion, fears of the potential for worse service and higher costs, were key factors affecting their engagement. These also added to the belief that the status quo was preferable to change. Similarly, belief that their package was 'fine' could also strengthen these fears.

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35   The research participants were paying very different amounts for their packages, so in percentage terms there may not have been much difference between these savings amounts.

36   During the fieldwork period, Ofcom announced that it would introduce end-of-contract notifications from 2020 – https://www.ofcom.org.uk/consultations-and-statements/category-2/helping-consumers-get-better-deals

Belief that it's normal for broadband quality to be variable (Motivation)

Tolerance of poor service was also linked to participants' wider perceptions of broadband as a functional resource. They viewed it as similar to energy or water, in that it is a necessity for day-to-day life, but not exciting or something they want to spend time thinking about. When asked how they expected broadband to work, participants generally expected it to function seamlessly but understood that this is not always the case in practice. Quality was accurately noted to fluctuate due to:

- **Time of day:** Participants believed there to be times when broadband speed is faster than others
- **Geography:** Participants noted that broadband packages with a similar advertised speed had been in practice faster at one address they'd lived at compared to another and surmised specific infrastructure issues in a particular area may have been the cause.

However, some were unable to explain their broadband's unpredictability, whether due to a specific issue in the home, or a wider infrastructure issue.

Those who experienced some variability in broadband quality felt that this was a normal part of broadband performance. However, they also felt that there was little they could do about variable service quality. Some thought that there was no point in contacting providers to discuss this; others found providers' explanations unhelpful and did not offer solutions; and very few engaged in their own research to try and find out what they could do to resolve these problems. The effort required to engage without a sense of whether or not it would lead to success was not seen to be worthwhile.

This perceived variability of broadband and the sense that it was difficult to do anything about issues contributed to the tolerance of poor service. This also undermined the meaningfulness of terminology around broadband speeds, as participants felt that an advertised speed may not reflect the actual speed in their home or be consistent.

Perception of broadband as functional (Motivation)

Broadband was an area of low salience for participants. It is not thought about unless there are problems. This functional view of broadband, where it is thought of in a similar manner to utilities such as water and energy, meant that it was rarely seen as exciting or as an area where consumers were intrinsically motivated to spend much time thinking about it. This contributed to the low likelihood of consumers considering engagement without a strong prompt to do so. This is despite the fact that consumers had in other respects a very strong emotional attachment to having a stable internet connection (as noted below in relation to fears about loss of service).

4.3.2 Motivation: Belief that changing provider may lead to worse service

When asked about the idea of 'switching', many instinctively responded by saying that they wanted to stay with their current provider, neglecting the possibility that they could re-contract or change package with their current provider.[37] In a number of cases, this was due to a concern that a different provider would be worse in terms of actual broadband service, or provide worse customer service. This was affected by negative social influences, perceptions of service variability, and perceptions of the switching process itself (including potential loss of service).

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[37] The language of 'switching' emerged as a consideration for some consumers. Some participants told us that the idea of a third party prompting them to engage by 'checking' or 'reviewing' their package felt less intimidating to them than being encouraged to consider 'switching'.

Figure 12: Key motivation barrier and contributing factors

COM-B factor	Barrier to engagement	Contributing factors
Motivation	Belief that changing provider may lead to worse service	Social influences of others' poor experiences **(Opportunity)**
		Belief that it's normal for broadband quality to be variable **(Motivation)**
		Negative perceptions of switching and belief in risk of service loss **(Motivation)**

1. Fear of worse broadband provision

In the final week of the online community, participants were prompted with a list of barriers to engagement that had been mentioned so far and asked to select the key factors preventing them from looking into alternative broadband packages. The most important factor for participants was linked to **loss aversion**: *"I worry that I would switch and get a worse connection (speed/reliability)"*.[38]

> **Loss aversion**
>
> Loss aversion encompasses the idea that when making decisions, people are more likely to prefer to avoid loss than acquire equivalent gains. Some theories of consumer choice assign approximately twice as much weight to the loss when giving up an ordinary consumer good as to the gain when acquiring the same good.
>
> In this research, participants were worried that switching to another provider might lead to a worse service than their current service. For many, this was a very powerful concern and strongly discouraged them from considering switching provider.

Aside from the contributing factors noted further below, there were a few reasons for this:

- **Previous experiences of poor service.** These negative experiences often led to a reluctance to consider returning to their previous provider, but also worries that other providers in the market may be unreliable.
  - Negative experiences drowned out more neutral or positive experiences to shape participants' views of providers and their future decision making, an example of **negativity bias**.[39] While some had struggled with unreliable service with a particular provider, others based their concerns on relatively small or singular issues, suggesting that more neutral or positive experiences with that provider were not front-of-mind.
- **Emotional attachment to broadband.** Fears of worse service tended to stem from an attachment to particulart online activities whether these were gaming, streaming video content, video calling, or activities for work. Many found the idea of not being able to do certain things requiring reliable broadband to be extremely stressful. This meant that some preferred the idea of sticking with their current provider if there was any risk that a new provider would offer a poorer quality service.
- **The perceived difficulty of switching away from a variable service**. Participants could not always articulate why this would be an issue but felt the idea of reversing a decision to switch was stressful. While there was some awareness about cooling-off periods, these were seen as being a limited resource in these circumstances. It would still require effort to reverse the

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38 Of 90 participants who completed this portion of the exercise, two thirds (61) felt this was a "major factor", and two fifths (19) felt this was a "minor factor"; the other participants (10) felt this was "not a factor at all" that influenced whether or not looked into alternative packages. It should be noted that our analysis demonstrates that this is not *the* most important factor, but one of a number.

39 Even when positive and negative experiences occur with an equal intensity, individuals are more likely to be affected by the negatives: they have a greater effect on most people's psychological state or processes.

decision, and it may not be clear that the service is inferior until after the cooling-off period had passed.[40]

> *"With that risk, if [the new service] was worse, I'd be kicking myself [...]*
> *It would be a pain; kids will be moaning if things aren't sorted."*
> (Female, 18–34, Colne)

> *"I enjoy my package from [provider] but feel it's too dear. But I'm not wanting*
> *the hassle of changing over and maybe not getting as good a service as I already do."*
> (Female, 18–34, Falkirk)

> *"I haven't got a good history with three major providers who have not delivered,so having*
> *a provider that has been consistent gives me pause… I fear I'll make a mistake in leaving."*
> (Female, 35–54, Nottingham)

2. Fear of worse customer service

Participants described concerns about not being able to speak to helpful customer service agents should a billing or service issue occur. Those who had been with the same provider for a very long time, and who had found their customer service to have been helpful (even if they had only been used on a small number of occasions), were particularly nervous about the idea of this being worse with other providers. Some were influenced by poor experiences with specific providers, or poor perceptions of less well-known providers. However, in other cases, it seemed to be more based on poor experiences of customer service in general, not specific to the broadband market.

There was evidence of **continued influence effect** among participants who had previously had negative experiences of poor service with specific providers and were unwilling to reconsider those providers.

> **Continued influence effect**
>
> When information continues to influence someone's reasoning and decision-making even though it is false, unfounded or unrepresentative.
>
> Some participants had specific experiences with providers many years earlier that continued to affect their engagement with the market, for example, being unwilling to consider a provider following a dispute with them that took place over 20 years ago.

Contributing factors

Belief that it's normal for broadband quality to be variable (Motivation)

The perception of broadband as a variable resource exacerbated fears of receiving a worse connection with another provider. It was felt that while one provider might be able to successfully operate broadband at the consumer's address, it was uncertain as to whether the same quality would be provided by another provider.

This relates to the cognitive bias known as **ambiguity aversion.** Individuals are more averse to changing behaviour when the risk they are taking is particularly hard to quantify. Some participants felt it was impossible to say if broadband with another provider would operate effectively in their home until after it had been installed, making them more reluctant to switch provider.

> **Ambiguity aversion**
>
> People are more risk averse when the risk cannot be quantified or is difficult to quantify. Consumers would rather opt for known risks over unknown risks.
> The fact that broadband is a resource whose quality can fluctuate meant that participants tended to perceive their current quality of service as a more known risk, even if it was variable, compared to a new service at their address.

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40   A few participants spoke of broadband services that were at their strongest in the first weeks after installation before the quality worsened, or of services that were imperfect at first but improved later on.

Negative perceptions of switching and belief in risk of service loss (Motivation)

Participants also reported being concerned about losing service as a result of switching broadband either as part of the switching process, or by mistake during this process.

Some weren't familiar with the idea of switching being 'provider-led', and that this could avoid a service gap. When told about this, not all were confident that when switching to and from providers, they or their providers would successfully ensure that there was no gap in service. Some commented that the amount of downtime on the day itself could potentially be large.

Other concerns were mentioned about the switching process. Having to arrange a time for an engineer to visit and having to be at home for a longer window of time than was actually required for an engineer to complete the work were both seen as an inconvenience. When told about the option to self-install certain kinds of broadband, some questioned their own abilities to do this successfully. It's worth noting that those in the research sample who had self-installed broadband before had had mixed success at doing this.

> *"It means taking time off work which means lost money, and there is always a high risk they don't show up."*
> *(*Male, 35–54, Nottingham)

However, concern about loss of service was not as strong as that of a new provider ultimately being inferior to the current provider. Participants who had described loss of service as a "major factor"[41] impacting engagement admitted, upon probing, that it was not something which had as much of an impact compared to their wider fear that they would be disappointed with the new connection. In this vein, it seemed that this fear about having a loss of service often articulated a larger fear about a new service that might be so variable that it could stop working altogether.

Social influences of others' poor experiences (Opportunity)

Finally, fears about the inferiority of alternative providers were exacerbated by the experiences of other people. This was particularly the case for participants who themselves had less experience of different broadband providers. Whilst conversations about broadband were rare, those that do take place in day-to-day life were seen as negative. Consequently, some related stories they had heard about friends, family and others who had had a poor experience with switching or of having an unreliable service with a particular provider and cited these as reasons for concern, regardless of whether or not they had personally experienced a similar situation.

> *"I hear a lot of people saying [provider] has bad internet and there's always problems, so it put me off."*
> (Female, 18–34, Falkirk)

It is worth noting that this contributing factor also exacerbated the next key factor detailed in this report: belief that engagement may lead to unexpected costs.

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41   Of 93 participants who completed this portion of the exercise, just over half (50) felt loss of service was a "major factor", and a third (30) felt this was a "minor factor"; the other participants (13) felt this was "not a factor at all" that influenced whether or not they looked into alternative packages.

4.3.3 Motivation: Belief engagement may lead to unexpected costs

Participants who feared a worse service often related this concern to alternative providers. However, another identified risk was the fear of unexpected costs, which affected concerns about changing package with current providers as well.

Figure 13: Key motivation barrier and contributing factors

COM-B factor	Barrier to engagement	Contributing factors
Motivation	Belief that engagement may lead to unexpected costs	Confidence and ability to assess own needs and identify a package to meet them **(Capability)**
		Belief in the difficulty of researching broadband packages **(Motivation)**
		Belief in lack of transparency in the broadband market (**Motivation**)

During the online community, another factor which many selected as a significant barrier to engagement was "*I worry about hidden charges or exit fees when changing broadband package*".[42] Upon probing further, it emerged that this concern was in part about specific charges and fees being included in a new package, but in practice this was part of a broader fear about not understanding the package as a whole.

The fact that broadband is seldom a standalone cost added to the concern that a new package might contain unexpected components. This concern was driven by:

- Negative experiences of specific landline charges being applied to a package that went unnoticed or had been forgotten: both the actual call package (e.g. unlimited weekend calls) as well as ancillary charges (e.g. for voicemail). Participants were particularly frustrated by these fees and the presence of line rental in the context of using their landlines less and less, if at all.
- Experiences of other charges, for example exit fees, service charges, installation/engineer fees.
- The role of bundling in the market more generally: most participants had at least one other product included in their broadband package. This usually included line rental and often included either a call or TV package. As a result consumers tended to think more often of the total, bundled cost rather than of the broadband component. Combined with a lack of confidence in ability to assess needs and research effectively (explored as contributing factors below), participants were concerned about not understanding a new bundle properly.

While consumers knew that, in practice, engagement should lead to better value, their concern about not having a grasp of what the final costs would be meant they placed greater value on a clearer, known cost. For those who were fairly satisfied with their current package, this was an example of the endowment effect**,** whereby individuals are less willing to make financial decisions about goods of uncertain value, leading them to place a higher value on goods they already own; in this instance, broadband packages they are currently subscribed to, as opposed to alternatives.

> "*Out of the blue I was paying £93, […] if I wanted 0845 numbers for free had to pay £5, everything costs £5 £5 £5, it all adds up and then I had a £93 bill.*"
> (Female, 18–34, London)

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42   Of 100 participants who completed this portion of the exercise, over half (52) felt this was a "major factor", and a quarter (26) felt this was a "minor factor"; just over a fifth (22) felt this was "not a factor at all".

"With the broadband thing it's linked to my…landline which is a big thing for me… I'd want a reasonable deal with access to the phone during the day… I think once it's gone together, I would be reluctant to divorce them".
(Female, 55–74, London)

Contributing factors

Belief in the difficulty of researching broadband packages (Motivation)

Few participants believed that researching broadband packages was an easy thing to do. There were comments that:

- Researching was time-consuming
- Calculating the costs of an alternative package was challenging, due to bundling, additional fees, and understanding how long an introductory offer would last (this links to the fear of unexpected costs with a new package, which is discussed in 4.3.2)
- Finding information about the costs of a current package was difficult
- The way information was presented by different providers made it hard to compare different options

In practice, when asked to conduct research on packages as part of the online community, many found this to be easier than anticipated.

Belief in lack of transparency in the broadband market (Motivation)

As discussed earlier, some consumers had a broader distrust of the broadband market, feeling that it lacked transparency and worrying that a provider would try to sell them products that they did not want or need (see Chapter 3).

Confidence and ability to assess own needs and identify a package to meet them (Capability)

The fear of unexpected costs as a result of a 'wrong decision' was larger among participants who lacked confidence to assess their broadband needs in terms of what type of connection they might need or, who were unsure whether or not a faster connection would be helpful to them. Those who complained of poor understanding of technical language used in broadband packages felt the use of jargon contributed to the difficulty of judging the cost of packages (see 4.1.1).

Motivation case study
Robert

Robert is retired and living with his partner and adult son. He has a triple play bundle (superfast broadband, landline and TV) and has been with his provider for eight years and on the same package for six years. He has the 'opportunity' to switch, in the form of time to research and make changes to his contract and his broadband provider prompts him via calls every six months to inform him of new offers. He is also confident at researching packages and has the skills to do so (capability).

Robert's main barrier to engaging in the broadband market, however, is motivation. He **believes that his current service is fine** – reporting that he has only had one problem in the six years. He says that he is satisfied with the cost of the package and is not price sensitive. He is therefore happy with the **status quo** and there is no 'push' or 'pull' to engage. This is combined with loss aversion, he **worries that changing provider may lead to worse service,** which further undermines any potential for motivation. His concern is based on past experience, as he experienced poor broadband service with a different provider. He also **believes that engagement may lead to unexpected costs**. During the research exercise he found that he had unnecessary "add-ons" to his broadband package. Rather than this prompting him to engage further, it undermined his trust in the market. He also does not trust comparison sites, as he found that they didn't always show all the extra costs involved in specific packages.

Robert's behaviour in the broadband market is not consistent with his behaviour in other markets – he has switched in banking, insurance and (most recently) energy. In energy he had no concerns switching to a small provider and he perceives there to be little risk in switching as there is no difference in the product provided and he believes that little would go wrong in the switching process. In comparison, he appears to be **very risk averse** in the broadband market – he would not switch to a smaller broadband provider and he worries that in switching broadband there is a risk of losing service, getting a worse service and the hassle of engineer appointments or having to set up technical equipment himself.

5. How these factors affect engagement among specific audiences

This chapter explores how factors that affect engagement and experiences of engagement differed amongst specific audiences:

- Vulnerable consumers
- Consumers with triple play bundles that include pay TV
- More engaged consumers, who were recruited as a control group

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Key insights:

- Vulnerable consumers are not necessarily less engaged than other consumers, but those with mental health problems (and, in some cases, physical health conditions) tend to have stronger capability barriers, due to the stresses associated with calling providers and navigating the more complex aspects of the market.

- Those with triple play bundles often choose not to engage with alternative broadband providers, as they believe their TV and broadband is good value and convenient. This can be exacerbated by additional perceived reliance on the provider for specific discounts.

- Consumers in the control group were more engaged in the market, as was clear by their regularly switching package at the end of their broadband contract, or in some cases getting deals within contract. They had strong knowledge of how pricing works in the market and better technical knowledge. While there were some negative perceptions of the broadband market, there was less of a fear about the potential for unexpected costs after engaging. They also had higher expectations for how their service should be working.

5.1 Vulnerable consumers

Vulnerable participants were not necessarily less engaged than other groups. We found that some of the most engaged consumers in the sample included older adults (75+ years), people with disabilities and those in financially vulnerable circumstances. However, it was notable that there were some vulnerable consumers who were taking very few actions to engage at all, and others who were more keenly affected by some specific barriers than other consumers.[43]

Consumers with mental health problems

A number of participants in the sample experienced depression, anxiety and other mental health problems. These participants were united in their view that certain engagement actions had a negative effect on their mental health and caused a great deal of stress which could exacerbate their mental health problems. These included:

- Speaking to providers: particularly where this felt like a 'confrontation' such as asking about alternative packages and discounts, but also when complaining about a technical issue.
- Doing online research into other packages and making decisions about these, which was described as an overwhelming experience.

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43   While this section is grouped by different 'types' of vulnerability, it is worth noting that individual circumstances of participants in each group could often be very different, making it difficult to draw conclusions about wider populations in this category. Some participants also had more than one of the vulnerabilities listed.

Consequently, those with mental health problems often avoided making decisions or found the process of doing so to be a struggle. As a result, all six key factors mentioned in this report tended to affect them more strongly than other participants.

Consumers with physical health conditions

There were very few barriers to engagement in the sample that related to physical capability. The presence of physical health conditions only affected engagement or led to additional issues with specific barriers when these affected a participant's mental capacity to engage, due to issues relating to tiredness or low energy. These participants reported finding it harder to spend time on lengthy tasks, such as researching broadband packages or having extended phone calls with a broadband provider (including waiting times), which had an impact on both their confidence and motivation to engage.

Consumers in financially vulnerable circumstances

Participants in this group experienced a particular motivational barrier in relation to their attitude towards personal finances. These participants described how when managing money they prioritised having predictability in their monthly outgoings, so that the household was better able to keep on top of its budget.

As a result, those with the least financial security seemed to prefer the certainty of current billing arrangements to the potential unexpected costs of a new package. The belief that switching to a new package or provider might entail unexpected costs was particularly significant for this group of consumers. They were afraid that if they signed up to a contract with 'hidden' costs, they could be trapped in a contract that was unaffordable, and may experience issues with debt as a result.

> *"Like I say, switching boils down to the money and the risk. We're the doom family,*
> *so expecting something on this might go wrong."*
> (Female, 18–34, Colne)

Older consumers and consumers with low educational attainment

There were no significant differences in terms of engagement or the experience of barriers among older consumers and those with lower educational attainment when compared to the rest of the research sample. Issues related to knowledge and understanding were shared among audiences with varying ages and levels of education.

Role of social support

For consumers with lower capability, having someone who could either take actions on their behalf or be consulted about broadband was helpful for facilitating engagement with the broadband market. This allowed them to overcome capability barriers regarding confidence in assessing their own needs and knowing how pricing works in the broadband market. However, this is not only relevant to consumers with a form of vulnerability.

5.2 Triple play bundle consumers

Triple play bundle customers often display a high degree of brand loyalty and are much less likely to view their package as 'functional'.[44]

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44   By this we mean a background service, akin to water or energy, where they expect a minimum level of service which they do not have to think about on a regular basis.

The barriers that particularly affected the engagement of triple play bundle customers included the following:

Capability factors

- Attachment to pay TV services was a strong 'pull' factor in terms of where participants got their broadband from. In these arrangements, the specific broadband component was often not assessed according to quality or price but as an afterthought. Perceptions of good value in a TV package could also be carried over to seeing a whole bundle as good value, regardless of whether or not they were aware of the cost of the broadband element.

"I understand [provider] isn't the best internet but as I've always had [their] TV, it was easier to keep it all under one roof. It's far from perfect but is just good enough to stop me looking elsewhere."
(Male, 35–54, Nottingham)

- It was also clear that participants had poor awareness of whether or not certain kinds of content were available with different broadband providers offering a TV package. Due to bundling habits they often considered alternative broadband providers less. Many seemed to be unfamiliar with what content was available on TV packages from some providers.

"I think the comparison is just between [provider x] and [provider y] because they have the bundles I wanted."
(Male, 18–34, Colne)

Opportunity factors

Triple play consumers experienced opportunity barriers involving forms of reliance on the TV provider to provide broadband as well:

- Many felt they could receive specific savings with their broadband/TV provider. Participants noted that content which was available from specific TV providers seemed to be cheaper in a triple play bundle with that provider than in bundles offered by other providers.
  – Nevertheless, this showed the importance of **confirmation bias** in this context: participants' reluctance to investigate unbundled broadband options meant they did not tend to explore whether or not they would pay more if they separated their broadband provider from their TV provider.
- Some participants described a fear of losing TV recordings if they switched TV provider as part of an entire bundle move.
- Some participants had recently been tempted to upgrade their TV equipment, which had presented a stronger 'pull' towards unbundling and upgrading their broadband speed. However, they had been told that if they unbundled the TV service that they would receive would not be as good, for example that the TV equipment functioned better when linked up to the provider's broadband equipment.

Motivation factors

These participants were often experiencing a unique motivational barrier to engagement, believing that bundling TV and broadband provided convenience, and in some cases, good savings. This meant that many would not consider alternative packages unless it was possible to receive a similar pay TV service with that provider.

- Participants described appreciating having multiple outgoings grouped together in one bill, and only needing to speak to one provider. Some did not necessarily describe this as being a convenient arrangement per se, but felt that it would be more complicated to unbundle, and were unsure what implications it might have for the contract and price.

- Those who felt that a triple play bundle offered savings were often influenced by having a greater interest in the TV aspect of the bundle than the telephone or landline elements. In these instances, views of which TV package was best value for money influenced perceptions of the cost of their broadband.

"It can be expensive if you buy the broadband package by itself without the TV and telephone included."
(Male, 75+, Belfast)

5.3 More engaged consumers

Consumers in the control group were more engaged in the market, they regularly switched package at the end of their broadband contract, or in some cases obtained deals within contract. They were also more likely to take action in response to service issues. Below we have outlined, within capability, opportunity and motivation, which factors were acting as enablers and barriers to their engagement.

Capability factors

- Control participants had strong knowledge of how pricing works in the market. They clearly described how their discounted price would become a 'standard' price at the end of a contract. They knew that to avoid this they need to start a new contract around this time or that it was important to re-assess their package at some point each year.
- They also had higher skills for online and/or telephone engagement, to the extent that they reported finding the researching and switching processes to be fairly low effort. Not all were necessarily skilled at both of these but they tended to have a clear strategy for their preferred approach.
  – Those using price comparison websites were used to navigating these, and often familiar with using them in other markets.
  – Those used to negotiating with providers over the phone had done this in other markets and talked about the importance of having a strategy for dealing with the supplier, e.g. mentioning the cost of packages with alternative providers or claiming to be interested in changing provider.
- More engaged participants were more likely to have better technical knowledge, confidence and ability to assess their broadband needs. There was evidence of making decisions about their broadband connection that weren't based solely on maintaining the current speed with a different provider.[45]

It is notable, however, that even some control participants were primarily interested in keeping their cost low. Sometimes this meant they experienced service issues which they became used to, or didn't respond to, as with the rest of the sample.

"It's always been something I have enjoyed - there is an element of me feeling like I am winning in some way. It feels as though I am beating my budget at base targets. I have got better, or worse at it. I am dead driven about how much we can eek out of a monthly budget to put towards a holiday or a mortgage…"
(Male, 35–54, Nottingham)

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45   For example, one participant decided to upgrade broadband when it was clear that the cost increase would not be substantial and would improve performance. Another one noticed the household was doing certain online activities less since the birth of their child, so chose to reduce broadband speed when they most recently switched package.

Opportunity factors

- Like the rest of the sample, they were affected by an absence of effective communications about current and alternative packages. However, many control participants created their own opportunities to overcome this. Some would make a note of their package details upon signing up and store these for a later date. Others would mark a date in a calendar reminding them to look into new packages when their contract came to an end.

- More engaged consumers had either strong social support with decisions about their broadband package or clearer, direct responsibility for the household decisions enabling them to take action about changing package or provider. By contrast, some participants in the main (non-control) sample referred to how sometimes a partner or child's interest in a particular element of a broadband bundle (e.g. a TV channel) had meant that discussion about changing broadband provider had been more difficult. As a result, they preferred not to consider the idea in order to avoid an argument. Others in the main sample talked about how, despite being responsible for looking after the broadband bill, they felt their partner had greater technical knowledge and therefore needed to consult them, even if this did not lead to a firm decision about their broadband service.

- For the most part, more engaged consumers felt it was socially acceptable to be demanding of their broadband provider and to take an interest in engagement. However, there were others in the (non-control) sample who described excessive interest in switching as seeming socially unusual. In a few cases, this was driven by social opportunities of hearing from like-minded individuals. Their interest in being a savvy consumer meant that they were more open to hearing about the benefits of engagement from other people, usually online for example in the form of reviews when looking at different packages. Those receiving email newsletters from price comparison websites and services like Money Saving Expert noted that these acted as a prompt to remind them to engage with their broadband.

> *"My contract is always 12 or 18 months, so I always know roughly when it is coming to an end. I can access my account online and it says the cost of your monthly bill, including estimated costs for future bills. I look at that to see when the price is going to increase because the contract is coming to an end."*
> (Female, 55–74, Nottingham)

Motivation factors

- More engaged consumers sometimes shared the fears mentioned by less engaged consumers that switching provider might result in a worse service. As a result, some only switched package with their current provider, feeling that while there might be a slightly cheaper package available elsewhere, it was not clear to them that these were worth the effort associated with switching provider, particularly if an engineer visit might be needed. However, where more engaged consumers differed from others was in them being less likely to completely dismiss the idea of switching provider if necessary.

- While there were some negative perceptions of the broadband market, there was less of a fear about the potential for unexpected costs after engaging. These participants were confident in their own abilities to navigate broadband pricing and believed researching was fairly low effort.

- More engaged participants were often satisfied with their package, but they had higher expectations for how well the service should be working and how much they should be paying. For them, the status quo was not settling for a package that is 'fine' but being prepared to engage with the market in the face of any problems or price increases.

> *"As long as I get a good price, I will stay with them. I'm not particularly loyal. I would go to someone else if [provider] couldn't give me a good price."*
> (Female, 55–74, Nottingham)

6. Exploring solutions to increasing engagement

Key insights

- Individuals often have multiple barriers which may span capability, opportunity and motivation and different people may be affected by different barriers. None of the solutions explored addressed all of the barriers. There is no silver bullet; a combination of solutions will be needed to effectively address engagement.

- Our findings relating to motivation included that:
  - Information on alternative packages and savings that could be made via end-of-contract notifications (ECNs) or a notification about cheaper tariffs in the market could prompt people to evaluate whether their package is "fine" and incentivise them to engage.
  - The solutions that we had hypothesised could be effective in reducing loss aversion regarding potential worse service (line tests, the Broadband Voluntary Code and cooling off periods) were not, individually, sufficient to address the problem. Participants believed providers may make it difficult for them act on these rights or did not trust providers to fairly fulfil the requirements. Equally some participants did not want to have to exit a contract and engage all over again in the market, limiting the effectiveness of some solutions. Customer reviews by postcode were considered to be useful in addressing the risk of getting a worse service to some extent. However there were concerns about how reliable reviews would be and that they may not account for other factors, other than postcode location, affecting broadband service.
  - We did not explore any of the solutions in reference to their potential for overcoming the barrier of the risk of unexpected costs. None of the solutions, in the form that we presented them, led participants to spontaneously indicate that it would help mitigate this barrier. However, solutions such as the ECN and data portability *could* be designed in such a way to help address this barrier. This would require consumer testing. More broadly, addressing issues around lack of trust in the market may also have an impact in overcoming this barrier given that low trust in the transparency of the market is one of the reasons underlying concerns about unexpected costs.

- In relation to capability we found that:
  - For consumers facing lower confidence and ability to identify broadband needs and link these to the right packages, the information on current services and on alternative packages in ECNs provides a useful starting point and a baseline from which to make comparisons with alternative packages. Data portability, as long as it takes consumer needs into consideration and not just current package and usage, appears to help address the ability to identify the best package, by helping to standardise the broadband search. There are still some motivation concerns about hidden costs which need to be addressed. Tools to help consumers understand what speed they need were also seen as useful in providing a benchmark against which to compare packages and could help narrow down options. However these tools would most likely be used by those who are already motivated to engage.
  - For those who lack knowledge about how pricing works, the biggest 'push' to engage in the market was a price increase. Consistent with this, many participants felt that information in ECNs about price changes to contracts would remind (or inform) them that there will often be a price rise once their fixed term has ended and prompt them to engage. Similarly, information on alternative packages may motivate consumers to engage by demonstrating the savings that could be made by entering a new contract rather than rolling on their current one.

- Our findings in relation to opportunity:
  - ECNs were found to be useful in helping to overcome the lack of effective communications about alternative broadband packages. This was also achieved by the notification about cheaper tariffs in the market. Both made it clear to participants that they have the opportunity to save money and theoretically made it easier for them to take the opportunity to compare packages.

- Rigorous consumer testing of solutions will be essential. For those interventions already announced, there needs to be ongoing monitoring and *ex post* evaluation to measure their effectiveness in changing behaviour. The development of new interventions must take a consumer-centric, bottom-up approach, with a detailed understanding of the barriers that are being addressed and informed by *ex ante* remedy testing.

A number of potential solutions to the barriers to engagement were discussed with consumers during the research. These solutions draw on interventions that have already been implemented or announced in the broadband market, ideas that have been proposed or are being explored by government and regulators, and ideas that are being used or considered in other markets. The table below sets out the solutions we explored.

Solutions discussed in relation to the key barriers:

COM-B	Barrier	Solutions Discussed
Capability	Lower confidence and ability to assess broadband needs and identify a suitable package	• Data portability • End-of-contract notification (ECN) • Tools to help consumers understand what speed they need for their household.
	Lack of knowledge about how pricing works in the broadband market	• End-of-contract notification (ECN)
Opportunity	Lack of effective communications about current and alternative packages	• End-of-contract notification (ECN) • Notification about cheaper tariffs in the market for those on rolling contracts
Motivation	Belief that current service is fine	• End-of-contract notification (ECN) • Notification about cheaper tariffs in the market for those on rolling contracts
	Belief changing provider may lead to a worse service	• Line checks • Broadband Speeds Voluntary Code of Practice • Cooling-off period • Customer reviews by postcode
	Belief that engagement might lead to unexpected costs	• No solution, in the form we explored it, was associated with this factor.

This chapter takes each of the identified COM-B barriers in turn and discusses the extent to which relevant solutions are effective in addressing these. The section on each barrier starts with a table which summarises the interventions that could potentially address the barrier, explains the hypotheses as to why the solution might address the barrier, and a summary of findings.

6.1 Capability barrier: Low confidence and ability to assess broadband needs and identify a suitable package

Solutions discussed[46]	Why chosen	Summary of findings
Data portability The consumer being able to request a 'code' containing information on their tariff, usage and end-of-contract information in a standard format. This code could be used on a third-party website to enable a comparison of packages, based on what the consumer has now. The consumer could also allow their current provider to share this information with other chosen broadband providers to enable them to offer the consumer a broadband package tailored to their specific broadband usage.[47]	There is much discussion on the potential for data portability to encourage engagement in the telecoms market. For example, government has undertaken a 'Smart Data' review into how to make data portability work for consumers in regulated markets, including in the telecoms sector.[48] There is a precedent for data portability with the arrival of Open Banking to allow consumers to share their data with other banks and third parties, the aim being to increase competition and to benefit consumers. At the outset of this study, the hypothesis was that data portability could give people more confidence to choose a package, as they would not need to interpret information and they could simply use their 'code' to identify the relevant packages for them, based on their usage.	The evidence suggests that data portability and information on services and alternative packages (provided by the ECN) may increase consumers' ability to identify a package. It provides them with the information needed for a starting point and establishes a baseline which makes it easier to make comparisons. ECNs in particular were seen as good practice in reducing the power imbalance between consumers and providers. Data portability could give consumers more confidence to search for a new package, by helping them to identify which packages might be most suitable based on their usage. However, unless the design of data portability also considers consumers' needs and preferences, rather than current usage, it may only be beneficial to those who want a similar package to their current one. It is not clear whether the information in ECNs would prompt consumers to engage on aspects other than price, or motivate consumers who are currently not engaged. Similarly, tools to assess what speed is needed are seen as useful to help identify relevant packages but are most likely to be used by those who are already motivated to engage.
End-of-contract notification (ECN) A letter sent from a consumer's current provider between 10 and 40 days before the contract ends, informing them that they are coming to the end of their contract. It would also include: the date the contract ends; the services currently provided; the current monthly price paid; the monthly price that will come into effect once the fixed contract term ends; a statement that early exit fees no longer apply from the point at which the contract ends; any applicable notice period; how to terminate the contract; details of other tariffs offered by your provider which might be suitable. The above information was given to participants and a mock letter was shown to them based on the one included in Ofcom's consultation.[49]	In 2018, Ofcom published its proposals to introduce ECNs across the telecoms market from 2020.[50] It was therefore a timely opportunity to discuss ECNs with participants. The hypothesis was that ECNs could enable people to identify packages, by giving them all the information about their current package, which they can then use to search for new ones. The ECN letter also highlights alternative packages available from a consumer's current provider which might be suitable for them.	
Tools to help consumers understand what speed they need for their household We tested a quiz which estimates what speed consumers need in their household as well as content from the website 'Boost your Broadband', which is sponsored by Ofcom and supported by Which?.[51, 52] This describes different types of broadband user based on online activities.	It was identified through the forum that one barrier to participants' ability to identify suitable packages was that they didn't know what speed their household needed and didn't understand the technical language of speed (i.e. MB/Mbps). The hypothesis was that giving them information which helped them to understand what speed they need would give them more confidence and improve their ability to identify a package that was suited to their needs.	

Data Portability

Many consumers struggle to locate information about their current package, therefore the idea of simply requesting a code from their provider and entering it on a price comparison website was seen as a useful 'starting point'. Furthermore, it was viewed as effective in comparing like-for-like, helping consumers to understand the often confusing range of packages which are displayed on price comparison websites. However, some questioned the extent to which the code can provide a genuine comparison due to complicating factors, such as specific pay TV benefits in a current bundle. In addition, some felt that the idea was designed for people who are only looking to find a similar package and would be less helpful for those wanting to change elements of their package.

> *"That's a good idea, you can compare your package with similar deals, it saves you a lot of time… when I looked, I had to think about speed, channels, type of channels. I looked at the [provider] website in one window, then opened a new window and compared between them. This would make it easier."*
> (Female, 35–54, London)

Some participants said they found the idea difficult to understand, particularly around how data sharing would work in practice. As a result, more information about the idea would need to be shared to give consumers the confidence to use it.

When discussing how this data would be shared with third parties, consumers strongly preferred the idea of entering the code themselves into a third-party site, rather than giving permission to their provider to share this data with other broadband providers. This stemmed from concerns around receiving excessive marketing from broadband providers. For those who were open to being contacted by another broadband provider, there was a strong preference for contact to be made by email rather than over the phone. Email was considered less intrusive and gave them the ability to ignore the communication or look at it at a more convenient time and avoid being rushed into any decisions over the phone.

While some participants expressed concerns about sharing any data with a third-party site or with other broadband providers, others described feeling more comfortable sharing certain types of data that they felt were strictly relevant to their search for a broadband package. This included details of their current broadband package, download and upload speeds, and data on their usage patterns. Strong reservations were normally expressed about sharing any more personal data, such as financial information.

End-of-contract notifications (ECNs)

Information on the services currently provided and the cost breakdown was seen as important to include in ECNs. Consumers were divided in their reasoning for this. Some felt it was simply important that they should be reminded of this information, which was often hard for them to find

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46   See appendix for further information on the stimulus used.

47   This was based on research undertaken by Futuresight on behalf of Ofcom. Accessed on 3/9/2019 via: https://www.ofcom.org.uk/__data/assets/pdf_file/0014/80402/ofcom_switching_comms_provider_research_futuresight.pdf

48   BEIS, 'Modernising consumer markets: Consumer Green Paper' 2018, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/699937/modernising-consumer-markets-green-paper.pdf

49   Based on the mock-up included in Ofcom's consultation document. Ofcom, Consultation on end of contract and annual best tariff notifications, and proposed scope for a review of pricing practices in fixed broadband, 2018. Accessed on 3/9/2019 via: https://www.ofcom.org.uk/__data/assets/pdf_file/0022/130378/Consultation-helping-consumers-get-better-deals.pdf

50   Ofcom, Consultation on end of contract and annual best tariff notifications, and proposed scope for a review of pricing practices in fixed broadband, 2018. Accessed on 3/9/2019 via: https://www.ofcom.org.uk/__data/assets/pdf_file/0022/130378/Consultation-helping-consumers-get-better-deals.pdf

51   Accessed on 3/9/2019 via: https://www.boostyourbroadband.com/your-needs

52   Accessed on 3/9/2019 via: https://www.highspeedinternet.com/how-much-internet-speed-do-i-need/residential

otherwise, but a significant number of participants spontaneously said that it would make it easier to compare other packages with their current one as it enabled like-for-like comparisons.

Similarly, details of alternative packages offered by their provider were seen as important. This was partly because it would enable them to assess whether their package is the best one for them, by seeing what else was available from their provider, but also because it demonstrated transparency. A specific benefit of information about alternative packages was that it could prompt engagement by those who are put off from engaging with their own provider because they do not want to have to negotiate. This solution was seen to remove the need to proactively call providers to find out what deals are available, a process which is seen as opaque and stressful for many.

Consumers felt that being informed of their contract end date was important and reminded them that they can review their package, especially if they were not aware of the contract end date. They also felt information on their current contract and alternative packages would be useful. It did appear that it would help make the process of engaging with providers easier for people and this could be enough to give some people the confidence to engage. However, it is unclear whether it is enough to prompt people to engage on aspects other than price, with many noting that the tariff was the key thing that they would be interested in reading in the letter.

"Because life is busy with so many other things to think about, a lot of customers will not be keeping an eye on when their broadband contract ends. If the customer has the… information [in the ECN], then they will be able to make a decision on whether to stay with the current provider and deal, or whether to look for a new deal with the current provider, or even look for a new provider and deal."
(Male, 35-54, London)

"Even if it just made me think more about the tariff I was on with my current provider I think it would still be useful and make me more likely to change tariff… even if that was just internally with my current supplier."
(Female, 18–34, Colne)

"Details of other tariffs offered by my provider may well give me a good indication better offers are available."
(Male, 55–74, Nottingham)

Tools to help consumers understand what speed they need for their household
Being given a recommended speed for the household based on number of inhabitants and type of broadband usage was felt to provide a benchmark against which to compare current and future packages, and to provide a calculation that would be difficult to make otherwise. Participants said that if this was accessible when researching packages, it could help narrow down the type of package they should be looking for. However, it was not clear that it would be accessed by those not already interested in exploring different packages. These tools are likely to perform better in a context where motivation to engage in the first instance is stronger.

"It is very useful to see what speed we need as it will be a huge help in deciding how fast to get broadband when we change provider."
(Male, 18–34, Swansea)

6.2 Capability barrier: Lack of knowledge about how pricing works in the broadband market

Solutions discussed	Why chosen	Summary of findings
End-of-contract notification (ECN) See 6.1 for description.	It was hypothesised that the inclusion of information on current and alternative packages would remind (or inform) people that their price will change after the minimum contract period and that they can take an alternative package with their provider. As a result, they would be more likely to engage in the market.	The inclusion of information on the new monthly price and alternative packages from their existing provider in ECNs seems like it would help engagement. Consumers generally don't remember that there will (usually) be a price rise after their fixed term has ended. A reminder about this is a useful prompt. Price rises are the main 'push' to engage, as consumers want to contain prices within an acceptable amount. Participants were confident that the reminder would lead to engagement (although it is worth noting that behaviour isn't always consistent with intentions). Information on alternative packages may motivate participants to engage by increasing their knowledge about potential savings.

Participants viewed ECNs positively and felt the communication would be a useful reminder that their contract was coming to an end and, in particular, of any associated price increase, which many participants admit they forget about. In the forum, the date the contract ends and the monthly price were the two pieces of information ranked most important to include.[53] The importance of these two pieces of information in combination was that consumers had the knowledge and the motivation (in the case of an imminent price increase) to research and compare packages. Specifically, this solution increases consumers' knowledge of when they would be able to switch, how long they have to research, and the new price of their current broadband to compare to other packages.

There are indications that information on price changes could be a strong prompt to engage, as some people had experienced the shock of a price increase at the end of their contract in the past. Consumers' assessments on the importance of price information is consistent with the finding that price increases are the most common 'push' to engage and that people tend to try and contain prices when they constitute an unacceptable increase. However, it is also worth noting that some people mentioned that information on price change is important as it enables them to budget accordingly. This suggests that whilst the information would prompt some people to engage, it wouldn't necessarily work for all, including those for whom price is not of primary importance.

There were indications that information on alternative packages may prompt engagement by increasing consumers' knowledge about the savings that could be made by entering a new contract, rather than rolling on their current one. Many participants said that the information would be useful in facilitating comparisons and working out whether they were on the best package.

Many participants said that the ECN would prompt them to engage in the market, either by reviewing their contract with their provider or by researching across the market. However, intentions do not always correspond to behaviour and this research found that people are usually

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53 This supports Ofcom's qualitative findings that both are considered by consumers to be crucial/ essential to include. Ofcom, 'End-of-contract notifications. Attitudes to and understanding of alternative content options', 2018. Accessed on 3/9/2019 via: https://www.ofcom.org.uk/__data/assets/pdf_file/0020/117074/Qualitative-end-of-contract-notification-research-July-2018.pdf

willing to accept a price increase up to a certain amount. As such, it will be essential that ECNs, once they come into effect, are subject to ongoing monitoring and *ex post* evaluation to assess their impact.

> *"I think it would make me more likely to review whether I am on the best broadband package for my household. Although, I would most likely stay with my provider, I think that it would encourage me to see if my provider could offer me a cheaper price. This is because without this notification, it is not something at the forefront of someone's mind, with other more important things in life to think about."*
> (Male, 55–74, London)

> *"It would make me far more likely to review the package, especially if I saw that the price was rising. When direct debits change in your bank account you may be aware of it but less likely to do anything. A letter stating this would make people think about the change."*
> (Female, 35–54, Belfast)

6.3 Opportunity barrier: Lack of effective communications about current and alternative packages

Solutions discussed	Why chosen	Summary of findings
End-of-contract notification (ECN) See section 6.1	It was hypothesised that inclusion of information on alternative packages in ECNs would fill the current gap in provider-led communications about alternative packages for their customers.	Information about alternative packages in ECNs or a cheaper tariffs notification for those who remain on a rolling contract would fill a gap in provider communications.
Notification about cheaper tariffs in the market for those on rolling contracts A communication from Ofcom[54] (e.g. letter, email) to customers who have been out of their fixed contract for a year, but have stayed with their provider and rolled it on with no changes. It would give them information about what cheaper packages are available to them from *alternative* providers and the potential savings they could make as a result of switching. A similar solution was tested in the energy market and participants in this research were shown a mock-up of the letter used in Ofgem's testing.	Ofgem working with the Behavioural Insights Team had developed and tested a letter which informed customers who had been out of contract with their provider for a year about cheaper tariffs that are available from a range of providers in the market. They found that: there was a potential for engaging customers and encouraging switching through such a letter; it can even engage consumers who have been on the standard energy tariff for a while; it's more effective coming from existing suppliers than from Ofgem; and it can increase savings from switching.[55] It was hypothesised that this communication could have a similar impact in the broadband market and that it could be effective at engaging customers as it would prompt them to think about what savings they could make by switching provider.	There are indications that such information in ECNs would make it easier for consumers to take the opportunity to compare packages, against those offered by other providers, or against their current package, by giving them a starting point. The standardised comparison table of packages with associated costs in the mocked up cheaper tariffs communication was very well received, along with the information on potential savings. Both of these made clear to participants that they had an opportunity to save money by engaging with evidence provided in the table.

ECNs

Information on alternative packages in the ECN was seen as good to know and helpful to determine whether consumers are on the best package for them with their provider. For some this was seen as giving them a starting point to compare packages from other providers against, and for others just for comparing against their current package. For some there was a hope that inclusion of information on competitive offers from their current provider would mean they didn't have to switch provider.

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54   Note that participants were informed that this was an idea from Which? and was not currently planned by Ofcom.

55   Accessed on 3/9/2019 via: https://www.ofgem.gov.uk/publications-and-updates/results-cheaper-market-offers-letter-trial

*"It is good to know what is available to you. It gives you a chance to compare
different providers and different packages."*
(Female, 18–34, London)

*[You] need to know what is available and if [your] current supplier can offer
this rather than having to move surely this is better."*
(Male, 55–74, Nottingham)

It didn't appear that the inclusion of alternative packages was as strong a prompt in itself to engage as information about price increases. This is consistent with Ofcom's research[56] which found that an offer from the same provider was less likely to be considered as essential content in ECNs than the monthly price change. However, it does fill a gap in communications that participants also felt reflected well on providers as it demonstrated transparency.

"They should tell you about other deals that may suit you."
(Female, 55–74, Swansea)

Cheaper tariffs notification

The majority of people were positive about a cheaper tariffs communication from Ofcom. They felt that information on savings or on how to avoid price increases would prompt them to engage. However, a minority likened it to junk mail or said they would worry it was a scam. In addition, some individuals said they would feel concerned if their contact details had been shared with Ofcom without their consent. However, Ofcom was considered to be the most trustworthy source of the organisations tested to send this information.[57] As an independent organisation who would offer 'unbiased' advice, they were felt to be most impartial and the information felt more credible.

*"Ofcom would [be the best people to send it] … as they would be unbiased
and more likely to give better suggestions."*
(Male, 35–55, Nottingham)

"I'd be annoyed that my details had been passed over by my provider and possibly a bit anxious too."
(Female, 18–34, Nottingham)

Information on potential savings was most frequently mentioned as likely to prompt engagement. Both the headline sentence at the top stating "You could save £x by switching your broadband supplier" and the comparison table of different packages from various providers[58] were well received. The pricing comparison table received a positive response because it standardised and clearly set out information to allow for easy interpretation.

*"I think it would make me look in to changing providers as it gives quite clear
information in savings and what you need to do to change."*
(Female, 35–54, London)

*"The most important part would be the price comparison table as it would show you the prices
and speeds and the potential savings that you could make."*
(Female, 18–34, Colne)

*"The actual options in a standardised way is what would have the most impact, because it is set out
in a clear way. Coupled with the fact my current package is on there, this makes life so much easier."*
(Male, 18-34, Nottingham)

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56   Ofcom, End-of-contract notifications. Attitudes to and understanding of alternative content options, 2018. Accessed on 3/9/2019 via: https://www.ofcom.org.uk/__data/assets/pdf_file/0020/117074/Qualitative-end-of-contract-notification-research-July-2018.pdf

57   Participants were asked to rank four organisations in order, from the organisation they would most like to receive a letter like this from to the organisation they would least like to receive a letter like this from: Ofcom; an independent organisation, e.g. Which? or MoneySavingExpert; a price comparison website; their current broadband supplier.

58   See appendix for stimulus.

6.4 Motivation barrier: Belief that current service is fine

Solutions discussed	Why chosen	Summary of findings
End-of-contract notification (ECN) See Section 6.1 description. **Notification about cheaper tariffs in the market for those on rolling contracts** See Section 6.3	It was hypothesised that receiving a communication which included information about alternative packages would prompt people to reassess whether they were on the best package for their household. This in turn may lead consumers to reconsider whether the current service they are receiving for the price they are paying really is 'fine'.	Participants indicated that receiving a communication (ECN or notification about cheaper tariffs) including information about alternative packages may prompt consumers to reassess whether they were on the best package for their household. However, further testing is required to determine the extent to which stated intentions would turn into active engagement.

Participants felt that information on alternative packages in the ECN would be useful and would help them assess whether they were on the best package. Similarly, the standardised price comparison table in the cheaper tariffs notification showing packages from different providers was identified as having the most impact on participants' likelihood to review their package, and any potential savings they could make by changing package. Further research would be needed to determine whether this would prompt consumers who are very disengaged and whether intentions would turn into behaviour.

6.5 Motivation barrier: Belief changing provider may lead to a worse service

Solutions discussed	Why chosen	Summary of findings
Line speed checks The concept that before entering a new contract with a new supplier you can ask for your line to be tested by them to see what speed you are estimated to receive at peak times and also the minimum guaranteed speed. **Broadband Speeds Voluntary Code of Practice (the Code)** The largest broadband providers are signed up to the Code.[59] As part of this, customers are able to exit their broadband contract without penalty if the speed they are receiving is below the minimum speed that is guaranteed in their contract. In order to exit, the customer has to notify their provider, which gets 30 calendar days to diagnose and fix the problem. If they can't improve the speed, then the customer can exit their contract without penalty. This also applies to any products bundled with the broadband service, e.g. pay TV.	It was hypothesised that participants' loss aversion, relating to concern around switching and then receiving worse service, may be reduced if they were aware that: 1) they could check what speed they would get before committing to a contract, through line speed checks; 2) could exit their contract if they did not receive their guaranteed speeds; or, 3) could exit if they changed their mind or encountered issues early on in their contract.	Whilst good in theory, the effectiveness of line speed checks, the Code and cooling-off periods were undermined by consumers' low trust in providers. Participants believed providers would make it difficult for them to act on these consumer rights. In addition, consumers are not motivated to exit a contract they are unsatisfied with as it means they have to go through the effort of engaging with the market again. Reviews by postcode were considered to be useful, but there were some concerns about how reliable they would be and that even localised reviews wouldn't account for other factors affecting their broadband service, such as household size. Overall, it wouldn't fully alleviate concerns about receiving a worse service.
Customer reviews by postcode The concept of a website that had a postcode-level breakdown of customer reviews.	It was identified in the forum that participants were very aware that broadband could have variable service, which is influenced in part by geography. It was also evident that when participants had the opportunity to talk to each other in the forum they were asking people who lived in the same area as them, and who were with a different provider, about the service they were receiving (with a view as to whether they should switch). It was hypothesised that the provision of reviews by postcode may alleviate concern about receiving worse service from a different provider as they would be able to look at reviews of that provider specific to their area.	

Line speed checks, the Broadband Voluntary Code and cooling-off periods

Lack of trust was found to undermine the effectiveness options to mitigate consumers' loss aversion. Such issues included participants not trusting a provider to undertake the line test and wanting it done independently. They also felt that providers would find reasons not to meet the obligations set out in the Code. A few felt strongly that providers would make it very difficult to be able to exit within the cooling-off period.

This lack of trust is linked to a perceived imbalance of power between consumers and providers, with this limiting their ability to enforce their rights. For example, they felt that with cooling-off periods there would be a huge burden of proof on the customer, which would be difficult to

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59   Accessed on 3/9/2019 via: https://www.ofcom.org.uk/consultations-and-statements/category-1/broadband-speeds-codes-practice.

provide. With line speed tests, they felt that providers might try and convince them to sign up regardless of the results.

In terms of the Code, participants felt they would be unable to succeed in a conversation with the provider without technical knowledge and that providers would do everything they could to make it an ordeal to exit. It was only those consumers that were already engaged and had the confidence to be able to challenge their providers who felt the Code would be useful to challenge those who are delivering lower speeds than promised. Many customers felt they would have to 'ride it out' waiting until the contract ended to change to a different provider or package. Participants were put off by the fact that exiting early would mean they had to repeat the searching and switching process again.

Whilst we note that the cooling off periods are important for those consumers who experience initial problems. It was also felt that, because of the characteristic of broadband connections being variable over a longer time period, it could be more useful to have a longer cooling-off period as problems may not occur in the first few weeks.

> *"It's fine but sometimes we [are] all busy and not getting the full time to investigate it*
> *and it's too late when it turns out to be rubbish."*
> (Female, 18–34, Falkirk)

Reviews by postcode
Participants felt that while it might be useful to have a more tailored, relevant set of reviews that would take into consideration any complexities or differences in their immediate area, there was a limit to which their neighbours would be writing reviews in reality.

In addition, consumers are aware that there are other factors that affect the quality of service they receive from their provider. Household type and usage patterns are felt to have a significant impact on the service received from the provider, making localised reviews less relevant.

Similarly to other solutions discussed, these reviews are likely to be accessed by those already interested in exploring different packages. This solution would therefore probably perform better in a context where motivation to engage in the first instance is stronger.

> *"This would be ace, it's more relatable than other kinds of reviews…*
> *The only drawback would be that reviews would be about the provider*
> *rather than necessarily the actual package you are thinking of getting."*
> (Male, 18–34, Nottingham)

6.6 Motivation barrier: Belief that engagement may lead to unexpected costs

None of the solutions, as presented, led participants to spontaneously talk about how they might help mitigate the risk of unexpected costs. The ECN or data portability *could* address this barrier depending on their design, but this would require further consumer testing. More broadly, addressing issues around lack of trust in the market may have an impact in overcoming this barrier given that low trust in the transparency of the market is one of the reasons underlying concerns about unexpected costs.

6.7 Concluding remarks on solutions

Our analysis of these potential solutions lead us to two conclusions:

Solutions need to be tested behaviourally in order to determine their impact
This research explored solutions qualitatively with participants, with discussions focusing on consumer attitudes and participants reflecting on how their behaviour may be impacted by each solution.

When industry-wide solutions are introduced it is essential that a programme of ongoing testing is established alongside them. This is necessary to understand how successful interventions are at delivering on their aims and identifying potential scope for continuous improvement. When designing future interventions (such data portability initiatives), this must take a consumer-centric, bottom-up approach, with a detailed understanding of the barriers that are being addressed and informed by rigorous *ex ante* remedy testing.

It is clear that there is no one solution to addressing low engagement
We have highlighted that individuals face multiple barriers to engagement and are affected by behavioural biases. It is clear that there is no silver bullet solution and that, to increase engagement effectively, there needs to be a combination of remedies that address the different barriers to engagement.

7. Conclusions

Broadband feels unique to consumers. In comparison to other markets such as energy or car insurance, what is on offer is seen as more complex and technical. There are higher levels of risk aversion regarding the process of engaging potential consequences of changing package or provider. In addition there is low recognition of the potential benefits coupled with high levels of inertia. There are some signs that this uniqueness may diminish over time, if the market begins to feel less new and consumers become more familiar with how the market works and the range of services (such as superfast) and providers available. However it is far from clear that any such changes would fundamentally alter the unique way in which consumers view the broadband market.

This research has underlined the picture presented by numerous other studies, showing how difficult it is to overcome low engagement in the broadband market. We have known for some time that, similarly to the way in which consumers think about their energy supply, broadband is not a topic that most people think about on a day-to-day basis. The people that we met during the course of this study, apart from our control group, have confirmed the validity of this assessment.

Where this study goes beyond previous work is in using the COM-B model to provide a systematic analysis of the factors underpinning these low levels of engagement. In some respects, this highlights the scale of the challenge. There are many barriers and some are very significant. By systematically mapping these barriers and their interactions, we have also developed a rubric for thinking about solutions.

Through this research, we have learned that there are six primary barriers to broadband engagement. These interact with numerous other barriers, stretching across dimensions of capability, opportunity and motivation. The complexities of these interactions mean it is clear that there is no silver bullet solution which will simultaneously address all of these barriers. Rather, a combination of solutions will be required to improve engagement with the broadband market.

The planned introduction of end-of-contract notifications will help to address some of the key barriers that have been identified. This includes consumers' low confidence and ability to assess their broadband needs and identify a better package, lack of knowledge about how pricing works in the broadband market, the lack of effective communications about current and alternative packages and consumers' tendency to believe that their current service is fine. However, in isolation it is unlikely to counter consumers' belief that changing provider may lead to a worse service, or the belief that engagement may lead to unexpected costs.

It will be essential to ensure that solutions are underpinned by rigorous consumer testing. For interventions which are already in place, or have been announced, there must be a programme of monitoring and *ex post* evaluation to understand how well they are achieving their aims. Looking ahead to new solutions, their design must take a consumer-centric approach, informed by a clear understanding of the barrier being addressed and detailed *ex ante* testing.

8. Appendix

8.1 Research sample

In each location, participants were identified by a network of specialist qualitative research recruiters embedded in local communities, mostly using face-to-face recruitment methods.

The sample was designed to capture a range of demographics and be roughly reflective of behaviours in the broadband market (see Figure 14). An overview of the key principles behind the sample frame is below, before a more detailed overview of the sample recruited in each location.

Figure 14: Approach to sample frame

Engagement with broadband	Participants were recruited on the basis of having a range of levels of engagement: • Most participants were recruited on the basis of being less engaged with the market, having not switched provider in the past two years. • A minority of participants had switched package recently. Of these, some were particularly engaged with the market, switching package regularly. These were included as a control group.
Broadband speed	We recruited standard broadband customers and those who have superfast broadband. At least 5 participants with superfast were recruited in each location and most participants had superfast available at their address. This reflects the general public as a whole, based on statistics in Ofcom's Communications Market Report[60]
Broadband provider	All participants had a choice of broadband providers available at their address. A spread of providers was included, including Virgin Media customers who comprised of no more than a third of the sample.
Bundling	To capture different views and experiences in terms of bundling, roughly one third of participants had a package that included pay TV in their broadband bundle. This reflects the general public as a whole, based on statistics in Ofcom's Communications Market Report[61]
Demographics	The sample included: • A mix of gender, age, and socio-economic grade • Roughly one fifth of participants were from a BAME background • A minority of participants had lower educational attainment (up to GCSE level) • A minority of participants with physical and mental health problems that limit their daily activities • Participants lived in a mix of property types (owned and occupied; privately rented; socially rented).

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60   See Ofcom, 'Communications Market Report', 2018 and 2019: Accessed on 3/9/2019 via: https://www.ofcom.org.uk/research-and-data/multi-sector-research/cmr

61   Ibid.

Figure 15: Summary of participant sample in each location

Broadband-specific criteria	
Choice of provider	• All recruits had a choice of broadband providers • Min. 5 participants had Virgin Media as their current provider
Bundling	• 5-8 participants had their broadband contract as part of a triple play bundle, with pay TV and a landline
Superfast	• Min. 5 able to access superfast broadband
Connected devices	• A spread across the number of connected devices in their home
Behaviour in relation to switching broadband	
Switching history	• 3 participants who have switched in the past two years • 6 participants who have actively looked into switching in the last year but did not switch, and have not switched in the past two years • 6 participants who have never actively looked into switching or switched
Likelihood of switching	• Min. 3 participants who consider themselves likely to switch in the next year, or at the end of the contract, if later
Demographic criteria	
Age	• Min. 4 participants aged 18–34 • Min. 4 participants aged 35–54 • Min. 4 participants aged 55–74 • Min. 4 participants aged 75+
Gender	• Min. 8 male participants and 8 female participants
Household	• A spread of household size • A spread by tenure type, including min. 5 participants in private rented accommodation, min. 5 in social rented accommodation and min. 5 owner occupiers
Ethnicity	• Min. 4 BAME participants *(this quota was adjusted in each location to reflect the local demographic)*
Social economic grade	• Min. 4 participants were AB • Min. 4 participants were C1C2 • Min. 4 participants were DE
Educational attainment	• Min. 1 participant with no formal qualification i.e. not completed GCSE or equivalent
Existence of mental or physical health problems	• Min. 1 participant identifying having a mental health problem that significantly affects their daily life • Min. 1 participant identifying having a physical health condition that significantly affects their daily life

8.2 Overview of research materials

Stage 1: Online community

During weeks 1–3 of the online community, participants were asked to record their weekly experience of the quality of their broadband service in a diary and to note any information, marketing or conversations about broadband.

In **Week 1** of the online community, participants shared information about their current living situation and broadband usage:

- Participants introduced themselves for context
- They gave details about their current broadband package, looking up this information if they weren't sure of some of the details, and writing a review of their package
- They answered questions about their household's broadband use, including the number of connected devices, how 'heavy' a user of broadband they are, what they use internet for and whether they have considered switching package before.

In **Week 2** of the online community, Which? and BritainThinks explored participants' spontaneous understanding of the broadband market:

- Participants were shown stimulus showing the difference between standard and superfast broadband and asked to share their views on this
- Participants explained their views on the broadband market, the providers and packages available, and levels of trust in the information providers give
- They described how they felt about the idea of reviewing their current broadband package and exploring alternative broadband packages, and what might encourage them to do so
- They explained what they saw to be the potential benefits and drawbacks of exploring different broadband packages and changing their current package.

In **Week 3** of the online community, participants were asked to conduct their own research into different broadband packages:

- Participants were asked to answer a series of true/false questions designed to explore the prevalence of consumers believing in myths about the broadband market (e.g. consumers need to contact their existing broadband provider if they want to change to a different provider)
- Participants described how they envisaged the process of researching and changing their broadband package and how this made them feel
- They were asked to imagine that they were planning to change their current broadband package, either switching to a different provider or looking for a new package from their current provider, and to conduct their own research to inform this decision making. It was made very clear that participants were under no obligation to go ahead with changing to a new package or provider should they find one over the course of this task
- Participants reflected on how they found the process of researching different broadband packages.

In **Week 4** of the online community, Which? and BritainThinks discussed a range of solutions to some of the major barriers identified with participants. All solutions below were assessed but due to the volume of solutions, different participants were presented with a sample of solutions from the list:

- **'Knowing the speed you need':** participants were given tools to help estimate the broadband speed their household needs; a quiz to help them understand the speeds their household needs (*https://www.highspeedinternet.com/how-much-internet-speed-do-i-need*) and 'what type of broadband user are you' (from Ofcom's Boost Your Broadband (*https://www. boostyourbroadband.com/your-needs*). This task was completed by 88 participants.

- **'Perceptions of providers':** participants were shown reviews of different providers and asked how useful these reviews were in helping them navigate the broadband market and the perceived lack of differentiation. This task was completed by 48 participants.
- **'Making decisions about superfast':** participants were shown statements about superfast taken from Ofcom's pricing report[62] and asked what they thought about the difference between superfast and standard broadband. This task was completed by 41 participants.
- **'Exiting your contract before the end date':** participants were given information on cooling-off periods, line checks and the Broadband Voluntary Code and asked their views on these, and whether they thought these would have an impact on their likelihood of changing their broadband package. This task was completed by 40 participants.
- **'New packages identified for you':** participants were presented with information on data portability and asked to share their views on the idea, and whether or not this would make it easier for them to find a broadband package that meets their needs. This task was completed by 47 participants.
- **'Notification of end of contract':** participants were asked their views on how useful, if at all, it would be to receive an end of contract notification, and if this would encourage them to engage with the broadband market. As part of this activity, participants were shown a 'mock-up' of Ofcom's own end of contract notification letter. This task was completed by 39 participants.
- **'Notification of cheaper tariffs':** participants were asked their views on how useful, if at all, it would be to receive notification about the cheaper packages are available to them from alternative suppliers and the potential savings they could make as a result of switching, and if this would encourage them to engage with the broadband market. As part of this activity, participants were shown a 'mock-up' of a letter that showed customers information about cheaper packages available from other suppliers, and the potential savings they could make as a result from switching. This task was completed by 46 participants.
- A final activity allowed participants the chance to reflect on their experience of the online community and consider if they will engage differently with their broadband package in the future.
- During this final week of the online community, all participants engaged with each other in a separate online discussion space, sharing their experience of their broadband provider and their current package.

Stage 2: Follow-up depth interviews

The follow-up depth interviews were designed to build understanding of the interactions between 'push', 'pull', and COM-B factors that affect engagement, and how these vary among consumers. The interviews also aimed to explore the risks that consumers were concerned about, where these concerns stemmed from, and how they can have an impact on levels of engagement. They also helped deepen understanding of which solutions would have the greatest impact in terms of engagement.

Questions covered:

- Views on consumers' current broadband package and any potential changes they had made to their contract during or following the online community
- Consumers' history of engagement with the broadband market, exploring the different ways in which they had engaged with their provider in the past, and their engagement within other markets, e.g. energy

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62   Ofcom, 'Pricing Trends for Communications Services in the UK', 2018. Available at: https://www.ofcom.org.uk/research-and-data/multi-sector-research/general-communications/pricing

- Consumers' reasons for engaging with their broadband package and provider in the past and what might encourage future engagement
- Consumers' views on the barriers that might prevent engagement with broadband and the relative importance of these barriers
- Consumers' feelings and associations with the idea and language of switching, both in broadband and other markets, and their view on the process of switching
- Towards the end of the interview, participants explored some of the solutions discussed in the online community in more detail, including data portability and end of contract notifications.

8.3 Further information about the COM-B Model

The COM-B model is a behavioural framework which sets out that behaviour comes from an interaction of the **'capability'** to perform a certain behaviour, and the **'opportunity'** and **'motivation'** to carry out that behaviour. This behavioural model was used throughout this research to help understand the barriers to engagement, from research design to analysis.

'Capability' is the psychological or physical ability to enact a certain behaviour.
- This includes any set of physical actions that requires an ability or proficiency learned through practice (e.g. being familiar with, or being physically able to research different broadband packages).
- It also includes any psychological process or skill that is required for a consumer to perform that behaviour, including knowledge, memory, decision-making abilities and interpersonal skills (e.g. confidence in 'haggling' with providers).

'Opportunity' is the external physical and social environment that enables wanted behaviours or inhibits unwanted behaviours.
- This includes anything in the physical environment that discourages or encourages the performance of a behaviour such as prompts, availability of services and the structure of the physical space
- It also includes influences that come from friends, family, colleagues and other influential people that support the enacting, or otherwise, of a certain behaviour, either by provision of direct support or by influencing the way people think or feel about a behaviour

'Motivation' is the reflective and automatic mechanisms that activate or inhibit a certain behaviour.
- This includes factors that energise and direct behaviour such as:
  – Impulses and inhibitions (e.g. not being the type of person who 'haggles')
  – Motives (e.g. wanting to save as much money as possible)
  – Beliefs (e.g. believing there is little differentiation between broadband providers and packages)
  – Identity (e.g. being the type of person who is willing to spend money on better speeds or quality of service).

8.4 How other markets compared to broadband

Banking

Consumers were often showing low levels of engagement within banking. Similarly to broadband, there was a strong sense of risk associated with the idea of changing current account to a new provider. There seemed to be a real fear of something going wrong during the switch itself, for example, loss of money or direct debits not transferring. This made engagement feel like something that is 'higher stakes' than in other markets.

Lower engagement within this market was similar to broadband in the following ways:

- **Engaging and switching within banking were felt to be relatively complex processes.** Many were unfamiliar with whether or not guarantees were in place to help prevent loss of money or direct debits not transferring.
- **The benefits of switching were not apparent to all.** Only a minority of participants were aware that switching current account can include an offer of 'free money' from the new provider, or of other available financial benefits.
- **There was loyalty to specific brands in this market – this was stronger than in broadband.** This was influenced by relationships with local bank branches and brands also being used by other family members. Loyalty to broadband provider by comparison was determined more often by relative reliability of service and habit than by specific brand associations.

However, one difference from the broadband market was that **consumers felt that if they *had* to engage in the market, help and information was available**. This was felt to be more manageable than the broadband market due to the presence of a wide range of providers, the longer history of the market, and the sense that there were more important day-to-day reasons for being engaged with the market (even if these didn't often extend to the idea of switching current account).

Mobile phone services

Consumers showed a higher level of engagement in the mobile market. However, this engagement was often described as switching deal with current providers, rather than changing provider.

In addition, this market was described as being more inherently interesting, and as being more tangible, due to the association of the market of network providers with handsets. One participant described how this made mobile a more salient market for her to consider engaging with:

> *"I am never aware of when my [broadband] contract is ending, only my mobile because I use it every day, so you know roughly how long you have had it with an upgrade say."*
> (Female, 34 – 55, London)

Reasons for greater engagement within this market compared to broadband included the following:

- **Changes in handset, whether due to functionality issues, or due to personal interest, forced consumers to make decisions about their contract.**[63] This in turn meant it was more likely for reviewing a mobile contract to become a regular habit, especially with some providers sending monthly package reviews. In comparison to broadband, mobile tariffs had a more tangible manifestation and clearer incentive to engage.
- **There was greater awareness of available deals with a current provider.** This meant that participants were more frequently moving onto a new deal. Even those less engaged with their mobile had assumed deals were more likely to be available.
- **Being able to engage through a greater number of channels including face to face**. Some less confident participants were aware of being able to do change deal in a shop, in person, which provided reassurance about finding the right deal for their needs, something that was very rarely reported in broadband.

Reasons for low engagement within this market were similar to some aspects of broadband:

- **The mobile market was felt to be moderately complex** and consumers described suffering from similar lack of knowledge about contracts. This could lead to a feeling of being sold the newest handset or a particular data package regardless of need.
- **There was a similar sense of loyalty to different providers within this market to broadband**, driven by factors such as coverage.

63   This is consistent with research from Ofcom on the number of consumers in the market moving onto a new deal with their own provider.

Energy

Consumers showed higher levels of engagement with the energy market. It was seen as something important to engage with due to the high annual cost. It was also seen as the least complex of the markets discussed. While energy itself was seen as a technical resource, participants felt they rarely had to consider this as part of their engagement with the market, unlike broadband.

"With my gas and electric I only have to change them on paper, I don't have to connect leads etc.!"
(Male, 75+, Swansea)

Reasons why participants were more engaged with energy than broadband included the following:

- Those who had changed provider were aware that **it is rare to need an engineer visit**. These consumers reported more positive experiences of switching as a result.
- There was more **trust that help is available** to prevent being cut off and a feeling that providers are more on the consumer's side, due to it being less acceptable to not have energy, compared to broadband.
- **Consumers currently receive notifications about other deals from their own provider**. This led to a feeling that there were more measures in place to help with transparency in the market compared to broadband.
- **There was less distrust of less well-known providers**. More participants had tried out medium or smaller providers, eroding the association of the incumbent, 'Big Six', as the 'real' providers in this market.

Similar reasons for low engagement to the broadband market included the following:

- **The market could lack saliency** due to the perceived functionality of the service and lack of knowledge around types of deal.
- As in broadband, there were instances of **participants having been with the same provider 'forever'**, and confusion about what might be involved in a switch to another provider.

Car insurance

Of the markets explored in the research, consumers showed most engagement with car insurance. The absence of rolling contracts meant that consumers were used to the cycle of receiving renewal quotes at end of contract, as a prompt to engage, and felt that this is something they needed to engage with on a more regular basis. Some participants noted discovering price comparison sites thanks to car insurance and having information recorded so that searches could be easily repeated from one year to the next.

"When you enter your registration number when looking for car insurance:
it enters some of the information for you."
(Female, 55–74, Nottingham)

Factors that led to higher engagement within this market included the following:

- **Switching contract was not seen as risky.** Consumers were aware of a large number of providers in the market, as with the energy market, and were also more likely to try smaller brands, with lower concern about differences in quality across providers.
- **Lower brand loyalty** and the more routine nature of engagement meant consumers were more likely to pay attention to price, therefore perceiving a greater benefit in engaging through the amount of money that they can save. In broadband, notifications about price were less prominent and participants were more confused by the different elements that constituted the overall package.

Factors that led to low engagement in this market, similarly to broadband, included:

- **Some consumers found the number of decisions that had to be made during a switch complex** (e.g. about excesses and no claims bonuses)
  - **However, the presence of brokers in this market** was noted by a few participants to provide a solution to struggling with online searches and nervousness about speaking to own providers. The broker was seen as an independent figure that could do some of the work on the consumers' behalf.

8.5 Full list of important factors impacting on engagement

Figure 16: Important factors impacting on engagement

COM-B factor	Barrier to engagement
Capability: Psychological	Knowledge about how pricing works in the broadband market
	Lower technical knowledge about broadband
	Lower skills for online engagement
	Low understanding of the opportunity to ask broadband providers about deals for current customers
	Lower confidence and ability to assess broadband needs and identify packages to meet these needs
	Lower knowledge, social skills and confidence for telephone engagement
Capability: Psychological/Physical	Lack of resilience or willingness to experience change
Opportunity: Social	Social acceptability of asking providers for something
	Social acceptability of shopping around for a good deal
	Low availability of social support with decision-making
	Absence of positive household prompts and influences
	Absence of positive prompts and influences outside of the household
Opportunity: Physical (Personal)	Being time-poor
	Engagement with TV package influencing engagement with broadband package
	Type and longer tenure in the same property
	Higher landline use
Opportunity: Physical (Characteristics of the broadband market)	Low marketplace options at home address
	Low quality of service coverage at home address
	Additional resilience on current broadband and TV equipment
	Lack of effective communications about current and alternative packages
Motivation: Automatic and Reflective	Belief that benefits of engagement are small
	Mindset towards personal finances
	Belief in the difficulty of researching broadband packages
	Belief that it's normal for broadband quality to be variable
	Negative perceptions of switching and belief in risk of service loss
	Belief engagement may lead to unexpected costs
	Belief that package is fine (or even, good)
	Belief in lack of transparency in the broadband market
	Positive or negative brand perceptions
	Belief in bundling TV with broadband
	Perception of broadband as functional
	Belief that changing provider may lead to worse service

Capability

Psychological

1. **Knowledge about how pricing works in the broadband market.** This includes levels of knowledge about the availability of any discounted prices, the time-dependent nature of these discounts, and awareness of the end date of a fixed contract (which precedes a price increase). Similarly, participants also had low levels of awareness about the fact that provider deals for current customers do exist even if they aren't widely advertised. This can often be exacerbated by low levels of knowledge about how pricing works in the broadband market.

2. **Lower technical knowledge about broadband.** This includes participants' understanding around the language of speed (for example, confusion between superfast and standard broadband) and awareness of the number of different providers and different packages available.

3. **Lower skills for online engagement.** This includes participants' levels of digital literacy or fluency, their confidence in shopping around to find a better broadband package by researching different options, and their ability to then distinguish between more or less relevant deals.

4. **Lower confidence and ability to assess broadband needs and identify packages to meet these needs.** Some participants struggled to identify what broadband speed was relevant to their household's internet usage and therefore what was an appropriate broadband package.

Psychological and physical

1. **Lack of resilience or willingness to experience change**. This includes the extent to which participants were deterred from engaging with their broadband based on previous negative experience switching broadband, or with other service providers.

2. **Lower knowledge, social skills and confidence for telephone engagement**. This includes participant's levels of awareness of specific tactics for negotiating with a broadband provider to get a preferential deal. For example, threatening to leave or mentioning specific deals with other providers.

Opportunity

Social opportunity

1. **Mixed social acceptability of asking providers for something.** This includes participant's lack of inclination to ask providers to lower the price of their package, or to contact them to resolve ongoing service issues.

2. **Mixed social acceptability of shopping around for a good deal.** Participants sometimes struggled to get a good sense of what the 'acceptable' social norms around this were, and whether or not they wished to be seen as a savvy consumer.

3. **Low availability of social support with decision-making.** Participants all had the opportunity to make decisions about broadband, as this was factored into the recruitment specification. This factor therefore relates to whether or not participants were receiving appropriate support to help them engage with their broadband package.

4. **Absence of positive household prompts and influences.** This includes whether or not participants were under pressure from other household or family members to upgrade their speeds, take out new TV channels or change to a package including pay TV services, resolve service issues or look to save money.

5. **Absence of positive prompts and influences outside of the household.** This includes whether or not participants were having conversations with friends or colleagues about their broadband, or reading or hearing about broadband online or on the news.

Physical opportunity (personal)

1. **Being time-poor.** This can be used by participants as a justification for their lack of engagement. However, being time-poor has manifested itself as having an impact on engagement in other ways. Firstly, if an engineer visit is needed, participants described the time commitment of being at home for long enough during the day and taking time off work to accommodate this. Secondly, if consumers are less efficient at researching different broadband packages, it can take more time to work out their household's broadband needs and research different options.

2. **Engagement with TV package influencing engagement with broadband package.** Having a bundle can be an enabler rather than a barrier in terms of leading to a change in contract, in that it can incentivise engagement. Yet, having a bundle can also act as a barrier if it distracts from engagement with the broadband element of a bundle specifically.

3. **Longer tenure in the same property.** Moving to a new home can serve as an opportunity to switch broadband. Most participants did report switching their broadband package when they moved house. A longer tenure in the same property can therefore indirectly act as a barrier to engagement.

4. **Higher telephone use.** Higher telephone use can lead to variability in consumers' monthly bill, making engagement more challenging for some if they are less likely to notice a change in price after the end of contract. However, in some cases this could also enable engagement by making consumers more cost-sensitive and more likely to challenge the price they are paying for their broadband bundle.

Physical opportunity (characteristics of the marketplace)

1. **Less broadband options available at home address.** This includes: whether or not consumers can access superfast broadband; the number and range of providers in their local area (and whether or not they offer superfast); and the choice of providers who offer specific pay TV channels. Participants also reported struggling to locate better deals in and out of bundles, leaving them with less ammunition for negotiating with own provider.

2. **Poor quality connection at home address.** Some participants experienced blackspots in their homes, or were affected by better or worse coverage with different providers. The quality of the connection can lead to lower expectations around broadband service at one's own address, which then informs attitudes to switching.

3. **Additional reliance on current broadband and TV equipment.** Participants described relying on recordings on their pay TV box as well as a reliance on their provider's own broadband router or equipment for their TV and/or wireless booster functionality.

4. **Lack of effective communications about current and alternative packages.** This includes not receiving end of contract notifications or information about deals for new customers. Participants also described a difficulty in understanding the language, wording and pricing on other provider sites and price comparison sites.

5. **High number of components in broadband bundle.** The greater the number of variables to consider, the more difficult consumers can find it to assess their household's broadband needs and alternative packages. These variables include factors such as: contract length; broadband speed; line rental charges; one-off service/installation fees; call packages and any add-ons (e.g. voicemail or international calls); additional TV channels or boxes; or incentives to sign up with a different provider.

6. **Requirement for an engineer to visit home.** In some circumstances, consumers may require an engineer visit when they change package/provider. This can deter consumers from engaging with their broadband.

Motivation (mix of automatic and reflective)

1. **Belief that the benefits of engagement are small.** Whether or not consumers can see the potential for savings to be made by engaging with the broadband market can have an impact on levels of engagement.

2. **Mindset towards personal finances.** This includes a lack of attention to budgeting, or, if consumers are more budget-conscious, to what extent they are wary of their monthly bill varying.

3. **Belief in the difficulty of researching broadband packages.** This belief centres around how long consumers think it will take to research different broadband packages, what they will need to think about as part of this, and whether or not they will feel able to make the 'right' decision as a result of their research. Heavier landline users who struggled to understand the many elements included in call packages were one of the audiences concerned about this.

4. **Belief that it's normal for broadband quality to be variable and therefore out of consumers' control.** Participants described a belief that it is normal to experience issues with broadband service and quality, regardless of provider.

5. **Negative perceptions of switching and belief in risk of service loss.** Consumer fears about loss of service during the switching process, needing to have an engineer visit, or their new service not working properly. This can all deter levels of engagement.

6. **Belief engagement may lead to unexpected costs.** For example, 'hidden costs' involved in switching providers, prices being higher than advertised (linked to low levels of trust in the broadband market more generally), or other unexpected price increases. Heavier landline users with variable monthly bills were one of many consumers concerned about this.

7. **Belief that current package is 'fine'.** Consumers described a strong sense that their current package was adequate, meaning they had less motivation to engage than they would if they were very unhappy with the service they were receiving. It should also be noted that some participants were very positive about their package, which could even undermine their motivation to engage with their current provider.

8. **Belief in lack of transparency in the broadband market.** Participants stated that the language of broadband, pricing, and the number of options available make it harder to confidently navigate the market.

9. **Positive or negative brand associations.** Participants described feeling positively towards certain providers and negatively towards others (usually based on specific experiences).

10. **Belief that pay TV is the primary focus of a bundle.** Some consumers felt that bundling provided convenience in terms of managing their bills and their ability to speak to one provider about multiple products at the same time. This was amplified by their perception that bundling offers value for money by way of an all-inclusive deal, feeling that it is probably the cheapest option if one of the component elements of that bundle is discounted enough.

11. **Perception of broadband as functional.** Participants described feeling that their broadband serves a utilitarian purpose and engaging with their broadband package feels like 'another piece of admin', meaning they have little interest in engaging on a deeper level.

12. **Belief that changing provider may lead to worse service.** Participants described the fear of switching providers and being subsequently less happy with the service or speeds they received, and this being a factor that deters their engagement.

8.6 Behavioural factors and cognitive biases

Ambiguity aversion

Ambiguity aversion is where people are more risk averse when the risk cannot be quantified or is difficult to quantify. Consumers would rather opt for known risks over unknown risks.

Choice overload

Choice overload refers to the difficulty of making decisions when faced with a large number of options.

Continued influence effect

The continued influence effect occurs when information continues to influence someone's reasoning and decision-making even though that it is false, unfounded or unrepresentative.

Endowment effect

The endowment effect is the idea that, if given the choice between a good we own and one we do not, consumers begin with a bias towards the owned good.

Exaggerated expectation bias

Exaggerated expectation bias occurs when people expect or anticipate things to be worse than they actually are, noting evidence of this more strongly than positive evidence. It is closely linked to confirmation bias, whereby consumers unconsciously seek out evidence that confirms their views prior to evidence that might contradict it.

Inertia

Inertia is a tendency to 'do nothing' and leave a situation unchanged, often out of an unconscious desire to avoid a break with the traditional state that an individual is used to.

Loss aversion

Loss aversion encompasses the idea that when making decisions, people are more likely to prefer to avoid loss than acquire equivalent gains. Some theories of consumer choice assign approximately twice as much weight to the loss when giving up an ordinary consumer good as to the gain when acquiring the same good.

Negativity bias

Even when positive and negative experiences occur with an equal intensity, the presence of negativity bias means that individuals are more likely to be affected by the negatives: they have a greater effect on most people's psychological state or processes.

Present bias

This occurs when consumers discount future time and reward present time with a higher value.

Risk aversion

Risk aversion (linked to ambiguity aversion)is a preference for a certain outcome over an uncertain one, even if taking the uncertain route could result in an equal or better result. Ambiguity aversion is linked to this i.e. where there is a preference for known risks over unknown risks.

Salience

Salience refers to how prominent or emotionally striking something is. Consumers tend to focus on higher salience subjects and items in their day-to-day lives, often the ones with the greatest availability, rather than those which might be considered more or less important using a more objective measure.

Status quo bias

Status quo bias is the phenomenon whereby people tend to be drawn to their current position even when there are gains to be made from moving away from a default option. It is an emotional

preference for the current state of affairs. In this research, it was sometimes linked to risk aversion and loss aversion.

8.7 Stimulus materials for solutions

Data portability:

1. Explanation of data portability (face to face):

New ways of finding out about broadband packages

The government is looking at ways in which new technologies can address the challenges that consumers face in markets such as telecoms. These new technologies would make use of consumer data and could help identify what products and services would best suit that customer's needs.

For broadband, the data could include information about your:

- Current tariff
- Usage levels (e.g. how much you are downloading – which is information you would not necessarily know)
- The details of your package e.g. speed, the length and end date of the contract
- It would **not** include financial information such as bank details

One way this could work would be for your broadband provider to give you a 'code' that has information about your tariff, usage and end-of-contract information in a standard format. You could then use this code on a third-party website - such as a price comparison website - to enable you to make a comparison of current deals based on what you have and use now.

As well as having this personal information given to you (whether in the above format, or in another format), you could also choose to have this information given to a third party of your choice.

If you opted to share this information with a third party, then this could enable a broadband provider who does not supply you to offer you a broadband package that is tailored to your specific broadband usage. For example, the information might mean they can offer you an equivalent broadband speed to the one you currently receive, but at a lower price.

You could however, choose to opt out of sharing this information with third parties, but still keep the data for yourself to help you make decisions about new broadband packages.

SHOWCARD H

End-of-contract notifications (ECNs):[64]

1. Explanation of contents of letter (online):

Ofcom, the UK's communications regulator, is looking to make it compulsory for broadband providers to tell their customers when they are coming towards the end of their contract, probably between 10 and 40 days before the contract ends. The notice may include:

1. The date the contract ends
2. The services currently provided (e.g. broadband, TV, line rental) and the current monthly price paid
3. The monthly price that will come into effect once the fixed contract term ends
4. A statement that early exit fees no longer apply from the point at which the contract ends
5. Any applicable notice period
6. How to terminate the contract
7. Details of other tariffs offered by your provider which might be suitable for you.

64 Ofcom had not published its final decision on ECNs at the point we used this stimulus.

End of contract notification

Ofcom, the UK's communications regulator, has just announced that it will be compulsory from next year for broadband providers to tell their customers when they are coming towards the end of their contract. These notifications must be sent between 10 and 40 days before the contract ends. This measure is designed to help customers review whether they are on the best broadband package for their household.

This notification may include the following kinds of information:

The services currently provided

Current monthly price and price that will come into effect once the contract ends

Information on where you can find independent reviews of providers

The broadband speeds you have actually received

A statement that early exit fees no longer apply from the point at which the contract ends

Details on how to terminate your contract

Any applicable notice period

The date the contract ends

Whether or not you have to contact your provider if you want to exit the contract

Information on where you can find out what speed your household needs based on usage

The best options on offer to you from your provider, including the prices charged to new customers

SHOWCARD I

2. Explanation of information it could include and mock-up of letter from provider (face to face):

EXAMPLE LETTER

Dear Gabrielle,

Your broadband provider's logo

Your minimum contract period ends on 31st August

The minimum contract period for your broadband and landline service ends on 31st August 2019. If you do nothing, your monthly price will change from £30.99 to £35.99.

This means that from 31st August you are able to cancel or switch this service at any time without paying an early termination charge. If you still want to cancel or change your service a notice period of up to 30 days may still apply.

Current deal	**Broadband and talk**			**After 31st August**	**Broadband and talk**		
	• Line rental	£12.99			• Line rental	£12.99	
	• Broadband Unlimited	£11.00			• Broadband Unlimited	£13.00	
	• Call package – anytime	£7.00			• Call package – anytime	£10.00	
	Monthly Price	**£30.99**			**Monthly Price**	**£35.99**	

You could save yourself money by talking to us or shopping around.

You could

• Speak to us / go online to get a new deal with us

• Switch to a new provider

Yours sincerely,

Get the superfast fibre package
Includes unlimited monthly broadband and line rental. Now only £27.99 per month for 18 months.

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Tools to help consumers understand what speed they need for their household:

1. Image from a quiz (from *https://www.highspeedinternet.com/how-much-internet-speed-do-i-need*) to help users estimate the speed their household needs (online):

2. Content from Ofcom's Boost Your Broadband website (*https://www.boostyourbroadband.com/your-needs*), which is designed to help users place themselves in a category for what type of user they are (online):

Notification about cheaper tariffs in the market for those on rolling contracts:

1. Explanation of the idea (online):

   'One of the actions that Which? is interested in testing is whether Ofcom, the telecoms regulator, should send some sort of communication (e.g. letter, email) to customers who have been out of their fixed contract for a year, but have stayed with their provider and rolled it on with no changes. It would give them information about what cheaper packages are available to them from alternative suppliers and the potential savings they could make as a result of switching. This was something that was trialled for switching in the energy market, by the energy regulator Ofgem.'

2. Mock- up letter from Ofcom (face to face):

Line checks:

Definition of line checks (online):

'Before entering a new contract with a new supplier, you can ask for your line to be tested by them to see what speed you are estimated to receive at peak times and also the minimum guaranteed speed.'

Broadband Speeds Voluntary Code of Practice:

Definition of the Broadband Speeds Voluntary Code of Practice (online and face to face):

'The largest broadband providers are signed up to the broadband voluntary code. As part of this, customers are able to exit their broadband contract without penalty if the speed they are receiving is below the minimum speed that is guaranteed in their contract. In order to exit the customer has to notify their provider, who gets 30 calendar days to diagnose and fix the problem. If they can't improve the speed, then the customer can exit their contract. This also applies to any products bundled with the broadband service e.g. pay TV.'

Cooling-off period:

Definition of cooling-off periods (online):

Cooling-off periods offer customers a short amount of time to cancel their contract completely in the first few days of their subscription. The length and start date of a cooling-off period will vary between suppliers, however every provider is required to offer one. The majority of providers offer a cooling-off period of 14 days.

Customer reviews by postcode:

Question in depth interviews (face-to-face):

"How would you feel if you could look up reviews from people in your postcode area about their experience with their broadband providers? Would you use this? When?"